

September 23, 2013

Response of IBRD on Approval by Mail: Bolivia: Climate Resilience - Integrated Basin Management Project (IBRD)

Dear Andrea,

Following the audio conference with the UK and written comments received, please find attached the revised PAD for the "Bolivia: Climate Resilience - Integrated Basin Management Project", as well as the revised response matrix. All revisions have been highlighted in yellow in both documents.

Grateful if you could post this on the CIF website and send to the PPCR Sub-Committee for consideration and approval of the project..

Best wishes,

Kanta Rigaud

BOLIVIA CLIMATE RESILIENCE - INTEGRATED BASIN MANAGEMENT PROJECT (Phase-II P129640)

PPCR Sub Committee Approval, Review & Team Responses

Summary matrix

September 16th, 2013

Comments were received from the UK, Australia, Japan and Germany.

	Comments	Team Response
UK		
1	<p>Greater role for the Ministry of Planning:</p> <ul style="list-style-type: none"> In order to fully comply with the objective of integrating climate resilience into development planning, we recommend that the Ministry of Planning should play a larger role in taking the SPCR forward, and in the planning process for a climate resilient economy. Since the main objective of the PPCR is to integrate climate resilience into development planning, the Ministry of Development Planning should be more involved in this program and receive training. The proposed institutional setup reflects the widespread perception in the Government that climate change is mainly an environmental problem, while in reality it is a development and planning problem. 	<ul style="list-style-type: none"> The Ministry of Planning is involved in every single step of the Project preparation process, as our official counterpart in Bolivia. Furthermore, it will be involved in Project implementation through the assessment, approval and dissemination of the different planning tools that will be used as part of project implementation. This will be better reflected in the PAD. Additionally, the Project will include a sub-component aimed at supporting the MOP in incorporating climate resilience in the preparation process of its next 5 year development plan. This will be included in the PAD. In this context, the staff from the Ministry of Planning will be trained in key areas. River basin plan is a development planning tool and is therefore not limited to the water sector and the activities of its Ministry. In this context, it is important to mention that the Ministry of Planning and the regional governments of Cochabamba and Santa Cruz have endorsed basin planning as a way to articulate investment planning at the regional level. Indeed, the key to successful basin planning is the articulation between the river plan and the municipal and regional development plans as well as national sectoral planning. The river basin plans that will be developed as part of the project will identify and prioritize structural and non-structural measures aiming at meeting future water needs (in terms of quantity and quality) and reducing water related risks (drought and flood); taking into account expected

