



<b>1. Project Data:</b>		<b>Date Posted :</b> 08/09/2001	
<b>PROJ ID :</b> P055974		<b>Appraisal</b>	<b>Actual</b>
<b>Project Name :</b> Bo El Nino Emergency	<b>Project Costs (US\$M)</b>	28.3	33.7
<b>Country :</b> Bolivia	<b>Loan/Credit (US\$M)</b>	25.0	25.0
<b>Sector(s) :</b> Board: TR - Irrigation and drainage (29%), Water supply (29%), General public administration sector (20%), Roads and highways (19%), Flood protection (3%)	<b>Cofinancing (US\$M)</b>		
<b>L/C Number :</b> C3057; CQ092			
	<b>Board Approval (FY)</b>		98
<b>Partners involved :</b> parallel financing from Japan, the EU, and UNDP	<b>Closing Date</b>	12/31/2000	03/31/2001
<b>Prepared by :</b>	<b>Reviewed by :</b>	<b>Group Manager :</b>	<b>Group:</b>
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## 2. Project Objectives and Components

### a. Objectives

*Prevention*— help reduce the loss of human life and a deterioration of living standards that may result from the floods and/or droughts caused by the 1997-98 El Niño event.

- *Mitigation*— assist in reducing the loss of or damage to economic and social infrastructure and disruption of economic activity that may result from this event.
- *Rehabilitation*— assist in the rehabilitation and reconstruction of infrastructure facilities damaged by the El Niño floods.
- *Regeneration of agricultural productivity* —help restore the agricultural productive capacity for the next sowing season in areas affected by drought caused by El Niño-related phenomena.

*The project objectives were revised through formal amendments to the Development Credit Agreement as follows:*

- *Earthquake reconstruction*— reallocated \$6 million of the credit amount to assist in reducing the loss or damage to housing and social infrastructure, which resulted from an earthquake in the towns of Aiquile, Mizque, and Totora and surrounding rural areas (May 1998).
- *Post-fire reconstruction*— reallocated about \$2 million from the credit amount mainly to reconstruct housing damaged by fires in the Departments of Santa Cruz and Beni (November 1999).

### b. Components

*Project components:*

- *Prevention works* (\$3.0 million)—flood prevention works, drought mitigation works, and emergency goods.
- *Reconstruction/regeneration program* (\$18.8 million)—rehabilitation and reconstruction of flood-damaged public infrastructure facilities, regeneration of productive capacity in the drought areas for the new sowing season.
- *Institutional Strengthening and Public Information* (\$4.0 million)—project management and supervision, technical assistance to decentralized entities in sub-project identification and implementation, improving medium-term capacity for monitoring local impact and response to the El Niño events, public information campaign.
- *Project Preparation Facility* (\$0.5 million).
- *Unallocated* (\$2.0 million).

*The following components were added subsequently:*

- *Earthquake reconstruction*— appraised in May 1998, this component called for the construction of houses (980), schools (15), public facilities (7), and hospitals (2).
- *Housing reconstruction*— added in August 1999 after fires in Beni and Santa Cruz destroyed housing and it was

clear there would be a large shortfall in the drought component. The component rebuilt 499 houses.

- *Disaster risk reduction and mitigation* —Late in the project period, the Government requested \$250,000 for the preparation of a long-term system for coordinating disaster risk reduction and mitigation activities.

#### c. Comments on Project Cost, Financing and Dates

A national emergency was declared in September 1997, the Board approved the credit in April 1997, yet in early 1999 only 20 percent of the IDA resources for the flood and drought reconstruction component had been approved (60 percent of the total IDA project resources went to this component). Delays “became serious” in early 1999 and “unsatisfactory” in mid-1999. (Almost two years after the emergency was declared.) A project preparation facility is mentioned in the original components (\$0.5 million) but then not mentioned again.

