

Document: EB 2020/131(R)/R.15
Agenda: 5(c)(i)(a)
Date: 5 November 2020
Distribution: Public
Original: English

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Investing in rural people

Plurinational State of Bolivia

Country Strategic Opportunities Programme

2021-2025

Note to Executive Board representatives

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Executive Board — 131st Session
Rome, 7-9 December 2020

For: Review

Este trabajo está dedicado a la memoria de Enrique "Quique" Callejas,
Nuestro querido amigo y colega,
Quien hoy, para su presentación final,
No se encuentra físicamente con nosotros.

"Nunca podremos olvidarte porque fuiste una persona maravillosa,
todos los que llegamos a conocerte nos sentimos muy dichosos por todos los buenos
momentos que compartimos a tu lado,
tu sonrisa espontánea,
tu lucha por la gente del área rural
y tu amistad sincera.

Hasta luego amigo nuestro, que el Señor te tenga en su gloria"

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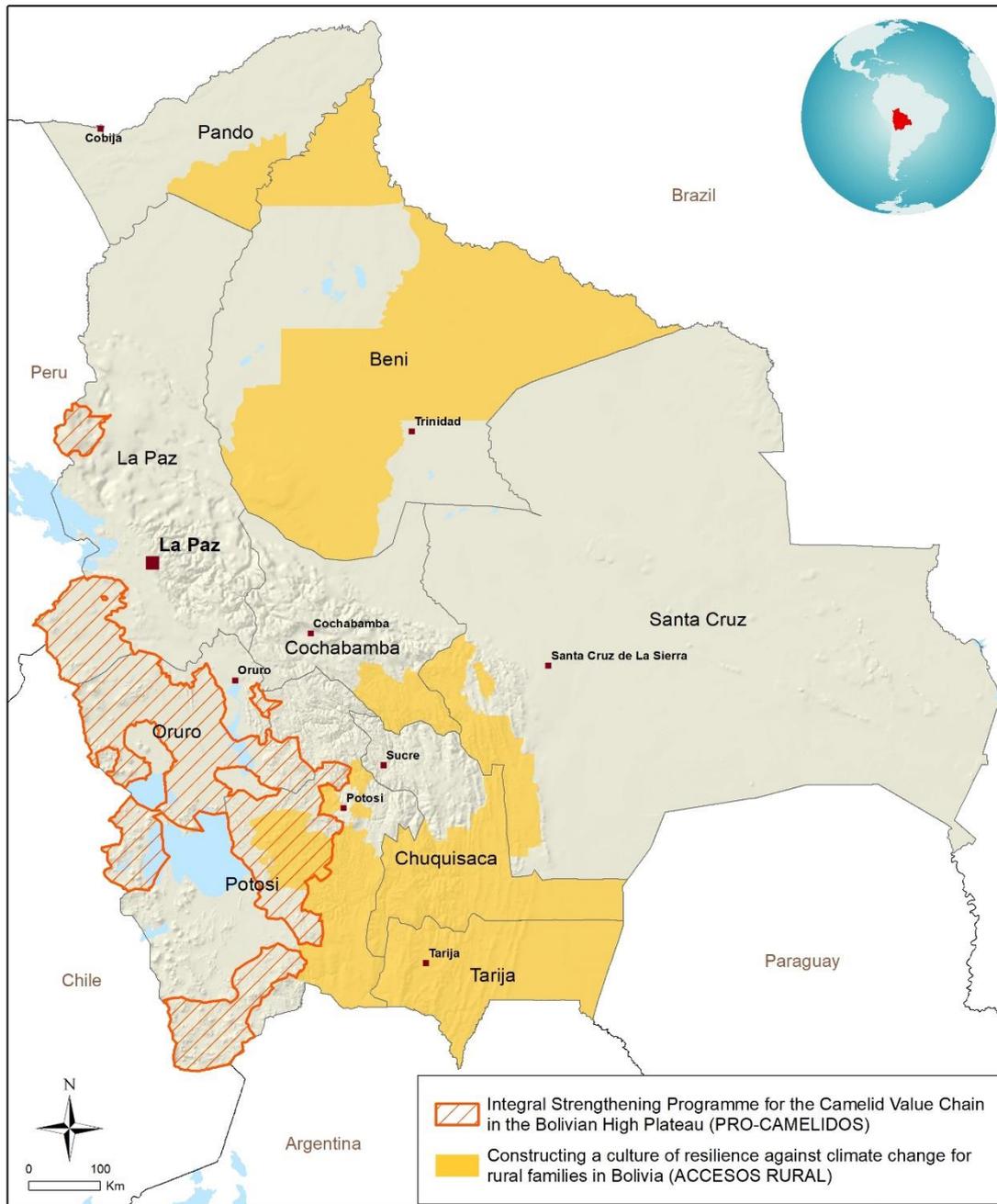
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Abbreviations and acronyms

ACCESOS Rural	Constructing a Culture of Resilience Against Climate Change for Rural Families in Bolivia Project
APMT	Plurinational Authority of Mother Earth
ASAP	Adaptation for Smallholder Agriculture Programme
COSOP	country strategic opportunities programme
FAO	Food and Agriculture Organization of the United Nations
GCF	Green Climate Fund
GEF	Global Environment Fund
SSTC	South-South and Triangular Cooperation

Map of IFAD-funded operations in the country



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

Map compiled by IFAD | 17-08-2020

Executive summary

1. After over thirty years of consecutive GDP growth (4.6 per cent annual growth over the last ten years and an increase in per capita GDP from US\$1,973 in 2010 to US\$3,591 in 2019), the Bolivian economy began to decelerate during the second quarter of 2019. This was the result of uncertainty in international markets and a political, social and economic crisis that negatively affected economic activities related to mining, natural gas and their by-products. The global crisis brought on by COVID-19 is expected to have a negative effect on growth for 2020, with the World Bank forecasting a 5.9 per cent decline in GDP. Rural poverty and extreme poverty remain high in the Plurinational State of Bolivia in comparison with urban areas (53.9 per cent and 34.6 per cent respectively).
2. The country strategic opportunities programme (COSOP) covers the period from 2021 to 2025. The completion review of the preceding COSOP (2015-2020) was conducted from October to December 2019. The new COSOP encompasses the 2019-2021 and 2022-2024 cycles of the performance-based allocation system (PBAS). Based on the current PBAS scores, IFAD funding for the two cycles (2019-2024) is estimated at US\$47.6 million.
3. The COSOP is aligned with five of the 13 pillars of the country's Patriotic Agenda 2025, which seeks to eradicate extreme poverty, improve access to health and education, and promote industrialization. Alignment by the COSOP will ensure that IFAD lending and non-lending operations will continue to support the government's investment programme and policy framework.
4. The overall COSOP objective is to support improvement in the contribution by smallholder producers to reducing rural poverty and strengthening food security at country level. The following strategic objectives have been validated, in consultation with state and non-state stakeholders at different levels:
 - Strategic objective 1: Improve the agricultural productive capacity of inclusive production systems in a way that is environmentally sustainable and resilient to climate change.
 - Strategic objective 2: Facilitate market access for competitive, sustainable and inclusive agricultural and non-agricultural products that are produced by rural smallholder producers.
 - Cross-cutting thematic areas: access to finance; improved nutrition; empowerment of women and youth; and natural resource management and climate change.
5. The target group includes the rural families of organized and non-organized smallholder producers undertaking agricultural and non-agricultural activities, characterized by low productivity and limited resilience. The target group is characterized by vulnerability in social terms (exclusion of women, youth, indigenous peoples and persons with disabilities) and in economic, environmental, climate and nutritional terms.
6. IFAD will seek collaborative actions with other development partners and with complementary financial, technical and advisory services, to leverage IFAD's more limited resources to reach the desired scales of intervention and results. The other development partners include the Organization of the Petroleum Exporting Countries Fund for International Development, the Spanish Agency for International Development Cooperation and the Helvetas Swiss Intercooperation. Partnerships are also envisaged with other United Nations agencies and development organizations, such as the International Center for Tropical Agriculture, IICA-Bolivia, Procasur, the United Nations Industrial Development Organization, the Bolivian Movement for Gastronomic Integration, the Food and Agriculture Organization of the United Nations and UN Women.

I. Country context and rural sector agenda: key challenges and opportunities

1. The Plurinational State of Bolivia covers an area of 1,098,580 km², with an estimated population of 11,653,371¹ (2020) and a population density of 10.3 inhabitants/km².
2. **Economy and poverty.**² The country has had an annual GDP growth rate of 4.65 per cent over the past 10 years,³ an increase in its per capita GDP to US\$3,591 (2019)⁴ and a decrease in its poverty rate from 51.3 per cent (2009) to 37.2 per cent (2019).⁵ This was due to favourable raw material prices in the international market. As the prices and volumes of gas exports began to fall, high levels of public spending were maintained, leading to increased public debt and gradually reduced reserves.⁶
3. The Bolivian economy began to decelerate during the second quarter of 2019, due to an uncertain international context (markets), and a political, social and economic crisis that negatively affected economic activities related to mining and natural gas.⁷ In the context of the global COVID-19 crisis, a decline of 5.9 per cent in GDP is forecast.⁸
4. Rural poverty remains high (53.9 per cent in 2018), as does rural extreme poverty (34.6 per cent),⁹ in comparison with urban poverty and urban extreme poverty rates, which are 26.1 per cent and 7.2 per cent respectively. It is anticipated that the global economic downturn caused by COVID-19 will increase poverty by up to 3.2 percentage points.¹⁰ The Gini coefficient decreased from 0.62 to 0.42 between 2000 and 2018, reflecting a decrease in inequality.¹¹
5. The GDP was affected by the political and social instability that the country experienced in the fourth quarter of 2019. The principal mandate of the transitional government is to call new general elections. However, the COVID-19 pandemic has required that this mandate be extended until the change of government and taking measures to avoid serious economic impacts.¹²
6. **Women.** The Plurinational State of Bolivia scored 0.748 on the Global Gender Gap Index in 2018¹³ (twenty-fifth out of 149 countries).¹⁴ Rural women have improved their literacy levels, legal access to agricultural land, health, political participation and participation in agriculture, but they continue to have insufficient access to investment and services.
7. **Youth.** Young people account for 23.2 per cent of the population, of which 28.9 per cent live in rural areas (National Statistics Institute, 2018). Of these,

¹ <https://www.ine.gob.bo/index.php/censos-y-proyecciones-de-poblacion-sociales/>.

² See appendix IV for detailed statistical data, in light of the present document's word limit.

³ Source for 2010-2019: <https://www.ine.gob.bo/index.php/estadisticas-economicas/pib-y-cuentas-nacionales/producto-interno-bruto-anual/producto-interno-bruto-anual-intro/>.

⁴ <https://www.ine.gob.bo/index.php/pib-departamental/>.

⁵ https://docs.google.com/viewer?url=https%3A%2F%2Fwww.ine.gob.bo%2Fwp-admin%2Fadmin-ajax.php%3Fiuwpfisadmin%3Dfalse%26action%3Dwpfd%26task%3Dfile.download%26wpfd_category_id%3D225%26wpfd_file_id%3D48206%26token%3Df697b9415ee25a2add071256de3229f2%26preview%3D1&embedded=true.

⁶ <https://www.worldbank.org/en/country/bolivia/overview>, updated in April 2020.

⁷ <https://www.ine.gob.bo/index.php/component/k2/item/3414-de-enero-a-junio-de-2019-pib-de-bolivia-registro-un-crecimiento-de-2-86-al-tercer-trimestre-de-2019>.

⁸ <https://www.worldbank.org/en/publication/global-economic-prospects>.

⁹ The 2019 analysis of Bolivia's economy by the Fundación Jubileo.

¹⁰ ECLAC (2020), *The social challenge in times of COVID-19*.

¹¹ <http://www.iisec.ucb.edu.bo/indicador/coeficiente-de-gini>.

¹² Deferral of loan repayments and tax payments, partial payments of water and electricity bills, and additional subsidies (*bonos*) for: households with children in public and private schools; the elderly, pregnant women; persons with disabilities; and people without an income (*Bono Universal*).

¹³ <https://datosmacro.expansion.com/demografia/indice-brecha-genero-global>.

¹⁴ The gender gap index analyses the division of resources and opportunities between men and women. It measures the participation gap in the economy, the skilled labour market, politics, access to education and life expectancy. <https://datosmacro.expansion.com/demografia/indice-brecha-genero-global/bolivia>.

- 77.1 per cent work in agriculture.¹⁵ The characteristics of young people vary according to region and culture, and in terms of migration and access to land. They lack educational opportunities and those for decent employment and access to economic initiatives.
8. **Indigenous peoples.** The Plurinational State of Bolivia recognizes 36 indigenous peoples, with the Aymara and Quechua peoples having the largest populations.¹⁶ Between 2001 and 2012, the number of people who self-identify as indigenous decreased from 62 to 41 per cent. Over the past 14 years, they have seen a series of socio-economic and political advances, but there have also been violations of their human rights and their right to prior consultation.¹⁷
 9. **There is insufficient information on rural persons with disabilities.**¹⁸ Persons with disabilities suffer from poverty.¹⁹ According to the 2012 census, 3 per cent of Bolivians have a disability. Law 223 (2012) guarantees persons with disabilities the full exercise of their rights in terms of access to education, health care and employment, through social programmes.
 10. **Nutrition.** According to the World Food Programme's Vulnerability Analysis and Mapping (2012), 88 per cent of municipalities have some level of food-related vulnerability. The prevalence of undernourishment decreased from 31 to 17 per cent.²⁰ However, overweight increased from 8.7 to 10.1 per cent in children under the age of five, and by 60 per cent in people over the age of 18. The Ministry of Health's Food and Nutrition Unit and the Technical Committee of the National Council for Food and Nutrition (CT-CONAN) promote nutrition-sensitive programmes and projects.
 11. **Environment and climate change.** The Plurinational State of Bolivia is exposed to risk conditions due to a combination of threats and vulnerabilities. Intense rains, droughts, hailstorms, frosts and floods are the most recurrent threats.²¹ Approximately 200 out of 339 municipalities are affected by adverse events. The Climate Change Vulnerability Index classifies the country within the "extreme" risk category.²² Climate change scenarios project direct and indirect climate change effects, in which the most affected sector would be traditional agriculture.²³
 12. **Agricultural and rural sector.** According to the last agricultural census (2013), agricultural activity generates 34.6 per cent of the country's employment. There are 871,921 agricultural production units, with 95 per cent corresponding to family farmers, who cultivate 40 per cent of the country's agricultural land,²⁴ and 5 per cent corresponding to agro-industry, which cultivates 60 per cent of

¹⁵ Agricultural Census, 2013.

¹⁶ <https://www.educa.com.bo/content/36-etnias-de-bolivia>.

¹⁷ <https://cedib.org/bolivia-reprobo-el-examen-de-derechos-humanos-de-la-onu>.

¹⁸ <https://www.paginasiete.bo/sociedad/2017/9/10/area-rural-discapacidad-senal-maldicieon-151492.html>.

¹⁹ <https://www.ohchr.org/en/NewsEvents/Pages/DisplayNews.aspx?NewsID=20393&LangID=E>.

²⁰ <http://www.observatorioagro.qob.bo/menu/principal/doc/VAM%20DOCUMENTO.pdf>.

²¹ Disaster Preparedness Programme of the European Commission Humanitarian Aid Department VIII Project, CARE/Consortium of Humanitarian Agencies in Bolivia (2014).

²² CAF. (2014). *Vulnerability index to climate change in the Latin American and Caribbean Region*. Caracas, CAF. Retrieved from <http://scioteca.caf.com/handle/123456789/509>.

²³ CEPAL (2014). *La economía del cambio climático en el Estado Plurinacional de Bolivia*.

²⁴ In the Plurinational State of Bolivia, property of a social nature has been recognized to allow access to the land by farmers and indigenous people. This type of property is made up of small property, peasant communities and indigenous territories. In all three cases, the law has provided a series of protections (unattachable, indivisible, exempt from the payment of property taxes, in addition to being imprescriptible, inalienable and irreversible when they are collective) that claim to ensure their validity over time. Regarding the form of access to new lands, as of 2007 it has been established that the existing fiscal lands in the country can only be endowed collectively, which is a direct benefit for the communities, but the procedure is long and it is seldom carried out in all its stages, generating the chaotic settlement of farmers on public lands. Formally, the legal conditions of access to land for indigenous people and farmers are favourable. There are laws that seek equitable land tenure for farmers and indigenous people in harmony with the environment. However, regulations must be developed to address the reclassification of property sizes, prior consultation, the exercise of individual and collective rights, and territorial planning, mainly. (*Las condiciones jurídicas de acceso a la tierra para campesinos e indígenas en Bolivia*), available at: <https://porlatierra.org/docs/Qodr6enB.pdf>. The entity responsible for land claims is the National Institute for Agrarian Reform.

agricultural land.²⁵ The problems affecting family farming are rooted in: (i) the low productivity and low levels of resilience of the production systems; (ii) limited access to services and markets on the part of smallholder producers; and (iii) poorly coordinated public administration. As a result, there are yield gaps of between 30 per cent and 50 per cent in most crops, in comparison to neighbouring countries.²⁶ Access to land and land rights do not constitute a limiting factor in the Plurinational State of Bolivia.

13. This situation has further deteriorated in the context of the COVID-19 pandemic. In response to this crisis, in May 2020 the transitional government – in coordination with IFAD, the Food and Agriculture Organization of the United Nations (FAO) and the Inter-American Institute for Cooperation on Agriculture (IICA) – prepared a Rehabilitation Plan for the agricultural sector, aimed at strengthening 20 vital value chains for the family food basket and exports, mitigating the social impact of unemployment and safeguarding national food security.

II. Government policy and institutional framework

14. Design of the new country strategic opportunities programme (COSOP) began under the previous Government and was consolidated during the transitional government. It is aligned with the institutional framework and policies for the agricultural sector, which continue in effect.
15. The general Economic and Social Development Plan (Patriotic Agenda 2025) seeks to eradicate extreme poverty, improve access to health and education, and promote industrialization. The COSOP 2021-2025 is aligned with 5 of its 13 pillars: eradicate extreme poverty; scientific and technological development; productive development with diversification; country-level food security; and environmental and comprehensive development.
16. Bolivia's agricultural sector operates within a broad regulatory framework.²⁷ The Ministry of Rural Development and Land takes in: (i) the Agricultural and Rural Sector Plan with Comprehensive Development for Well-being (PSARDI) 2016–2020; and (ii) the National Strategy for Agricultural Risk Management and Climate Change Adaptation for Resilient Agriculture.
17. The Ministry of Environment and Water and the Plurinational Authority of Mother Earth (APMT) jointly oversee: (i) the National Programme on Climate Change (PNCC);²⁸ (ii) the National Strategy for Land Degradation Neutrality (ENNDT);²⁹ and (iii) the Nationally Determined Contribution (NDC)³⁰ for 2015-2030.

²⁵ Agricultural Census, 2013.

²⁶ Colque, G., Urioste, M., and Eyzaguirre, J. L. (2015). *Marginalización de la agricultura campesina e indígena: Dinámicas locales, seguridad y soberanía alimentaria*. Fundación TIERRA, La Paz.

²⁷ Law on the Community-based Agricultural Production Revolution (Law 144; 2011); Law on Campesino Aboriginal Indigenous Economic Organizations and Community Economic Organizations for the Integration of Sustainable Family Farming and Food Sovereignty (Law 338; 2013); Law on School Meals in the Context of Food Sovereignty and the Plural Economy (Law 622); Framework Law on Autonomy and Decentralization (Law 031; 2010); Law on the Rights of Mother Earth (Law 071; 2010); Framework Law on Mother Earth and Comprehensive Development for Well-being (Law 300; 2012); Youth Law (Law 342; 2013); Financial Services Law (Law 393; 2013); Risk Management Law (Law 602; 2015); and Comprehensive State Planning Law (Law 777; 2016). These are gradually being implemented by the Autonomous Territorial Entities within their respective jurisdictions. The main barriers are limited technical capacities and limited resources to invest in the agricultural sector.

²⁸ Programa Nacional de Cambios Climáticos.

²⁹ Available at https://knowledge.unccd.int/sites/default/files/ldn_targets/2018-11/Bolivia%20LDN%20TSP%20Country%20Report.pdf.

³⁰ http://www.planificacion.gob.bo/uploads/3.BOLIVIA_CONTRIB.pdf.

18. The Political Constitution recognizes the rights of vulnerable groups: women, youth, indigenous peoples³¹ and persons with disabilities.³² There are specific laws for women (Law 348), youth (Law 342) and persons with disabilities (Law 223).
19. Moderate progress has been made regarding the development of an adequate policy environment for rural people, as reflected in the country's Rural Sector Performance Assessment (it ranks sixth out of 12 countries in the region).³³ However, work remains to be done on challenges related to access to water, financial policies, services and markets.

III. IFAD engagement: lessons learned

20. Based on evaluation of the COSOP 2015–2020 and lessons learned during project implementation, the following aspects have been identified for improvement and strengthening of IFAD's presence in and support to the country:
 - (i) Public-private and public-public partnerships facilitate the scaling up of investments, approaches, strategies and technologies, maximizing the impacts of programmes/projects;
 - (ii) The direct transfer of investment resources to project participants is a mechanism that generates social empowerment and co-responsibility;
 - (iii) Local counterpart funds (in cash and in kind) to cofinance natural resource management and rural businesses activities ensure local ownership;
 - (iv) For producers to compete in new markets, it is imperative that they have strategies to meet demand in terms of the quantity and quality of products (Enhancement of the Peasant Camelid Economy Support Project [VALE]);
 - (v) Talking maps are an excellent mechanism to generate community planning and consolidate demands for interventions;
 - (vi) Stable implementation teams, with clear strategies and capacities in mainstreaming themes, boost the efficiency of programme/project implementation;
 - (vii) Grants are more efficient when they complement loan financing agreements for projects/programmes (Adaptation for Smallholder Agriculture Programme [ASAP]).
 - (viii) Rigorous evaluation of impacts generates evidence of the effective contribution of programmes and projects to development indicators (Plan Vida Project).

IV. Country strategy

A. Comparative advantage

21. IFAD has the following comparative advantages in financing Bolivia's rural sector:
 - (i) moderate loan conditions compared to other agencies;³⁴
 - (ii) investments in the agricultural sector that aim to reduce poverty, improve conditions for food security and increase incomes;
 - (iii) strategies and methodologies to generate empowerment, social capital, capacities and counterpart contributions,
 - (iv) leadership in the inclusion of indigenous peoples in programmes;
 - (v) accreditation status by the Green Climate Fund (GCF);
 - (vi) investment capacity in the climate resilience of small-scale agriculture; and
 - (vii) experience in South-

³¹ The United Nations Declaration on the Rights of Indigenous Peoples was ratified by law in November 2007. Since 1991, Bolivia has been a signatory to the International Labour Organization's Convention No. 169, an international legal instrument that is specifically concerned with tribal rights and the rights of indigenous peoples.

³² This inclusion led to ratification of the Convention and its Optional Protocol in 2009, and the enactment of the Inter-American Convention for the Elimination of All Forms of Discrimination against Persons with Disabilities.

³³ *Progress report on implementation of the performance-based allocation system*, 2019. Available at <https://webapps.ifad.org/members/eb/125/docs/EB-2018-125-R-4-Add-1.pdf>.

³⁴ https://www.bcb.gob.bo/webdocs/informes_deudaexterna/Informe_Anual_2019_24012020_final.pdf.

South and Triangular Cooperation (SSTC), through a dedicated regional centre in Brasilia.

B. Target group and targeting strategy

22. **Target group.** The target group includes rural households of organized and non-organized smallholder producers undertaking agricultural and non-agricultural activities, characterized by low productivity and limited resilience. The target group is characterized by vulnerability in social terms (exclusion of women, youth, indigenous peoples and persons with disabilities) and in economic, environmental, climate and nutritional terms. A high level of participation (65 per cent) of indigenous peoples is expected, due to geographical targeting and the focus provided by the post-COVID-19 agricultural sector rehabilitation plan.
23. **Geographic targeting; targeting strategy.** The COSOP focuses on the highland region (Pro-Camélicos) and the lowland regions (constructing a culture of resilience against climate change for rural families in Bolivia [ACCESOS Rural]), in municipalities and territories that are characterized by high poverty levels, indigenous population, food insecurity and climate change vulnerability.
24. Territories will be prioritized for improvement in the productivity of crops that are key to the country's food security. Community talking maps will be used to determine specific activities.

