Country and Sector Background

1. **Bolivia benefited from exceptional external conditions between 2006 and 2008 and was resilient to the recent global economic crisis.** Between 2006 and 2008, GDP growth averaged 5.2 percent, while record current account and fiscal surpluses were reached due to high commodity prices and remittances, the operation of a major mining project, and higher hydrocarbon taxation. Bolivia maintained positive growth in 2009, despite the strong reduction of Brazilian gas demand due to the economic slowdown and high rainfalls in that country. GDP growth reached 3.4 percent in 2009 due to the recent commodity price recovery, growing mining exports and, to a lesser extent, higher fiscal expenditure.

2. **President Morales was reelected in December 2008 after his administration continued a profound reform process in line with its National Development Plan (PND).** Since President Morales was elected in 2005, a new constitution was approved that defined Bolivia as a Plurinational State with greater regional autonomy and a plural economy, in which the social, communal, state, and private economies should co-exist. In line with the PND, new social programs were implemented and others were scaled up, strategic enterprises were nationalized, and new public enterprises were created. These reforms have been well received by the population, allowing President Morales to be reelected in the December 2009 election with broad support, and allowing the ruling party to gain control in the Plurinational Assembly. However, some independent local leaders won key municipalities, and three
departments were won by regional opposition figures in the April 2010 local and regional elections, respectively.

3. **The PND should be understood within the new context of the mandates under the 2009 Constitution (Constitución Política del Estado, or CPE).** As mentioned above, the new Constitution defines Bolivia as a Plurinational Communal State with Autonomies. The principle that guides the Constitution is “Living Well” (*Vivir Bien*), which acknowledges the importance of material and economic progress in attaining higher levels of well-being, but recognizes that they are not sufficient to satisfy communal needs. The PND places great emphasis on deepening decentralization through the construction and strengthening of local autonomies. It also seeks to incorporate into the planning process gender, science and technology, environment, and risk management approaches.

4. **The structure of Bolivia’s public administration was reorganized in order to respond to the mandates of the PND.** The Ministry of Development Planning (MPD) was created in 2006 as part of an effort to strengthen the planning systems in the country, which includes policy design and monitoring and evaluation (M&E). The MPD replaced the Ministry of Sustainable Development with the mandate to coordinate the planning system and the national system of public investment, as well as the M&E of the PND. The creation of the MPD was intended to largely centralize much of the M&E required for public planning and management processes. The MPD is responsible for the preparation of quarterly reports to the President on the status of the implementation of the PND. In doing so, the MPD coordinates and consolidates information from 24 sectors, and ideally would provide the technical assistance and capacity building to sector ministries needed to follow through effectively on the implementation of the PND.

5. **The challenges of coordination among the ministries and the obligations of government are further complicated by the lack of an adequate base of statistical information.** Information is the foundation of any planning system, as well as the M&E systems of public programs and policies. Moreover, information is a fundamental input in the allocation of resources across regions, across the different levels of government (national, departmental, municipal, and native indigenous peasant communities), and across sectoral ministries. There are questions regarding the timeliness, accuracy, reliability and validity of the existing statistical information in Bolivia. The lack of a reliable base of statistical information fragments the cycle of policy formulation, as the M&E systems do not have sufficiently reliable and timely information to serve as an input in the process of decision-making. Accordingly, the current system of monitoring and accountability of the PND is weak and generates a low level of satisfaction among key participants.

6. **In response, the GOB seeks to strengthen the statistical capacity and the informational base to serve as input to the design, monitoring and evaluation of evidence-based policies and programs.** This project will provide technical and financial assistance to the GOB to strengthen its statistical capacity and informational base. In particular, the project will support four key operations of the National System of Statistical Information (SNIE), which will serve to strengthen the informational base of the country, through: (i) the updating of the multipurpose cartography, which is part of the Geographic Information System for Development (SIGED); (ii) the design and implementation of the
activities of the pre-census and census stages of the III National Agricultural Census; (iii) the design and implementation of the activities of the pre-census stage of the 2012 National Population and Housing Census; and (iv) the redesign of the sampling frame and the expansion of the sample size of the Continuous Household Survey in order to produce statistics that are representative at the departmental level and for the four major urban areas.

7. **The National Statistics Institute of Bolivia is the governing body of the National System of Statistical Information (SNIE), and has the mandate to produce the most accurate and updated information for decision-making.** Since its creation in 1970, INE has been the main producer of the country’s statistical information through the collection, processing and dissemination of the national population and housing, economic, and agricultural censuses, in addition to countless statistical operations that allow Bolivians to better understand their socio-economic reality. As the rector agency of the SNIE, INE coordinates the interaction among a group of public and private institutions, which are the main producers and the main users of information in Bolivia. The SNIE accomplishes its mission by establishing and implementing technical standards, methodologies, and other operational procedures for the production of statistical information.

