Annex D. Field visits to Bolivia and Mali

As part of the peer review of the European Union, a team of examiners from Canada and Japan visited Mali in May 2018 and the Plurinational State of Bolivia in June 2018. In both countries, the team met with officials from EU delegations, representatives of the host governments, civil servants, local authorities, other bilateral and multilateral partners, implementing partners, and representatives of civil society and private sector organisations.

Towards a comprehensive European Union development effort

Despite strong growth, Bolivia is one of the poorest countries in South America

As the largest DAC donor in Bolivia, the European Union (EU) is appreciated by all stakeholders for its staying power as other DAC providers exit. The EU has built a reputation as an honest broker in Bolivia through promoting dialogue and through programming in sensitive policy areas such as the fight against illicit drug trafficking, justice reform and the water sector, largely through budget support. Landlocked Bolivia is the fifth-largest country in South America. Two-thirds of its population of 11 million are indigenous peoples. For more than ten years, Bolivia has had one of the fastest economic growth rates in the world. Yet it remains one of the poorest countries in South America, with a medium ranking in the Human Development Index and a poverty level of 38.6%. Since 2009, Bolivia’s solid economic growth has been accompanied by a process of important political and social reform. Extreme poverty dropped to 17% in 2014 from 37% in 2005 and moderate poverty dropped in the same period to 39% from 59%, moving the country from low-income to middle-income status. However, Bolivia still faces considerable development challenges, evidenced particularly by the fact that that one in five people is undernourished, the highest rate in Latin America.

Mali epitomises current development challenges in fragile contexts

The EU is the top aid donor to Mali, providing official development assistance (ODA) that averaged USD 200 million in 2015-16. Mali faces multiple challenges. With 67% of its population under 25 years old,1 a declining mortality rate and a high fertility rate (six children per woman - the third highest in the world), Mali’s current population is expected to double by 2035. This high population rate explains, at least in part, high emigration rates from Mali, as the economy struggles to absorb such a rapid increase in population (EC, 2017). In addition, Mali is destabilised by both internal fragilities and an ongoing crisis in the region spanning from Libya to Nigeria. As in other fragile contexts, economic development alone cannot address the multiple drivers of conflict in Mali and development cannot happen without security. In the Malian context, the EU’s engagement aims at preventing further destabilisation, not just for Mali but for the entire Sahel region.
### Figure D.1. Aid in Bolivia

**Bolivia**

<table>
<thead>
<tr>
<th>Receipts</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net ODA (USD million)</td>
<td>675</td>
<td>791</td>
<td>696</td>
</tr>
<tr>
<td>Bilateral share (gross ODA)</td>
<td>42%</td>
<td>26%</td>
<td>28%</td>
</tr>
<tr>
<td>Net ODA / GNI</td>
<td>2.2%</td>
<td>2.5%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Other Official Flows (USD million)</td>
<td>100</td>
<td>147</td>
<td>9</td>
</tr>
<tr>
<td>Net Private flows (USD million)</td>
<td>-68</td>
<td>761</td>
<td>-287</td>
</tr>
<tr>
<td>Total net receipts (USD million)</td>
<td>707</td>
<td>1 700</td>
<td>418</td>
</tr>
</tbody>
</table>

**For reference**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (million)</td>
<td>10.6</td>
<td>10.7</td>
<td>10.9</td>
</tr>
<tr>
<td>GNI per capita (Atlas USD)</td>
<td>2 870</td>
<td>3 000</td>
<td>3 070</td>
</tr>
</tbody>
</table>

**Top Ten Donors of gross ODA (2015-16 average)**

1. IDB Special Fund 352
2. International Development Association 119
3. EU Institutions 63
4. Switzerland 36
5. Germany 33
6. Denmark 34
7. Sweden 23
8. Korea 21
9. Belgium 18
10. OPEC Fund for International Development 17

**Bilateral ODA by Sector (2015-16)**

- Education
- Economic Infrastructure & Services
- Health and population
- Production
- Other social sectors
- Multisector
- Humanitarian Aid
- Other & Unallocated/Unspecified