C. Overall goal and strategic objectives

25. The overall goal is to contribute to improving the contribution of smallholder producers to reducing rural poverty and strengthening food security at the country level.
26. **Strategic objective (SO) 1: Improve the agricultural productive capacity of inclusive production systems in a way that is environmentally sustainable and resilient to climate change.** This SO will improve smallholder producers' capacities and assets, and the resilience of their production systems, to ensure country-level food security in the post-COVID-19 context. The investments will improve the efficiency of irrigation systems, with a special focus on maintenance, recovery and management of productive soil, crop management, climate change adaptation, and technical assistance for communities and municipalities. The purpose is to improve the communities' primary production and connect it to SO2 investments, to diversify the income of small farmers.
27. **SO2: Facilitate market access for competitive, sustainable and inclusive agricultural and non-agricultural products that are produced by rural smallholder producers.** This SO will strengthen the capacities of small-scale processors and their coordination with diversified markets through commercial partnerships. The investments will be centred on sustainable business plans for processing and commercialization, innovations, certifications and labelling and commercial partnerships, in partnership with public and private actors. This SO is related to SO1, as the products related to country food security will be marketed at the national level and the surplus may be exported.
28. These SOs are aligned with the three pillars of the United Nations Sustainable Development Cooperation Framework 2020-2025. The COSOP will contribute to Sustainable Development Goal (SDG) 1 (No poverty), SDG 2 (Zero hunger), SDG 5 (Gender equality), SDG 8 (Decent work and economic growth), SDG 10 (Reduced inequalities), SDG 12 (Responsible consumption and production), SDG 13 (Climate action) and SDG 15 (Life on land).
29. **Mainstreaming themes.** Mainstreaming themes take into account the participation levels and inclusion in different activities and contexts of women (which is on average 40 per cent) and young people (on average 30 per cent), as well as the recommendations of the stakeholders consulted:

- **Gender.** Promotion of women’s participation (among farmers and indigenous peoples), to strengthen their leadership capacities and inclusive enterprises and increase their access to financial and non-financial services.
- **Youth.** Promotion of youth-led participation (among farmers and indigenous peoples) in agricultural and non-agricultural enterprises. Technical assistance and investments will aim to build leadership capacities, access to information, innovations, resources and markets.
- **Nutrition.** Partnerships will be promoted with the Technical Committee of the National Food and Nutrition Council (CT-CONAN), the Bolivian Movement for Gastronomic Integration (MIGA) and the Interchurch Organization for Development Cooperation (ICCO) youth grant, to create local synergies within the framework of current policies and regulations and the response to COVID-19. These will include training and awareness-building activities in nutritional education and productive diversification.
- **Natural resources and climate change.** Partnerships will be established with the Ministry of Environment and Water and APMT to contribute to the ENNDT, PNCC and NDC commitments, in coordination with the implementing partner for the programmes and projects.

D. Menu of IFAD interventions

30. **Achieving the strategic objectives.** The proposed objectives require the strategic use of current loans (Pro-Camélidos and ACCESOS Rural) and future loans to respond to the country’s production policies, in conjunction with SSTC innovations and knowledge exchange activities.
31. **Loans and grants.** The current portfolio has one programme: Pro-Camélidos (October 2017 to December 2022; total cost of US\$38.7 million). Its objective is to improve the living conditions of rural communities, strengthen capacities in sustainable natural resource management, develop agricultural and non-agricultural enterprises, and increase financial inclusion to promote economic sustainability.
32. The ACCESOS Rural programme is currently being negotiated with the transitional government, for a total cost of US\$95.5 million (Organization of the Petroleum Exporting Countries Fund for International Development [OFID] cofinancing). This programme is expected to contribute to improving productive capacity, food security, access to markets, resilience to climate change and the sustainability of smallholder producers.
33. The current situation in the country (transitional government and COVID-19) has not made it possible to specify a new intervention for the Twelfth Replenishment of IFAD’s Resources (IFAD12); however, the Ministry of Development Planning has expressed interest in IFAD continuing to invest in rural development.
34. The Plurinational State of Bolivia has benefited³⁵ from regional grants: Back to the Roots (ICCO); Strengthening Capacities and Tools to Scale Up and Disseminate Innovations Programme (PROCASUR); and Knowledge Management to Adapt Family Agriculture to Climate Change.
35. **Country-level policy engagement.** The country has an active framework of productive policies, although they present implementation difficulties at the local level, related to territorial planning, risk management and adaptation to climate change, productive investments, and plant/animal health certification for rural enterprises. Implementation of the strategy requires actions to strengthen public policies (territorial planning, mobilization of public and private resources, and

³⁵ In addition, the following activities were supported through the Semear International grant: (i) a learning path on climate change (October 2018); (ii) Semi-arid Regions in Latin America: Youth and Agroecology (July 2019); and (iii) meeting of IFAD projects and the expanded Mercosur (September 2019), <https://coprofam.org/2019/09/17/lideres-rurales-y-gerentes-de-proyectos-de-mercosur-ampliado-reunen-con-equipo-del-fida-en-brasil/>.

support for continuous innovation and use of new technology) to assure sustainability and scale up investments. These actions include:

- Comprehensive application of a territorial and food systems approach;
 - Resource leveraging at departmental and municipal levels;
 - Strengthening coordination between the financial and rural production sectors through innovative financial products;
 - Facilitation of public-private partnerships for markets, risk management and adaptation to climate change;
 - Technical assistance to the National Agricultural Health and Food Safety Service/Ministry of Rural Development and Lands, through specific regulations to facilitate plant/animal health certification for local entrepreneurs and their coordination with formal markets; and
 - Support for technological innovations, combined with recovery and validation of ancestral knowledge, including SSTC and knowledge management.
36. **Capacity-building.** Technical assistance in production must be complemented with assistance in organizational management, access to markets and financial services. The creation of national, regional and local platforms will be promoted in order to develop institutional capacities. Information and services on the impacts of climate change will also be promoted.
37. **Knowledge management.** The programmes will continue to include defined activities and resources to capture lessons and share knowledge, through partnerships with the International Center for Tropical Agriculture, IICA-Bolivia, PROCASUR, the United Nations Industrial Development Organization, MIGA, Helvetas Swiss Intercooperation and UN Women. The lessons learned and knowledge generated will be systematized, with the support of the SSTC and Knowledge Centre for Latin American and the Caribbean (LAC).
38. **South-South and Triangular Cooperation.** SSTC will focus on: generating knowledge and capacities to address climate change; exchanging technology and good practices to improve agricultural productivity; expanding rural smallholder producers' access to more formal markets; and creating new investment opportunities. IFAD's SSTC and Knowledge Centre for LAC will support, in liaison with regional cooperation agencies and with IFAD's other SSTC and Knowledge Centres in Africa and Asia, and will coordinate the regional knowledge management initiatives (appendix VII).
39. **Communication and visibility.** In accordance with LAC's communication strategy, IFAD's communication team will support the use of IFAD's and other partners' platforms and social media to disseminate programme results and achievements. The main actions include the preparation of books and other publications, the organizing of press events and hackathons, and the production of videos and articles related to IFAD's mainstreaming issues.

V. Innovations and scaling up for sustainable results

40. **Innovations.** Building on previously developed innovations, the new COSOP will promote new ones focused on: the adaptation of information and communications technologies; the promotion of commercial partnerships in rural businesses (women and youth); innovations in information systems for the provision of services to increase the competitiveness of smallholder producers; and the implementation of rigorous impact assessments.
41. **Scaling up.** The IFAD portfolio planned for the COSOP is the continuation of Pro-Camélidos (and its possible expansion due to the interest expressed by ANAPCA)³⁶

³⁶ National Association of Camelid Producers.

and the expansion of the Economic Inclusion Programme for Families and Rural Communities in the Territory of the Plurinational State of Bolivia (ACCESOS) with a new ACCESOS Rural. Lessons learned from IFAD's previous interventions provide the basis for a scalable adaptation, expansion and replication model. IFAD will identify strategic partnerships to create synergies that support scaling up. Additional resources are important for climate change adaptation and mitigation, such as the Enhanced Adaptation for Smallholder Agriculture Programme (ASAP+) (for the new ACCESOS Rural project), the GCF and the Global Environment Fund (GEF), as well as other funds to strengthen post-COVID-19 investments. The programme will be linked to regional grants to generate innovations around shared territories and climate change.

VI. COSOP implementation

A. Financial envelope and cofinancing targets

42. **IFAD financing.** Pursuant to the performance-based allocation system, the Plurinational State of Bolivia received an allocation of approximately US\$23.6 million for IFAD11 (2019-2021). Under the current eligibility and allocation parameters, it will remain on the list of eligible countries for the IFAD12 cycle, with a similar allocation of US\$24.0 million (appendix II). Based on this assumption, and considering the country's financial context, table 1 presents a financing estimate under the new country strategy.

Table 1

IFAD financing and cofinancing of ongoing and planned projects
(Millions of United States dollars)

Project	IFAD financing	Cofinancing		Cofinancing ratio
		Domestic	International	
Ongoing				
Pro-Camélidos	17.9	20.9	-	
ACCESOS Rural	23.0	24.7	25.0	
Planned				
New international finance operation	24.0	20.0	10.0	
Total	64.9	65.6	35.0	1:1.6

43. **National and international cofinancing.** National cofinancing will likely be similar in the base scenario, but subject to change in the high and low scenarios. Beneficiary contributions (generally 30 per cent of investments) will probably decrease in the base and low scenarios. Green financing will have a high priority, and the GCF country plan, submitted by the government to the GCF Board, includes actions described in the COSOP.
44. **Loan conditions.** Despite having a per capita GDP of US\$3,370 (Atlas method, 2018), which is close to the current upper-middle-income country threshold (US\$3,995), the crisis caused by COVID-19 will probably affect the country's growth during the first years of the next COSOP period. As a result, it is anticipated that loan conditions will remain unchanged during the IFAD12 cycle.

B. Resources for non-lending activities.

45. Two regional grants are currently under way: (i) the Back to the Roots Project (US\$0.5 million), aimed at linking rural smallholder producers with new markets through gastronomy; and (ii) a research project on the use of conservation agriculture in livestock systems (US\$2.5 million). In partnership with IICA, IFAD launched Knowledge Management for the Adaptation of Family Farming to Climate Change (September 2019) for seven countries in the region, including the Plurinational State of Bolivia. More recently, two regional grants were approved, focusing on youth, technology and gastronomy, and using the Rural Poor Stimulus Facility focusing on virtual technical assistance and e-commerce.

46. Management of the following grants is also planned: (i) an ASAP+ grant for the new ACCESOS Rural project to strengthen investments in adaptation to climate change; and (ii) a GCF grant for a regional programme for the Gran Chaco region. These grants will aim to strengthen the results of existing and future programmes as well as contribute to the COSOP's two strategic objectives.

C. Key strategic partnerships and development coordination

47. Post-COVID-19 economic contraction will particularly impact smallholder agriculture, which provides 80 per cent³⁷ of the food for Bolivian families. In a context of a shortage of resources in public spending and private investment, strategic partnerships and effective coordination among partners are critical. Four areas will be prioritized:
- (i) **Leveraging resources** with the Spanish Agency for International Development Cooperation (cofinancier of ACCESOS) and OFID (cofinancier of ACCESOS Rural). Resources will be mobilized from the GCF and GEF to improve resilience and climate change adaptation and mitigation, in coordination with the Ministry of Development Planning and the Ministry of Environment and Water as the corresponding focal points.
 - (ii) **Technical complementarity** with the Swedish International Cooperation Development Agency, the Swiss Agency for Development Cooperation (SDC), IICA, FAO and the World Food Programme. Complementarities will be sought: with public partners such as the Ministry of Environment and Water and the APMT on issues related to climate change; with CT-CONAN on nutrition; and with the Vice-Ministry of Equal Opportunities on gender and youth.
 - (iii) **Implementation of the country programme.** The main partner is the Ministry of Rural Development and Lands. The Ministry of Productive Development and the Plural Economy and the Ministry of Environment and Water are potential partners, while the Ministry of Development Planning will facilitate fiscal space for programme/project implementation and is responsible for the integration, monitoring and control of public spending.
 - (iv) **Contribution to public policy dialogue with other actors.** IFAD will collaborate with other technical partners to contribute to the programme's sustainability and to improvement of the current public policy framework related to regulations that can boost production chains and the post-COVID-19 agrifood sector.
48. **United Nations Development Assistance Framework (UNDAF).** UNDAF 2018-2022 is aligned with national and international development priorities: the Patriotic Agenda 2025, the Economic and Social Development Plan 2016-2020 and Agenda 2030. The COSOP is aligned with UNDAF's area 2: Integral Development and Plural Economy, since IFAD is one of the few partners providing rural investment opportunities to the government. The COSOP midterm review will provide an opportunity to review this alignment, since the UNDAF will be updated in 2021.

D. Beneficiary engagement and transparency

49. **Beneficiary engagement.** A close relationship will be maintained with productive organizations for the management of the financial counterparts to be effective, ensuring the sustainability of initiatives and increasing the effectiveness of national, departmental and municipal policies based on lessons learned.
50. **Transparency.** Accountability processes will be promoted and supported with other agencies like the World Bank, especially in the areas in which IFAD's partner implementing agency will publicly present annual results, which is standard in the Plurinational State of Bolivia. Furthermore, a closer relationship will be fostered

³⁷ See: <https://cipca.org.bo/noticias/avanza-la-estrategia-nacional-de-agricultura-familiar-de-bolivia#:~:text=Theodor%20Fiedrich%2C%20representante%20de%20la,madre%20tierra%20y%20de%20la>.

with the Office of the Comptroller General of the State and with ministerial anticorruption units. Within the programmes, social accountability measures will be strengthened with regard to the resources received by users, through social control by their communities.

E. Programme management arrangements

51. The COSOP 2021-2025 will be managed under the direction of the IFAD Country Office, through the Country Director, and supported by the subregional office in Peru. This will allow continual interaction in knowledge management and the exchange of good practices between all of the subregional operations.
52. The management, implementation support and supervision of the country portfolio will be the responsibility of the Country Director and country team, in collaboration with the Government and strategic partners such as the World Bank. The country team is composed of external consultants specialized in a variety of thematic areas, with the support of the Regional Hub for SSTC (in Brasilia) and of regional technical specialists based in the subregional offices in Lima and Panama.

F. Monitoring and evaluation

53. The COSOP's results framework includes measurable results indicators. All projects provide inputs at the results and output levels for consideration in the corresponding evaluations and to be reported through the COSOP indicators. The data will be disaggregated by sex, age and target group.
54. Monitoring and evaluation (M&E) will encompass: (i) monitoring the progress achieved towards the output/outcome indicators of the projects/programmes being implemented; (ii) the COSOP's midterm review; and (iii) a final evaluation at the end of the implementation period. IFAD will support M&E systems through using information and communications technology to improve information management and digital reporting.

VII. Risk management

Table 2

Risks and mitigation measures

<i>Risks</i>	<i>Risk rating</i>	<i>Mitigation measures</i>
Political/governance	High	<ul style="list-style-type: none"> • Policy dialogue, capacity-building and technical assistance for the implementing partner. • Ongoing coordination with other cooperating entities. • Communication with different political actors to ensure implementation. • Proactive communication after change in authorities, to ensure continuity.
Macroeconomic (COVID-19)	High	<ul style="list-style-type: none"> • Promote investments for the recovery/maintenance (in light of COVID-19) and improvement of agricultural productivity and diversification, protecting the sustainability and resilience of agrifood systems. • Ensuring environmental, social, climate and nutritional safeguards in new initiatives.
Sector strategies and policies	Medium	<ul style="list-style-type: none"> • Support the implementation of policies and guidelines that support smallholder agriculture to strengthen actions and investments. • Incorporate private actors linked to markets, in policy dialogues and guidelines.
Institutional capacity	Medium	<ul style="list-style-type: none"> • See to it that programme/project staff is hired by external entities, so as to ensure professional quality. • Training events and exchanges of experiences to strengthen the capacities of programme/project staff. In conjunction with institutional allies, strengthen the capacities of autonomous territorial entities in territorial planning, production and resilient investments.
Portfolio	Medium	<ul style="list-style-type: none"> • Ongoing support and training for administrative and financial staff. • Monitoring of the recommendations of missions and support to programme/project implementation.
Fiduciary – financial management	Medium	<ul style="list-style-type: none"> • Close support and training for procurement staff.

		<ul style="list-style-type: none"> • Constant monitoring of agreements or recommendations arising from supervision and support missions.
Fiduciary – procurement	Medium	<ul style="list-style-type: none"> • Project implementation manuals will include specific details about project management unit staff. • Close follow-up of audit processes. • A working group will be set up with other donors to coordinate fiduciary support.
Environment and climate	High	<ul style="list-style-type: none"> • Integration of climate change adaptation and mitigation measures. • Creation of technical dialogue spaces with allies, on measures and methodologies to contribute to the Intended Nationally Determined Contributions. • Support the Government in seeking additional financial resources (ASAP+, GCF, GEF).
Social (COVID-19)	High	<ul style="list-style-type: none"> • Support the inclusion of women and youth in the different initiatives, through health education and public health processes. • Support the creation of economic opportunities for vulnerable groups (women, youth, indigenous peoples and persons with disabilities), to invigorate economies and reduce outmigration.
Overall	Medium	

COSOP results management framework

Country strategy alignment What is the country seeking to achieve?	Related SDGs and UNDAF	Key COSOP results			
	Outcomes	Strategic objectives	Lending and non-lending activities For the COSOP period	Outcome indicators	Milestone indicators
Laws: 144, 300, 602, 777 PDES 2016-2020 · Pillar 1. Eradicate extreme poverty in its material, social and spiritual dimensions. Advance towards significantly reducing poverty in the territorial jurisdictions that continue to lack different types of services.	SDG 1:	General objective: Help to improve the contribution of smallholder producers to reducing rural poverty and strengthening food security with at the country level.		<ul style="list-style-type: none"> Total number of people to be reached, disaggregated by gender, youth and indigenous peoples % of resources that target climate change adaptation and resilience measures Mobilisation of resources for investments generated by strategic partnerships 	
<ul style="list-style-type: none"> Pillar 4. Scientific and technological sovereignty. Capacity to develop knowledge and technology in strategic, productive and service-related areas, complementing traditional knowledge with modern science in an inter-scientific dialogue. Pillar 5. Community and financial sovereignty. Seeks to consolidate fair markets in the country, as the foundation of a fair economic model for producers and consumers, facilitating the mass distribution of strategic foods at a fair weight and price in benefit of the population. 	SDGs 1, 2, 5, 10, 12, 13, 15 UNDAF - Area 2 PDES Pillars 4, 6, 8, 9	Strategic objective 1: Improve the agricultural productive capacity of inclusive production systems in a way that is sustainable and resilient to climate change.	Lending/investment activities <ul style="list-style-type: none"> Ongoing: PROCAMÉLIDOS Indicative: ACCESOS RURAL Non-lending/non-project activities <ul style="list-style-type: none"> Policy Dialogue for Rural Transformation Rural Young People ASAP+ IFAP INNOVA SSTC activities 	<ul style="list-style-type: none"> Percentage of people/households reporting the adoption of practices and technologies that are environmentally sustainable and resilient to climate change (3.2.2 RIMS) Percentage of people/households reporting less water shortages for production needs (1.2.3 RIMS) Percentage of women reporting an improved diet Percentage of people/households reporting having achieved increased production (1.2.4) Number of tonnes of greenhouse gas emissions (CO2) avoided or sequestered 	<ul style="list-style-type: none"> Number of hectares of land managed considering climate change resilience (3.1.4) Number of hectares of agricultural land with water infrastructure built/rehabilitated (1.1.2) Percentage of people/households that received specific support to improve their nutritional status (1.1.8). Number of people trained in production practices and/or technologies (1.1.4) Number of groups receiving support to sustainably manage natural resources and climate-related risks (3.1.1) Number of people receiving climate information services (3.1.2)

				<ul style="list-style-type: none"> Number of SSTC exchanges and/or activities focusing on the productivity and sustainability of agrifood systems 	<ul style="list-style-type: none"> Number of groups receiving support and strengthening their capacities in areas related to sustainability and productivity through SSTC actions
<ul style="list-style-type: none"> Pillar 6. Productive sovereignty with diversification. Seeks to: (i) strengthen productive diversification in the framework of the plural economy, with a clear focus on incorporating greater value added; (ii) promote creative and sustainable economies of knowledge, beyond exploiting and processing natural resources; and (iii) incorporate products made in Bolivia in the domestic market, substituting imports, and high-quality domestic products in the international market. Pillar 8. Food sovereignty. Achieve food security with sovereignty through actions that consider the different dimensions of nutrition, including strengthening sociocultural factors, overcoming sociocultural limitations to food consumption, purchasing power, the accessibility and quality of food, and the development of a strong production system. Pillar 9. Environmental sovereignty with integral development. Environmental vision within the framework of managing Mother Earth's living systems, as an approach and tool for decision-making on actions that must be promoted to achieve integral development in harmony with Mother Earth. 	SDGs 5, 8, 10, 12 UNDAF - Area 2 PDES Pillars 4, 6, 8,9	Strategic objective 2: Facilitate market access for competitive, sustainable and inclusive agricultural and non-agricultural products produced by rural smallholder producers.	Lending/investment activities <ul style="list-style-type: none"> Ongoing: PROCAMÉLIDOS. Indicative: ACCESOS RURAL Non-lending/non-project activities <ul style="list-style-type: none"> Policy Dialogue for Rural Transformation. Rural Young People. ASAP+ IFAP INNOVA SSTC activities 	<ul style="list-style-type: none"> Percentage of people/households reporting improved access to commercialisation, processing and storage facilities (2.2.6) Percentage of supported rural businesses reporting increased earnings (2.2.2) Percentage of rural producer organisations that have established formal partnerships/agreements or contracts with public or private entities (2.2.3) Percentage of rural producer organisations reporting increased sales (2.2.5) Percentage of people/households reporting the use of rural financial services (1.2.5) Number of SSTC exchanges and/or activities focusing on commercialisation and access to markets 	<ul style="list-style-type: none"> Number of commercialisation, processing and storage facilities built or rehabilitated (2.1.6) Number of rural businesses accessing business development services (2.1.1) Number of people trained in income-generating activities or business management (2.1.2) Number of rural producer organisations supported (2.1.3) Number of people in rural areas accessing any type of financial services (savings, credit, insurance, remittances, etc.) (1.1.5) Number of people in rural areas trained in financial literacy or in the use of financial products and services, or in both (1.1.7) Number of groups receiving support and strengthening capacities in areas related to commercialisation and access to markets through SSTC actions.

Transition scenarios³⁸

1. **General information.** Bolivia has had an average annual GDP growth of 4.65 per cent during the past 10 years, which has led to an increase in per capita GDP (Atlas method, US\$ at current prices) from US\$1,973 (2010) to US\$3,591 (2019) and a reduction in poverty from 51.3 per cent (2009) to 37.2 per cent (2019).³⁹ However, after 34 years of constant economic growth, it is expected that the global economic recession brought on by the COVID-19 pandemic and the collapse in primary product prices will lead to a contraction in GDP of between 2.9 per cent and 3.4 per cent in 2020. The World Bank and International Monetary Fund (IMF) project a rapid recuperation in 2021, with average GDP growth of 3.5 per cent in the following years. The country's low level of economic diversification (ECI value: -1.01; rank of 112 out of 133) makes it highly dependent on the recovery of primary product prices (see table 1). Although Bolivia still has some borrowing capacity (57.4 per cent of GDP; 2019) and low inflation (1.8 per cent; 2019), the country has had an average fiscal deficit of -7.3 per cent in the past three years and a recent history of political instability. Measures taken to recover from the economic crisis should stabilize these key variables. As a result of the abovementioned problems, in November 2019 the sovereign risk was reduced from BB- to B+ (Fitch).

Table 1

Reduction in the prices of Bolivia's main exports

<i>Product</i>	<i>Percentage of total exports</i>	<i>Price variation: Apr/20 vs. Dec/19 (%)</i>
Natural gas	32.1%	-26.9%
Zinc	16.6%	-26.4%
Gold	13.0%	-0.4%
Silver	6.4%	-24.6%
Tin	4.5%	-24.2%

Source: Compiled by authors with IMF data (2020), World Economic Outlook, April 2020: Chapter 1.