8. **The project intends to strengthen the statistical capacity and informational base of Bolivia in order to support better systems for the planning, design, monitoring and evaluation of public policies and programs at all levels.** To the extent that the project will strengthen the statistical capacity and informational base of Bolivia, it will provide more timely, accurate and reliable inputs into the planning, design, monitoring and evaluation of policies, which will result in more effective systems for evidence-based policy-making. Given the public good nature of statistical information, the benefits of improved statistical capacity and information will not be limited to the implementation and M&E of the PND, but will likely spread to all ministries and multiple government policies and programs.

9. **The information to be collected through the National Population and Housing Census and the National Agricultural Census will provide fundamental inputs for the implementation of many of the mandates of the new State Political Constitution (CPE), most notably for the decentralization process, and will also support several of the PND priority programs.** The decentralization process initiated by the CPE requires that resources be allocated across the different levels of government namely, the national, departmental, municipal, and native indigenous peasant communities. The allocation of resources is typically based on population size as well as on the social and economic characteristics of the subnational units. Given that the last population and housing census was collected in 2001, the formulas used to allocate resources are outdated. Thus, there is an urgent need to collect information to determine a more accurate distribution of resources based on the new demographic and political landscape of the country. The 2012 National Population and Housing Census will provide this updated information base. Moreover, several priorities under the PND require updated information, much of which will be provided by the 2012 National Population and Housing Census and by the 2011 National Agricultural Census, as well as by the redesigned Continuous Household Survey.
Objectives

10. The project development objective is to support Bolivia’s National Statistics Institute with financial and technical assistance to produce four statistical operations of fundamental importance to the country’s informational base.

11. In particular, the project will strengthen the INE through the support of the following four statistical operations:

   (i) The Geographic Information System for Development (SIGED)
   (ii) The III National Agricultural Census
   (iii) The 2012 Population and Housing Census
   (iv) The Continuous Household Survey,

12. The project’s higher level objectives are to strengthen the statistical capacity of GOB and improve the informational base of the country, so that the systems for planning, designing, monitoring and evaluating public programs and policies have information that is reliable, timely, and accurate, and is representative at the level of disaggregation necessary.

Rationale for Bank Involvement

13. The World Bank is a leader in the Latin America and Caribbean region in strengthening National Statistical Systems and in promoting results-based management for development, so it is well-positioned to respond to the demands for specific assistance in these areas from the Government of Bolivia. The World Bank has been a pioneer in Latin America and the Caribbean in providing technical and financial assistance to countries to strengthen their national statistical systems. Through the Team for Statistical Development (TSD), the Bank to date has accompanied thirteen countries in the region in the formulation and implementation of their National Strategic Plans for Statistical Development (PENDES), including Bolivia. In addition, the Bank also administers the Regional Award for Innovation in Statistics in Latin America and the Caribbean, which facilitates the exchange of best practices and state-of-the-art experiences in statistical development among professionals in the region. With the strengthening of their national statistical capacity, these countries establish solid foundations to facilitate the planning and formulation of evidence-based policies.

14. The international donor community is organizing its support around the PND. The Group of Partners for the Development of Bolivia (GruS) is the principal mechanism for harmonisation between aid agencies in Bolivia. Its objective is to support the government-donor dialogue through roundtables in order to improve aid effectiveness and promote alignment in pursuit of the objectives of the PND and the Millennium Development Goals (MDGs). Given the priority assigned to the PND by the GOB, the international donor community has been working to coordinate its support for the implementation of the PND. The formal coordination mechanism with the GOB is through the Coordination Tables (Mesas de Coordinación). Since 2006, the Government has organized five Mesas to discuss sector plans and the implementation of the PND. The World Bank is leading, along with the Government of the Netherlands, the Mesa Bolivia Digna, which deals with social sector
issues, including the Social Protection and Integrated Community Development Strategy. The GruS has worked to elaborate data on donor operations in fourteen sectors. This effort envisages, amongst other things, the establishment of leading donors in each sector according to their comparative and competitive advantages, donors focusing on no more than three sectors, and delegated cooperation.

**Description**

15. **The lending instrument is a Horizontal Adaptable Program Loan (APL) under the Statistical Capacity Building Program (STATCAP) facility, which aims to improve the production and use of information for evidence-based policymaking.** The STATCAP offers a sector-wide approach to a number of countries to improve statistical capacity for evidence-based policymaking. Specific loans and credits obtained by borrower countries are treated as phases of the Adaptable Program Credit under the STATCAP approach. The STATCAP was approved as a Horizontal APL by the World Bank’s Board in March 2004. A STATCAP project is appraised and prepared for approval at the regional Vice President level following normal provisions for investment lending. A Horizontal APL is an appropriate lending instrument to share the knowledge that the World Bank has accumulated by working with its partner countries in the production and use of information for better policymaking.