**Source:** OECD - DAC, World Bank; [www.oecd.org/dac/stats](http://www.oecd.org/dac/stats)

### Figure D.2. Aid in Mali

**Mali**

<table>
<thead>
<tr>
<th>Receipts</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net ODA (USD million)</td>
<td>1 236</td>
<td>1 204</td>
<td>696</td>
</tr>
<tr>
<td>Bilateral share (gross ODA)</td>
<td>55%</td>
<td>55%</td>
<td>55%</td>
</tr>
<tr>
<td>Net ODA / GNI</td>
<td>9.3%</td>
<td>9.7%</td>
<td>8.9%</td>
</tr>
<tr>
<td>Other Official Flows (USD million)</td>
<td>19</td>
<td>42</td>
<td>1</td>
</tr>
<tr>
<td>Net Private flows (USD million)</td>
<td>-118</td>
<td>29</td>
<td>134</td>
</tr>
<tr>
<td>Total net receipts (USD million)</td>
<td>1 137</td>
<td>1 275</td>
<td>1 325</td>
</tr>
</tbody>
</table>

**For reference**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (million)</td>
<td>17.0</td>
<td>17.5</td>
<td>18.0</td>
</tr>
<tr>
<td>GNI per capita (Atlas USD)</td>
<td>790</td>
<td>760</td>
<td>750</td>
</tr>
</tbody>
</table>

**Top Ten Donors of gross ODA (2015-16 average)**

1. EU Institutions 199
2. United States 187
3. International Development Association 172
4. France 119
5. Canada 88
6. Germany 56
7. African Development Fund 47
8. Netherlands 36
9. Switzerland 35
10. Sweden 34

**Bilateral ODA by Sector (2015-16)**

- Other social infrastructure and services
- Education
- Economic infrastructure and services
- Programme assistance
- Action relating to debt
- Multisector
- Humanitarian Aid

**Source:** OECD - DAC, World Bank; [www.oecd.org/dac/stats](http://www.oecd.org/dac/stats)
The European Union is playing to its strengths in both Bolivia and Mali

The European Union is a valued partner in Bolivia based on its perceived neutrality, significant technical capacity and comparative advantage in providing significant resources through a range of instruments and in line with Paris and Busan commitments. In line with the Consensus, the EU is carrying out its co-ordinating role in Bolivia by promoting strategic-level harmonisation among member states and Switzerland, notably through its European Joint Strategy agreed with the government of Bolivia. This represents a significant step in the EU’s commitment to joint programming for improved development effectiveness and lower transaction costs. Nonetheless, further efforts are needed if the EU is to move from a process of joint strategising to joint implementation of European development co-operation in the country. This includes further developing its results orientation, clarifying the current intention of the strategy to replace individual member-country programme strategies and further considering how the joint strategy fits within broader whole-of-government member country engagement.

In Mali, and against a backdrop of increasing insecurity and a challenging governance environment, the EU is widely appreciated for its leadership, significant resources and holistic approach to supporting humanitarian, development and security needs, including through periods of crisis. Co-ordinating all streams of the EU’s response to the crisis in Mali remains a challenge for the EU when different funding instruments are deployed in parallel in a context of ongoing instability. However, the EU is making important progress in this area by ensuring that instruments work together coherently. Pragmatism and goodwill prevail in the field, with joined-up approaches and functioning links between programmes. For instance, the EU Training Mission in Mali (EUTM) supports the EU’s State-building Contract budget support efforts in Mali by helping to determine security indicators in the form of human resource policies for the Mali Armed Forces. In the years ahead, the government of Mali and other development partners recognise that ongoing sustained support from the EU will be critical not only for the future stability and development of Mali but also for the entire Sahel region.

As such it will be particularly important to manage any financing or policy risks around the impending departure of the United Kingdom from the EU and to ensure there is no significant financing gap in the lead up to the proposed Multiannual Financing Framework 2021-27.

Policies, strategies and aid allocation of the European Union

A coherent use of instruments in Mali that is driven by country needs, but some structural challenges persist

The EU resumed its development co-operation programme in 2013 following adoption by the Mali government of what was called a “roadmap for transition”. An international donor conference in that year led to the design of the Recovery Plan of Mali (Plan pour la Relance Durable du Mali, or PRED) for 2013-14. Donors pledged a total of EUR 3.25 billion at the conference. The EU pledged EUR 523 million of that total, resulting in an increase of Mali’s 10th European Development Fund (2008-13) envelope to EUR 728 million from EUR 533 million.

In the absence of an up-to-date national plan in Mali, the EU makes use of almost all relevant instruments for its programming, apart from Common Security and Defence Policy (CSDP) missions. While co-ordination among different actors and instruments usually works well in practice and transparency is increasing, the EU lacks a clear, consolidated
strategy or narrative outlining its objectives in Mali that articulates how different actions and instruments fit together under a common results framework. Developing such a narrative, which could also be adjusted to the rapidly changing environment, would help the EU to communicate the value of its actions more clearly to Malian stakeholders, other development partners and EU domestic audiences.