The following three scenarios are being contemplated for the 2021-2025 period:

2. **Base scenario:** the base scenario assumes a slow global recovery that begins in the fourth quarter of 2020 and a slow recovery in the main prices of basic products in 2021, with a return to 2019 price levels and relative price stability during the remaining COSOP period. The country's political scenario remains relatively stable, with minor changes in macroeconomic policies. Other countries in the region have a similar, although slower, recovery. Public debt increases in 2020 and 2021 to 70 per cent of GDP, and then continues to grow at a slow rate to reach 75 per cent in 2025. (Real) GDP growth begins to recover in 2021 to 3.7 per cent and continues to grow, with a decreasing trend in following years, at an average of 3.2 per cent. Public spending continues to be high, but the fiscal deficit decreases to 3.2 per cent (average).
3. **High scenario:** this scenario is based on a slow global recovery that begins in the third quarter of 2020 and a slow recovery in the main prices of basic products in 2021, with a return to 2014 price levels during the remaining years of the COSOP period. The country's political system remains stable with limited variability in

³⁸ Data is taken from IMF Country Report No. 18/379 (2018); World Bank (2020), *The Economy in the Time of COVID-19*, April 2020; and Economic Intelligence Unit Country Report (April 2020). Projections are the authors' own estimates based on IMF (2020), *World Economic Outlook* data.

³⁹ Source for 2010-2019: <https://www.ine.gob.bo/index.php/estadisticas-economicas/pib-y-cuentas-nacionales/producto-interno-bruto-anual/producto-interno-bruto-anual-intro/>.

macroeconomic policies, and other countries in the region experience similar recovery patterns. Public debt increases to 65 per cent of GDP in 2020 and 2021, and then decreases to 58 per cent by 2025. (Real) GDP growth recovers in 2021 to 4.1 per cent and continues to grow in a decreasing pattern in the following years by an average of 3.8 per cent. Public spending continues to be high, but the fiscal deficit decreases to 0.5 per cent (average).

4. **Low scenario:** this scenario is based on the COVID-19 pandemic extending until the end of 2020, with a slow global economic recovery that begins during the third quarter of 2021. Primary product prices remain low during 2021 with a slow return to 2019 prices in the final years of the COSOP period. The country's political system is unstable with periods of civic unrest and strong variability in macroeconomic policies. Other countries in the region experience similar trajectories of slow economic recovery. Public debt increases during 2020 and 2021 to 75 per cent of GDP and continues to grow to 90 per cent by 2025. (Real) GDP growth recovers in 2021 to 1.8 per cent and continues to grow regularly in the following years by an average of 2.1 per cent. Public spending continues to be high and the fiscal deficit remains at its current level of -8.0 per cent (average).
5. **Implications for IFAD programme.** The many uncertainties existing at the time of this analysis make it particularly difficult to predict the country's performance during the COSOP period. The three main variables that are expected to affect the base scenario are: (i) the depth and duration of the COVID-19 crisis; (ii) fluctuations in the prices of basic products; and (iii) the stability of the political context and public and macroeconomic policies.
6. **Loan terms and conditions.** It is anticipated that the country will continue to be a lower-middle-income country (current threshold: US\$3,995 GDP per capita, Atlas method) during the IFAD12 cycle, which could change (in the base and high scenarios) to upper-middle-income country in the final year of the COSOP period. It is anticipated that loan terms will remain the same during the IFAD12 cycle (loans on ordinary terms with maturity premium exemption) and probably also during the IFAD13 cycle.
7. **Performance-based allocation system (PBAS).** It is likely that the conditions for eligibility and the PBAS allocations will continue to be similar during the COSOP period: (i) the country only has one ongoing project (termination date: June 2022), with another currently being negotiated; (ii) Bolivia is the poorest country in South America (excluding Venezuela, currently suspended, and the Guyanas); and (iii) it is likely that the Rural Sector Performance Assessment indicators (4.0 for 2018) will improve, although at a slower rate than in other countries. According to the current eligibility and allocation criteria, it is likely that Bolivia will remain on the list of countries eligible for the IFAD12 cycle with a similar allocation of US\$24.0 million (depending on the results of the replenishment). Although a high scenario could result in a small reduction of the PBAS allocation, it is unlikely that a low scenario will result in an increased allocation (a low scenario assumes a similar impact on other countries).
8. **COSOP priorities and outputs.** It is likely that countries' overall priorities will continue to be similar during the first years of the COSOP period: (i) post COVID-19 crisis economic recovery; (ii) improved food security; (iii) improved productivity with a strong focus on climate change resilience, adaptation and mitigation; (iv) improved access to markets; and (v) creation of decent rural jobs with special attention to rural youth. The changes in the political scenario will probably alter the focus themes. In a low scenario, the focus will likely remain be on the first three priorities, while a high scenario would drive the last two priorities. Actions that are not linked to loans (for example, reimbursable technical assistance) appear to be unlikely in a base or low

scenario. The focus and priorities of SSTC will likely change according to the political scenario.

9. **Opportunities for cofinancing and partnerships.** It is likely that internal cofinancing (1:0.82 in the last three approved projects) will continue to be similar in the base scenario, but very variable in both the high and low scenarios. Beneficiary contributions will likely decrease in the base and low scenarios. International cofinancing (1:0.28 in the three last approved projects) and opportunities for partnerships will be very affected by the different possible scenarios. In a high scenario, the potential number of partners in the country will continue to be small. In a low scenario, an increase is anticipated in the number of potential partners in the country but, simultaneously, borrowing capacity will be low. Green financing will probably be prioritised in the medium and low scenarios. The country's focus in regard to the use of multiple financing sources in the same investment (limited under the current COSOP) could change depending on the political scenario.

Table 2

Projections for the principal macroeconomic and demographic variables

<i>Variable</i>	<i>Base</i>	<i>High</i>	<i>Low</i>
Average GDP growth (2021-2025)	3.3%	3.9%	2.0%
Per capita GDP (Atlas method, current US\$, 2025)	4,312	4,920	3,550
Public debt (% of GDP) (2025)	75%	58%	90%
Debt service ratio (2015)	9.6%	7.4%	18.5%
Inflation rate (%) (2021-2025, average)	3.0%	1.8%	4.8%
Rural population	2018: 3,471,223 (30.6% of the total population) 2025: 3,593,591 (28.9% of the total population) Average growth rate: 0.5% (average)		
Investment climate for rural businesses	3/6. Bolivia has different rural entrepreneurship programmes, but none of them are national in scope and they depend to a great extent on international financing. Limited financial access and deficient infrastructure continue to be significant barriers for rural small businesses. The access to main markets or external markets is limited. Extension services are limited and irregular, and some key public institutions have limited capacity to support producers and entrepreneurs.		
Vulnerability to shocks	4/6. Bolivia's economy is of limited complexity and highly dependent on primary products, with a very high fiscal deficit. The country ranks 28th of 181 countries according to the Global Climate Risk Index. Political unrest has been relatively frequent, and it is likely that the country's high levels of polarisation will continue to be a problem during the COSOP period. It is also likely that the poor quality of the health system will increase the effects of COVID-19 in the country.		

COVID analysis and mitigation measures**Economic impact of COVID-19**

- As presented in appendix II (Transition Scenario), the crisis linked to the COVID-19 pandemic is expected to have a significant impact on Bolivia as a result of the country's low level of economic diversification and high reliance on raw material exports, the high level of informality, and the health system's limited capacity to deal with the significant impacts of the pandemic.
- The country's exports are very concentrated on natural gas and minerals. The global recession has significantly impacted both the demand and the prices for the country's main export products. Five products comprise 73 per cent of the country's exports (natural gas, zinc, gold, silver and tin), and their prices fell by an average of 20.5 per cent between December 2019 and April 2020.

3. Secondly, the economic recession has been significantly affected by high levels of informality. According to the IMF (2017),⁴⁰ Bolivia has the highest level of economic informality in the world (62.3 per cent; the study is based on 158 countries). Limited taxation and social security systems linked to formal work have contributed to the inability of mitigation measures to reach the entire population. Furthermore, low levels of connectivity (less than 3 per cent of the lowest quintile, and only 33 per cent of the wealthiest quintile) have represented a barrier to the adoption of sustainable teleworking measures.
4. Lastly, as of June 30, Bolivia had reported 33,200 cases and 1,120 deaths linked to COVID-19. Bolivia is the sixth country in the region with the lowest ratio of hospital beds per inhabitant (1.1/10,000 inhabitants), and the country has only 1.6 doctors per 10,000 inhabitants. Several reports have indicated that the healthcare system has been saturated since the second week of June. The limited response capacity of the healthcare system to the pandemic leads to the belief that the state of emergency will be prolonged, limiting the capacity for economic recovery.
5. Moreover, the regional panorama is not conducive to a prompt recovery. According to World Bank estimates (June 8), the region will experience a recession of 7.2 per cent; the magnitude of the crisis is comparable to the Great Depression of 1930 and it is anticipated that it will become the worst economic crisis in the region's history. In South America, exports will contract by 17.6 per cent due to the decrease in prices (11.6 per cent) and volumes (6 per cent). It is expected that poverty will affect approximately 220 million people (34.7 per cent) and extreme poverty will affect 83 million (13.5 per cent). This implies a regression in the progress made over the past 13 years that will not be overcome until 2040.
6. As a result of this, after 34 years of constant economic growth, the World Bank projects that Bolivia's GDP will contract by between 2.9 per cent and 5.9 per cent in 2020 as a result of the global economic recession brought on by the COVID-19 pandemic and the collapse of primary product prices. The national budget (calculated based on an oil price of US\$51/barrel) will have to be drastically reduced, thus limiting the use of public spending to counter the crisis.
7. Consequently, the Economic Commission for Latin America and the Caribbean (ECLAC)⁴¹ estimates that extreme poverty will increase from 14.3 per cent in 2019 to between 15.4 per cent and 16.7 per cent in 2020, and that poverty will increase from 32.3 per cent in 2019 to between 33.6 per cent and 35.5 per cent in 2020. Another clear sign of the pandemic's effects on the country has been the increase in the unemployment rate, which rose from 5.7 per cent to 7.3 per cent between March and April of the current year.

IFAD contributions during and post COVID-19

8. In the short term, IFAD has worked with the Government of Bolivia to adapt the ongoing programme (PROCAMÉLIDOS) to the economic and health crisis. Work has been done to adapt implementation strategies to allow continued investments in communities and implementation of business plans. This has been critical in a context of drastically decreasing domestic demand and severe restrictions to commercialisation due to limited transportation.

⁴⁰ IMF (2017), *Shadow Economies Around the World: What Did We Learn Over the Last 20 Years?*

⁴¹ECLAC (2020), *El Desafío Social en tiempos del COVID-19*.

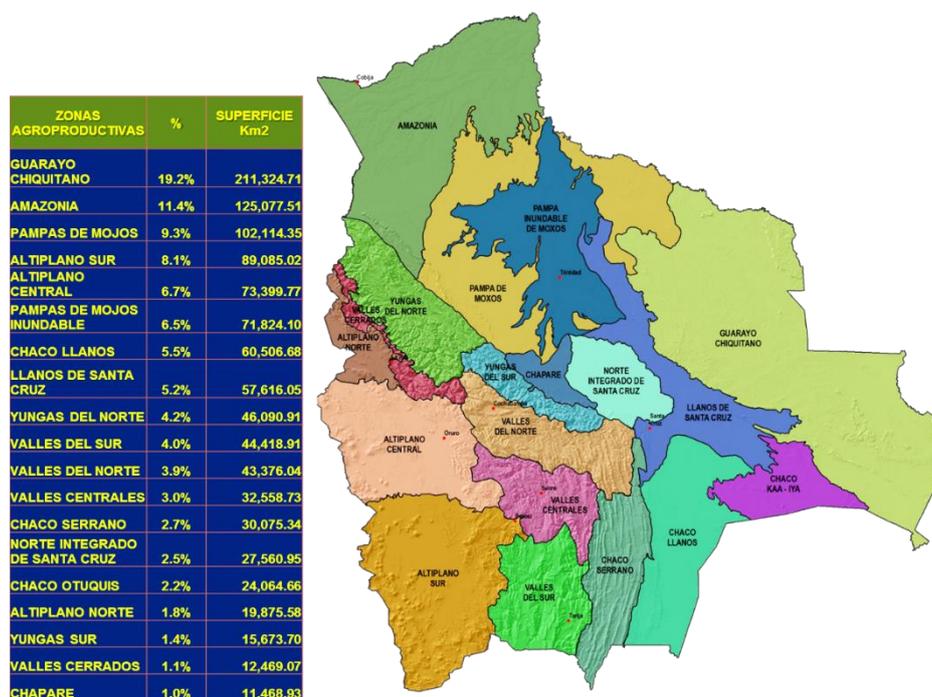
9. In addition, a reduction in cash counterpart contributions was approved for the project's participants, from 30 per cent to 20 per cent, to adapt and ensure the participation of the most vulnerable populations. However, maintaining counterpart contributions demonstrates the programme's ownership and relevance.
10. The programme has also increased budgetary allocations to commercialisation activities, to counter the decrease in demand. In this sense, the programme has focused on sustaining and expanding producers' access to trade fairs and has developed actions for the massive dissemination of products.
11. The programme has adopted and implemented biosecurity protocols for office work and field work.
12. IFAD (with FAO and IICA) has also been a key actor in the elaboration of the MDRyT's "National Response and Recovery Plan for the Agricultural Sector to the Effects of COVID-19". IFAD, through its Country Director, is part of the International Cooperation Strategic Roundtable and it has coordinated the cooperative work. This work establishes short-, medium- and long-term actions to decrease the impact of the pandemic and prepare the agricultural sector's recovery, and it focuses on 20 value chains that are considered vital due to their contribution to the family basket and/or the country's exports.
13. Lastly, it is anticipated that, in the long term, the IFAD operation that is currently being negotiated (ACCESOS RURAL), although designed before the crisis, will contribute to national economic recovery policies. The focus of this programme is on environmental resilience; therefore, it has a significant adaptation capacity to generate mechanisms that can respond to other types of shocks affecting smallholder producers.
14. The new designs must increasingly consider the generation of rural employment, especially for women and youth. Similarly, the current crisis has evidenced the need to increase capacities in innovation, technology and digitalisation in order to face future junctures that may be similar to the present one.

Agricultural and rural sector issues

Characteristics of the agricultural sector

1. **Production zones.** Bolivia has five macroregions: highlands, Chaco, tropical plains, valleys and Amazon. As this division was inadequate for the purposes of planning and supporting the agricultural sector, the country was further divided into 19 agro-production zones that are related to primary production (MDRyT, 2012). According to this zoning, the largest area is the Guarayo Chiquitano (19.2 per cent of the Bolivian territory). The departments of La Paz and Cochabamba have the most production zones and a significant variety of ecological floors.

Figure 1. Distribution of agro-production zones in Bolivia



Source: VDRA-MDRyT (2014)

2. **Domestic agricultural production.** According to Prudencio (2017), domestic agricultural production increased by 42 per cent between 2005 and 2015 (from 12,141,881 MT to 17,240,340 MT). There were large increases between 2005 and 2006, and between 2008 and 2009, and some stagnation between 2009 and 2010, and between 2011 and 2012. The products showing increasing trends are soy (2005-2006 and 2013-2014); sunflower (2013-2014); quinoa; grain sorghum; and, in recent years, wheat (2014-2015). The products that show a decreasing trend are some cereals (rice, barley), coffee, plantains, some vegetables (garlic in recent years), and sesame, in industrial products; and yucca, in tubers and roots. According to INE (2017) the most important ancestral agricultural products being cultivated include potatoes, maize grain, yucca, beans/kidney beans, quinoa and peanuts. Primary and secondary products have the greatest weight in the Consumer Prices Index (Cortez, 2014) and are monitored by the Agro-environmental and Production Observatory (OAP)-MDRyT.
3. **Production systems.** Based on the characteristics of production systems (availability of water, soil quality, aridity), it is evident that the potential of the different municipalities varies according to the type of crops that exist in the region (table 1).

Table 1. Agricultural potential in Bolivia's agro-production zones

Macroregion	Agro-production zones	Potential area (ha)	Production potential		
			High	Medium	Low
Highlands	Central highlands	834.7	Quinoa, <i>berza</i> barley, barley	<i>Berza</i> barley, barley	<i>Berza</i> barley
	Northern highlands	190.8	Barley, potatoes, oca, mashua	Quinoa	Peas, fava beans, alfalfa
	Southern highlands	1,114.2	Quinoa, potatoes, oca	Onion, garlic, peas, fava beans	Peas, fava beans, onion, garlic, peas, fava beans
Amazon	Amazon	1,526.7	Plantains, yucca, bananas, paddy rice, maize grain, oranges, mandarins, pineapple, beans/kidney beans, chestnut, sugar cane, yucca starch	Plantains, yucca, bananas, paddy rice, maize grain, oranges, mandarins, pineapple, beans/kidney beans, chestnut, sugar cane, yucca starch	Corn on the cob, maize grain, wheat, oregano, flax
Gran Chaco	Chaco plains	738.6	Corn on the cob, corn grain, wheat	Corn on the cob, maize grain, wheat, oregano, flax	oregano, flax
	Chaco Kaa - lya	336.8	Corn on the cob	Wheat, oregano, flax	oregano, flax
	Chaco Serrano	491.0	Corn on the cob	Corn on the cob, maize grain, wheat, oregano, flax	wheat, oregano, flax
Tropical plains	Chapare	140.1	Oranges, mandarins, plantains, coffee, yucca, sugar cane, bananas, cacao, coca, paddy rice, pineapple, palm hearts	Oranges, mandarins, plantains, coffee, yucca, sugar cane, bananas, cacao, coca, paddy rice, pineapple	
	Guarayo Chiquitano	2,544.2		Soy, sorghum grain, sunflower, cotton	coffee, yucca, sugar cane, bananas, paddy rice, pineapple, beans
	Plains of Santa Cruz	695.6	Soy, sorghum grain, sunflower, cotton	Soy, sorghum grain, sunflower, cotton	
	Integrated northern region of Santa Cruz	335.9	Soy, sorghum grain, sunflower, cotton	Soy, sorghum grain, sunflower, cotton	
	Pampas of Moxos	1,246.5		Sesame, corn on the cob, corn grain, wheat, flower crops, oranges, mandarins, plantains	Sesame, corn on the cob, corn grain, wheat, flower crops, oranges
	Flood-prone pampas of Moxos	876.7			
Valleys	Central valleys	397.4	Tarwi, barley grain, <i>berza</i> barley, chili, onion, strawberries, fava beans, peas, alfalfa, peanuts, tomatoes, apples, grapes, peaches, corn on the cob, maize grain, wheat	Tarwi, barley grain, <i>berza</i> barley, chili, onion, strawberries, fava beans, peas, alfalfa, peanuts, tomatoes, apples, grapes, peaches, corn on the cob, maize grain, wheat	
	Closed valleys	152.2			
	Northern valleys	515.6			
	Southern valleys	504.5			
	Northern Yungas	562.6			
	Southern Yungas	205.7			

Source: Based on Ferrufino (2014) and MDRT (2012)

4. **Typology of producers.** The agricultural sector, according to the Social and Economic Policy Analysis Unit (UDAPE; 2009),⁴² recognises three types of farmers: (i) traditional

⁴² http://www.udape.gob.bo/portales_html/diagnosticos/documentos/TOMO%20VIII%20-%20SECTOR%20AGROPECUARIO.pdf.

campesino society,⁴³ (ii) campesino society in transition,⁴⁴ and (iii) modern rural agro-industrial society.⁴⁵ Law 338, which defines family farming in Bolivia;⁴⁶ based on this, the Fundación Tierra has developed a typology⁴⁷ of four types of family farmers. "Residents" are classified according to this typology.⁴⁸

Traditional campesinos	Subsistence farmers that comprise the largest group of rural inhabitants, with the lowest incomes and the highest level of vulnerability. Most are settled in mountainous regions and on poor-quality land, often without access to water or irrigation. The productivity of this land is very low.
Specialised farmers	Farmers whose production has become specialised and who sell their products to local markets; there are many cases of successful export experiences. The specialisation was boosted by access to concrete market opportunities, which has allowed them to generate and accumulate monetary incomes. These farmers are grouped into production complexes and comprise the OECAS.
Commodity producers	Farmers representing a growing group of campesino families that have become integrated, through different modalities, into export-oriented agro-industry. They are subordinate to agroexport companies and agents but, in some cases, they have become strong enough to have a relatively solid basis for negotiation. They produce one main crop (soy and coca) and have incorporated productive technology with negative effects on the environment.
Indigenous farmers in lowlands	Until recently, most of these producers were gatherers and hunters. Recently, they have begun to produce food on small plots, usually for their own consumption. Each group has their own culture and type of organisation, which determines levels of integration with other producer groups or local markets.

5. **Agricultural production units (APUs).** According to the 2013 Agricultural Census, there are 871,921 APUs, of which 95 per cent correspond to campesino family farming and 5 per cent to agro-industry (table 2). According to this same census, campesino family farmers exploit only 40 per cent of cultivated land, in contrast with agro-industry, which exploits 60 per cent⁴⁹ (figure 1). Among smallholder producers, there are different sizes of agricultural farms (figure 2).

Table 2: Origin of APU by group affiliation

Department	Campesino communities, unions and ayllus	Intercultural communities	Indigenous communities	Agricultural producers in urban zones and peripheries	Properties haciendas, ranches, smallholdings, farms	Mennonite and Japanese communities	Total	%
Chuquisaca	66,510		6,641	272	13		73,436	8
La Paz	196,430	36,739	3,779	8,172	297	17	245,434	28
Cochabamba	165,703	8,465	458	6,863	9		181,498	21
Oruro	62,596			138			62,734	7
Potosí	123,224			724	6		123,954	14
Tarija	33,247	5,608	2,106	494	19	37	41,511	5
Santa Cruz	39,465	33,405	18,301	5,908	7,826	10,111	115,016	13

⁴³ Dispersed smallholder farmers with limited access to land, livelihoods, services and investment opportunities, production intended to meet food security needs, risk management strategies based on time, space and diversification, low incomes that are complemented by selling labour.

⁴⁴ Farmers with more access to resources and economic opportunities, greater level of specialisation in economic activities, who obtain additional resources via temporary or permanent migration, and are coordinated with markets and services.

⁴⁵ With greater access to large expanses of land, capital-intensive production for export, with State subsidies, using modern technologies that are agrototoxic, and requiring GMO technology.

⁴⁶ Definition: "Production characterised by the relationship between the family's work and the productive resources that are available as a strategy that diversifies production in harmony with Mother Earth, to ensure the food sovereignty of future generations; promotes the sustainable, integral productive development and includes the production activities of campesino aboriginal indigenous economic organisations (OECAS), community economic organisations (OECOM), and organised campesino indigenous, intercultural and Afro-Bolivian family producers in sustainable family agriculture, with high levels of participation of family members in the stages gathering/handling, production, collection, processing, commercialisation and consumption of any of these, generating value added to cover needs for self-consumption and local, domestic and international markets".

