



IMPACT BRIEF

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# Bolivia (Plurinational State of)

## Plan VIDA-PEEP to Eradicate Extreme Poverty – Phase I

### About the project

**Objective.** The Plan VIDA project was designed to improve the livelihoods of rural households residing in vulnerable municipalities in the departments of Potosí and Cochabamba. It supplied financial support to communities for the implementation of rural development projects and to municipalities for the realization of production infrastructure projects. The project also provided community training and capacity building focused on organizational and productive skills.

**Financing.** The project was jointly financed by IFAD and the Bolivian Government, as part of the country's National Development Plan, for a total amount of approximately US\$15 million including contributions from beneficiaries.

**Timing.** Project activities started in August 2011 and were completed in December 2016 under the lead of the Bolivian Ministry of Planning and Development.

## The project's theory of change

By financing rural development projects, Plan VIDA aimed to address extreme poverty in rural areas of Bolivia by ultimately increasing households' income and asset wealth.

In order to achieve its impact, the project adopted a **participatory planning** approach through which neighbouring communities could form a group and cooperate to choose their own development pathway based on the communities' productive potential, economic interest and cultural inclination. The results of this process were Community Based Productive Investments (*Proyectos Inter Comunales*, or *PICs*) **co-financed** by Plan VIDA and the beneficiaries, who had to contribute in cash or in kind for an amount equal to 20 per cent of the cost of inputs.

Most *PICs* involved livestock, while others focused on crop production, water management or soil reclamation. In particular, in about 85 per cent of cases community groups received financing for the **provision** of new locally adapted or improved livestock breeds and for **training** in care and reproductive strategies. These activities sought to increase the productive capacity of agricultural systems and thereby allow rural households to produce and sell more crops, livestock or livestock products. The increased production and sales should have a direct positive effect on agricultural income and, possibly, on income diversity and total household income.

An increase in income would in turn contribute to increased ownership of assets, both durable and productive—a particularly important aspect for rural households in Bolivia, which often rely on a single main asset (i.e. livestock). Increasing other types of assets would prepare those households for negative economic shocks, while also enhancing their current and future welfare, social empowerment and civic engagement. As a result, the project would also contribute to other domains of household well-being, such as food security, nutrition and resilience, that are key to guaranteeing the sustainability of economic gains.

Since the *PICs* were managed at the local level by community groups, the project, in addition to providing financial support, promoted **capacity building** aimed at strengthening community members' organizational and managerial skills, thereby fostering the success of the financed activities.

## Project outreach and outputs

Determining the overall impact of the project requires first understanding whom the project reached and what outputs it generated.

Beneficiary households: **16,299**

Communities reached: **771**

Community groups formed or supported: **221**

Amount of beneficiaries' contribution: **US\$ 3,683,660**

*PICs* implemented: **566**

Beneficiary households in *PICs*: **15,756**

## Project impact

As part of IFAD's Development Effectiveness Framework, Plan VIDA has been subject to a rigorous impact assessment.

### Data and methods

The impact assessment of Plan VIDA focused on the *PICs* related to livestock and agricultural production and used a mixed-methods approach that combined non-experimental statistical methods and qualitative analysis to compare a sample of project beneficiaries with non-participants. The main data collection instruments for this impact assessment were household and community questionnaires. Both surveys were administered between August and September 2017, and the information collected refers to the 12 months preceding the survey implementation (July 2016 to June 2017).

## Key impact estimates

Overall, Plan VIDA shows some significant impacts in terms of asset wealth and agricultural income, as well as other important domains of household well-being.



In particular, Plan VIDA significantly increased both durable and productive asset ownership of beneficiary households by **3** and **12 per cent** respectively. This translates into an increase of 8 per cent in total asset wealth.

Beneficiaries also earned higher net agricultural income in the previous season compared with non-beneficiaries. This increase amounted to about US\$127 per year, which corresponds to a **21 per cent** gain. The analysis suggests that beneficiaries' ownership of better-quality livestock and their use of improved seeds played an important role in determining this positive impact.

Additionally, it is important to note that these impacts hold when constraining the sample to the livestock *PICs* only, but disappear when examining agricultural interventions. That is, impacts on the whole sample appear to be driven by the livestock-specific community investments, which constituted about 85 per cent of all the *PICs* implemented.

Furthermore, while the overall sample shows no effect on household dietary diversity, constraining the analysis to the livestock interventions teases out an important impact. Beneficiaries showed a **4 per cent** increase in dietary diversity, with the strongest increase seen in consumption of livestock subproducts (eggs, milk, and milk products).

Finally, the analysis finds no strong effects on social capital increase, save for a **26 per cent** increase in leadership among beneficiary households. This impact is strongest for Potosí, where it holds also when disaggregated by gender, with a significant increase in women's leadership. Although the lack of strong effects on social capital is slightly surprising given the emphasis the project placed on community capacity building and networking, these results do not differ from recent literature on similarly community-driven development projects and social cohesion. Our qualitative findings show that existing social capital was high as respondents called attention to social norms and practices that had existed before Plan VIDA implementation. These social norms were put into practice during the course of the project and likely contributed to its success.

## About the brief

This brief draws upon the findings of an IFAD-funded impact assessment of Plan VIDA in Bolivia, which was prepared by Adriana Paolantonio, Romina Cavatassi and Kristen McCollum.

The impact assessment report on Plan VIDA is available upon request.

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## Lessons learned

- Overall the project shows some significant and positive impacts on the main indicators in the domain of economic mobility proxied by **asset ownership** and agricultural income.
- The impacts found across the entire sample are **stronger and more significant for interventions that focus specifically on livestock**. These impacts are likely attributable to a more robust and better-constructed and interlinked logic of intervention for the livestock-related activities.
- Results suggest that a **more focused type of intervention with less diversified development priorities may lead to larger and more positive direct impacts**. This is also true for indirect but related indicators such as dietary diversity, which is significantly positive for livestock beneficiaries and driven by higher consumption of livestock-related products.
- Indicators of social capital were high among both beneficiaries and non-beneficiaries, and qualitative evidence suggests that **social capital can be considered a principal driver of the project's successful implementation rather than a result**.
- In summary, the project shows good results, which are stronger for more focused and more interlinked components that develop positive synergies at the local level, suggesting that even in community-driven development projects, stronger and interlinked drivers could more easily determine a virtuous transformative cycle.