<ul style="list-style-type: none"> ▪ In the current institutional setup, the program is very much concentrated in the Ministry of Environment and Water, which is a good choice as implementing agency, but it should not be limited to that. <p>▪ ADDITIONAL COMMENTS RECEIVED FROM THE UK ON AUGUST 27, 2013: We are still concerned about the institutional status of the PPCR in central Government, and that the arrangement of a Project Implementation Unit (UNCP) that reports to a Ministry that is currently being restructured may not have the mandate to ensure an impact on planning at the national</p>	<p>impacts of climate change on water needs, water resources availability and water-related risks. They will have a direct impact on regional and municipal development plans, as well as national sectoral development plans (establishing constraints, but also enabling certain aspects of regional and municipal plans) and, at the same time, will build on those local and national plans.</p> <ul style="list-style-type: none"> ▪ The Project is involving and strengthening the capacity of a large number of institutions and stakeholders: (i) Climate resilient Basin planning will be led by a basin stakeholders committee and the concerned regional governments. It will involve representatives of the people, the main sectors of the economy, users of water, and the environment. It will include the training of these stakeholders and regional government officials. Key sectoral ministries, such as the Ministry of Agriculture, the Ministry of Energy and Hydrocarbons, the Ministry of <i>Vivienda</i>, will also be involved to make sure that national sectoral planning and investments are articulated with the basin plans and vice versa; (ii) the Project will also support implementation of the plans in the pilot sub-basins. There, the main players will be the regional and municipal governments that are responsible for most investments in the water-related topics and who will work in close collaboration with the local communities. It will also involve NGOs, the universities and the private sector for the implementation of subprojects and training. Those players will be trained so that their planning and investments are climate resilient. In this context, guidelines for sectoral public investments will be prepared/updated as part of the project to include the climate change dimension in the project cycle. Those guidelines developed first at the sectoral level are expected to be then scaled-up to other sectors through the Ministry of Planning (Nevertheless it is important to mention that VIPFE currently does not have the mandate to perform a technical review of investment projects, VIPFE only performs and administrative review of the projects). <p>Thank you for this comment. We have now indicated in the PAD, that once the new institutional arrangements for climate change adaptation are in place, the Bank will assess the feasibility of transferring the Program coordination unit to this new institution. Please see para. 33</p>
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	<p>level. We understand that the choice to manage the project through a temporary unit (UNCP) is to protect the project implementation from the impact of further political changes as a result of the new LMMC, but are concerned that this approach may not ensure Government ownership in the longer term. We would like to see the project build in plans to re-assess the situation once this structure is defined, as it is a certainty that the institutional structure will change further as a result of this law. This should be included in the project documentation, perhaps as a clearly defined trigger point in the project implementation timeline and risk framework</p> <ul style="list-style-type: none"> ▪ We understand from the project team that the Ministry of Planning are involved to a significant degree and would like to see the Ministry's role explained fully in the project documentation. This should include the plans to help the MoP include climate change in a more structural way into the Government of Bolivia's planning process and the involvement of the Minister of Planning and the MoP role in the preparation, implementation, monitoring and sustainability of the programme, as well as the buy in from VIPFE (Vice-Ministry for Public Investment). ▪ We also note that at \$50.2 million this project is particularly large by PPCR project standards and that the risks to delivery should be mitigated in proportion to this. 	<p>of the PAD for this information.</p> <p>Agreed. The important role of the Ministry of Planning for the implementation, monitoring and sustainability of the project and the coordination of the overall PPCR program is now better explained in the project document. In particular, please refer to the sections highlighted in yellow on pages 8, 9, 13, 14 and in Annex 2 of the PAD. We have also revised Annex 1 (results framework) to highlight the role of the MOP through expected results as well. Please also note that the Project's Operational Manual will also elaborate on the role and responsibilities of the Ministry of Planning, along the lines above and as explained in the PAD. The buy-in from the Ministry of Planning/Vice-Ministry of Public Investment is demonstrated through: (a) the presentation of the SPCR by the Minister of Planning in Washington, when it was endorsed by CIF; (b) the inclusion of the CPPR project within our Country Partnership Strategy (the strategy is formulated jointly every 3-4 years between the Ministry of Planning - Minister and Vice Minister of Public Investment - and our country team); (c) the attention given to the CPPR by MOP during the portfolio review and wrap-up meetings of our preparation mission and (d) finally, negotiations of the grant and loan agreements will be made between MOP and the World Bank.</p> <p>Thank you. We have included risks and mitigation actions in the ORAF section of the PAD per Bank procedures.</p>
2	<p>Greater role for the Ministry of Energy and Hydrocarbons: The Bolivian Ministry of Energy and Hydrocarbons is currently placing much importance on renewable energies, particularly hydro-power. In order to achieve a holistic approach, it would therefore be advisable to liaise with the Ministry of Energy and Hydrocarbons on water management planning.</p>	<p>As mentioned above the Ministry of Energy and Hydrocarbons will be involved in the river basin planning process where relevant (to reflect and feed in national investment planning in hydropower in particular. The Ministry will also benefit from training on participatory, climate resilient basin planning and on the sectoral</p>