16. This project has four components related in large measure with INE’s Strategic Institutional Plan (PEI) objective of strengthening the production and dissemination of the official statistics, namely to: (i) update the multipurpose cartography as part of the Geographic Information System for Development (SIGED); (ii) design and implement the activities of the pre-census and census stages of the III National Agricultural Census; (iii) design and implement the activities of the pre-census stage of the 2012 Population and Housing Census; and (iv) redesign the sampling frame and expand the sample size of the Continuous Household Survey in order to extend its representativeness to the departmental level and to the four main urban areas. These components were selected jointly by the Ministry of Development Planning, INE and the World Bank, since these operations are considered fundamental to the National System for Statistical Information, in addition to their use as inputs for the planning systems and the systems for monitoring and evaluation of priority public programs and policies as identified by the PND.

**Component 1: Geographic Information System for Development (SIGED)**

**(US$7.285 million)**

17. This component seeks to update the multipurpose cartography, which is part of the Geographic Information System for Development (SIGED). SIGED is a system that integrates hardware, software and geographic information systems designed to capture, store, modify, update, and analyze geographic data referenced to the territory of the Plurinational State of Bolivia. It requires an updated database in all its layers, i.e. a multipurpose updated cartography and the latest information from the censuses. The multi-purpose aspect of the cartography allows for the concurrent collection of information on observation units related to population and housing, agricultural and economic establishments censuses. In addition, it captures information on the specific characteristics of community organization (hospitals, schools, unions, etc.) that will allow for the design of statistical sample frames for several sectors (health, education, services, etc.). Specifically, this component seeks to successively:
(i) design a geographic information system; (ii) update the rural cartography; and (iii) update the urban cartography.

**Component 2: III National Agricultural Census (US$10.163 million)**

18. Accounting for 13.5 percent of the Gross Domestic Product (GDP) and an average annual growth rate of 3 percent between 2005 and 2009, the agricultural sector plays an important role in the national economy of Bolivia as one of the main economic activities of the country. The Bolivian Government is exploring the possibility of instituting an agricultural insurance program in the short-term, for which the census will be the primary input. This component will finance the activities of the pre-census and census stages of the III National Agricultural Census, including the collection of information from the agricultural, forestry and aquaculture establishments from all the municipalities in the country. More specifically, this component seeks to: (i) develop a directory of all the Agricultural Production Units (UPA) at the municipal level; and (ii) collect information on nearly 750,000 UPA through a basic questionnaire, based on international standards of the United Nations Food and Agriculture Organization (FAO) that have been adapted to the Bolivian context.

**Component 3: 2012 Population and Housing Census (US$6.061 million)**

19. A Population and Housing Census seeks to provide updated information on the demographic, social, economic and housing conditions existing in the country in order to adjust and define plans, programs and policies and strategies for the implementation and evaluation of sustainable human, economic and social development at the national, departmental or municipal levels. This component of the project will finance the preparatory phase of the 2012 Population and Housing Census in Bolivia. In this initial stage, the component will: (i) develop the census questionnaire for the collection of demographic information, according to the conditions of the country, the history of their indicators and institutional arrangements within the government; (ii) prepare materials and conduct trainings for the operational staff of the census (interviewers, supervisors, clerical staff); (iii) design dissemination materials that will be used to promote the participation of the population in this data collection exercise; and, (iv) develop a pilot census and experimental censuses in order to test the material that will be used in the census and make the necessary adjustments.

**Component 4: Continuous Household Survey (US$1.490 million)**

20. The representativeness of the continuous household survey has been limited to the four principal cities and in some periods extending to eight principal cities, depending on the available financing. Due to the importance of the information gathered from the continuous household survey, INE initiated studies to broaden its coverage from 1996. Currently, the survey is representative at the national level, and is stratified by population size, urban-rural and poverty. However, its representativeness is not sufficient to respond to the new realities of the country, with its new Constitution and the new territorial organization. This component seeks to: (i) develop a new questionnaire that includes the variables of Vivir Bien, without affecting the comparability with previous surveys; (ii) expand the sample size so that it is representative for the nine departments and the four largest cities in the country; and (iii) collect and process the information of the survey for two years.
Financing

21. Source: ($m.)

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>BORROWER</td>
<td>2.5</td>
</tr>
<tr>
<td>International Development Association (IDA)</td>
<td>25.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>27.5</strong></td>
</tr>
</tbody>
</table>

Implementation

22. The National Statistics Institute (INE) will be the executing agency of this STATCAP credit. As the rector agency of the National Statistical System, INE will be responsible for managing this statistics operation. INE is a well-established entity with the competence and experience necessary for carrying out the activities under the proposed project. Accordingly, INE has put in place acceptable internal processes and procedures, including internal controls, which have allowed them to prepare and provide timely and reliable information for monitoring purposes.