#### 3. Achievement of Relevant Objectives:

Only limited prevention works were carried out before the disaster struck, meaning that the objective of reducing the loss of or damage to economic and social infrastructure and disruption activity that may have resulted from the event was only partially met. Further, reconstruction/rehabilitation was only partially met. The new set of activities, implemented partly to “test the capacity of the UTOAF to respond to disasters after the initial slow start,” were the only objectives to be implemented satisfactorily, showing that the unit had in fact gained the necessary capacity to handle disasters.

#### 4. Significant Outcomes/Impacts:

- *Preventive works successful, once built.* A significant set of “preventive” works was carried out during the rehabilitation/reconstruction phase, many of which have already proved beneficial in reducing the impact of annual flooding.
- *Disaster management capacity built.* Despite early delays in prevention works, there was a significant improvement in management and implementation as the project progressed and significant progress had been made toward the development of a national capacity to respond to natural disasters. The ICR states that “the UTOAF now has the capacity to assess damages and coordinate a response to natural disasters” (ICR section 4.5).

#### 5. Significant Shortcomings (including non-compliance with safeguard policies):

- *The need for in-country capacity to manage disasters downplayed.* The ICR correctly points out that “It is important for government to maintain a core capacity for prevention, disaster response and mitigation.” Unfortunately this lesson was articulated only to be cancelled out by the caveat that long-term funding was likely to be unavailable, therefore, only a few priority skills should be maintained and “as natural disasters arise, specialized consultant services can be contracted as needed.”
- *Delays* . The project suffered from serious delays—delays for seed funding, consultant selection, consultant provision, prevention works, and government approvals, including the MOF approval of flood and drought reconstruction. The delays were critical given the rapid response required in such a situation.
- *No budget for maintenance.* “Currently there is no clear provision for continued budgetary or institutional support to maintain rehabilitated infrastructure” (ICR section 6.1).
- *Unexplained seed plan failure.* Funding delays and lack of demand meant that only 1,300 of the planned 6,500 tons of potato seeds were distributed. By the end of 1998, a total of 2,100 tons had been distributed. The delays probably pushed the distribution date too far into the growing season for farmers to be able to take advantage of the program.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
<b>Outcome:</b>	Satisfactory	Satisfactory	
<b>Institutional Dev.:</b>	Modest	Modest	
<b>Sustainability:</b>	Unlikely	Unlikely	
<b>Bank Performance:</b>	Satisfactory	Satisfactory	
<b>Borrower Perf.:</b>	Satisfactory	Satisfactory	
<b>Quality of ICR:</b>		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:

- *Clear policy and a budget needed to sustain project progress.* To sustain project progress in institutional capacity building in the coordination of prevention and rehabilitation works (gained at the Bolivian taxpayers expense), clear public policy for structuring and financing disaster management must be made and a budget needs to be allocated. The Government lacks this and as a result, the progress (and the investment) made will most likely be lost. Likewise, the continued existence of the national network of disaster prevention and mitigation (set up using \$250,000 of project funds) is unlikely.
- *Clearly analyze the situation to try to avoid circumstances that lead to delays that can cost the project its success.* Little was done beyond the establishment of the UTOAF. Problems resulted because disaster funds were not included in the budget for that year, a management firm was not hired as agreed, and the Ministry of

finance was slow in approving budgets. The delays were critical given the rapid response required.

**8. Assessment Recommended?** ☒ Yes ☐ No

**Why?** An audit would be a building block toward a forthcoming OED Study of Natural Disaster Relief. Also, project lessons (positive and negative) are likely to be particularly relevant to future Bank operations.

**9. Comments on Quality of ICR:**

The ICR was very straightforward and analytical. However, the conclusions were lacking. With regard to the first lesson, the acknowledgment of the importance of maintaining a core capacity for disaster prevention and mitigation is important, but the statement that "as natural disasters arise, specialized consultant services can be contracted as needed" is not realistic. These capacities need to be developed and maintained by the country in order to realistically be ready for disaster. Also, the last three lessons described in the ICR did not seem to be fully supported by the information in the document.