		investment guidelines that will be developed.
3	<p>Transformative impact to take place and sustainability.</p> <p>It is important that the Strategy explains how it envisions its transformative impact to take place, especially considering the temporary character of the National Unit of Program Coordination (UNCP) and the ad hoc advisory committee. It would be good if the Strategy could propose a way to overcome PNCC's current weaknesses and thus contribute to a real institutional strengthening, as this program (at least Component 1) ideally should be managed by a permanent government institution with the mandate of promoting climate change adaptation.</p> <p>Since climate change is really a development and planning problem, it would greatly advance the main objective of the PPCR if PNCC could be moved back to the Ministry of Development Planning, instead of languishing under an environmental vice-ministry, and the Strategy could try to open a door for that opportunity.</p>	<p>The institutional framework in Bolivia is under constant change and according to the recently published General Law on the Mother Earth, Ley Marco de la Madre Tierra (LMMT), the PNCC no longer exists and the institutions responsible for CC have not yet been defined. In this context, a stable project implementing unit will lead the project within the Ministry of Environment and Water. Nevertheless it is true that a clearer plan needs to be implemented in order to strengthen the relevance of CC within the institutional framework. However this clearer definition will need to wait until the regulatory framework of the LMMT is defined and the responsible institutions for CC are defined. A strategy could be designed and implemented as soon as these definitions are available. This is expected to happen within the next year.</p> <p>Because of the institutional uncertainty at the national level, the Project is really focusing on strengthening the institutions responsible for basin planning and investment at the regional level, that is to say SDC in Cochabamba and SEARPI in Santa Cruz. Those institutions have been active for a while and have a relatively good track record in implementing donors-funded projects. It is expected that the project experience in the pilot basins will be replicated in other basins in SDC and SEARPI's respective jurisdictions, as well as in the entire Rio Grande Basin, as the Project is supporting these institutions within the broader context of the Rio Grande basin development led by the Ministry of Water and Environment and supported by various donors in the country.</p>
Australia		
4	Australia supports the application of Integrated Water Resource Management to manage the environmental, social and economic aspects of this project	Thank you.
5	<p>We strongly support the proposed participation by the poor, indigenous groups and women in this project. We would be interested in receiving further information on how these groups will be involved in consultation processes more specifically. Given the high proportion of indigenous groups in Bolivia, the inclusion of these groups at all stages of project implementation should be articulated.</p>	<p>The formulation of the river basin plans that will to lead to the prioritization/identification of the actions to be financed under the Project will be done through a participatory approach at basin and micro-basin levels with all relevant stakeholders among which the poor, indigenous people and women. Detailed on the participatory process are included in the guidelines for participatory basin planning prepared under PPCR phase 1 and part of the Project operational manual. More specifically, the planning process will involve representatives of various types of stakeholders including the poor,</p>

