

# A.I.D. EVALUATION SUMMARY PART I

FD-100-342

(BEFORE FILL OUT THIS FORM, READ THE ATTACHED INSTRUCTIONS)

**A. REPORTING AID OFFICE:**

USAID/Bolivia  
(Mission or AID/W Office)  
(ESU)

**B. WAS EVALUATION SCHEDULED IN CURRENT FY ANNUAL BUDGETARY PLAN?**

yes  no   
Evaluation scheduled for: 90, 2

**C. EVALUATION TIMING**

Interim  Final  Other

**D. ACTIVITY OR ACTIVITIES EVALUATED**

(Provide following information for project(s) or program(s) for which cost applicable, if different, indicate in separate report.)

Project #	Project/Program Title (for title & date of evaluation report)	PERIODS covered (FY)	Cost (M\$)	Planned LOA Cost (000)	Actual Obligated Costs (000)
940.0002.22	Final Evaluation of the Bolivian Savings and Loan System Water and Sanitation Project	09/30/83	03/31/89	2,000	1,205

**E. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR**

Action(s) Required:

Although the project has terminated, continued reporting on one of the subprojects (Bermejo) will have to be prepared by the implementing agency on corrective measures on the water system's physical works, systems operations and maintenance, as well as the financial management of the water cooperative

Name of Office responsible for Action

Date Action Completed

CACEN

03/31/92

(Attach extra sheet if necessary)

**F. DATE OF MISSION OR AID/W OFFICE REVIEW OF EVALUATION:** 8 day, 24 yr 90

**G. APPROVALS OF EVALUATION SUMMARY AND ACTION DECISIONS:**

Project/Program Officer	Representative of Borrower/Grantee	Evaluation Officer	Mission or AID/W Office Director
<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>
Richard P. Rosenberg	Ernesto Wende	Stephen Smith	Carl H. Leonard
Date: 12/4/90	Date: 11/30/90	Date: 12/5/90	Date: 12/5/90

H. EVALUATION ABSTRACT (do not exceed the space provided)

The project goal was to provide the Bolivian Savings and Loan system with financial resources and technical assistance, diversify its portfolio, and finance the installation of potable water and sanitation systems for low-income communities. Resources were disbursed from the Central Bank of Bolivia to the Caja Central de Ahorro y Prestamo para la Vivienda (CACEN), which channeled loan resources to the individual S&L association. This final evaluation was conducted by the WASH team based on a review of project documents, visits to three sub-projects and interviews with personnel involved in the project. The purpose was to help the mission in assessing the achievements of the project and to make recommendations for future activities of this kind. The major findings and conclusions are:

- The project has produced a positive impact on the beneficiaries.
- The quality of the sub-projects planning, design and coordination lack uniformity and is uneven.
- The project model is replicable, affordable by individual households and the communities have proved that they have the capacity to solve their problems. Many aspects must be improved before the project is replicated.

The evaluation made the following recommendations:

- The sub-projects should be planned and designed according to national standards, by a technical unit dedicated to the project, either at CACEN or CORPAGUAS.
- The project should be implemented through local groups, supporting private efforts to solve public needs.
- Planning, control and monitoring functions must be strengthened.

I. EVALUATION COSTS

1. Evaluation Team		Contract Number OR TDY Person Days	Contract Cost OR TDY Cost (US\$)	Source of Funds
Name	Affiliation			
F. Requena	WASH	PIO/T Nos.		
J. Velasco	WASH	511-0000.04-3-90170 and 511-0000.04-3-00022	\$56,950	PD&S, SDA

2. Mission/Office Professional Staff Person-Days (estimate) 4

3. Borrower/Grantee Professional Staff Person-Days (estimate) 12

12

# A.I.D. EVALUATION SUMMARY PART II

## I. SUMMARY OF EVALUATION FINDINGS, CONCLUSIONS AND RECOMMENDATIONS (Type in the following information)

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|--|--|
| <ul style="list-style-type: none"> <li>• Purpose of activity (s) or activity</li> <li>• Purpose of evaluation and methodology used</li> <li>• Findings and conclusions (related to questions)</li> </ul> | <ul style="list-style-type: none"> <li>• Comments on methodology</li> <li>• Limitations</li> </ul> |
|--|--|

Mission or Office: Bolivia Date this summary prepared: 5/23/90

Title and Date of Field Mission Report: Final Evaluation of the Bolivian Savings and Loan System Water and Sanitation Project

### Background

This evaluation had two objectives: the first was to assist the Bolivia Mission of the U.S. Agency for International Development (USAID) in assessing the technical assistance and loan components of the Water and Sanitation Project; the second was to make recommendations with regard to future activities of this kind with the Bolivian savings and loan (S&L) system or with other financial institutions serving the needs of Bolivia's urban poor. The evaluation was also expected to provide useful information for a possible project of CARE.

