

October 1, 2013

Comments from United Kingdom on Approval by Mail: Bolivia: Climate Resilience - Integrated Basin Management Project (IBRD)

Dear colleagues

The UK welcomes this project and is content to approve the allocation of resources, and would like to thank the project team for addressing our earlier concerns in this latest draft. We would like the following comments to be addressed in implementation.

- In reference to these concerns we welcome the changes made in this draft to include a greater focus on long term Government ownership by building in a checkpoint into the implementation timeframe to re-assess the institutional structures for project delivery regularly and once the framework for the new law is defined by the Bolivian Government. As well as setting out more clearly the role of the Ministry of Planning in the project and in the plans to integrate climate change into development planning overall. As long as these measures are taken we are pleased to endorse the project. **We would like to request an update to the sub-committee on these points when the institutional mandates are defined by Government or after 6 months whichever is soonest.**
- Bolivia is one of the most vulnerable countries to Climate Change in the region and the project helps build resilience to future impacts. The project correctly addresses climate change vulnerabilities and vulnerable areas and in so doing represents good value for money. Integrated Water Management is a key component of the Bolivian Government Strategy to adapt to climate change because it addresses the two most important threats: water availability and food security.
- We support the choice of location for this project in the Rio Grande River Basin, which is both climate vulnerable and important economically and for food security. For example within this basin the Department of Santa Cruz produces 64% of the food in Bolivia and Department of Cochabamba is the 3rd largest in Bolivia and with a large production of fruits. Therefore we are pleased that the project covers this area, and has chosen contrasting areas for comparing lessons.
- We welcome the good stakeholder engagement evident in this project, which has a participatory and inclusive approach. The project has a strong gender dimension with specific plans in place to target women. Subnational government involvement is good for the Rio Grande basin project, which has local Dept councils in charge in the governance structure.
- We welcome the fact that national, regional and local governments are planning to contribute their own resources into component C of this project (\$7.8 million in total). Presumably this contribution is entirely grant finance?
- We welcome the integration of PPCR core indicators into the Results Framework but as the programme develops would like to see more outcome focussed indicators that measure the impact of the intervention. Currently most indicators plan to measure 'process' type indicators such as the 'adoption of a methodology', or 'completion of a

capacity building plan' rather than the impact of this on planning overall, or on institutional capacity to manage climate risks.

- The project has a very large proportion of credit financing, including the full allocation of SPCR concessional resources to Bolivia (\$36 million). However the rationale for choice of credit finance for this project and choice of distribution across the components does not appear to be set out in the project document. For example whilst allocation to the structural elements of the basin sub-projects (e.g. infrastructure projects on irrigation and flood protection - component C.2) is understandable (\$18.2 million in total) it is less clear why credit resources are requested for the other components including integration into national planning tools (A.2 \$0.15m). It is also not clear how in practice the financing for some components (e.g. Component C particularly) will be split with PPCR grant and Government grant resources. Can the team clarify?
- The project has a substantial focus on hydro-meteorological information services throughout the components, but it is not entirely clear how the project has addressed some of the key lessons from similar PPCR projects elsewhere. For example it is not clear from the existing documentation if any specific user groups have been consulted on the form of the information or tools to be produced for supporting decision making, which has proved an important early consideration in other projects for ensuring uptake by diverse stakeholders (e.g. Mozambique Transforming hydro-meteorological services project) It is also not clear what information sharing arrangements have been agreed between institutions to ensure this information is disseminated, another lesson from similar projects.
- Whilst the document explains the choice of a temporary Project Implementation Unit to deliver the project (the UCP-PPCR) for reasons of protecting the project from political change, it doesn't set out how it plans to ensure sustainability in the longer term, e.g. by transitioning this into permanent government structures before PPCR is completed.

Many thanks

Juliet Field
DFID