		<p>women and the indigenous people among others. In addition, the stakeholders representing various “sectors” of the economy will have to specify the concerns and needs of the poor, indigenous people and women within its groups. In order to identify sub-groups and their representatives, a thorough stakeholder analysis will be conducted at the beginning of the planning process. Finally, the adequacy of the participation process will be monitored through periodic reporting (participants list, photos, video, etc.) and by sending experts to evaluate the participatory process to the river basins at mid-point of the planning process and at the end.</p> <p>Additionally the participation of indigenous people is guaranteed with the fulfillment of the Bank’s social safeguard and an indigenous people framework has been prepared and all activities under the project should comply with it. This plan ensures that indigenous people have a voice the planning process and have access to the benefits of the project and in particular to the investment subprojects that will support the implementation of the plans.</p>
6	<p>Australia agrees that, as identified in the project appraisal document (PAD), weak institutional capacity within Bolivia poses a substantial implementation risk. We note that institutional capacity building is a key component of the project and suggest that the ability of relevant agencies to implement and coordinate the project be monitored to ensure the project is effectively implemented and funds are managed and disbursed efficiently and effectively.</p>	<p>Indeed the weak institutional capacity of Bolivia is a risk for Project implementation. Nevertheless the Bank team will provide full support to the project to coordinate activities and ensure that the project is effectively implemented and funds are managed and disbursed efficiently and effectively.</p> <p>Technical support, training as well as procurement and financial management advice will be provided to the project implementation unit that will be responsible for the general execution of the project, which will be closely monitored through the results framework and the project indicators.</p>
7	<p>Australia would be interested to know to what extent the Bolivian Ministry of Development Planning (MPD) is involved with the Project, and if the project proposal has received the endorsement of MPD. From our understanding, as this Ministry has significant growing influence, its support may prove useful in project implementation.</p>	<p>The Ministry of Development Planning is fully involved in Project preparation and has actually decided on moving ahead with the basin planning approach to tackle issues related to climate change adaptation in Bolivia.</p>
Germany		
8	<p>The project approach is appropriate and technically sound, addressing climate resilience and climate vulnerability by enhancing human development, capacity building for climate resilience, and managing climate risks in an integrated, multi-sectoral, participatory basin-scale approach. We have no major objections to the implementation of the project.</p>	<p>Thank you.</p>
9	<p>We are rather concerned, however, about a lack of focus and a moderate to low level of ambition of those <i>Project Indicators</i> that reflect <i>PPCR Core Indicators</i>, which seems all the more urgent to us given the financial volume of the proposed project.</p>	<p>The team will try to reformulate some indicators to better grasp the concepts of vulnerability reduction and improvement in climate change adaptation. Please see comments below.</p>

10	<p>The <i>Project Development Objective</i> (PDO) is to “support the implementation of Bolivia's strategy for climate resilience by strengthening institutional capacity to define the new integrated river basin management approach to climate change adaptation, and supporting its implementation in three pilot sub-basins in the Rio Grande river basin”. We recommend clarifying if “the new integrated river basin management approach to climate change adaptation” refers to the <i>National Plan for River Basins</i> mentioned below, or to another specific national strategy, and if this is the case, naming the strategy document.</p>	<p>The “the new integrated river basin management approach to climate change adaptation” refers to the inclusion of CC adaptation methods and procedures as part of the National Plan for River Basins which will start with the testing of a new river basin methodology within the selected pilot basins. This will be clarified in the PAD.</p>
11	<p>In the project context, we would like to emphasize the national policy for <i>Integrated River basin management</i> (IRBM), the so-called ‘<i>National Plan for River Basins</i>’, established by the Government of Bolivia. The plan is currently in its second phase (2013-2017) and includes strategic lines of intervention regarding the ‘<i>Master Plan for the Rio Grande Basin</i>’. We recommend making explicit reference to this policy, and ensuring that the PPCR project is integrated into the strategic lines of this policy.</p>	<p>The PPCR contributes to the ‘<i>National Plan for River Basins</i>’ (PNC), established by the Government of Bolivia. The PPCR build on the PNC and it is expected that the results and lessons learned from the PPCR will improve the PNC with the inclusion of CC considerations. This has already been endorsed by the Ministry of Water and Environment. This will be clarified in the PAD.</p>
12	<p>We would also like to highlight the importance of taking into account the already existing capacities of the sub-national institutions (<i>Departmental River Basin Service</i> (SDC), <i>Water Channelling and Regularization Service of the Piraí River</i> (SEARPI), that are also national executing agencies of the PPCR project), especially regarding the implementation of the <i>National Plan for River Basins</i>. We recommend considering the linkages with the <i>National Plan for River Basins</i> and building on the experience gained by the above mentioned institutions in this context</p>	<p>The Project is designed building on the long experience of SDC and SEARPI and is closely articulated with the National Plan for River Basin being implemented in the Rio Grande. This will be clarified in the PAD.</p>
13	<p>In terms of project implementation, the proposal refers to the institutional challenges related to role of the <i>Ministry of Environment and Water</i> (MMAyA) in putting in place the necessary arrangements. We share this concern and would like to underline that this may cause delays in project implementation. We therefore recommend designing a coordination mechanism to avoid delays and to ensure efficient coordination with the institutions responsible for the technical implementation of the project.</p>	<p>The implementation of the Project will be led by the Project Implementation Unit, which will be responsible to coordinate the executing agencies such as SDC, SEARPI and FPS, with other government institutions such as the Ministry of Planning and with the Bank. Nevertheless, each executing agency will have sufficient autonomy to carry out the planned activities on their own. This will facilitate the execution of the project. This will be clarified in the PAD.</p>
14	<p>a) The table in Annex 1 B of the project proposal displays the way in which the project indicators relate to the PPCR core indicators. While this overview is useful, we are concerned about some <i>Project Indicators</i> not sufficiently reflecting the <i>PPCR Core Indicators</i>. In particular, the <i>Project Indicator “Adoption by the Government of an Integrated River Basin Planning Methodology...”</i> does not indicate the “<i>Degree of integration of climate change in national, including sector planning</i>”. It merely indicates that a new methodology has been adopted, but neither provides any sufficient indication of (a) this new methodology actually influencing national or sector planning nor of (b) climate change being integrated into national or sector planning.</p> <p>b) Furthermore, <i>Project Indicators</i> like a website being operational, the frequency of website hits, and the satisfaction of target users (with neither absolute numbers nor percentages yet defined!) do not allow</p>	<p>a) Agreed, this indicator will be changed to include both aspects.</p> <p>b) The survey on the satisfaction of target users will include the evaluation of how useful are the tools available for CC adaptation for different sectors and type of users.</p> <p>c) Agreed, this indicator will be changed to include a capacity assessment prior and post project.</p> <p>The definition of these indicators will be better shaped during the appraisal mission of the project during which the difficulties for</p>