The objective of the Water and Sanitation Project was to provide financial resources and technical assistance that would allow the Bolivian savings and loan system to diversify its portfolio and finance the installation of potable water and sanitation systems for low-income communities. Resources were disbursed from the Central Bank of Bolivia to the Caja Central de Ahorro y Préstamo para la Vivienda (CACEN), which channeled loan resources to the individual S&L associations.

Although the project was authorized in 1983, no disbursements were made until 1986 because the country's economic crisis curtailed lending by all Bolivian financial institutions. The first subproject, initiated in late 1985 and finished in September 1986, was to improve and expand the water supply system of Guayaramerín (Beni).

When the project ended in March 1989, it included five subprojects with a total of \$1,205,016 in loan funds. All of these subprojects are operating and provide water services to approximately 16,500 families in five of Bolivia's nine departments. The subprojects range from simple water connections to more complex systems serving large populations. Twelve different private or public entities participated in the design and implementation of the subprojects.

### Conclusions and Recommendations

Although the subprojects have affected the beneficiaries positively, several deficiencies were found during the technical evaluation.

The model is replicable. It can be afforded by households and the communities have proved their capacity to manage water supply systems and to solve technical, financial, and operational problems. However, there are many aspects that must be improved before trying to replicate the model; some of these are mentioned below.

Subproject designs should comply with the national standards of the Ministerio de Urbanismo y Vivienda, *Normas de diseño para sistemas de agua potable* and *Normas de diseño para sistemas de alcantarillado*. In general, the subprojects should be designed so that they will provide sufficient and safe water. Furthermore, there should be coordination between water supply and sanitation so that wastewater disposal is properly accomplished.

"As-built" drawings should be produced for the subprojects so that operators have accurate information on subproject construction. The subprojects should be planned for easy maintenance, maintenance that can occur without interrupting service. Water sources should be protected.

In areas where no sewers are available, beneficiaries should be educated in proper methods of wastewater disposal. Wastewater pools can be avoided by providing seepage pits or piped drainage to natural streams. Proper sanitation should be included in water supply programs; pour-flush latrines are a perfect complement to piped water supply in a household.

All of these recommendations could be implemented either by having a special technical section in CACEN dedicated to the project or by having a specialized unit of the Corporación de Agua Potable y Alcantarillado (CORPAGUAS) or similar organization provide the technical expertise the subprojects need during planning, design, construction, and operation.

USAID should promote more loans to support private efforts to solve public needs, particularly those related to improvement of water and sanitation facilities. In the case of construction and/or operation of a water system, loans should be channeled through organizations representing the target population, capitalizing on the S&L system experiences.

CACEN's planning and control functions must be strengthened to obtain continuity of the project. If CACEN continues to be involved in projects of this type, it should—

- Establish a special unit to operate the program and provide technical and financial assistance to the *mutuales* and water supply cooperatives.
- Define in advance an implementation plan that includes objectives, goals, strategies, and a simple and flexible operational structure.
- Set a system for monitoring the program, based on the Implementation Plan.
- Establish clear criteria for project identification and selection through technical, financial, and economic studies carried on before the initiation of every subproject.
- Clearly define the roles and responsibilities of each institution involved before the beginning of every project.

USAID and CACEN should share with other international agencies in Bolivia (such as the United Nations Development Program, the World Health Organization, and the Inter-American Development Bank) the experience of the S&L system with the privately owned water facilities.

According to the agreement between USAID and the government of Bolivia, loan repayment will be due in 1995. This date should be extended for at least ten years to allow for other subprojects to be implemented, using the experience acquired during this pilot project and the monies CACEN receives as payments on the subprojects so far implemented.

K. ATTACHMENTS (Attachments limited with this Evaluation Summary; all other attachments are available in the original report, see also the account of work)

Copy of the Final Evaluation Report.

L. COMMENTS BY REGIONAL ADVISORY OFFICE AND BOARD OF DIRECTORS

Mission: The evaluation covers reasonably well the statement of work and considers the need to establish proper environmental measures during project design and implementation. The report also points out the impact on land values resulting from the execution of water and infrastructure projects; which may lead to land speculation once they are completed.

The project has demonstrated the feasibility of private sector participation in the achievement of a public purpose, i.e., improved health through better water systems, in coordination with government agencies and local municipalities, with the desirability of financing local investments on a cost-recovery basis. That is why CACEN should take the initiative to find innovative ways to keep this activity as part of the Savings and Loan System's operations.

Implementing Agency:

CACEN has established a special account for relending the reflows to similar projects in the future, if the S&L System so desires.

The income level of the current residents in the San Juan-San Pablo subproject are above the 70th percentile due to the increase in property values resulting from the availability of water services. This came about from the sale of many properties by the original beneficiaries of the project to people in higher income brackets.