23. Taking into account the considerable increase in INE’s activities resulting from project implementation, there is need to adequately strengthen INE’s current capacity both in terms of its technical and fiduciary staff, as well as processes and procedures in order to make sure they fully respond to project needs allowing timely, agile, and smooth project implementation. To this end, INE has informed the World Bank of its decision to establish a “Dirección General de Censos”, including an Administrative Unit for which detailed organizational and operational arrangements, both within such Dirección and in terms of its relation with the rest of the structure, need to be defined and reviewed. In particular, detailed roles and responsibilities to assign FM functions required by the project to this Dirección Unit vis-à-vis INE’s Dirección de Administración y Servicios still need to be defined, reviewed, and formalized.

24. Both the administrative and technical units of INE will be strengthened to meet the needs of the project. This will include additional personnel, specific technical trainings, and trainings on the fiduciary responsibilities under the project, among others. A Project Operational Manual is being developed to define responsibilities and operational procedures among the participating agencies. While an autonomous entity within the Government, INE is under the purview of the Ministry of Development Planning. Given its dependence on the MPD, INE will maintain the MPD informed of the progress of activities under the project, sharing implementation status and financial reports, in addition to other reports or methods of communication defined between the INE and MPD.

Sustainability

25. There are five elements that clearly demonstrate the GOB’s commitment and ownership of this project. Specifically, the GOB is focused on the informational base to strengthen its planning system as reflected by: (i) the high level of government commitment to institutionalize the Plurinational State Integrated Planning System (SPIEP), to which this
project will contribute; (ii) the constitutional mandate to produce a National Development Plan (PND), and regular reports on its implementation; (iii) the GOB’s own efforts to improve the design, monitoring and evaluation of public programs and the quarterly reporting on the advancement of these programs to the President; (iv) participatory processes, headed by INE, since 2006 to develop the National Strategic Plan for Statistical Development (PENDES) in order to ensure the statistical information needs emerging from the PND are met with quality, timely, efficient, and properly disseminated statistical products; (v) the GOB, through the Vice-Ministry of Planning and Coordination of the MPD and INE, has been very involved in the preparation of this project since the identification stage.

**Lessons Learned from Past Operations in the Country/Sector**

26. The following main lessons learned from previous experience in Bank projects have been considered in the preparation of the proposed project:

(a) There is often a disconnection between producers and users of statistics that constrains the capabilities of the policymaking process. In order to help solve this problem in Bolivia, the INE has been leading since 2006 the preparation of a participatory National Strategic Plan for Statistical Development (PENDES) that aims to increase the coordination of producers and users of statistics, mainly around the needs of the PND. This process has facilitated the INE’s role as rector agency of the SNIE.

(b) Following the request of the GOB, and in line with the recommendations of the peer reviewers during both the Concept Review and Quality Enhancement Review (QER) meetings, the project has been greatly simplified from its previous version by focusing exclusively on the statistical capacity and informational base component. Given the high turnover in the Bolivian Government, its weak institutional capacity and its record of delays in implementing Bank projects, the team expects that this simplification of the project will facilitate its successful implementation.

**Safeguard Policies (including public consultation)**

<table>
<thead>
<tr>
<th>Safeguard Policies Triggered by the Project</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Environmental Assessment (OP/BP 4.01)</strong></td>
<td></td>
<td>[X]</td>
</tr>
<tr>
<td>Natural Habitats (OP/BP 4.04)</td>
<td></td>
<td>[X]</td>
</tr>
<tr>
<td>Pest Management (OP 4.09)</td>
<td></td>
<td>[X]</td>
</tr>
<tr>
<td>Physical Cultural Resources (OP/BP 4.11)</td>
<td></td>
<td>[X]</td>
</tr>
<tr>
<td>Involuntary Resettlement (OP/BP 4.12)</td>
<td></td>
<td>[X]</td>
</tr>
<tr>
<td>Indigenous Peoples (OP/BP 4.10)</td>
<td>[X]</td>
<td></td>
</tr>
<tr>
<td>Forests (OP/BP 4.36)</td>
<td></td>
<td>[X]</td>
</tr>
<tr>
<td>Safety of Dams (OP/BP 4.37)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Projects in Disputed Areas (OP/BP 7.60)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Projects on International Waterways (OP/BP 7.50)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Contact point

Contact: Jose R. Molinas Vega
Title: Senior Economist
Tel: (202) 458-7560
Fax:
Email: jmolinasvega@worldbank.org

For more information contact:

The InfoShop
The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 458-4500
Fax: (202) 522-1500
Email: pic@worldbank.org
Web: http://www.worldbank.org/infoshop