To better link security and development efforts, the EU brings together different programmes and instruments towards common objectives. For example, support to education in central Mali is connected to the EDF’s school feeding programmes and to the programme of support for enhanced security (Programme d'appui au renforcement de la sécurité, or PARSEC) funded by the EU Emergency Trust Fund for Africa (EUTF). A specific indicator on school feeding is also part of the EU budget support to Mali. The division of labour with humanitarian actors is clear, with DG ECHO supporting education exclusively in Northern Mali. Focusing different short-term and long-term instruments on a limited number of key sectors and engaging the government through specific indicators represents good practice in a fluid context like Mali, where development needs exceed the national capacity to reform and implement changes.

As a committed humanitarian provider in Mali, DG ECHO is focusing its interventions on malnutrition management and primary healthcare in Northern Mali. While the crisis has exacerbated humanitarian needs, current challenges are structural. For example, the EU’s humanitarian aid is continuing to provide access to primary healthcare in Northern Mali, delivering better outcomes than before the crisis. As healthcare is not a priority sector for DG DEVCO, there is no prospect envisaged for DG ECHO to withdraw from Northern Mali. As such, the division of labour among humanitarian aid, development co-operation and stabilisation is a pragmatic. But better use of assessments on value for money would facilitate the transfer of some DG ECHO activities to DEVCO or other development actors, where possible, and to increase the cost effectiveness of the EU’s activities and extend its reach across vulnerable communities.

**The Joint European Strategy for Bolivia is impressive, but development finance needs a more comprehensive strategy**

Bolivia is the largest recipient of bilateral EU development assistance in Latin America after Haiti, receiving EUR 281 million from 2014-20. From 2008 to 2016, Bolivia’s external partners for development have contributed more than USD 600 million per year to support activities related to poverty reduction. Nevertheless, as a result of strong economic growth and the increase of internal resources, the relative importance of donor resources to Bolivia’s public expenditure has gradually decreased.

In May 2018, EU Development Commissioner Neven Mimica announced a 2017-20 Joint European Strategy for Bolivia with indicative funding of EUR 530 million. Under this strategy, all member states present in Bolivia (Belgium, Denmark, France, Spain, United Kingdom, Italy, Sweden and Germany) plus Switzerland have agreed to align and co-ordinate their development co-operation to strengthen impact and improve the effectiveness of their efforts. The strategy covers eight sectors informed by Bolivia’s long-term vision, the 2025 Patriotic Agenda (*Agenda Patriotica 2025*). The sectors are culture and tourism; rural development and food security; the fight against drug trafficking; education; governance; environment and climate change; health; and economic development and employment. EU interventions are drawn up within the broader context of EU external policies, notably the Agenda for Change and the EU Strategic Framework
and Action Plan on Human Rights and Democracy as well as the 2030 horizon and the international commitments on climate change.

In Bolivia, the EU’s development co-operation is aligned with the government’s Medium-term 2016-2020 Development Plan and prioritises work in justice, environment and water, and the fight against drug trafficking. Through its significant use of budget support, which makes up 75% of its expenditure in Bolivia, the EU has demonstrated a commitment to accompanying the government of Bolivia on its current development path. At the same time, greater attention is needed to ensure that budget support does not crowd out government expenditure in those priority areas and thus ensure sustainability of gains made through budget support when the EU programme ends. Similarly, taking account of Bolivia’s growing interest in knowledge exchange, the EU could consider the potential for expanding its use of technical assistance for capacity building and knowledge sharing, including through South-South and triangular co-operation.

In line with its global leadership on the Addis Ababa Action Agenda, the European Union is committed to expanding development finance in Bolivia. In particular, the EU works with multilateral development banks and development finance institutions to blend grants to make sovereign loans concessional. While this modality is increasing finance for development in Bolivia, it should not undermine the rationale of these institutions to provide non-concessional loans to countries that have graduated from IDA status. In this context, the EU could benefit from analysis on how best to contribute to development finance efforts in Bolivia, working together across the programming cycle with the European Investment Bank and taking new flows of external finance from China and India into account.

**Organisation and management**

*Procedural complexity and human resource management are key challenges*

While the rationale for deploying EU instruments in Mali is clear and coherent, EU procedures are designed for development co-operation in a non-crisis context. This represents a challenge for designing a comprehensive approach at the implementation stage in fragile contexts such as Mali, where aid is not concentrated on infrastructure or services but targets security and reform measures. A flexible approach to decision making and securing funds is required, but is hampered when disbursement must follow different procedures according to whether a project is funded through the European Development Fund, the EUTF or Foreign Policy Instruments.