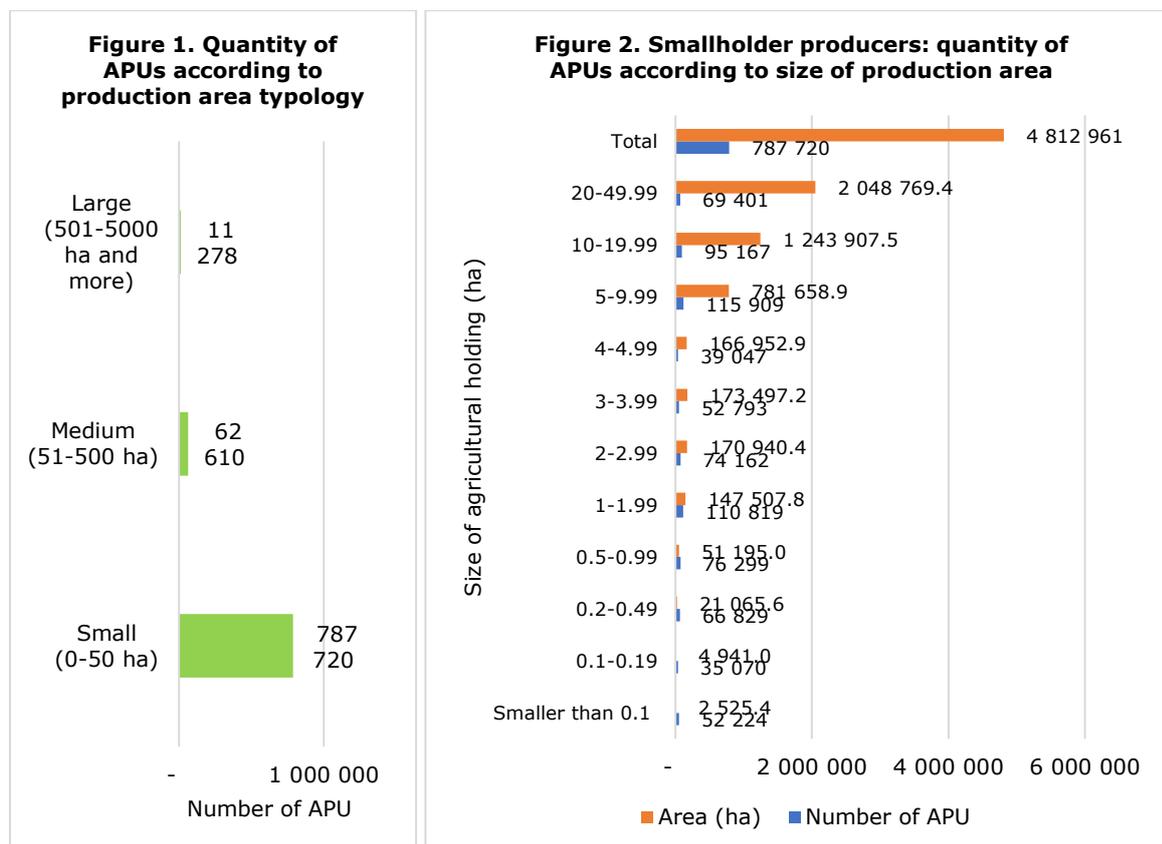
⁴⁷ <http://www.ftierra.org/index.php/publicacion/propuestas-para-politicas-publicas/123-politicas-diferenciadas-para-los-distintos-tipos-de-campesinos>.

⁴⁸ Farmers who have migrated to the cities, where they develop a different economic activity other than agriculture, maintain their farms and, partially, their activities as agricultural producers, as a way to not lose the privileges of their community, returning temporarily when there are market opportunities, economic or political activity, etc.

⁴⁹ <http://www.ftierra.org/index.php/sseguridad-alimentaria-con-soberania/726-la-agricultura-familiar-campesina-frente-a-la-agricultura-empresarial>.

Beni	10,085	2,061	4,744	114	3,789		20,793	2
Pando	5,620	424	1,025	34	431		7,534	1
Overall total	702,880	86,719	37,054	22,719	12,390		10,165	100
%	81%	10%	4%	3%	1%		1%	100%

Source: Fundación Tierra



Source: Authors' own compilation

6. In Bolivia, "property of a social nature has been recognised to allow access to the land by farmers and indigenous people. This type of property is made up of small property, peasant communities and indigenous territories. In all three cases, the law has provided a series of protections (unattachable, indivisible, exempt from property taxes, in addition to being imprescriptible, inalienable and irreversible when they are collective) that claim to ensure their validity over time. Regarding the form of access to new lands, as of 2007 it has been established that the existing fiscal lands in the country can only be endowed collectively. This is a direct benefit for the communities, but the procedure is long and is seldom carried out in all its stages, leading to the chaotic settlement of farmers on public lands. Formally, the legal conditions of access to land for indigenous people and farmers are favourable. There are laws that seek equitable land tenure for farmers and indigenous people in harmony with the environment. However, regulations are needed to address the reclassification of property sizes, prior consultation, the exercise of individual and collective rights, and **territorial planning**, mainly."⁵⁰
7. **Employment.** Agricultural activities employ the greatest proportion of the population at the national level. Between 2005 and 2012, the agricultural sector generated, on average, 34.6 per cent of the country's employment, and it is estimated that more than 90 per cent of the population employed in agricultural activities is in rural areas.

⁵⁰ <https://porlatierra.org/docs/Qodr6enB.pdf>.

In recent years, this percentage has decreased due to the migration of labour from rural areas to urban areas.

8. **Productivity and yields.** Agricultural productivity is the lowest in the continent (Urioste, 2015). Neighbouring countries have higher productivity in all crops: soy, vegetables, tubers, cereals, etc. However, between 2005 and 2013, the agricultural sector (non-industrial and industrial) performed well (table 3)⁵¹ due to the favourable prices of some exports, and internal demand. This improvement was the result of an increase in the cultivated area, which expanded from 2.6 million hectares in 2005-2006 to 3.5 million hectares in 2013-2014 and, to a lesser extent, due to the land's increased yield. Production levels in Bolivia are only 30 per cent to 50 per cent of those of more developed neighbouring countries like Brazil, Argentina and even Paraguay.

Table 3. Industrial and non-industrial agricultural production (thousands of MT)

	Production (thousands of MT)			Area (thousands of ha)			Yield MT/ha		
	2005	2013	Avg. annual %var	2005	2013	Avg. annual %var	2005	2013	Avg. annual %var
Non-industrial agriculture									
Maize grain	931.0	1,110.2	2.23	351.0	374.9	0.83	2.7	3.0	1.4
Sorghum grain	310.5	458.6	4.99	95.0	274.3	14.17	3.3	1.7	-8.0
Quinoa	27.7	95.5	16.72	46.3	169.1	17.57	0.6	0.6	-0.7
Wheat	138.4	217.4	5.80	125.4	187.8	5.17	1.1	1.2	0.6
Paddy rice	532.0	498.7	-0.80	205.2	160.6	-3.01	2.6	3.1	2.3
Potato	859.7	1,161.0	3.83	161.0	198.3	2.64	5.3	5.9	1.2
Industrial agriculture									
Sugar cane	5,786.1	8,207.2	4.47	115.5	156.9	3.90	50.1	52.3	0.5
Sunflower	120.3	207.5	7.05	99.4	203.7	9.39	1.2	1.0	-2.1
Soy	1,608.7	3,003.1	8.11	947.8	1,250.0	3.52	1.7	2.4	4.4

Source: INESAD, 2015

9. In regard to yields, there have not been significant increases and they are low in comparison with other countries. Non-industrial crop yields are affected by the traditional management of production systems, negative climate conditions, and limitations in accessing innovations and services.
10. **Agricultural and food trade.** The performance of the agricultural sector responds to the needs of domestic demand and exports. An analysis⁵² of the statistics of food exports and imports, between 2000 and 2016, places the country "in the group of net food exporting countries": (i) 71 per cent are industrial agricultural products (soy, sunflower, sorghum), (ii) 20 per cent are non-industrial agricultural products (quinoa, chestnut, dairy, poultry eggs, sugar, alcohol, bananas, coffee), and (iii) a tertiary group (meats, beans, hearts of palm, pineapples, wines, chocolates and others) that exports occasionally and could expand sales. Non-industrial agricultural products are produced by small producers located in the Altiplano, Valles, Chaco and Amazon regions, where the main problems are low productivity and the low resilience capacity of productive systems due to limitations in their livelihoods (natural, human, social, physical and financial), and in accessing innovations, services and markets. This is the target group for IFAD investments.
11. Until 2016, a wide range of food was imported (cereals, fresh fruits and vegetables). Five countries (Argentina, Chile, Brazil, the United States and Peru) are Bolivia's main food suppliers and account for 85 per cent of imports. Exports tend to fall and imports (legal and not legal) tend to rise, posing a risk to the country's food independence. This situation hurts and demotivates small producers and processors. If this trend deepens, the effects would be negative in the long term for the country. Before the pandemic, the IDB published a report on estimates of trade trends in Latin America

⁵¹ Available at: <https://inesad.edu.bo/dslm/2015/02/produccion-superficie-sembrada-y-rendimientos-del-sector-agricola-2005-2013/>.

⁵² <https://fundacion-milenio.org/coy-336-los-dilemas-exportar-e-importar-alimentos/>.

and the Caribbean (2020), which revealed that the region's exports had contracted in 2019, forecasting a downward trend in regional exports for the following months due to the slowdown in world demand, the volatility of the commodity markets and the uncertainty derived from world trade tensions. Unfortunately, the COVID-19 pandemic has further deteriorated these projections.

12. As of May 2020, in the context of the COVID-19 pandemic, the transitional government, in coordination with IFAD, FAO and IICA, prepared⁵³ a Rehabilitation Plan for the national agricultural sector for the short term (6 months) and medium term (2 years), with the purpose of: promoting twenty vital value chains for the family basket and exports; mitigate the social impact of unemployment, hunger and poverty; safeguard the food security and economic health of Bolivia, in coordination with all public and private agricultural actors. The promotion of national demand is sought by consuming Bolivian products, avoiding a drop in consumption and a decrease in production, until prices stabilise again. The State will support the provision of post-harvest, logistics and commercial services.

13. The following table summarises the agricultural sector's main problems that are linked to smallholder producers, as well as recommended actions.

Problems	Main themes	Necessary actions
<p>Low productivity, low resilience capacity of production systems, and malnutrition.</p> <p>The results of the Vulnerability Analysis and Mapping (VAM) 2012⁵⁴ indicate that municipalities' high vulnerability in the availability component is due to low water balance levels that only allow the cultivation of rainfed crops. Another limiting factor is the agricultural production area that is prone to flooding which, when occurring before the harvest period, affects the volume of production and anticipated yields. The municipalities with high and medium levels of vulnerability have approximately 1.0 per cent of their agricultural area prone to flooding, a value that can decrease to 0.69 per cent in municipalities with low levels of vulnerability.</p>	<p>Social vulnerability, as a result of social exclusion and poverty, generates a growing process of migration from rural areas to urban areas,⁵⁵ mainly of men and youth, thus feminising productive activities.</p>	<p>Adopt social inclusion strategies for vulnerable groups of women and youth in the different initiatives promoted and financed by programmes/projects, to strengthen women's economic rights and opportunities for youth.</p>
	<p>Inadequate management of production systems, due to limited access to knowledge and innovations.</p>	<p>Facilitate environmentally sustainable innovations to improve the management of production systems.</p>
	<p>Lack of territorial and local planning that undermines the sustainability of production systems.</p>	<p>Incorporate territorial planning in communities to evaluate vulnerabilities and prioritise investments.</p>
	<p>Lack of productive innovation that is available and accessible to smallholder producers' production contexts.</p>	<p>Cofinance primary-sector initiatives, natural resource management, processing and access to diversified markets, prioritising commercial partnerships.</p>
	<p>Insufficient rural, specialised technical assistance services that increase knowledge and pragmatic technological options.</p>	<p>Incorporate technical assistance so that families access knowledge and environmentally sustainable innovations to improve productivity in an efficient manner.</p>
	<p>Imbalance in the consumption of healthy foods, causing problems relating to malnutrition and obesity.</p>	<p>Provide nutritional education, prioritising institutional partnerships and the existing regulatory framework.</p>
	<p>Impacts of climate change on production systems affect resilience capacities. The threats are related to water scarcity due to the retreating glaciers in the Andes and the partial loss of the Amazon forest. Models estimate a 50 per cent increase in the demand for water by 2030, of which the irrigation sector represents 88 per cent.</p>	<p>Cofinance initiatives that include activities to analyse vulnerabilities to climate impacts and investments (efficient use of water for irrigation/microirrigation, soil management, early maturing species and varieties, adaptive planning, climate services) to build the resilience capacities of users.</p>

⁵³ MDRyT 2020. Plan nacional de respuesta y rehabilitación para el sector agropecuario ante los efectos del COVID-19

⁵⁴ VAM available at: <http://www.observatorioagro.gob.bo/menu/principal/doc/VAM%20DOCUMENTO.pdf>.

⁵⁵ In this context, the concept of "the new rurality" is being adopted, in which agricultural activity is not central but, rather, requires multiple additional activities.

Limited access of smallholder producers to markets.	Low competitiveness and quality of products from primary production and processing.	Strengthen capacities for standard production processes of quality products so that they are competitive.
	Low primary processing capacity in rural communities due to lack of capacities, incentives and investments.	Invest in processing infrastructure so that it responds to market needs and partnerships.
	Lack of capacities and protocols to implement a traceability system for primary production and processing.	Support the strengthening and/or development of traceability systems for key products in partnership with public and private actors.
	Price fluctuations due to imports and contraband.	The Government and responsible sectors must promote policies and economic measures for the sector.
	Difficulties in accessing the financial system.	Strengthen financial education processes in partnership with actors within the sector.
	Limitations in obtaining certifications and labelling for primary and processed products due to lack of investments and bureaucracy.	Strengthen and invest in businesses to obtain the certifications and labelling required to become integrated into markets, in partnership with the responsible entity (National Agricultural Health and Food Safety Service [SENASAG]).
	Smallholder producers' limited dialogue and negotiation capacities with markets.	Promote partnerships among actors in the production chains to improve the economic opportunities of programme/project users.
Inefficient coordination of the capacities of sectoral public administration	Scarce intersectoral coordination at a strategic level.	Facilitate sectoral coordination to create synergies and coordinate efforts.
	Limitations in updating and availability of information on production, prices and climate.	Strengthen and invest in public information systems.
	Difficulties in project implementation and monitoring and evaluation.	Generate policy dialogue to improve programme/project implementation.

Regulations and policies for the agricultural sector

14. Bolivia has the following regulatory framework in support of the agricultural sector:

- Political Constitution of the State, Article 405, addresses sustainable, integral rural development with an emphasis on strengthening household and community economies.
- Patriotic Agenda 2025 – PDES 2016-2020: Pillar 1, Eradicate extreme poverty; Pillar 6, Productive sovereignty with diversification and comprehensive development; Pillar 8, Food sovereignty; and Pillar 9, Environmental sovereignty with integral development.
- Sectoral regulations: Law on the Community-based Agricultural Production Revolution (Law 144; 2011), Law on Campesino Aboriginal Indigenous Economic Organisations and Community Economic Organisations for the Integration of Sustainable Family Farming and Food Sovereignty (Law 338; 2013), Law on School Complementary Feeding (Law 622), PSARDI 2016-2020; Supreme Decrees 3635, 3636, 3637, 3638, 3639, of 2 August 2018,⁵⁶ in regard to the demands managed by social organisations of the Unity Pact [Pacto de Unidad],⁵⁷ although these did not become regulated.

15. The Patriotic Agenda and PDES remain current. The MPD carried out a mid-term evaluation between 2018 and 2019. There has been progress in Pillar 1; Pillar 6 has seen very little progress in family farming, recovery of soils and efficient production

⁵⁶ http://200.87.194.90/boletin/historicoboletines/boletin159/descargas/b159_circular1422018.pdf.

⁵⁷ Made up of five national-level organisations: The Sole Confederation of Unions of Bolivian Campesino Workers (CSUTCB), the Bartolina Sisa National Confederation of Campesino Aboriginal Indigenous Women of Bolivia (CNMCIQB-BS), the Confederation of Unions of Intercultural Communities of Bolivia (CSCIB), the National Council of Ayllus and Markas of Qullasuyu (CONAMAQ), and the Confederation of Indigenous Peoples of Bolivia (CIDOB).

systems; in Pillar 8 there has been progress in reducing malnutrition rates in children under the age of 5 and increasing breastfeeding in rural areas, although there are delays in increasing the volumes of ecological and organic foods, and intersectoral coordination continues to be limited; in Pillar 9 the industrialisation model that is compatible with caring for the environment and Mother Earth is still pending, and air, water and soil pollution and total deforestation have not decreased compared to the baseline, and the forestation/reforestation programmes have only achieved a slight increase in the forest cover.

16. According to the analysis of Enabling the Business of Agriculture (2019), Bolivia's score is 58.75, which shows an intermediate performance with room for progress. Of the eight indicators on regulatory restrictions on productivity, the three that present difficulties and opportunities for improvement are: registering fertilizer, securing water, and protecting plant health. However, agricultural value chains and food systems are being affected by the COVID-19 pandemic and, therefore, so is household food security. This context is a new challenge in response to which the current transitional government and the next elected government will need to create alternative regulations for the recovery, protection, maintenance and improvement of agricultural productivity. IFAD can contribute to this work through this new COSOP, with SENASAG-MDRyT, through a dialogue on the necessary regulations to improve the performance of the three identified indicators, to strengthen the competitiveness of small farmers.

Public and private institutions for the agricultural sector

Public institutions	Role/Functions	Strengths	Weaknesses
MDRyT	Sectoral entity responsible for strengthening primary production, has decentralised entities for different areas	Programme/project implementing agency	Inefficient intersectoral coordination of methodologies, resources, monitoring systems and services; limited institutional capacities and budgetary allocation to fulfil its roles
SENASAG	Responsible for granting food safety certifications, with a presence throughout the country through regional offices	Exercises stewardship of the nutritional health system	
INIAF	Responsible for generating innovations; has regional offices	Exercises stewardship of innovations	
OAP	Responsible for monitoring agricultural variables and monitors the most inflationary agricultural products (potato, tomato, onion and carrot)	Exercises stewardship of agricultural information	
MDPyEP	Sectoral entity responsible for industrial processing and domestic and external trade	Programmes/projects productive development with value added	
MMAyA	Sectoral entity responsible for environmental and natural resource management. Has entities that oversee water for irrigation, protected areas, climate change and soil management (neutrality of soil)	Exercises stewardship of irrigation/micro irrigation, natural resource management	
Municipalities	Has legal mandates and resources to acquire products for School Complementary Feeding and to boost local economies	These entities are close to citizens in rural areas.	
Private institutions	Role of the private sector in the market and in service provision	Strengths	Weaknesses
Producer organisations	Formal and informal organisations of farmers organised according to products and agro-production zones	Productive potential and levels of organisation vary.	Limitations in access to markets, investments and technical assistance
Businesses	Private organisations working to give value added to primary products and their corresponding commercialisation at different levels	There are formal businesses with capacity to absorb primary and processed products and provide services to standardise processes.	
Financial entities	Financial and microfinance entities that provide savings and credit financial services	There are financial and microfinance entities with portfolios for the productive sector.	
NGOs	Non-profit organisations that develop activities in rural development and agriculture in different rural municipalities.	They have methodologies and social innovations and technological options that have been validated in the region. Capacity to leverage funds.	

SECAP background study

Introduction

1. The objective of this study is to provide an analytical foundation for the social, environmental and climate sustainability of IFAD's investments during the next two investment cycles (IFAD 11 and 12), by providing information for decision-making related to the COSOP 2021-2025 for Bolivia. The study identifies current and potential environmental and climate problems in order to analyse key tendencies and assess viable and sustainable environmental, social and climate options, with a view to manage risks and opportunities to achieve the proposed strategic objectives.

Part 1 - Situational analysis and main challenges

1.1 Socio-economic situation and underlying causes

2. **Poverty.** Until 2014, Bolivia grew and reduced poverty as a result of favourable prices for raw materials in the international market. The country then resorted to high levels of public spending and increasing domestic credit to maintain high economic growth despite the fall in prices and volumes of gas exports; these measures led to an increase in public debt and a gradual reduction of the macroeconomic buffers that had been accumulated during the boom.⁵⁸
3. This economic growth yielded the following results between 2007 and **2018**: (i) **reduction of poverty** by 25 percentage points; overall, moderate poverty decreased from 60.1 per cent to 34.6 per cent, and extreme poverty from 37.7 per cent to 15.2 per cent. However, poverty in rural areas remains high: the rate of rural moderate poverty is 53.9 per cent (1.87 million rural inhabitants) and that of extreme poverty is 34.6 per cent (1.20 million),⁵⁹ while in urban areas the moderate poverty rate is 26.1 per cent (2.05 million) and that of extreme poverty is 7.2 per cent (0.57 million); (ii) **GDP** growth of 4.22 per cent, with an agricultural sector participation rate of 6.91 per cent;⁶⁰ a **Gini** coefficient of 0.43; **reduced inequality** between the incomes of the wealthiest 10 per cent of the population compared with the poorest 10 per cent of the population, by 26 times; improved education indicators (access and continuing studies) and health indicators (reduced mortality rates). Research (UDAPE, 2016)⁶¹ indicates that the poverty rate by ethnicity shows persistent inequalities: 49.9 per cent of the total indigenous population was living in moderate poverty and 26.8 per cent in extreme poverty. Therefore, being indigenous and living in a rural area increases the likelihood of living in poverty.
4. Following the resignation of President Evo Morales, the country entered into a "transitional government" phase because, in addition to the president, the vice-president and the presidents of the Senate and the Chamber of Deputies of the Plurinational Legislative Assembly also resigned. This led to the constitutional succession of the first vice-president of the Senate, Mrs. Jeanine Añez. The mandate of this transitional government was to call new elections because the first measure

⁵⁸ <https://www.bancomundial.org/es/country/bolivia/overview>.

⁵⁹ The Fundación Jubileo in its 2019 analysis of Bolivia's economy.

⁶⁰ The 2018 GDP was driven by economic sectors associated with domestic demand: (i) expansion of the agricultural sector by 6.9 per cent (mainly maize, sorghum, potato, sugar cane and chestnuts; livestock in general, poultry farming and beef livestock, timber and non-timber forest products); (ii) public administration services by 6.8 per cent (education, health, basic services and the second yearly bonus [*aguinaldo*] "Effort for Bolivia"); (iii) manufacturing industry grew by 5.52 per cent (chemical industry: urea, lithium carbonate, potassium chloride and anhydrous alcohol); and (d) financial establishments by 5.30 per cent (production and housing credit). The sectors with lower performance were mining, with a growth rate of 1.87 per cent, and crude oil and natural gas, with a contraction of 7.82 per cent due to the decrease in demand from Argentina and Brazil.

⁶¹ <https://fundacion-milenio.org/coy-372-indicadores-sociales-avances-riesgos-desigualdades-persistentes/>.

taken by the Government was the cancellation of the previous ones in response to the evidence presented by the Organization of American States of serious irregularities in the electoral process. During this transition process the Government found itself in the midst of the COVID-19 pandemic, which has required the extension of its mandate until September 2020.

5. Bolivia is currently facing the global COVID-19 crisis. ECLAC projects a growth rate of between 3 per cent and -3 per cent for Bolivia in 2020, due to the economic and social effects of the coronavirus on the country and at the global level. Latin America and the Caribbean will suffer a recession of 5.3 per cent.⁶² The transitional government authorities “have rolled out different initiatives to protect the most vulnerable population, such as the deferral of some tax payments, partial payments of water and electricity bills, and additional transfers to households with children in public and private schools, the elderly, pregnant women and people with disabilities. However, the global economic contraction, aggravated by the decrease in oil prices and social distancing measures, including the national quarantine, could result in an economic contraction and an upturn in poverty”, though it is “a priority to reduce the human cost of the crisis and establish the foundation for economic recovery and, in the medium term, Bolivia needs to consolidate macroeconomic stability, reduce fiscal and external deficit, promote the development of private investment to diversify the economy, generate quality employment, and establish mechanisms to protect the vulnerable and to make families more resilient to different kinds of shocks” (World Bank, 2020).
6. **Gender.** The country has approximately 11,307,000 inhabitants, of which 49.6 per cent are women and 50.4 per cent are men; 69.4 per cent of the population lives in urban areas and 30.6 per cent lives in rural areas. Therefore, 1,670,458 women live in rural areas (INE, 2018).
7. There has been overall progress in reducing extreme and moderate poverty; however, the differences between men and women have not changed much: 25.4 per cent of men and 26.8 per cent of women live in extreme poverty (UN Women, 2018).
8. The education level increased for rural women from 31.8 per cent to 83.9 per cent between 1976 and 2012. According to the last census (2012), rural women had achieved varying education levels: 23.6 per cent had no education at all; 43.21 per cent had primary education; 26.53 per cent had secondary education; and 6.31 per cent had post-secondary education. Rural women continue to have lower literacy rates compared to urban women, with a difference of 10 points.
9. There has been progress in health. Assisted childbirth increased in the country between both censuses (2001 and 2012); in 2001, 35.6 per cent of women between the ages of 15 and 49 reported having given birth at home, and by 2012 this percentage had decreased to 16.7 per cent. Rural and indigenous women have the highest rates of maternal mortality.⁶³ Despite the overall reduction in this indicator, Bolivia’s rate continues to be high.⁶⁴
10. Rural women have increased their legal and effective access to more agricultural land (*1.2 per cent of agricultural property titles in 1950; 20.15 per cent in 2008; by 2017 the National Institute for Agrarian Reform no longer differentiates between owner and co-owner in property titles, which means that, overall, 46 per cent of women have*

⁶² <https://www.la-razon.com/economia/2020/04/21/cepal-baja-proyeccion-crecimiento-bolivia-3-covid-19/>.