	<p>any conclusion as to whether vulnerable households, communities, businesses and public sector actually use improved PPCR-supported tools, instruments, etc.</p> <p>c) And finally, the <i>Project Indicator “Number of capacity-building action plans completed”</i> does not constitute evidence of whether government capacity has actually been strengthened – it merely indicates that an attempt has been made to do so. We therefore strongly recommend sharpening the focus and increasing the level of ambition of the Project Indicators to better reflect the key PPCR Core Indicators, which seems all the more urgent to us given the financial volume of the proposed project.</p>	<p>establishing a baseline and how to measure the progress of these indicators can be assessed.</p>
15	<p>The project results framework (Annex 1 A) itself, however, appears to be somewhat incomplete. For instance, the <i>End Targets</i> for the “direct project beneficiaries” as well as “female beneficiaries” (p. 25) seem to be missing. Also, it remains unclear if the indicators and their <i>End Targets</i> have been fully updated to include the third pilot sub-basin and the expected results from the use of the additional resources. E.g. regarding the indicators “<i>Number of capacity-building action plans completed</i>” (p. 27) and “<i>Number of pilot sub-basins where an Integrated River basin management system focused on improving climate resilience is operational</i>” (p. 25), the end target number states “two” instead of “three”. We recommend completing the missing End Targets in the results framework, as mentioned above, as well as ensuring that the results framework is fully updated and includes the expected results from the use of the new resources.</p>	<p>Indeed these are editing mistakes. Apologies, this will be corrected in the final version following the appraisal mission.</p>
16	<p>We appreciate that the results of the project indicators will be broken down into categories of beneficiaries, in particular indigenous people and women, to the extent possible. We consider it particularly important and strongly support that the results for the project indicator “direct project beneficiaries” are disaggregated by gender, as foreseen in the results framework. To this end, we recommend that the End Targets for this indicator be completed, as mentioned in our comments above. We furthermore recommend disaggregating by gender those Project Indicators that reflect PPCR Core Indicators for which the PPCR Core Indicator Guidance calls for such disaggregation.</p>	<p>The disaggregation by gender for this indicator can be done. Nevertheless the establishment of an end target can be difficult without the definition of the baseline. The estimation of the End Target will be done once the baseline is set.</p>
17	<p>In terms of the institutional setting, the area of PPCR intervention is currently including various stakeholders, organized through the basket fund that the German Cooperation contributes to through financial support from KfW and technical assistance from the <i>Sustainable Agricultural Development Program</i> (PROAGRO), the implementation of which is assisted by GIZ on behalf of the <i>Federal Ministry for Economic Cooperation and Development</i> (BMZ). The PROAGRO technical assistance will include:</p> <ul style="list-style-type: none"> a) Strengthening the management mechanisms of the <i>Master Plan for the Rio Grande Basin</i> (PDCRG, acronym in Spanish) b) Knowledge management for the basin system in order to guide concerted and concurrent activities at the basin level c) Capacity building for IRBM of different stakeholders (public institutions at national and sub-national level, civil society, water users, and others) d) The development of technical and political instruments for IRBM 	<p>Agreed. This has been an editing mistake and GIZ support will be included.</p> <p>Nevertheless, regarding the role of GIZ and COSUDE it has been mentioned in the PAD that: “<i>Both institutions are working in the sector and are financing activities in the region of the PPCR. Their learned lessons will support the implementation of the project. The development of techniques and tools based on their own experiences will be shared with the government and the WB team. They will participate in supervision missions and contribute with their expertise on strategic and operational issues. Additionally, they will complement Project activities in the pilot sub-basins of the Rio Grande, focusing on strengthening the capacity of participation</i>”</p>