As the EU continues to roll out organisational reform and efforts on service level agreements, further consideration must be given to how best to ensure it has the right capabilities in the right places. This could include reviewing differences in salary structures and staff conditions for the five different categories of employment at post and looking more closely at development and mobility opportunities for local staff. One way to promote fair work practices and potentially contribute to better work-life balance would be to standardise human resource policies across delegations to reduce discrepancies in conditions for staff employed through different regimes. For example, as found in Bolivia, employees with young children at delegations do not benefit from the more generous parental and carers’ leave conditions that are available to employees at headquarters. To address such staff development issues, the EU could consider adopting some of the good practices of its EU member states.
As found in both Bolivia and Mali, the EU’s development co-operation remains administratively heavy. To reduce this burden and increase efficiencies, the EU would do well to ensure the applications developed in Brussels consider needs in the field by reducing parallel processes and freeing up senior officials in delegations for more strategic work. As well, the EU could go further in its efforts to make planning, approvals and contracting for its activities less time-intensive. Finally, increasing delegation of authority at country level through learning from the good practices of other donors would help to increase the flexibility of the EU to respond faster to changes in context.

**Partnerships, results and accountability**

**The EU is strengthening its partnerships in Bolivia and Mali**

In addition to strengthening its own co-ordination with member states through joint programming approaches, the EU partners with civil society in Mali and Bolivia. For example, the EU is providing support for civil society groups in both countries working on politically sensitive issues including human rights and democracy, prevention of gender-based violence, child protection, and sexual and reproductive rights. In addition, the EU devotes significant resources to working with civil society organisations and networks as implementers while simultaneously maintaining policy dialogue and a close relationship with the governments. Implementing partners value the EU’s inclusive programming practices, which they find predictable, fair and results-orientated. However, the EU could do more to promote more strategic-level partnerships with civil society, particularly in Mali where there is a clear need to strengthen the capacity of civil society to hold government to account; this, in turn, would help to sustain the EU’s efforts in Mali.

**The EU could further pursue untying**

In advancing its significant efforts to untie aid, the EU could re-examine whether its framework agreements for provision of technical assistance, agreed in Brussels, do not result in preferential treatment for European consultants and companies. As the review team observed in Bolivia, opening this mechanism to locally and regionally-sourced technical assistance would enable procurement from a wider pool, enable more South-South relevant expertise and potentially lower costs.

**Frameworks for results, evaluations and knowledge sharing need strengthening**

The EU’s approach to results is aligned with both Bolivia and Mali’s national development plans, which enables good dialogue with these governments on reforms. At the same time and as evidenced in Bolivia, some indicators on budget support agreed with the government - important because disbursements are made against the achievements - prioritised processes rather than outcomes. These also provided limited incentives to support key reforms including those that might support achievement of the Sustainable Development Goals.

Evaluations are managed by delegation staff with government and key partners, which leads to high levels of ownership and increases the relevance of findings. However, there is little evidence that lessons from the field support organisational learning at headquarters. Thus, a more systematic knowledge sharing across the EU’s development co-operation system, including between headquarters and the field, would improve its evidence base for decision making and strengthen organisational learning. Seminar-based learning programmes to share knowledge among delegations are particularly appreciated by staff.
The EU could therefore benefit from adopting a more strategic approach to learning including by examining good practices of other donors.

Notes


2 The EU delegation in Bamako is managing mainly the EDF funds in line with the EU’s pre-crisis development co-operation. But, since 2013, a range of new instruments have been managed in parallel from Bamako, from Dakar and/or from headquarters in Brussels.

3 The EU appointed a Special Representative for the Sahel in 2013 to promote EU policies and interests while following the Mali peace process. Although based in Brussels, the Special Representative plays a role in co-ordinating the EU’s comprehensive approach to the regional crisis. In addition, the EUTF is managed centrally from Brussels with inputs from the EU delegation in Bamako. The Instrument contributing to Stability and Peace and humanitarian aid also are both managed in Brussels with regional support from their respective offices in Dakar.

4 The indicator is: “Validation de la Loi réglementant l'alimentation scolaire en Conseil des Ministres et transmission à la Délégation de l’Union Européenne des projets de décret d'application (si pertinent).” It is found in the unpublished budget support results indicator matrix of the government of Mali.


6 The Mali healthcare system is based on cost recovery, whereas humanitarian intervention subsidises access to healthcare. Northern Mali represents approximately 10% of the Malian population and 50% of the Malian territory, which implies that a cost recovery healthcare system cannot sustain a proper healthcare territorial grid.

Bibliography

Government sources