⁶³ According to the Ministry of Health’s National Study of Maternal Mortality (2011), the maternal mortality rate in Bolivia, in that year, was 160 per 100,000 live births; (i) 42 per cent of those deaths happened at home and 37 per cent in a health facility; (ii) 68 per cent of those women belonged to a nation of campesino aboriginal indigenous peoples (36 per cent Quechua and 28 per cent Aymara).

⁶⁴ Lower than that of Haiti and Guyana at the regional level; at least three times higher than that of neighbouring countries such as Brazil or Argentina; and at least 10 times higher than Uruguay.

access to land). However, this increase does not necessarily mean greater empowerment, economic autonomy or better material conditions.

11. Rural women fulfil a triple role: the reproductive role imposed by the patriarchal system, which views women as mothers and children's caregivers with the responsibilities associated with household chores and the family's food and nutrition (Fundación Tierra, 2014); a productive role, because they participate in the primary production and processing of foods that are then commercialised in fairs; and a social role, which means representing the family, either as heads of households or when they take charge of the family when the men are working outside of the community. Little has changed in terms of equality in household responsibilities.
12. Women's participation in smallholder agriculture is significant. According to INE, in 2017 Bolivia's economically active population is 5,396,338 people; 30.3 per cent of these are dedicated to agricultural activities (1,634,296 people), and 44 per cent are women.⁶⁵ Women's participation in smallholder agriculture is predominant, and they provide food security to the population (FAO, 2018).⁶⁶ Despite this participation, they do not have sufficient access to credit or technical assistance, and their voices are not heard equally to men's voices due to fear of questioning.
13. In terms of access to financial services, the current Financial Services Law (Law 393) indicates that these "*must be provided equitably and without discrimination based on age, gender, religion or cultural identity (Art. 74)*". In 2019, 39 per cent of women accessed these services (Financial System Supervisory Authority, 2019), representing an increase of 309 per cent since 2010,⁶⁷ while microfinance entities (smaller loans than bank loans) affiliated with the Association of Development Finance Institutions (FINRURAL) network⁶⁸ report a participation rate of 69 per cent women in their portfolio (35 per cent of its gross portfolio is rural and 28 per cent of its borrowers are from rural areas).
14. **Regulations in support of women.** Bolivia has the third highest level of women's political participation in the world, after Rwanda and Cuba: 51 per cent in the Chamber of Deputies, 44 per cent in the Senate, and 51 per cent in the country's Municipal Councils. However, there are barriers that continue to limit the full exercise of their political rights, including assault and political violence.⁶⁹ Progress has been made in building a legal framework to protect women's rights (Law 348); however, there are still situations of physical and emotional violence.
15. Women have built leadership spaces based on their social, cultural, economic and political contexts, their values, and their need to be heard and to generate incomes. The social construction of women's organisations has been guided by historical figures, and the Bartolina Sisa National Confederation of Campesino Aboriginal Indigenous Women of Bolivia (CNMCIQB-BS) emerged in 1980. The members of this confederation participated in social protest mobilisations until they achieved national-level representation and empowerment during Evo Morales's government. This empowerment became a negative empowerment as it was reduced to a political instrument. At the subnational and local levels there are different types of women's organisations, including productive organisations, unions, mining, mothers' groups, and others that have been organised to access services, resources and knowledge to improve agricultural and non-agricultural production processes and enterprises. Programmes and projects must invest in activities that are sensitive to gender,

⁶⁵ Available at: <http://wd.ine.gob.bo/index.php/estadisticas-sociales/empleo-mercado-laboral/encuesta-de-hogares/>.

⁶⁶ <http://www.nu.org.bo/noticias/onu-mujeres-fao-en-el-dia-internacional-de-la-mujer-rural-reconocen-su-aporte-al-desarrollo-sostenible-la-seguridad-alimentaria/>.

⁶⁷ https://www.asfi.gob.bo/images/INT_FINANCIERA/DOCS/Publicaciones/Inclusion_Financiera.pdf.

⁶⁸ <https://www.finrural.org.bo/>.

⁶⁹ http://www.nu.org.bo/wp-content/uploads/2019/07/MEMORIA-ONU-MUJERES-2018-web-BAJA_compressed-1.pdf.

especially through inclusive and effective participation modalities, cofinancing diversified businesses and accessing innovations that reduce women's workload.

16. The programme/project portfolio to be developed during this COSOP period must include the effective inclusion of at least 40 per cent women through affirmative actions and investments.
17. **Youth.** In 2013, the Youth Law (Law 342)⁷⁰ was enacted, which defines youth as women and men between the ages of 16 and 28. This law gives young people a set of civil, political, social, economic and cultural rights. These include respect for their individual or collective, cultural, social, political, religious and spiritual identity, their sexual orientation, and ways of expressing how they feel, think and act in terms of their belonging.
18. In 2018 there were approximately 2,647,000 young people between the ages of 16 and 28, representing 23.4 per cent of the country's total population. Of these, 50.8 per cent were men and 49.2 per cent were women, and 71.1 per cent lived in urban areas and 28.9 per cent in rural areas (INE, 2018).⁷¹ In 2001, young people represented 31 per cent of the rural population.
19. According to the 2013 Agricultural Census, the population between the ages of 16 and 29 represented 24.5 per cent or 626,114 of Bolivia's total rural population. Of this total, 96.45 per cent (603,541 young people) practised agricultural activities: 63.8 per cent (385,155 youths) practised agriculture; 13.3 per cent (79,219 youths) worked in livestock; and 1.5 per cent (9,114 youths) were involved different activities including poultry raising, fishing, hunting, forestry, gathering and extraction. The remaining 21.55 per cent (130,053 youths) reported that they did not participate in any agricultural activity for several reasons, such as studies and work.
20. A 2014 CIPCA study⁷² including six of the country's regions⁷³ indicates that "being a young person differs from one area to another, and from one culture to another, although some characteristics tend to be similar. There can also be differences in terms

⁷⁰ <http://www.boliviajoven.justicia.gob.bo/assets/docs/Ley%20de%20la%20Juventud%20342%20b.pdf>.

⁷¹ <https://www.ine.gob.bo/index.php/prensa/notas-de-prensa/item/3306-en-bolivia-existen-alrededor-de-2-6-millones-de-jovenes>.

⁷² Jóvenes rurales: una aproximación a su problemática y perspectivas en seis regiones de Bolivia. 2014. CIPCA.

⁷³ **Highlands** (mostly Aymara): there are differences among young people based on age groups and the conditions and roles that they play or can play, either because they have completed advanced studies, are economically independent, have more responsibilities, or because they spend more time working and helping their family. In general, the communities recognise them as subjects with opinions and assign minor roles and responsibilities to them.

Valleys (mostly Quechua): the first group includes young people are between the ages of 15 and 18, students who are interested in television, technology and style, and with little interest in social, political and economic issues; the second age group encompasses young people between the ages of 18 and 30 who work within or outside of their community, some study in universities, and it is the stage when they can marry, access land and social, cultural and political responsibilities; young married men acquire social and political status and their opinions are taken into account; young married women must be more serious, reserved and "not laugh with married or single men", they participate in public spaces, especially when their husband is not there, and this represents additional work for them.

Chaco (indigenous Guaraní population): age is the criterion that defines a young person, and it is between the ages of 15 and 30 for men, and between 13 and 30 for women, whether they are single, have a family of their own, or are divorced; young people are differentiated from adults when they "do not participate 100 per cent in the productive and organisational activities of the community; the activities of young people are related to sports, parties, travel and friends; young people have more opportunities to continue studying and become professionals". According to adults, when a young woman has children, she is no longer a youth; after the age of 30, people are adults and have responsibilities, they are economically independent and most have families of their own.

Tropics (Guarayo and Chiquitano culture): a young person is defined by the following criteria: age (18 to 30 years old), temperament, level of responsibility, decision-making power, physical and biological characteristics. According to adults, young people are dreamers, brave, free and they begin to acquire responsibilities and new experiences. They cease to be youths when they take on significant responsibilities and are economically independent, and when they have a family of their own.

Amazon: a young person is between the ages of 14 and 28. Youth in indigenous communities, according to adults, begins when women have their first menstruation and can be mothers, in other words between the ages of 10 and 14, while men begin their youth when they can do the work of chaco, hunting and fishing by themselves, in other words between the ages of 12 and 15. In this region, in terms of age, both indigenous and campesino youth consider that women become youth at the age of 14 or 15. In Mojo indigenous communities, a man or woman becomes an adult when they have a family of their own, this being a social change, and begin to focus on adult activities: making their own chaco and participating in the organic life of the community. In the campesino sector, women, regardless of their age, become women when they have children or marry.

of the extent of the relationship and links between communities, villages or municipalities with the “modern world”, with large or intermediate cities and the market”. The study concludes that rural youth is a group that is differentiated by its age range (between the ages of 12 and 30, with differences among regions), marital status, culture, socio-economic status, education level and independence, opportunities to migrate, and access to land. To be considered social subjects, they must take on the task of formulating, proposing and defending their demands. On this basis, differentiated strategies and actions can be proposed for development programmes and projects.

21. In terms of migration, when young men leave the rural regions of the highlands and valleys, they migrate to mining zones seeking employment, or to tropical rural areas (lowlands) seeking land; as a result, the cities’ population increases, rural areas become feminised and highland populations decrease (UN Women, 2018). According to FAO, the migration of rural youth⁷⁴ is due to the need to find answers that they cannot find in rural areas, and they make the decision to migrate, generally towards urban centres and in marginalised conditions. Education programmes also contribute to the outmigration of rural youth because they do not respond to the basic needs of youth through comprehensive responses and tools that allow them to develop production activities (such as agriculture, agroforestry, etc.) and coordinate these with markets.
22. In the context of the Youth Law, young men and women must formalise their organisations and become affiliated with the Plurinational Youth Council through the Plurinational Youth Directorate to be part of the law’s implementation process, which envisaged labour inclusion, decent employment, accessible credit, technical assistance and economic initiatives, among other main components. To date, little progress has been made. The previous government management prioritised the promotion⁷⁵ of youth organisations more for political ends than to truly fulfil the law.
23. Lastly, the COSOP’s portfolio must strongly consider the following criteria: (i) rural youth’s organisation levels, (ii) their needs, according to regional and cultural contexts, and (iii) the development of capacities and opportunities that generate employment and incomes. The indicators must be based on the inclusion of at least 30 per cent youth, mainly in enterprises.
24. **Indigenous population.** The Political Constitution of the State affirms that the cultural heritage and knowledge of indigenous peoples must be respected and protected (Articles 98, 99 and 100 of Section III: Cultures of the Political Constitution of the State). This implies a particular approach to developing knowledge and local work. In Bolivia, there are 36 officially recognised indigenous groups, each one with a specific culture and world view, which means that there are also 36 concepts of agriculture and development. According to the 2012 National Census, 41 per cent of the Bolivian population over the age of 15 is of indigenous origin, although INE’s 2017 projections indicate that this percentage has increased to 48 per cent.⁷⁶ Of the 36 indigenous peoples recognised in the country, most of those who live in the Andes speak Quechua (49.5 per cent) and Aymara (40.6 per cent), and they self-identify as one of 16 nationalities, while in the lowlands the majority are Guaraní and Chiquitano peoples.
25. A significant challenge for indigenous peoples is related to the seismic activities in search of new oil, gas and hydroelectric reserves because they directly impact the

⁷⁴ <http://www.fao.org/3/X5633S/x5633s0l.htm>.

⁷⁵ To remember and celebrate Youth Day, youth participants developed work tables (health, education, training and education, climate change, natural resources, production and employment), recognising that “a lot still needs to be done to make progress in rural areas and communities to stop the migration of young people to other departments or outside the country due to lack of employment for youth”. Available at: <http://www.csutcb.org/node/131>.

⁷⁶ <https://www.iwgia.org/es/bolivia.html>.

Nations Population Fund is supporting young indigenous women and young and marginalised populations subject to discrimination, as well as supporting the Vice-Ministry of Equal Opportunities in the elaboration of the Five-year National Youth Plan and the Plan for Elderly Adults.⁷⁸ However, these plans have not been implemented as they are subsumed under the sectoral plans. Child workers are another vulnerable group that has been identified. Since 2014, Bolivia has regulated child labour through Law No. 548 (going against global principles) at the request of poor children and adolescents who protested in the streets, demanding the right to work from an early age without restriction, mainly in informal activities in the urban area. Since 2018, the law applies to children aged 14 and older. There are still no official data from the "Survey of Children and Adolescents who carry out a work activity or work (2016)" that make working children visible in urban and rural areas. In (sociocultural) rural families, children have always participated, according to their age and abilities, in certain agricultural and livestock activities, as part of the family labour force. UNICEF is the organisation that has been monitoring child labour.

28. **People with disabilities (physical, sensory and mental).** According to the 2012 Census, approximately 3 per cent of the Bolivian population has some type of disability. People with disabilities are among the most vulnerable groups to poverty and social exclusion. The 2015 household survey⁷⁹ found that people with disabilities have few opportunities to access education, employment and healthcare in comparison to the total population; therefore, their rights are not guaranteed. The Political Constitution of the State (2009) recognises the rights of people with disabilities and prohibits discrimination, so that they can live with dignity and independence.⁸⁰ In 2012 the General Law for People with Disabilities was enacted, the objective of which is "to ensure that people with disabilities can fully exercise their rights and obligations in equal conditions and equal opportunities, and guarantee their preferential treatment within a system of comprehensive protection". Although there has been some progress in terms of addressing the needs of people with disabilities, it is insufficient since very few entities, especially in rural municipalities, provide services for them or issue their identification document indicating that they have a disability (*carnets*). Moreover, there is no disaggregated data at the urban and rural level, and even less at the municipal level, and people with disabilities are rendered invisible in rural communities because of local beliefs in "punishments, curses and illnesses".⁸¹ It is proposed that IFAD projects pay specific attention to this issue, as a transversal theme.
29. **Food and nutritional security context.** Through its Political Constitution of the State, Bolivia recognises fundamental human rights, including the right to food (Art. 16), by affirming that all people have the right to water and food, and that the State has the obligation to guarantee food security through a healthy, adequate and sufficient diet for the entire population. Between 2006 and 2018, policies in support of Food and Nutritional Security were created, such as: (i) cash transfers through subsidies (*bonos*) for minors, the elderly and pregnant women; (ii) multisectoral support programmes for zero nutrition; (iii) the creation of Law 19 to support and strengthen food and nutrition security; and (iv) the creation of the School Complementary Feeding Programme in the framework of food sovereignty.
30. Data related to malnutrition and access to food between 2016 and 2018 show that its prevalence decreased from 31 per cent to 17 per cent,⁸² and infant mortality in children

⁷⁸ https://bolivia.unfpa.org/sites/default/files/pub-pdf/Evaluacion_Final_UNFPA.pdf.

⁷⁹ ⁷⁹ <https://nuso.org/articulo/un-nuevo-rumbo-para-el-trabajo-infantil-en-bolivia/>.

⁷⁹ <https://www.connectas.org/los-ninos-invisibles/>.

⁷⁹ <https://www.unicef.org/bolivia/acerca-de-unicef> http://www.revistasbolivianas.org.bo/scielo.php?pid=S9876-67892017000200004&script=sci_abstract&lng=en.

⁸⁰ <https://www.ohchr.org/en/NewsEvents/Pages/DisplayNews.aspx?NewsID=20393&LangID=E>.

⁸¹ <https://www.paginasiete.bo/sociedad/2017/9/10/area-rural-discapacidad-senal-maldicion-151492.html>.

⁸² <https://plataformacelac.org/storage/app/uploads/public/5e7/b9f/255/5e7b9f2558748340322675.pdf>.

under the age of 5 decreased from 7.6 per cent to 3.4 per cent; however, overweight increased in children under the age of 5, from 8.7 per cent to 10.1 per cent, and in adults over the age of 18, by 60 per cent.

31. The VAM of food insecurity in Bolivia⁸³ identifies three categories of vulnerability: high, moderate and low, based on vulnerability indexes measuring access, availability and use of food in each municipality. High vulnerability affects 28 per cent of municipalities, while 60 per cent have moderate vulnerability and 12 per cent have low vulnerability; therefore, 88 per cent of municipalities have some level of vulnerability to food insecurity in different conditions.
32. The 2016 Demographic and Health Survey reports that, overall, the criteria related to the diversity of food consumption (3 or 4 food groups, or more) is almost 90 per cent fulfilled. The frequency of food consumption, measured as the number of times that foods are recommended (or more), seems to be the main weakness in terms of the practice of complementary nutrition, especially for minors, when complementary feeding programmes begin. The Ministry of Health's Food and Nutrition Unit and CT CONAN, through the Zero Malnutrition Programme, promotes food fortification, micronutrient supplementation, and the consumption of foods that are particularly rich in minerals and vitamins.
33. Several studies on food security reveal that nutrition improvements in families are directly related to women's incomes and the role that they play as those responsible for the family's nutrition and well-being. Women invest a significant part of their incomes in the family's nutrition and other types of spending that have positive impacts on food security. In several contexts, women cultivate basic products that represent a high percentage of the foods that are consumed in poor households. In other words, control and autonomy in decision-making on incomes and spending on foods are very important elements not only for women, but also for the food security of all members of campesino and indigenous households (Fundación Tierra, 2014).

1.2 Environment and climate context, trends and implications

34. Following the publication of the Fifth Report of the Intergovernmental Panel on Climate Change's Group of Experts and the development of new models (AR5), there have been new country-level attempts at climate modelling. With the support of the IDB, through the University of Nebraska,⁸⁴ more than 30 general circulation models were evaluated, with a resolution of 4 x 4 km, and the three most reliable models were chosen to project climate change and better simulate the current climate environment in South America: NCAR CCAM4 (United States National Center for Atmospheric Research), MPI ECHAM (Germany's Max Planck Institute for Meteorology), and JAMA MIROC (Japan's Agency for Marine-Earth Science and Technology), the University of Tokyo's Atmosphere and Ocean Research Institute, and Japan's National Institute for Environmental Studies.
35. In this assessment, the results show an increase in the average temperature by 2070 of between -1°C and +9°C (in the RCP8.5 scenario), depending on the model applied, with a broad geographic variability. According to one of the models (CCAM4) the largest increase in temperature is in the lowlands, while another model (ECHAM) shows an increase in temperature in the extreme southwest of the mountain range and the lowlands of Bolivia.
36. In terms of precipitation, the same model and scenario (RCP8.5) shows varied forecasts in terms of deficits and surpluses: decreases of up to -600mm (in the valleys

⁸³ <http://www.observatorioagro.gob.bo/menu/principal/doc/VAM%20DOCUMENTO.pdf>.

⁸⁴ Oglesby, R. & C. Rowe. 2014. Climate Impacts for Bolivia: Results and Training from IPCC AR5 Global and Regional Climate Models. University of Nebraska, La Paz.

- and plains) and increases of up to +700mm (at the base of the mountain range and Yungas).
37. The Plurinational Authority of Mother Earth⁸⁵ has done modelling under the RCP 4.5 and RCP 8.5 scenarios with a projection to the year 2030. It shows the greatest variation in average temperature (up to +4°C) in the southwestern Bolivian Andes, and an overall average temperature increase throughout the entire country when compared with the year 2000 as a baseline.
 38. All scenarios forecast a decrease in average annual precipitation, to the year 2030, in the eastern and western regions of Bolivia (lowlands and highlands, respectively), while in the plains and Amazon regions all scenarios project an increase in precipitation of up to 130 mm or more.
 39. In terms of projections that extend further into the future, the most solid models that have been carried out to the year 2070⁸⁶ project an increase in temperature (2.5°C – 5.9°C) and southeast radiation (1 per cent – 5 per cent), with seasonal and regional differences. In the lowlands, changes in annual precipitation tend more towards an average decrease (-9 per cent) and less precipitation (-19 per cent) in dry months (June-August and September-November), with significant changes in year-to-year precipitation variability. In the Andes, there would be a decrease in precipitation (-9 per cent) in dry months, and an increase in rain (+20 per cent) during part of the rainy season.
 40. Overall, the different models are consistent in predicting an increase in average annual temperature of between 2°C and 6°C, an increase that will vary by region. Annual average precipitation is forecasted to decrease by 10 per cent, with an intensification and extension of the dry season, and greater precipitation in the rainy season.
 41. The Bolivian population is exposed to risks associated with a combination of threats and vulnerabilities that are present in the territory.⁸⁷ Intense rains, droughts, hailstorms and frosts are the most recurrent threats in highly exposed and vulnerable areas. Floods caused by rain occur with the greatest frequency and affect a greater proportion of the population, destroying public and private infrastructure. In the past 10 years, approximately 200 out of 340 municipalities have been affected by adverse events caused by the threats to which each region of the Bolivian territory is exposed: in the sub-Andean region, floods and landslides; and in the western zone, due to the retreat of the Andean glaciers, frosts, hailstorms, droughts and landslides, among others.
 42. In 2014 an assessment was carried out to simulate the monthly water balance from 1997 to 2008, as well as the projected water balance for the entire country in 2050.⁸⁸ As a result of the climate change analysis, both future climate scenarios (a drier scenario and a rainier scenario) project a decrease in the total amount of annual renewable water according to the Climate Moisture Index, which suggests a drier future. The potential problems due to excess water (floods) cannot be dismissed, even in the hypothetical case of a dry scenario. The basins that are most susceptible to water deficits are the following, in order of priority: Pilcomayo-Bermejo, Desaguadero-Poopó-Coipasa, Paraguay, Salar de Uyuni, Madera, Titicaca, Grande, Iténez, Madre de Dios-Orthon, Beni and Ichilo – Mamoré. The first three basins have a proportional precipitation value of less than 20 per cent; therefore, there is less water available for

⁸⁵ <http://geo.madretierra.gob.bo/apmt/geovisor.html>.

⁸⁶ Seiler, C., Hutjes, R. W., & Kabat, P. (2013). Likely ranges of climate change in Bolivia. *Journal of Applied Meteorology and Climatology*, 52(6), 1303-1317.

⁸⁷ DIPECHO VIII CARE CAHB (2014).

⁸⁸ Escurra, J. J., Vázquez, V., Cestti, R., De Nys, E., & Srinivasan, R. (2014). Climate change impact on countrywide water balance in Bolivia. *Regional environmental change*, 14(2), 727-742.

irrigation and consumption. Excess water as a potential impact of climate change is not forecasted for any of the basins.

43. This deficit in precipitation translates into a threat of drought,⁸⁹ which is already high in the southwestern region of the country, including part of the highlands macroregion, in the departments of Potosí and Oruro (around the western mountain range) and, to a medium extent, in the highlands, where it affects certain sub-Andean zones (eastern mountain range). Similarly, meteorological drought affects the Chaco macroregion in the departments of Santa Cruz, Chuquisaca and Tarija. The departments with the greatest number of droughts recorded from 1970 to 2006 are Santa Cruz, Cochabamba and Tarija. Other areas exposed to water deficits and seasonal droughts are the valleys in country's central region (Potosí, Oruro, southern La Paz, Chuquisaca, Cochabamba and Tarija).
44. In projecting future droughts (from 2070 to 2100),⁹⁰ it is clear that provinces with a scarcity rate > 40 per cent will have significant pressures on water resources, such as the provinces of Alonso de Ibañez, Charcas and Daniel Campos in the Department of Potosí; Bolívar, Arani, Punata, Capinota, Mizque, Quillacollo and German Jordán in the Department of Cochabamba; Gran Chaco, Avilés, Méndez and Cercado in the Department of Tarija; Azurduy, Belisario Boeto, Luis Calvo, Yamparaez and Zudañez in the Department of Chuquisaca; Mejillones, Poopó and Sur Carangas in Oruro; Aroma, Camacho, Ingavi, Loayza, Murillo and Omasuyos in the Department of La Paz; y Valle Grande in the Department of Santa Cruz.
45. The forecasted scenarios with the greatest levels of precipitation due to climate change, including the most intense El Niño phenomena and greater deforestation, imply that the vulnerability to floods in the eastern plains, and especially in the departments of Beni, Santa Cruz and Cochabamba, will not decrease in the future; to the contrary, it is anticipated that floods will become more frequent in the Amazon plains.