	These aspects were discussed with the PPCR mission in Bolivia (February 2013) but for some reason the GIZ support appears not to be listed (see dashes in para 39 on p. 16). We recommend that the project document be completed so as to include the support by German development cooperation.	<i>mechanisms, building the capacity of SDC and identifying subprojects”.</i>
18	In order to avoid duplication of efforts, we would like to highlight some additional relevant German-supported activities in this context. Regarding Sub-component A.2. <i>Integration of Climate Change Resilience considerations into selected National Planning and Investment Tools</i> , it is important to consider that activities very similar to the three planned activities have already been carried out by the Vice Ministry of Water Resources and Irrigation (VMRHyR), assisted by PROAGRO support. As a result of these activities, a nationally applicable methodological guide for climate resilient IRBM now exists, including a climate change adaptation approach. It is currently under a validation process with the VMRHyR, to be concluded in the next couple of months. Also, the national guidelines for irrigation projects include a <i>Climate Change Adaptation & Disaster Risk Reduction</i> approach; these guidelines are expected to be approved later this month. As part of the support provided during the elaboration of these methodological guidelines, PROAGRO has also conducted training for the VMRHyR personnel on the use of these new tools. We recommend taking into account the above mentioned efforts to integrate climate resilience into both irrigation and river basin project strategies.	Indeed several relevant efforts have been carried out by GIZ. The Bank’s team has been closely in touch with GIZ staff. The aim of the project is to build on these efforts and include them in the design of the detailed project activities during project implementation.
Japan		
19	We agree with CIFs project	Thank you.
20	However, please note that the Government of Bolivia requested JICA to extend technical assistance for integrated basin management project in Valle Alto in Cochabamba as well. As one of the project sites where pilot project will be implemented in the project overlaps a part of component C of the project CIF proposed, we supposed that close coordination and communication among related organizations regarding both projects are highly required at the stage of project formulation. JICA proposes to conduct sufficient exchanges of views on the both projects between your and our office in La Paz, for instance, before determining project component in order to avoid duplication of assistance.	The team of the project has been in contact with JICA in order to exchange information and coordinate the activities that will be undertaken in the three river basins. Further collaboration will be held during the implementation stage to make sure that the efforts are not duplicated.