



1. Project Data:		Date Posted : 08/21/2000	
PROJ ID : P006190		Appraisal	Actual
Project Name : Municipal Development	Project Costs (US\$M)	58.0	54.8
Country : Bolivia	Loan/Credit (US\$M)	38.9	36.0
Sector(s) : Urban Management	Cofinancing (US\$M)		
L/C Number : C2565			
	Board Approval (FY)		94
Partners involved :	Closing Date	12/31/1999	12/31/1999
Prepared by :			
Reviewed by :			
Group Manager :			
Group :			
2. Project Objectives and Components			
a. Objectives			
(a) to promote efficient municipal management in support of effective decentralization; (b) to improve resource mobilization and allocation for municipal investment projects; and (c) to alleviate urban poverty and encourage balanced regional development			
b. Components			
After revision that took into account changing ministerial responsibilities in Bolivia, the revised components (with final costs in parentheses) were: (i) municipal strengthening by SNPP, the National Secretariat for Public Participation (US\$0.8m.); (ii) municipal strengthening by FNDR, the National Fund for Regional Development (US\$5.4m.); (iii) municipal strengthening by the Municipal Government of La Paz (US\$0.6m.); and (v) municipal infrastructure investments, principally potable water and sewerage, canals and drainage, roads and bridges, urban infrastructure, markets and parks/recreation (US\$48.0m.).			
c. Comments on Project Cost, Financing and Dates			
Final cost was slightly below appraisal estimate. The project was completed on-time as planned. 95% of the original IDA Credit was disbursed, financing 66% of total project costs. National government and municipal counterpart was US\$16.0m. There was no donor co-financing. The project was approved on 02/08/94.			
3. Achievement of Relevant Objectives:			
(a) <i>efficient municipal management</i> : achieved. In particular the project enhanced municipal management through improved administrative and financial control systems as well as community participation.			
(b) <i>improved resource mobilization and allocation</i> : (ICR reports achievement, but little concrete evidence of actual resource mobilization is provided).			
(c) <i>urban poverty/balanced regional development</i> : achieved. FNDR focus was always on poorer regions. The Beni Region in the Amazon, one of the country's poorest, enjoyed the highest project investment support among all regions.			
4. Significant Outcomes/Impacts:			
<ul style="list-style-type: none"> Deliberately focused impact upon the poor. Highly successful public participation programs ensured involvement of civil society in municipal reforms. Ability of project to remain focused upon outcome targets, notwithstanding significant changes to implementation arrangements. 			
5. Significant Shortcomings (including non-compliance with safeguard policies):			
<ul style="list-style-type: none"> Negative cash flows of water projects (in cases where FRRs were estimated). 			

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Satisfactory	Satisfactory	
Institutional Dev .:	Modest	Substantial	Project contributed to important changes of 'rules of the game' through greater municipal participation in development

			programs.
Sustainability :	Likely	Unlikely	Reported weaknesses of operating entities and financial losses on water operations.
Bank Performance :	Satisfactory	Satisfactory	
Borrower Perf .:	Satisfactory	Satisfactory	
Quality of ICR :		Satisfactory	

NOTE: ICR rating values flagged with '*' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

Among the lessons highlighted by the ICR :

- A robust up-front pipeline of well-prepared sub-projects is important for successful project implementation . It helps ensure that scarce project resources are mobilized and properly committed, especially in resource poor countries.
- Pilot programs for institution building that allow different arrangements to be tested should be built into project design.
- Government commitment to a project must be sustained, especially in the face of organizational changes .
- Project design at appraisal needs to incorporate performance indicators that allow project outcomes to be measured. A mid-term review is an opportunity to reinforce appropriate indicators .
- Stability of local staffing--undermined partly by patronage in this case--builds institutional memory and facilitates more efficient problem-solving.
- Project design should incorporate the funding of severance payments for staff who choose not to be part of agreed reforms or who lack requisite skills needed in post-reform environment.
- The burden of local counterpart funding should be relieved by strengthening the mobilization of local resources, more reliance on cost recovery, and increasing the role of the private sector .

8. Assessment Recommended? ☒ Yes ☐ No

Why? To garner more evidence of outcomes achieved . A more detailed understanding of the lessons of this project is also likely to be relevant to future Bank operations in poorer countries especially .

9. Comments on Quality of ICR:

Satisfactory. The report provides very good coverage of the main topics and includes an excellent and candid economic and financial analysis . The 'Lessons Learned' section contains useful material which would be more valuable if the lessons were formulated as generalizations --drawn from the experience of the project--applicable to a range of similar project circumstances in Bolivia and elsewhere . Several ICR lessons focus upon findings that are pertinent only to this project by itself . Assessment of outcomes would also have been more robust if ICR had provided more evidence of impacts it mentions, such as health benefits and increased property values .