Part 2 -Institutions and legal framework

2.1 Institutions

46. **Agricultural sector and environment.** The public institution directly linked to this sector and with which this COSOP has a direct relationship is the **MDRyT**,⁹¹ which has three vice-ministries. Of these, the COSOP will have a direct relationship with one: the Vice-Ministry of Rural Agricultural Development (**VDRA**). The MDRyT has other decentralised entities that support the agricultural sector and that are considered in project designs, such as: the Agro-environmental and Production Observatory (**OAP**), National Agricultural Health and Food Safety Service (**SENASAG**), National Institute for Agrarian Reform (**INRA**), National Institute for Agricultural and Forestry Innovation (**INIAF**), National Institute for Agricultural Insurance (**INSA**), Decentralised Public Institution of Fishing and Aquaculture (**IPD-PACU**), Coordination Unit for the Food Production and Forest Restoration Programme (**UCAB**), National Integral Development Fund (**FONADIN**), Indigenous Development Fund (**FDI**), *Nuestro Pozo*, International Quinoa Centre (**CIQ**), and the Decentralised Public Institution for Food Sovereignty (**IPDSA**). The MDRyT implements the following programmes and projects: Integral Strengthening Programme for the Camelid Value Chain in the Bolivian High Plateau (**PROCAMÉLIDOS**), Direct Supports for the Creation of Rural Agrifood Initiatives II Programme (**CRIAR II**), Organised Enterprises for Self-managed Rural Development (**EMPODERAR**) which, in turn, includes the Community Investment in Rural Areas

⁸⁹ Quiroga, B., Salamanca, L. A., Espinoza Morales, J. C., & Torrico, C. (2008). Atlas amenazas, vulnerabilidades y riesgos de Bolivia. In Atlas amenazas, vulnerabilidades y riesgos de Bolivia. OXFAM; Fundación para el Desarrollo Participativo Comunitario (FUNDEPCO); Swiss National Centre of Competence in Research North-South.

⁹⁰ Ontiveros Mollinedo, M.A. (2014) La economía del cambio climático en Bolivia: Impactos en los Recursos Hídricos. C.E. Ludeña y L. Sanchez-Aragon (eds), Inter-American Development Bank, Monografía No. 186, Washington, DC.

⁹¹ Organisational structure available at: <https://www.ruralytierras.gob.bo/uploads/organigrama.pdf>.

Project (**PICAR**) and the Rural Alliances Project (**PAR**). At the departmental level are the Departmental Agricultural Services (**SEDAG**) and, at the municipal level, the Agricultural Directorates (**DA**) and the Risk Management Units (**UGR**).

47. The **MMAyA** has irrigations programmes (**My Irrigation, My Water [Mi Riego, Mi Agua]**) and develops multipurpose projects (water storage and irrigation) through the Vice-Ministry of Water Resources and the National Basin Management Programme. The **AMPT** is an actor under the MMAyA that has specific authority in themes related to climate change; its functions include the formulation and implementation of the **PPCC**, and the development, management and implementation of policies, strategies, plans and programmes linked to climate change mitigation and adaptation in the country.
48. Another institution linked to the agricultural sector is the **MDPyEP**, with the authority to address the processing and commercialisation of agricultural and non-agricultural products; this ministry has decentralised entities such as **PRO BOLIVIA** that work with rural and urban businesses and the Food Production Support Company (**EMAPA**)⁹² with productive investments in primary production, storage and commercialisation in the country's nine departments.
49. At the level of international cooperation, there is **FAO, WFP, COSUDE, Helvetas Swiss Intercooperation** and the **Swedish Embassy**.
50. In terms of the private sector, there are different producer organisations at the national level such as the Coordination of Integration of Campesino Aboriginal Indigenous Economic Organisations (CIOEC), the Association of Bolivian Organic Producers' Organisations (AOPEB), and others for specific products (coffee, cacao, quinoa, oregano, vegetables, etc). In addition, there are university research institutions such as **El Vallecito** in the Universidad Autónoma Gabriel René Moreno and the Santa Cruz regional government **CIAT. Gender**. In Bolivia there is no specific gender institution; however, the Ministry of Justice and Institutional Transparency (**MJTI**), through the **VIO**,⁹³ addresses gender issues. In 2008, the National Plan for Equal Opportunities was enacted to organise gender policies, and the Latin American and Caribbean Gender Equality Observatory did an analysis of the region with positive assessments of Bolivia (ECLAC, 2017). The gender focus is incorporated in the PDES 2016-2020 (UN Women, 2018). The Bolivian Government, after evaluating the increase in violence against women, despite Law 348,⁹⁴ created the Ana María Romero **Plurinational Service for Women and the Elimination of Patriarchy** in January 2019 through Supreme Decree 3774,⁹⁵ under the VIO. The municipal level includes the Integral Municipal Legal Services (**SLIM**), an "entity specialised in gender-based violence that provides psychological, legal and social services for the prevention, protection, response to and sanctions for gender-based violence crimes", but nothing related to training and production processes or other processes that are inherent to improving rural women's economic rights. There are private institutions that address the issue of gender, such as the **Women's Coordinator** that manages the Gender Observatory, the Apathapi Jopueti Women's Fund that cofinances small urban-rural gender initiatives, and the Bolivian Women's Network Transforming the Economy (**REMTE**).⁹⁶ In terms of international cooperation, **UN Women** supports different entities with technical

⁹² <http://www.emapa.gob.bo/>.

⁹³ Implements the following strategic objective: "promote equal opportunities and social inclusion, through the development and implementation of integral systems of prevention, response, protection and restitution of gender and generational rights, and the rights of people with disabilities, in coordination with all levels of government".

⁹⁴ Integral Law to guarantee women a life free of violence available at:

https://www.comunicacion.gob.bo/sites/default/files/dale_vida_a_tus_derechos/archivos/LEY%20348%20ACTUALIZACION%202018%20WEB.pdf.

⁹⁵ To "monitor, follow up on and evaluate the fulfilment of public policies towards the elimination of patriarchy, in support of the effective exercise of women's rights; promote the eradication of all types of violence and forms of discrimination against women", available at: <https://www.lexivox.org/norms/BO-DS-N3774.html>.

⁹⁶ <http://remte-bolivia.org/>.

assistance. In some municipalities there are institutions that address gender issues, for example: the Juan Azurduy Centre in Chuquisaca.

51. **Youth.** At the national level, there is the **Plurinational Youth Council** and the **Plurinational Youth Directorate**, under the **VIO**; however, it is not clear if these entities are functioning. In terms of international cooperation, there is the **United Nations System**⁹⁷ and the **Swedish Embassy**. In regard to the private sector, there is the Research, Education and Services Centre (**CIES**) for sexual and reproductive health, which has a technical pedagogical and orientation arm (**You Decide Network [Red Tú Decides]**) that works with youth in seven of the country's departments and, with **CIPCA**⁹⁸ and **International Plan**, they develop educational spaces and projects on leadership for youth.
52. **Nutrition.** At the national level there is **CT CONAN**; its Technical Secretariat is the Ministry of Health. This Council is led by the President of the Plurinational State and nine State ministers, and its goal is to design policies to improve the country's nutritional status based on a regulatory framework and programmes. In terms of international cooperation, the **WFP** and **FAO** are involved. At the regional governance level there is the Departmental Food and Nutrition Councils (**CODAN**), and the municipal level includes the Municipal Food and Nutrition Councils (**COMAN**) and the Human Development Secretariats (**SDH**). The COSOP's programme/project portfolio must coordinate with CT CONAN to contribute to improving the nutritional status of the target group through nutrition education strategies and innovations.

2.2 Policy and regulatory frameworks

53. There are currently medium- and long-term plans such as the **Patriotic Agenda 2025** and the **PDES 2016-2020**, which contains 13 pillars,⁹⁹ 68 goals and 340 results with their corresponding actions (indicators). The PDES¹⁰⁰ pillars include goals and results for the agricultural sector, gender, youth, nutrition, environment and climate change. The new State Integral Planning System (**SPIE**) directs the autonomous territorial entities (ETAs) and sectors to develop their Territorial Integral Development Plans (**PTDIs**) and Sectoral Integral Development Plans (**PSDIs**), aligning their programmes and projects with the PDES. These plans are ongoing, with probable adjustments to goals and results after the mid-term evaluation in 2018 and 2019.
54. By virtue of Law 835 of 17 September 2016, the State ratified the **Paris Agreement**, through which the Nationally Determined Contributions were established within the country's commitments in regard to climate change mitigation and adaptation. One of its most important goals is expanding the irrigation system and resilient production systems.
55. **Agricultural sector.** The MDRyT currently has the **PSARDI 2016-2020**, which is aligned with six of the PDES pillars. The plan contemplates the implementation of programmes and projects with resources from the National Treasury and from loans and grants. At the subnational level, the Departmental Autonomous Governments (**GAD**) and Municipal Autonomous Governments (**GAM**) have PTDIs for 2016-2020, in which investments in the agricultural sector were to be prioritised; however, the mid-term evaluation of these plans, from January 2016 to June 2018, shows that investment levels in this sector are 7.2 per cent in GADs and 1.56 per cent in GAMs.

⁹⁷ <http://www.nu.org.bo/noticias/comunicados-de-prensa/la-ciudad-tomada-por-los-jovenes/>.

⁹⁸ <https://www.cipca.org.bo/noticias/organizaciones-juveniles-urbanas-y-rurales-de-cochabamba-concertaron-una-agenda-departamental->

⁹⁹ Pillar 1: Eradicate extreme poverty; Pillar 2: Universalisation of basic services; Pillar 3: Health, Education and Sports; Pillar 4: Scientific and technological sovereignty; Pillar 5: Community and financial sovereignty; Pillar 6: Productive sovereignty with diversification; Pillar 7: Sovereignty over our natural resource; Pillar 8: Food sovereignty; Pillar 9: Environmental sovereignty with integral development; Pillar 10: Further integration of peoples with sovereignty; Pillar 11: Sovereignty and transparency in public administration; Pillar 12: Enjoyment and happiness; Pillar 13: Sovereign encountering with our joy, happiness, prosperity and our sea.

¹⁰⁰ The objective of the PDES was and is to achieve a "compatibility between the industrialisation of natural resources with care for Mother Earth, promoting the strengthening of living systems throughout the territory and reducing environmental pollution".

The current transitional government has not made any adjustments, and the next elected government will have to update and/or adjust the PDES.

PDES pillars	PSARDI Strategies 2016-2020
Pillar 1: Eradicate extreme poverty	Contribute to reducing rural poverty through programmes and projects.
Pillar 4: Scientific and technological sovereignty	Develop innovations, knowledge and productive technologies to increase the yields of agricultural crops, improve livestock species and generate quality production.
Pillar 5: Community and financial sovereignty	Fair markets based on solidarity that complement agricultural foods. Massification of conventional and organic food. Creation of non-agricultural income opportunities and development of information and communications technology.
Pillar 6: Productive sovereignty with diversification	Reduce dependence on a sole production activity and facilitate agricultural production to generate incomes through six strategies: (1) conclude the land clearance, titling and distribution process throughout the entire country; (2) protect and improve the phytosanitary status of the agricultural and forestry production heritage; (3) develop the productive capacities of agricultural, fishing and forestry producers; (4) raise awareness of the coca leaf; (5) promote the use and management of soil, water and vegetation coverage for agricultural production; and (6) develop actions to reduce vulnerabilities to risks from disasters and the effects of climate change.
Pillar 8: Food sovereignty	Produce safe and quality food to ensure that the Bolivian population is well nourished.
Pillar 9: Environmental sovereignty with integral development	Restore forests and produce food while respecting Mother Earth.

Source: PSARDI 2016-2020

56. **Gender.**¹⁰¹ The Political Constitution of the State of 2009 “prohibits and sanctions all forms of discrimination and defines equitable and equal participation between men and women”. **Law 348**¹⁰² (Comprehensive Law to Guarantee Women a Life Free of Violence) was enacted in 2013 to protect women from violence. **PDES 2016-2020** includes a gender focus, which it defines as “valuing and revaluing the role of women, especially of indigenous women, as the vanguard of the emancipatory struggles of our peoples under the principles of duality, equality and complementarity of man and woman”. Currently, gender and youth issues are addressed by the VIO. According to the evaluation of municipal PTDis¹⁰³ between January 2016 and June 2018, municipalities have only invested less than 0.5 per cent of their budget. There are still challenges in advancing the economic rights of women in accordance with their contexts.
57. **Youth.** The **Youth Law (Law 342)** was enacted in 2013, and its objective is to ensure the “full exercise of young people’s rights and obligations, the design of an institutional framework, representative and deliberative bodies, and the establishment of public policies”. This law does not include special considerations for rural youth. It defines the institutional framework and policies pertaining to youth, and establishes the Plurinational Youth System as “the set of organisations, institutions and state entities that are responsible for the formulation, implementation, coordination, management, evaluation and reporting on public policies and programmes targeting the youth of the Plurinational State of Bolivia”.¹⁰⁴ The main difficulty continues to be the insufficient

¹⁰¹ The National Secretariat of Ethnic, Gender and Generational Issues was created in 1993 and, between 1997 and 2002, it became the Vice-Ministry of Gender, Generational and Family Issues under the Ministry of Sustainable Development and Planning. In the 2006 Constituent Assembly, indigenous women fought to have their own voice in gender equity and parity, and this was added to the Government’s ideological matrix in 2006-2019.

¹⁰²

https://www.comunicacion.gob.bo/sites/default/files/dale_vida_a_tus_derechos/archivos/LEY%20348%20ACTUALIZACION%202018%20WEB.pdf.

¹⁰³ The Association of Bolivian Councillors (ACOBOL) and UN Women together influenced the incorporation of gender in 33 municipal PTDis and 339 municipalities.

¹⁰⁴ This system is composed of (i) the Plurinational Youth Council (CPJ) as a participative, deliberative and representative body through which young people can propose and evaluate policies, plans, programmes and projects. It is made up of representative

socialisation and enforcement of the law, in addition to the performance of the actors within this system.

58. **Indigenous peoples.**¹⁰⁵ The International Labour Organization's Convention 169 on indigenous and tribal peoples in independent countries, approved in 1989, is a binding international legal instrument that specifically addresses the rights of indigenous and tribal peoples. This convention was approved and ratified in Bolivia on 11 July 1991 through Law 1257 of the Republic. The principles of this convention are non-discrimination, special measures, recognition of the cultures and other specific characteristics of indigenous peoples, consultation and participation, and decision-making rights regarding development priorities. IFAD investments must safeguard these principles.
59. **People with disabilities.** The Bolivian Government enacted Law 223 in 2012, with the goal of ensuring that people with disabilities could fully exercise their rights and obligations in a context of equal and equitable conditions and opportunities and preferential treatment, within a system of comprehensive protection, through social programmes and projects, access to education, healthcare and employment. However, this law was never fully implemented.
60. **Nutrition.** Nutrition is addressed through the **Food and Nutrition Policy**,¹⁰⁶ with an emphasis on the population that is vulnerable to food insecurity. The objective of this policy is to guarantee that "the Bolivian population has an adequate nutritional status, ensuring the consumption of varied foods that cover nutritional requirements in all stages of the life cycle, through the establishment and strengthening of food and nutrition programmes that are culturally appropriate, and the dissemination of information and education for the Bolivian population on the nutritional value and preparation of foods until the year 2025".¹⁰⁷ **Social policies** were implemented in the country (protection of breastfeeding, NUTRIBEBE complementary foods, fortified foods, the Juan Azurduy subsidy (*bono*), Prenatal Subsidy, Carmelo complementary food, Multisectoral Programme for Zero Malnutrition) to contribute to decreasing malnutrition. Another measure was the creation of the Law to Promote Healthy Eating. The **PDES 2016-2020** contains **Pillar 8: Food Sovereignty**, goals and results pertaining to "food and nutrition", and one of the goals is eliminating hunger and reducing malnutrition, especially among children and women. Another policy that was created to reach school-age children at the local level is the **School Complementary Feeding Programme**, which establishes that the GAMs can acquire food from local producers.¹⁰⁸ CONAN monitors the abovementioned policies.
61. **Environment and climate change.** Current policies and regulations are described below:
62. **Political Constitution of the State (2009)**, establishes (i) Sustainable Integral Rural Development and a fundamental part of the State's economic policies, which prioritise actions promoting all community-based economic enterprises and those belonging to rural actors, with an emphasis on food security with sovereignty; (ii) Environment, Natural Resources, Land and Territory, to preserve, protect and

youth organisations and meets once a year with the Ministry of the Presidency, in coordination with the Ministry of Justice; (ii) the Interministerial Youth Policy Committee (CIPJ), which is the political and technical entity responsible for developing, evaluating and reporting on public policies, plans and programmes for youth, considering the CPJ's proposals, and it is presided by the Ministry of the President; (iii) the Plurinational Youth Directorate is under the Ministry of Justice's VIO, and its mandate is to formulate, develop, monitor and evaluate public policies for youth. It is the coordinator of the CPJ's and CIPJ's System and Technical Secretariat.

¹⁰⁵ <http://bolivia-rusia.ru/derechos-de-los-pueblos-origenarios.html>.

¹⁰⁶ Approved by Supreme Decree N° 2167, 30/10/2014.

¹⁰⁷ <https://plataformacelac.org/politica/229>.

¹⁰⁸ This policy is an operational mechanism to boost local businesses and economies. The intersectoral coordination for nutrition is under the National Council of Food and Nutrition (CONAN) as an intersectoral body that is coordinated with departmental and municipal governments.

sustainably exploit natural resources and biodiversity through planning and participative management.

63. **Autonomy and Decentralisation Framework (2010)**, to move towards the autonomy of departmental and municipal governments in regard to 19 key sectors: health, housing, drinking water and sewage, education, communications, cultural heritage, natural resources, biodiversity and environment, water resources and irrigation, aggregates, comprehensive rural development, productive development, planning, territorial planning, tourism, transportation, energy, citizen security, international relations, risk management and addressing natural disasters (Article 91).
64. **Law on the Community-based Agricultural Production Revolution (Law 144; 2011)**, regulates the institutional, policy, technical and financial foundations for the production, processing and commercialisation of agricultural and forestry products of the different actors within the plural economy, through 16 policies.¹⁰⁹ The risk management policy establishes: monitoring and early warning systems for timely and continual information on the possible occurrence of adverse effects that could impact food production; the prevention, response and mitigation of food emergencies; the rehabilitation or reconstruction of infrastructure and recovery of production capacities; and the development of communities' risk management capacities.
65. **Law on the Rights of Mother Earth (Law 071; 2010)**, to "develop public policies and systematic actions for prevention, protection and precaution, to prevent human actions from leading to the extinction of populations of living beings, and altering the cycles and processes that guarantee life or the destruction of life systems, which include the cultural systems that are part of Mother Earth". In order to operationalise the scope of this law, Supreme Decree 1696 was emitted (August 2013) to create the APMT, under the MMAyA, to: elaborate the Plurinational Policy and Plan on Climate Change; coordinate with other sectors to evaluate and enforce this policy and plan; establish the Plurinational System of Information and Comprehensive Monitoring of Mother Earth and Climate Change; and develop a regulatory framework and mitigation and adaptation measures for the comprehensive and sustainable management of forests and Mother Earth. The APMT has three mechanisms to manage climate change: (i) Mitigation Mechanism, (ii) Joint Mechanism and (iii) Adaptation Mechanism.
66. **Framework Law on Mother Earth and Comprehensive Development for Living Well (Law 300; 2012)**, establishes that Mother Earth is a dynamic, living system made up of the indivisible community of all living systems and living beings, interrelated, interdependent and complementary, and sharing a common destiny. The Framework Law coordinates three fundamental themes: Living Well, Mother Earth, and integral development.
67. **Risk Management Law (Law 602; 2015)**, establishes that public institutions must incorporate risk management (climate) in their sectoral plans at the national, departmental, municipal or campesino aboriginal indigenous level, as applicable, by introducing mandatory and preferential actions and resources for risk management through prevention, mitigation, recovery and reconstruction, within the framework of the strategic guidelines and regulations formulated by the MPD, through risk transfer mechanisms (such as insurance and others) that aim to minimise the effects of potential losses in production, agricultural, fishing, forestry and housing sectors, among others, as well as risk assessment in their public investment projects, in accordance with the guidelines and instruments established by the governing body.
68. **Comprehensive State Planning Law (Law 777; 2016)**, seeks to lead the economic and social planning process with citizen participation in the framework of

¹⁰⁹ These are: strengthening the production base, conservation of areas for production, protection of natural genetic resources, promotion of production, harvesting, reserves, processing and industrialisation, equitable exchange and commercialisation, promotion of domestic consumption, research, innovation and ancestral knowledge, agricultural sanitation services and food safety, risk management, addressing food emergencies, guaranteeing the population's food supply, guaranteeing adequate food and nutritional status, campesino indigenous land management, universal agricultural insurance, and transfers.

comprehensive state planning that incorporates all territorial entities (sectoral, regional governments, municipalities). It establishes long-, medium- and short-term plans for all levels of the Plurinational State, outlining the structure, content and main criteria for each of them. This new territorial planning system incorporates concepts from Law 300. The goals of the planning are comprehensive planning processes, territories without poverty, sustainable production systems and the preservation of environmental functions.

69. **Patriotic Agenda 2025 (2015).** Its agenda seeks to eradicate extreme poverty, improve access to healthcare and education, and State-led industrialisation, according to 13 pillars, with the participation of the Central Level of the State, GADs, MADs, Campesino Indigenous Autonomous Entities and other private entities, to contribute to the sectoral goals of the 13 pillars.
70. **PDES 2016–2020 (2016).** This regulatory framework indicates that the comprehensive sectoral, territorial and public investment planning instruments and plans must incorporate risk management and climate change, strengthening production and economic processes with an integral vision, in order to increase the resilience capacities of the regions and living systems linked to climate change, including joint mitigation and adaptation actions and risk management.¹¹⁰
71. **PSARDI 2016-2020.** This sectoral plan corresponds to the MDRyT. It proposes the following objectives: (i) promote economic, social and cultural inclusion actions for campesinos, indigenous peoples, aboriginal peoples, colonisers and smallholder agricultural producers, with a gender focus; (ii) improve the national population's food security by facilitating the availability and the population's access to food and, as such, reducing malnutrition levels among significant sectors of the population; and (iii) promote productive competitiveness through efficient public investments in productive infrastructure in support of production and irrigation systems.
72. **National Strategy for Agricultural Risk Management and Climate Change Adaptation for Resilient Agriculture 2017-2020.** This strategy seeks to "increase the resilience of the agricultural sector to adverse climate and meteorological events, reducing the risk of disasters in the agricultural sector through preventative planning of agricultural rural development, implementing comprehensive and inclusive risk management measures and climate change adaptation". Its specific objectives are to: (i) implement projects that address, in a comprehensive manner, disaster risk management, climate change adaptation and the recovery of ecosystems, to reduce the agricultural sector's vulnerability, with a gender focus; (ii) implement timely and precise agroclimatic, agrometeorological and agro-water information and alert systems to support decision-making related to resilient investments in the agricultural sector; (iii) promote the efficiency and effectiveness of actions to reduce agricultural risks through the participation of the private sector, civil society and academia; and (iv) consolidate and promote inter-scientific knowledge for a resilient agricultural sector that contributes to food sovereignty and security.
73. **Plurinational Policy on Climate Change.** Approved in 2016 by the MMAyA, its objective is "to define and consolidate guidelines for joint actions at the national and subnational levels for climate change resilience, adaptation and mitigation throughout the entire national territory in the framework of comprehensive development for Living Well". The PPCC has guidelines to work on mitigation in the energy, productive-economic, infrastructure, transportation and basic sanitation sectors; and guidelines for adaptation through resilience programmes: living systems for food security,

¹¹⁰ The strategic guidelines set out in Pillar 9 of the PDES 2016-2020, in the context of water resources, establish Goal 7 (Water and risk prevention for climate change: integral risk management) and indicate that at least 30 per cent of municipalities are coordinated with the Agricultural Prevention and Risk Management System (SIPGRA).

prevention and risk reduction to the impacts of climate change, the comprehensive management of water, and education and health.

74. **Nationally Determined Contributions.** The Paris Agreement requires each Party to prepare, communicate and maintain the successive nationally determined contributions that it intends to achieve. Bolivia's contribution for 2015-2030 proposes results for water (comprehensive increase of adaptation capacity and systematic reduction of the country's water vulnerability), energy (increase power generation capacity through renewable energy for local and regional development), forests and agricultural (increase joint mitigation and adaptation capacities through the comprehensive and sustainable management of forests).¹¹¹ The evaluation of NDCs are ongoing in the APMT.
75. **National Strategy for Land Degradation Neutrality.**¹¹² At the Conference of the Parties 14, Bolivia presented its country strategy to combat desertification and rehabilitate degraded land and soil until 2030, which includes following components: (i) prevention of land deterioration through well-conserved living systems; (ii) reversal of trends towards degradation and promote land recovery in already degraded natural living systems and in agricultural and forestry systems; (iii) education and training to strengthen human resources for innovations that are adapted to the country's realities; (iv) strengthen common regulations, protocols and methodologies, (v) promote basic and applied research; (vi) gather, systematise and disseminate information; and (vii) disseminate information and raise awareness about the value of soil and land resources.

2.3 Programmes and partnerships

76. The **MPD** is the ministry that oversees the fiscal space for the implementation of programmes and projects, and it is responsible for the integration, monitoring and control of public spending. It is the entry point for IFAD's programmes and projects.
77. The **MDRyT** is the ministry that handles the agricultural sector and it currently has the following programmes and projects: (i) Integral Strengthening Programme for the Camelid Value Chain in the Bolivian High Plateau (**PROCAMÉLIDOS**), financed by IFAD, which is being implemented in 30 municipalities of the highlands (La Paz, Oruro and Potosí) until 2022, with actors within the camelid complex, to respond to the problems in primary production, processing, commercialisation and access to financial services; the programme will be part of this COSOP; (ii) IFAD's new programme, called **ACCESOS RURAL**, is currently being negotiated and targets 45 municipalities that produce key foods for the country's food security in the valleys and Chaco regions. The programme responds to the vulnerability of the production base to climate change and producers' limited access to markets. The objective of the programme is to increase the incomes of smallholder producers and their resilience to the impacts of climate change, and it will be part of this COSOP; (iii) **EMPODERAR (PAR-PICAR)** is an ongoing programme in the country, financed by the World Bank, with similar objectives to IFAD in financing smallholder producers' enterprises, being highly compatible with IFAD's programmes and with great potential for complementing efforts; (iv) **SENASAG**, a programme that is being implemented with its own resources and grants, and that is key to coordinate primary processing projects with food safety certifications, to be coordinated with IFAD's programmes and projects; and (v) **INIAF**, a decentralised programme that supports innovations in the agricultural and forestry sector.
78. **The MDPyEP** is the ministry responsible for promoting productivity and strengthening the economy through programmes and projects linked to several of the country's

¹¹¹ Available at <http://www.cancilleria.gob.bo/webmre/node/1109>.

¹¹² Available at https://knowledge.unccd.int/sites/default/files/ldn_targets/2018-11/Bolivia%20LDN%20TSP%20Country%20Report.pdf.

important products,¹¹³ the most representative of which are the National Public Strategic Dairy Company of Bolivia (LACTEOSBOL), PROBOLIVIA and EMAPA. It is a potential implementing agency for this COSOP's portfolio.

79. **The MMAyA** is the ministry responsible for the comprehensive management of water resources, access to drinking water and sanitation, irrigation for food security, and the integral management of the environment and living systems. This ministry, through the Vice-Ministry of Planning and Coordination (VPC), is the focal point for the GCF and the GEF. It is the governing entity of the **APMT**, the **PPCC**, the NDCs and the **ENNDT**. IFAD's portfolio, based on its two strategic objectives and the programmes and projects linked to climate change, must be coordinated with the MMAyA-APMT to contribute to the NDC indicators in two of the prioritised sectors: water and forests and the ENNDT.
80. **CT CONAN** is the actor responsible for monitoring nutrition policies at the national and subnational level, and it is very important to coordinate with this multisectoral actor.
81. The **VIO** and **UN Women** monitor policies relating to gender, youth, indigenous peoples and people with disabilities. The inclusion of women, youth, campesino aboriginal indigenous peoples and people with disabilities is a mainstreaming theme in the current regulatory framework, strategic and territorial plans, programmes and projects.
82. In terms of international cooperation, **COSUDE** has several ongoing programmes such as **Inclusive Markets and Comprehensive Water Management**, in effect until 2021. The project's guidelines focus on value chains, financial services and climate change for the next cycle (2022-2024). This period will be COSUDE's last cycle since in 2020 the Swiss Parliament will decide on the key guidelines for COSUDE's exit from the country. There is compatibility in principles, target groups and common themes that creates the potential for coordination and leveraging resources for the programmes and projects within the COSOP 2012-2015 portfolio. The **Swedish** Embassy is in the process of elaborating its Country Strategy 2021-2025, with a tendency to prioritise human rights, gender, markets, the environment and climate change; the approach of its operations throughout the Bolivian territory is based on project demands. Another partner that has been identified is HELVETAS Swiss Intercooperation, an international NGO that was recently awarded the regional project Andes Resiliente with IFAD resources. These three potential partners work with different actors (**State, civil society, local NGOs**).¹¹⁴ Cooperating agencies' lines of work and country strategies timelines coincide with the COSOP 2021-2025 strategy, and they are very compatible in terms of potential for the coordination and concurrence of resources.
83. For research topics and knowledge management on themes related to agriculture, livestock and climate change, the following have been identified: CIAT in Colombia, EMBRAPA in Brazil and CATIE in Costa Rica; for nutrition and food security, WFP and FAO; for inclusive rural economies and knowledge management, PROCASUR.
84. There are two main producer organisations: AOPEB and CIOEC. At the regional level, there are several product-based producer organisations. In terms of women's organisations, at the national level there is the Bartolina Sisa National Confederation of Campesino Aboriginal Indigenous Women of Bolivia (CNMCIOB-BS).
85. The private sector also has potential (COPROCA, ALTIFIBERS, YACANA, financial entities, others) in terms of generating strategic partnerships along the production chains that will be prioritised in the COSOP's portfolio of programmes and projects, to improve smallholder producers' access to services and markets.

Part 3 - Strategic recommendations

¹¹³ Andean grains and cereals, textiles, apiculture, dairy, microenterprises, pisciculture, fruit, leather, Amazon fruit, vegetables y transformed/processed products.

¹¹⁴ For example, PROINPA, PROSUCO, SODIS, PROFIN, Swiss Contact.

3.1 Lessons learned

86. These are the main lessons learned:

- Participative and comprehensive planning processes have increased communities' awareness of their ways of life and the self-diagnostic and planning capacities that they have acquired; in the areas where the ASAP is being implemented, these processes have expanded even more by incorporating the vulnerability analysis and potential adaptation measures in the planning that has been done.
- The demand for local counterpart contributions, at the municipal level and from beneficiaries, has proven to not be a barrier; rather, it has become a means of empowerment, co-responsibility, cohesion and internal coordination that has increased the value of the social capital that has been developed.
- The transfer of financial resources, their management, and clear accountability to participating communities and smallholder producers' enterprises have been mechanisms that promote financial education in terms of access to services and savings, which, in turn, ensures the sustainability of the initiatives that filter into other new enterprises.
- Public-private and public-public partnerships facilitate the scaling up of rural investments and capacity development; when these partnerships are accompanied by resource transfers to beneficiaries, they become a mechanism that generates co-responsibility and empowerment, and this is recognised by different actors.
- Stable implementing teams, with clear strategies and comprehensive capacities in mainstreaming themes, increase the efficient implementation of programmes/projects.
- The presence of an IFAD office in Bolivia has improved coordination and monitoring spaces with the Central Government and other related entities.
- A rigorous evaluation of impacts generates evidence of the effective contribution of the programmes and projects to development indicators.
- The design of programmes/projects for the agricultural sector must be comprehensive, from the strengthening of capacities, productive infrastructure and comprehensive technical assistance.
- Intersectoral concurrence and coordination with different actors is much more efficient and achieves greater impact.

3.2 Strategic orientation

87. The two strategic objectives and results of the COSOP 2021-2025 are aligned with the policies and priorities (economic, environmental, climate and social) of the Bolivian State in the context of the current regulatory framework, sectoral plans (PSARDI 2016-2020), national plans (PDES 2016-2020 and the Patriotic Agenda 2025), UNDAF 2018-

2022, and international commitments (SDGs, NDCs and ENNDT). The following table outlines the contribution of the COSOP's strategic objectives (SOs).

COSOP Objectives 2021-2025	Policies and priorities Bolivia	UNDAF 2018-2022	International commitments
General objective: Help to improve the contribution of smallholder producers to reducing rural poverty and strengthening food security at the country level.	Patriotic Agenda 2025 and PDES 2016-2020: Pillar 1. Eradicate extreme poverty in its material, social and spiritual dimensions. Advance towards the significant reduction of poverty in territorial jurisdictions that continue to lack different types of services.		SDG 1: End poverty in all its forms everywhere.
SO1: Improve the agricultural productive capacity of inclusive production systems in a way that is environmentally sustainable and resilient to climate change.	Law 144: agricultural sector Law 300: Mother Earth Law 602: risk management Law 777: territorial planning Law 342: youth Law 348: women free from violence PPCC AP 2025 and PDES 2016-2020: Pillar 4. Scientific and technological sovereignty. Capacity to develop knowledge and technology in strategic areas, such as production and services, complementing traditional knowledge with modern science in an inter-scientific dialogue. Pillar 6. Productive sovereignty with diversification. Strengthen productive diversification in the framework of the plural economy with greater value added, promoting creative and sustainable knowledge economies beyond the exploitation and processing of natural resources, and incorporating high-quality products in domestic and international markets. Pillar 8. Food sovereignty. Achieve food security with sovereignty, through actions that consider the different dimensions of food, including sociocultural strengthening, overcoming socio-economic limitations to food consumption, the accessibility and quality of foods, and the development of a strong production system.	Area 2: Strengthened sustainable, resilient, inclusive and equitable production systems that ensure food and nutritional security and sovereignty, based on decent work, technological development and strengthening the plural economy, conserving and improving the functions of Mother Earth.	SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture. SDG 5: Achieve gender equality and empower all women and girls. SDG 10: Reduce inequality within and among countries. SDG 12: Ensure sustainable consumption and production patterns. SDG 13: Take urgent action to combat climate change and its impacts. SDG 15: Protect, restore and promote the sustainable use of the earth's ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss NDC: Water: <ul style="list-style-type: none"> • Water storage • Irrigation coverage • Community social management • Irrigated agricultural production Forests: <ul style="list-style-type: none"> • Environmental functions (ha) • Community management (ha) • Production (MT of foods) • Reforestation (ha) ENNDT: <ul style="list-style-type: none"> • Sustainable management in arid zones (highlands) • Sustainable management in zones with inclines (valleys) • Agroecological management • Sustainable management of tropical acidic soils • Wetland management and carbon retention. • Forest soil management.
SO2: Facilitate market access for competitive, sustainable and inclusive agricultural and non-agricultural products that are produced by rural smallholder producers.	Pillar 9. Environmental sovereignty with integral development. Environmental vision within the framework of the management of the living systems of Mother Earth, as an approach and instrument for decision-making on actions that must be promoted to achieve comprehensive development in harmony with Mother Earth.		SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture. SDG 5: Achieve gender equality and empower all women and girls. SDG 10: Reduce inequality within and among countries. SDG 12: Ensure sustainable consumption and production patterns.

3.3 Strategic actions and targeting

88. Based on the description of the inputs developed for the SECAP, the alignment of the objectives of the COSOP 2021-2025 with the regulatory framework, the Bolivian

Government's priority policies, and international commitments, the following five strategic recommendations are being made for the COSOP implementation period:

89. **Strategic recommendation for the agricultural sector.** The portfolio of programmes and projects (design and implementation) must consider the following:
- Targeting municipalities that are vulnerable to food insecurity and production corridors of key crops, and alternatives for food security and markets
 - Incorporation of productive and technological innovations that are efficient and accessible, to sustainably improve the yields of production systems
 - Inclusion of actors (SENASAG), traceability protocols, certifications and labelling to improve the quality of producer organisations' primary and processed products, for their competitive integration into markets
 - Incorporation and development of strategic partnerships between producers/processors and diversified markets
 - Strengthening the organisations and capacities of producers accessing financial and non-financial services (for example, training in production costs, administration, logistics services to reach markets)
 - Coordination of IFAD's programmes and projects with other complementary and related programmes and projects, either ongoing or in the design stage, of cooperating agencies and the Bolivian Government
 - Culture of cash cofinancing of the investments that are prioritised and approved by local actors themselves
90. **Strategic recommendation for the environment and natural resources.** The implementation of the portfolio of future programmes and projects must ensure that the investments in natural resource management requested by primary producer and processor organisations:
- Respond to the communal territorial management plans of users' communities for the environmental sustainability of their landscapes and production base
 - Are aligned with the measures recommended by (i) municipal PTDIs, in accordance with agroecological contexts; (ii) national natural resource management strategies such as the ENNDT 2030, and contribute to specific indicators on managed lands, recovered lands and rehabilitated lands (highlands and Chaco regions)
 - Apply sustainable management measures such as the agroforestry systems, agro-silvipastoral systems, agroecological systems, environmental education to reduce the excessive use of agro-toxins, good soil practices, efficient use of water resources for irrigation and soils for intensive production (valleys and Amazon regions)
 - Facilitate intersectoral coordination between MDRyT and MMAyA in regions and municipalities with common interventions to complement the investments in communities and the monitoring of ENNDT measures
91. **Strategic recommendation for climate change.** The recommendations for investments in communities and municipalities to build and strengthen climate change adaptation and mitigation are the following:
- Communities must identify, on one hand, the vulnerabilities inherent to climate changes in production activities and, on the other hand, identify climate risk management measures and technologies (planning sowings, preventative and reactive measures) for adaptation (for example: adaptation plans, early maturing varieties, tolerant species, efficient use of water, soil management, climate services) and mitigation (wetland management, soil management, agroforestry systems, etc.) to strengthen resilience capacities. Also, due to the climate scenarios the forecast a drier future, mitigation measures should be considered to address the risks of forest fires and landslides.
 - Implementing agencies and IFAD must manage additional financing to strengthen and complement the programmes and projects with additional resources such as

the ASAP+, GEF, Green Fund and others for climate change adaptation and mitigation. This potential additional financing may have to be coordinated with other sectors such as MMAyA and MPD.

92. **Strategic recommendation for gender, youth, indigenous peoples and persons with disabilities and child labour.** In accordance with the geographic, economic, social and cultural characteristics, the investments of rural initiatives in natural resource management and agricultural and non-agricultural enterprises (business plans) must include the effective participation of women and youth in the groups of users and/or specific organisations of women and youth to create income-generating opportunities and employment, especially in vulnerable municipalities. Criteria requiring the participation of these two vulnerable groups in the initiatives is one of the positive lessons learned (ACCESOS case) to promote equal opportunities and social inclusion. **Respect for persons with disabilities and child workers.** IFAD's portfolio must be sensitive to these two populations, through education and awareness-raising processes in the cross-cutting activities of programmes and projects, based on collaboration with UNICEF.
93. **Respect for indigenous peoples.** The programmes and projects must respect the "uses and customs" of rural communities in regard to their sociocultural processes and characteristics, which stem from their belonging to an aboriginal indigenous people. The targeting of the communities, after a participative and inclusive dissemination process, will be in accordance with the communities' demands, so that the programmes and projects financed by IFAD and the Bolivian Government comply with the principle of "prior, free and informed consultation".
94. **Strategic recommendation for nutrition.** The programmes and projects must be aligned with the Bolivian Government's policies on nutrition and healthy food, and it is recommended that activities be coordinated with CT CONAN to complement the efforts, strategies and measures of the departments and municipalities in regard to the local promotion of consuming locally produced foods and the development of a strong production system.

3.4 Monitoring

95. To ensure this COSOP's fulfilment of the SECAP recommendations on social, environmental, nutritional and climate change themes, it is important that the portfolio of programmes and projects design and implement social and environmental management plans, in accordance with IFAD's procedures and policies.
96. The gender, youth, indigenous peoples, nutrition, natural resources, climate change indicators are included in the Results Management Framework of the COSOP 2021-2025 (appendix 1), for the COSOP's monitoring and subsequent evaluation.

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COSOP preparation process

1. The consultation process for this document, IFAD's Country Strategic Opportunities Programme (COSOP) for the 2021-2025 period, began in July 2019 in coordination with public sector institutions (Ministries of Planning, Agriculture, and Environment), civil society, the private sector, universities, representatives from rural producer organisations, multilateral and bilateral agencies that are accredited in the country, United Nations agencies and the IFAD team. As a result, a COSOP profile was developed. The objective of this stage was to collect guiding inputs with the abovementioned actors.
2. The result of the initial design mission was the proposal of a theory of change and the COSOP's strategic objectives and context which was commented upon by the different Ministries, UN Agencies and other potential partners.
3. The COSOP's second design mission took place in April 2020, after having held virtual meetings (due to the context created by the global health crisis [COVID-19]) with international cooperation, government entities, NGOs, UN Agencies and several smallholder producer organisations in different regions of Bolivia, in order to become familiarised with the activities that are being developed in the country and validate the theory of change and strategic objectives.
4. During the mission, information was collected from studies, plans and other documents that contain secondary information that have served as key inputs for the preparation of the COSOP 2021 – 2025 document, such as:
 - The country's socioeconomic situation and that of the rural and agricultural sector, data on the Fund's target population
 - Information on environmental and climate risks
 - Current national regulatory framework (laws and regulations), institutional strategic documents by sector, budget, etc.
5. In design of the COSOP 2021-2025, the mission had planned activities such as additional meetings and workshops where the proposal will be presented and then validated with the corresponding bodies by the mission team; however, due to the impact of COVID-19 and social unrest in the country, this has not been possible
6. The third COSOP design mission took place from June 24 to 29, and it was to respond to the comments made by the reviewers from the Lima HUB, ECG and PMI to all sections of IFAD's new strategy in Bolivia for the next five years, in addition to consultations with smallholder producers in the PROCAMÉLIDOS and ACCESOS-ASAP programmes' areas of intervention.
7. In addition, this mission established the need to adjust and take into account the health crisis (COVID-19) and the new estimates in terms of Bolivia's growth in 2020 and the following years; and prepare the presentation for its validation by the Ministry of Development Planning. However, due to the impact of COVID-19 on the Ministry, an in-person consultation was not possible. However, many inputs from this COSOP are based on the Agriculture Sectoral COVID-19 Recuperation Plan, which was developed by the Ministry of Agriculture and Lands in collaboration with IFAD, FAO and IICA, and validated by the Minister of Agriculture and Lands.
8. Consultation has not been optimal due to the impact of COVID-19, which has generated and will continue to generate other priorities, especially in terms of authorities' time, but every effort has been made to consult Bolivian authorities and stakeholders in formal and informal ways. The Agricultural Sectoral COVID19 Recuperation Plan has enabled IFAD and FAO to get agriculture and rural development included in the general Bolivian UN COVID19 recuperation Plan for Bolivia. IFAD is now clearly part of this plan as an important player. The COSOP was presented to the UN Resident Coordinator and, when the new UNSDCF will be under preparation in 2021, the COSOP will be the base for IFAD's engagement.

Strategic partnerships

<i>Partnering objectives</i>	<i>Partners/networks/platforms</i>	<i>Partnership results and outcomes</i>	<i>Justification for partnership</i>	<i>Monitoring and reporting (to be completed for CRR and CCR)</i>
General objective. Help to improve the contribution of smallholder producers to reducing rural poverty and strengthening food security with sovereignty at the country level.				
Engaging in policy and influencing development agendas	MDRyT	Policies, regulations and services for the agricultural sector	Implementing agency of IFAD programmes/projects	
	MPD	Facilitation of the fiscal pace for the implementation of programmes/projects; flexibility of operating regulations of programmes with which IFAD projects are linked	IFAD's entry point in Bolivia; responsible for the integration, monitoring and control of public spending	
	CT CONAN	Policies for food and nutritional security	Partner agency for coordinating nutrition policies and regulations for IFAD programmes and projects	
	ETAs (regional governments and municipalities)	Competencies and territorial administrative capacities and counterpart resources	Local partners to target communities and implement IFAD programmes and projects	
Leveraging cofinancing	Indigenous Fund	Additional resources for initiatives and businesses	Partner for concurring efforts and resources in common areas of intervention of programmes and projects	
Developing and brokering knowledge and innovation (including SSTC)	PROCASUR	Knowledge management methodologies	Coordination with programmes and projects for international learning paths	
	South-South bilateral or triangular cooperation with other governments and their institutions	Capacity-building and technological transfer	Adoption of solutions developed in the region that are very relevant and adaptable to the Bolivian context	
Strengthening private sector engagement	CIOEC	Platform for organised smallholder producers with family farming policy dialogue capacities	Partners for coordinating methodological services for programmes and projects	
Enhancing visibility	Social organisations: CNMCIQB-BS CSUTCB CIDOB Intercultural CONAMAQ	Visibility and regional coordination	Allies for coordinating the presentation of programmes and projects	
S01: Improve the agricultural productive capacity of inclusive production systems in a way that is environmentally sustainable and resilient to climate change.				
Engaging in policy and influencing development agendas	MMAyA - APMT	Policies, regulations and services for natural resources and climate change.	Partner agency in themes related to natural resources, water, soil and climate change for IFAD programmes and projects; it includes the APMT which set policies and services for climate change and monitors NDCs.	
Leveraging cofinancing	Bilateral agencies (especially COSUDE and SIDA)	Concurrence with programmes and projects related to natural resource management, inclusive	Partner for concurring efforts and resource in common areas of	

		markets, financial services and climate change	intervention of programmes and projects	
	Green financing (GCF and GEF)	Additional resources for climate change	Partner for concurring efforts and resources in common areas of intervention of programmes and projects	
	IICA	Thematic synergy and concurrence with projects related to climate change	Regional partner for concurring efforts and resources in climate change in programmes and projects	
Enabling coordinated country-led processes	RBAs	Food safety, agricultural projects	Partner for dialogue on family farming public policies	
Developing and brokering knowledge and innovation (including SSTC)	CIAT Colombia EMBRAPA Brazil CATIE Costa Rica	Research generators	Coordination for specific research activities in production chains and climate change	
Strengthening private sector engagement	AOPEB	Platform for organised smallholder producers with capacities to provide services	Partners for coordinating methodological services for programmes and projects	
S02: Facilitate market access for competitive, sustainable and inclusive agricultural and non-agricultural products produced by rural smallholder producers.				
Engaging in policy and influencing development agendas	MDPyEP	Policies, regulations and services for internal and external processing and commercialisation	Potential implementing agency of IFAD programmes/projects	
	SENASAG	Food safety policies and services for food safety certifications for primary and processed foods	Partner agency for working on certifications with IFAD programmes' and projects' businesses	
Enabling coordinated country-led processes	World Bank	Food safety, agricultural, climate change projects	Partner for dialogue on agricultural and climate change public policies	
Developing and brokering knowledge and innovation (including SSTC)	Universities USFXUMSA UGRM	Research generators	Coordination for specific research activities in production chains	
Strengthening private sector engagement	Private Enterprise (ALTIFIBERS, COPROCA, etc.)	Services and diversified markets	Strategic partners to link the competitive supply of organised smallholder producers	
Enhancing visibility	Representative producer organisations	Population of potential users	Potential users of programmes and projects	
	Social organisations: CNMCIQB-BS CSUTCB CIDOB Intercultural CONAMAQ	Visibility and regional coordination	Allies for coordinating the presentation of programmes and projects	

South-South and Triangular Cooperation strategy

I. Introduction

1. IFAD has increasingly incorporated SSTC in loan and grant financing activities, as another form of commercial and technical support. The projects and/or programmes financed by IFAD and in-country partners have developed traditional approaches to provide technical cooperation based on reciprocal knowledge exchanges between peers on technical or scientific information, experiences and/or knowledge, to improve agricultural productivity, expand access to market information, improve policies, increase community participation in local development and, in some cases, generate new investment opportunities.
2. The COSOP's development facilitated an analysis of the country's economic and development context, to better understand the thematic areas of focus for SSTC activities. Furthermore, it is useful to understand the country's participation in SSTC and its experience in the exchange of knowledge, experiences and/or resources with other countries. Most countries are categorised as providers and receivers of knowledge.
3. The integration of SSTC in the new COSOP provides a clear idea of how other countries' experiences or resources can be maximised, and how the Plurinational State of Bolivia can share its own experiences and resources with others. SSTC is not only an instrument for sharing knowledge among countries; it is also a means to promote investments and financial flows to help countries in their development.
4. In the framework of the new COSOP 2020-2025 for Bolivia, SSTC is considered to be very important to show the results obtained from the rural development initiatives focusing on smallholder agricultural producers, and especially to highlight the actions and results of the progress achieved with vulnerable and traditionally excluded groups such as women, youth, indigenous peoples and, today, people who are differently-abled. This appendix presents potential areas for SSTC in Bolivia, in accordance with the sectors and themes that are relevant to the country, as well as opportunities for partnerships that will be explored during the COSOP period.
5. An important first step is a preliminary mapping of stakeholders and potential partners (in other words, international organisations, research institutions, academia, etc.) that could take part in identifying and implementing SSTC activities, and the identification of partners from whom to obtain experience/financing or with whom to share experiences/financing. It is important to determine the potential areas for developing SSTC activities, including some examples of the types of activities that are planned. It is also key ensure that the primary thematic areas that are identified are aligned with the key ongoing policies and programmes that are the focus of Bolivia's investments.
6. The Plurinational State of Bolivia, through the Vice-Ministry of Public Investment and External Financing (VIPFE), an agency under the MPD, has, among one of its specific functions, relationships with international cooperation for development. The VIPFE, and specifically the General Directorate of External Financing (DGFE), facilitates SSTC mainly in the bilateral and regional realms, but also with the participation of United Nations agencies and other development partners in the framework of SSTC.
7. To this end, the strategic objectives proposed in the COSOP recognise not only IFAD's contributions in the Plurinational State of Bolivia, but also the Government's special call to position itself as a provider of technical assistance and South-South

Cooperation to other member countries in the region, especially the southern Andean hub.

II. Opportunities for rural development investment promotion and technical exchanges

8. The Government of Bolivia has identified SSTC and created the bi-ministerial resolution of 14 May 2012, (Ministry of Planning – Ministry of Foreign Affairs and Religion), which establishes and approves the document on the country's regulations for managing technical cooperation between developing countries, as a tool that organises and establishes the importance of development through learning, shared experiences, technologies and solutions. Latest information established by the VIPFE through the DGFE.
9. Within this context, the following SSTC priorities, activities and partners have been identified for each of the new COSOP's two strategic objectives (SOs). It is important to keep in mind that this is not an exhaustive list, since new SSTC activities and partners can be identified by the Government and/or suggested by stakeholders during the implementation period.
10. **SO1: Improve the agricultural productive capacity of inclusive production systems in a way that is environmentally sustainable and resilient to climate change.**
11. Main objective: Contribute to improving smallholder producers' capacities and assets, and the sustainability and resilience of the production systems, to ensure food security in the post-COVID-19 context. Investments will focus on the management of efficient irrigation and micro-irrigation systems, the management, recovery and rehabilitation of productive soil, the management of crops and varieties that are key to food security, climate change adaptation measures and technical assistance for communities and municipalities, in coordination and partnership with public and private actors.
12. Specific areas for collaboration and key partnerships:
 - Climate-intelligent agriculture: CIAT, EMBRAPA, COSUDE, Costa Rica, Argentina, Chile
 - Sustainable livestock: FAO, CATIE, Argentina, Brazil
 - Access to water: Argentina, Chile, CIAT, IICA, COSUDE
 - Nutritional and food security: PMA, FAO, Peru and Colombia
13. **SO2: Facilitate market access for competitive, sustainable and inclusive agricultural and non-agricultural products that are produced by rural smallholder producers.**
14. Main objective: Contribute to strengthening the capacities of smallholder processors and their coordination with diversified markets through commercial partnerships. The investments will focus on business plans for productive infrastructure related to processing and commercialisation, innovations, certifications and labelling, commercial partnerships and innovations, in partnership with public and private actors.
15. Specific areas for collaboration and key partners:
 - Post-harvest and processing: FAO, IICA, EMBRAPA/Brazil
 - Green forestry companies: FAO, Colombia and Brazil

- Private sector participation: Argentina, Chile, Peru
 - Inclusive rural economies: PROCASUR
 - Monitoring and evaluation: Argentina, Peru and Argentina
16. SSTC work and targeting are strongly oriented towards vulnerable and traditionally excluded rural groups, including women, youth and indigenous peoples, as these are mainstreaming strategic and essential pillars in contributing to the reduction of poverty and malnutrition.

III. SSTC engagement rationale

17. Bolivia was one of the poorest countries in South America; however, between 2006 and 2014, the per capita GDP doubled, and the extreme poverty rate decreased. Nevertheless, the extreme poverty rate continues to be high in rural areas. Furthermore, Bolivia is facing significant environmental challenges, as it is one of the most vulnerable countries to climate change in the region. The evaluations that were done in formulating this new COSOP clearly show that the agricultural sector has high development potential and strong potential for agricultural products with investments in resilience and irrigation systems. It must also be remembered that the agricultural sector is one of the main sources of employment in the country's rural areas. The new COSOP strategy is based on the challenges that affect the rural agricultural sector, such as low productivity, limited resistance to the effects of climate change, and commercialisation. The main impacts of these problems are poverty, unemployment and environmental degradation.
18. To date, IFAD and the Government of Bolivia have jointly invested US\$337.7 million in the rural population to strengthen inclusive and environmentally sustainable economic growth. This investment includes 14 projects and several grants, reaching more than 277,000 families in the poorest regions of the country. This collaboration has produced several operations at the field level that can and must be shared, replicated and expanded. The same can be said of the knowledge and technologies developed in other countries, from which Bolivia could benefit.
19. Among the lessons learned from IFAD operations in the country is the need to ensure that the project's development and implementation process is more participative and inclusive. Improved coordination and complementarity are vital between operations in the country and other financial institutions and United Nations agencies, especially Rome-based agencies. Similarly, the regional subsidies must be used to support key activities in the project portfolio. SSTC can support the establishment of a working model to improve cooperation and complementarity among the different partners.

IV. Partnerships and initiatives

20. SSTC is fundamental to meet the strategic objectives. This mechanism will be used to expand collaboration of some of the current partners in themes related to sustainable agrifood systems, nutrition and climate change (CIAT is a potential partner), and with the Swiss Agency for Development and Cooperation and the Taiwanese International Cooperation and Development Fund to diversify crops, promote the use of appropriate technologies for production and post-harvest, and identify some value chains or products in the country with which these organisations can collaborate, such as potato, avocado, dragon fruit and cashews, among others.
21. In terms of entrepreneurship, capacity-building, information technology and rural financing, there are opportunities to develop exchanges with other countries in the region that have obtained positive results in these areas. A partner for this has not yet been determined. In regard to market access and certifications, it is proposed that work be done with the ITC.

V. Conclusion

22. SSTC responds to the growing interest of developing countries to share lessons learned through knowledge exchange, technology and experience, as well as promoting trade and investments. In this context, Bolivia could certainly benefit from SSTC's technical cooperation aspects and promotion of investments.
23. The new Bolivia COSOP provides a great opportunity for the country to progress even more in terms of having a greater impact on reducing rural poverty, where SSTC can be used to obtain more solid results. Bolivia has already developed interesting SSTC initiatives in recent years and should try to maximise existing experiences to expand the new intervention. In this regard, it will be critical to mobilise additional funds for SSTC initiatives.
24. Considering the Agenda 2030, and especially SDGs 1 and 2, and recognising the great demand for technical knowledge and investment alternatives expressed by the governments, IFAD is ready to continue to act as a knowledge intermediary and support the exchange of good practices and investment opportunities during the entire implementation of the new COSOP.

Country at a glance

Region	Latin America & the Caribbean	Member of Country Groups :	
Country	Bolivia	Least Developed country	No
Current Financing Terms	Ordinary	Low-income, food deficit	No
Ranking all Countries	51	HIPC DI Eligible	No
Ranking within region	8		

Country Indicator	Value	Year	Source
Agriculture, value added (% of GDP)	11.59	2017	World Bank
GNI per capita, Atlas method (current US\$)	3 130.00	2017	World Bank
Human development index (HDI) value	0.69	2017	UNDP
Population, total	11 051 600.00	2017	World Bank
Rural population	3 417 155.00	2017	World Bank

Key Dates

Last RB-COSOP Approved AVP/PMD	
First Project Approved	27 Jun 1979
Last Project Approved	07 Sep 2015

IFAD Interventions

	<u>Number of Projects</u>	<u>IFAD Approved US\$ ('000)</u>
Project Completed	1	28 000
Available for Disbursement	1	17 891
Financial Closure	11	96 512
DR Endorsed	1	23 000
Total IFAD commitment	14	165,403

IFAD Interventions Summary

Project Number	Financing Instrument ID	Currency	Approved Amount	Disbursed	Loan/Grant Status	Project Status	Board Approval	Cooperating Institution
110000016	1000002020	XDR	3 150 000	79	Fully Repaid	Closed	27 Jun 1979	WB
110000086	1000002640	XDR	11 700 000	100	Fully Repaid	Closed	17 Dec 1981	CAF
110000149	1000002008	XDR	11 350 000	100	Closed	Closed	05 Apr 1984	CAF
1100000218	1000002085	XDR	4 200 000	100	Closed	Closed	03 Dec 1987	CAF
1100000266	1000002138	XDR	8 700 000	100	Fully Repaid	Closed	02 Oct 1990	CAF
1100000354	1000002236	XDR	5 450 000	98	Closed	Closed	20 Apr 1994	CAF
1100000373	1000002257	XDR	4 300 000	89	Closed	Closed	06 Dec 1994	CAF
1100001031	1000002337	XDR	5 850 000	95	Closed	Closed	29 Apr 1997	CAF
1100001145	1000002443	XDR	9 250 000	86	Closed	Closed	13 Sep 2000	IFAD
1100001298	1000002759	XDR	4 800 000	100	Closed	Closed	14 Dec 2006	IFAD
1100001490	1000003622	XDR	5 050 000	100	Closed	Closed	17 Dec 2009	IFAD
1100001598	1000004127	XDR	11 600 000	100	Expired	Completed	13 Dec 2011	IFAD
1100001598	2000000391	XDR	6 500 000	100	Expired	Completed	25 Nov 2013	IFAD
1100001721	2000000784	XDR	12 870 000	36	Disbursable	Disbursable	07 Sep 2015	IFAD

Project status	Project Id	Project Name	Approval	Entry into Force	IFAD Amount	Disbursed %
Available for Disbursement	1100001721	Integral Strengthening Programme for the Camelid Value Chain in the Bolivian High Plateau	07-Sep-15	11-Apr-16	17 891 000	36%
	2000000784		01-Aug-14	13-Dec-16	17 891 000	36%
	2000001617	Back to the roots; using the gastronomy as a rural development tool	15-Dec-17	20-Jan-18	472 000	96%
Financial Closure	1000000524	DESARROLLO SOSTENIBLE DE LOS PUEBLOS INDIGENAS DEL BENI	03-Jun-93	03-Jun-93	100 000	63%
	1000000707	PROYECTO PARA EL PROCESAMIENTO Y COMERCIALIZACION DE CARNE DE LLAMA	30-Nov-01	17-May-02	70 000	100%
	1000000836	PEASANT MANAGEMENT PROJECT	06-Sep-96	13-Dec-96	60 000	50%
	1000000853	RURAL CREDIT SERVICES PROJECT	30-Dec-96	26-Mar-97	42 000	100%
	1000001778	MANEJO DE RECURSOS NATURALES EN CHACO Y VALLES ALTOS	16-Dec-02	19-Feb-03	60 000	93%
	1000001807	SERVICIOS DE ASISTENCIA TECNICA PARA PEQUENOS PRODUCTORES	23-Apr-97	20-Jan-98	42 000	96%
	1000002008		05-Apr-84	03-Dec-85	12 000 000	100%
	1000002020		27-Jun-79	28-Mar-80	2 571 000	79%
	1000002085		03-Dec-87	17-Apr-89	5 500 000	100%
	1000002138		02-Oct-90	23-Sep-91	12 000 000	100%
	1000002236		20-Apr-94	23-Jun-95	7 580 172	98%
	1000002257		06-Dec-94	30-Oct-96	6 259 711	89%
	1000002337		29-Apr-97	30-Apr-98	8 099 000	95%
	1000002443		13-Sep-00	22-Aug-03	12 042 464	86%
	1000002640		17-Dec-81	07-Feb-83	13 800 000	100%
	1000002759		14-Dec-06	05-Nov-09	7 232 747	100%
	1000003261	LEARNING AND SHARING INDIGENOUS KNOWLEDGE ON CLIMATE CHANGE AND MITIGATION IN THE AMAZONIAN BASIN	22-Dec-08	24-Mar-09	181 400	100%
	1000003343	FROM PROJECTS TO PUBLIC POLICIES: A KNOWLEDGE MANAGEMENT PLATFORM FOR LATIN AMERICA AND THE CARIBBEAN	30-Mar-09	20-Apr-09	200 000	73%
	1000003622		17-Dec-09	10-Aug-11	7 998 301	100%
	1000003932	LEARNING WAYS OF ADAPTATION, MITIGATION AND HOW TO MODIFY ATTITUDES IN RESPONSE TO CLIMATE CHANGE FROM HIGHLAND INDIGENOUS PEOPLES IN BOLIVIA	23-Dec-10	13-Jan-11	206 800	100%
	1100000016	Omasuyos-Los Andes Rural Development Project	27-Jun-79	28-Mar-80	2 571 000	79%
	1100000086	Chuquisaca North Agricultural Development Project	17-Dec-81	07-Feb-83	13 800 000	100%
	1100000149	Cotagaita-San Juan del Oro Agricultural Development Project	05-Apr-84	03-Dec-85	12 000 000	100%
	1100000218	Chuquisaca South Rural Development Project	03-Dec-87	17-Apr-89	5 500 000	100%
	1100000266	Consolidation and Development of Smallholder Settlements in the Department of Santa Cruz Project	02-Oct-90	23-Sep-91	12 000 000	100%

	110000354	Camelid Producers Development Project in the Andean High Plateau	20-Apr-94	23-Jun-95	7 580 172	98%
	110000373	Sustainable Development Project by Beni Indigenous People	06-Dec-94	30-Oct-96	6 259 711	89%
	1100001031	Small Farmers Technical Assistance Services Project	29-Apr-97	30-Apr-98	8 099 000	95%
	1100001145	Management of Natural Resources in the Chaco and High Valley Regions Project	13-Sep-00	22-Aug-03	12 042 464	86%
	1100001298	Enhancement of the Peasant Camelid Economy Support Project	14-Dec-06	05-Nov-09	7 232 747	100%
	1100001490	Plan VIDA-PEEP to Eradicate Extreme Poverty - Phase I	17-Dec-09	10-Aug-11	7 998 301	100%
Project Completed	1100001598	Economic Inclusion Programme for Families and Rural Communities in the Territory of Plurinational State of Bolivia	13-Dec-11	21-Aug-13	27 999 897	100%

Country profile					
Population and General Information					
	1990	2000	2010	2015	2018
Population, total	6 864 842	8 418 264	10 048 590	10 869 730	11 353 142
Population growth (annual %)	2.1	1.9	1.6	1.5	1.4
Rural population	3 049 569	3 216 871	3 373 312	3 435 596	3 471 223
Rural population growth (annual %)	(0.1)	0.6	0.3	0.4	0.3
Rural population (% of total population)	44.4	38.2	33.6	31.6	30.6
Surface area (sq. km)	1 098 580	1 098 580	1 098 580	1 098 580	1 098 580
Land area (sq. km)	1 083 300	1 083 300	1 083 300	1 083 300	1 083 300
Economy					
	1990	2000	2010	2015	2018
Current account balance (% of GDP)	(4.1)	(5.3)	4.4	(5.9)	(4.5)
GINI index (World Bank estimate)	-	61.6	-	46.7	42.2
GNI, Atlas method (current US\$)	4 935 699 968	8 287 259 662	17 924 587 878	32 208 419 779	38 203 746 852
GNI per capita growth (annual %)	2.9	0.3	1.7	5.5	3.1
GNI per capita, Atlas method (current US\$)	720	980	1 780	2 960	3 370
Gross national expenditure (% of GDP)	101.1	109.0	93.1	106.2	105.1
Inflation, GDP deflator (annual %)	16.3	5.2	8.8	(4.6)	3.1
Short-term debt (% of total external debt)	3.5	6.8	5.8	4.3	5.3
Short-term debt (% of total reserves)	30.2	34.0	3.5	3.3	7.9
Total debt service (% of exports of goods, services and primary income)	39.4	39.8	9.5	9.9	9.6
Total debt service (% of GNI)	8.5	7.8	3.5	3.1	2.6
Total reserves (% of total external debt)	11.7	20.1	168.5	131.9	67.2
Poverty					
	1990	2000	2010	2015	2018
Poverty headcount ratio at national poverty lines (% of population)	-	66.4	-	38.6	34.6
Poverty headcount ratio at \$1.90 a day (2011 PPP) (% of population)	-	28.6	-	6.4	4.5
Poverty headcount ratio at \$3.20 a day (2011 PPP) (% of population)	-	41.4	-	11.7	10.6
Employment					
	1990	2000	2010	2015	2018
Informal employment (% of total non-agricultural employment)	-	-	-	78.2	73.2
Labour force, female (% of total labour force)	40.9	42.1	43.1	40.7	44.2
Share of youth not in education, employment or training, total (% of youth population)	-	-	-	14.5	-
Unemployment, total (% of total labour force) (modelled ILO estimate)	-	2.9	2.6	3.1	3.5
Unemployment, youth total (% of total labour force ages 15-24) (modelled ILO estimate)	-	6.2	5.2	6.8	6.8
Vulnerable employment, total (% of total employment) (modelled ILO estimate)	-	66.1	59.1	64.0	63.6
Wage and salaried workers, total (% of total employment) (modelled ILO)	-	31.9	35.8	31.3	31.5

Agriculture	1990	2000	2010	2015	2018
Agriculture, forestry, and fishing, value added (% of GDP)	15.4	13.0	10.4	10.2	11.5
Agriculture, forestry, and fishing, value added (constant 2010 US\$)	1 174 549 268	1 574 333 833	2 041 578 235	2 503 404 827	2 970 034 480
Arable land (% of land area)	1.9	2.9	4.0	4.1	-
Food exports (% of merchandise exports)	18.9	30.2	15.3	17.8	17.8
Food imports (% of merchandise imports)	11.5	13.5	7.7	6.9	7.6
Livestock production index (2004-2006 = 100)	64.9	80.1	126.9	136.1	-
Environment	1990	2000	2010	2015	2018
Terrestrial protected areas (% of total land area)	-	-	-	-	30.9
Electricity production from natural gas sources (% of total)	38.9	47.7	64.1	66.3	-
Electricity production from renewable sources, excluding hydroelectric (% of total)	1.4	1.4	1.8	2.5	-
Forest area (% of land area)	58.0	55.5	51.9	50.6	-
Renewable energy consumption (% of total final energy consumption)	37.4	27.4	20.1	17.5	-
Nutrition and Health	1990	2000	2010	2015	2018
Life expectancy at birth, total (years)	56.1	62.5	68.0	70.3	71.2
Prevalence of undernourishment (% of population)	-	33.4	26.5	18.0	-
Prevalence of anaemia among pregnant women (%)	36.5	34.0	36.3	36.5	-
WASH	1990	2000	2010	2015	2018
People with basic handwashing facilities including soap and water, rural (% of rural population)	-	-	-	19.3	-
People using at least basic sanitation services, rural (% of rural population)	-	15.0	26.4	33.2	-
People using at least basic drinking water services, rural (% of rural population)	-	54.2	68.6	75.4	-

Source: World Development Indicators. Data retrieved on 28 June 2020

Financial Management Issues Summary



COUNTRY		BOLIVIA					
Project	Financing instrument	FLX Status (1)	Lending Terms	Currency	Amount (million)	%Disbursed	Completion date
PRO-CAMELIDOS	200000078400	DSBL	BLENDED TERMS	XDR	12.87	36.06	29/06/2022
(1) APPR – SIGN – ENTF – DISB – EXPD - SPND							
CURRENT LENDING TERMS		Blend Terms since 2010 – Ordinary since 2020					
A. COUNTRY CONTEXT INHERENT RISK: MEDIUM							
<p>TI Index: 31/100 (Substantial) High risk = 0 – 30; Substantial risk = 31 – 40; Moderate risk = 41 -50 Low risk = 51 -100</p> <p>RSP rating: 3.1 Substantial) High risk = 0 – 3.0; Substantial risk = 3.1 – 3.6 Moderate risk = 3.7 – 4.2 Low risk = 4.3+.</p>		<p>Comments: TI: According to the 2019 Transparency International report, Bolivia ranks 123rd (out of 180 countries) with a score of 31/100. This score has remained as substantial since 2012 (source: Transparency International).</p> <p>Public Expenditure and Financial Accountability: No recent data available. The latest PEFA assessment for Bolivia at the national level was performed in 2009 and is no longer relevant.</p> <p>World Bank: After the decline in gas prices and export volumes, Bolivia relied on substantial public spending and increased domestic credit to maintain strong economic growth. As a result, public debt increased. Due to the global economic downturn and the effects of the COVID-19 crisis, macroeconomic cushions and policy space have decreased and increases in poverty are expected. In the medium term, Bolivia needs to consolidate macroeconomic stability by reducing its fiscal and external deficits, promoting the development of private investment to diversify the economy, create quality jobs and establish mechanisms both to protect the most vulnerable and to make families more resilient to different types of shocks (Source: World Bank, April 20).</p> <p>Accounting & Auditing: The Comptroller General is the accounting standard-setter for the public sector in Bolivia. The standards used are based on IPSAS; however, they are not fully converged with IPSAS, and there are no known plans to adopt IPSAS as the national public sector accounting standards. There are no independent audit oversight arrangements in Bolivia; the sole requirement for becoming a Financial Auditor is an approved university bachelor's degree (Source: IFAC).</p> <p>Debt distress: The latest Chapter IV consultation of the IMF, dated Dec 2018, states that risk to debt sustainability are significant. Bolivia's heavy dependence on the commodity sector and limited number of external markets make it vulnerable to external shocks and require large buffers. Debt to GDP ratio is projected to reach 54 per cent by 2023 (up from 51 per cent in 2017), but a combination of shocks could potentially result in a ratio of 67 per cent by 2023. An updated evaluation by the IMF in May 2020, as part of the Request for Emergency Financing to address the COVID-19 pandemic, assessed public debt as sustainable over the medium term, subject to risks</p> <p>GNI per capita: The country GNI per capita has experienced a significant increase in the last two decades, rising from 980 in 2000 to 3,530 in 2019 (source: World Bank Country data).</p>					
B. PORTFOLIO, FM RISK & PERFORMANCE							
Project	Project FM risk rating	Performance Score: Quality of Financial Management	Performance Score: Quality & Timeliness of Audit	Performance Score: Disbursement Rate	Performance Score: Counterpart funds		
ACCESOS	Low	Satisfactory	Moderately Unsatisfactory	Moderately Satisfactory	Satisfactory		
PRO-CAMELIDOS	Substantial	Moderately Satisfactory	Unsatisfactory	Moderately Unsatisfactory	Moderately Satisfactory		
Main issues affecting quality of financial management:							
<ul style="list-style-type: none"> Project finance staff are contracted on an annual basis, which, in some cases, resulted in contracting delays and staff working 							

without contracts, in addition to increasing the risk of not retaining qualified and trained personnel.

- Accounting system VISUAL is not maintained up to date, and there have been inconsistencies in financial reporting.
- Consistent late submission of audited financial statements across the portfolio. Audits in Bolivia need to comply with the requirement of both IFAD the Comptroller General, which results in excessive detailed and hard-to-read documents. In addition, there have been quality issues with local audit firms, such as not providing the management letters as required.

For the ACCESOS Project (closing date 31 March 2020), the presentation of final audited financial statements and the reimbursement of an outstanding balance to IFAD of US\$188 000 are pending.

The design of the ACCESOS RURAL Project (IFAD financing for US\$23 million) was completed in October 2019, and negotiations were planned before year-end but postponed by the Government of Bolivia because of the political crisis. Negotiations are now planned for September 2020.

C. DEBT SERVICING

There are no arrears for Bolivia

Prepared by: Anna Herremans, Regional Finance Officer / Date:28/07/2020