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The Political Economy of Development Effectiveness in Bolivia

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Preface

With the advent of the Sustainable Development Goals (SDGs), discussions on development finance have been revitalised. Mobilising sufficient financial support to meet the resource gap in SDG implementation is a critical challenge for developing countries.

Traditional aid flows to these countries have been restrained by both supply-side limits and demand-side pulls. However, new actors and innovative financial instruments create opportunities for additional funding. In this context, improving the quality of development cooperation (including financial flows) and assessing its effectiveness have become more pertinent than ever.

Economic and political factors aggravate the challenge of effective development cooperation. The current global development finance architecture lacks necessary political ownership and momentum. Further, the discourse suffers from an obvious lack of credible knowledge that reflects realities on the ground. Demand is thus high for Southern perspectives so as to embed them in future reforms.

That is what Southern Voice—a network of over 50 think tanks from Africa, Asia, and Latin America—is facilitating. It provides structured inputs from the Global South for debates on the 2030 Agenda for Sustainable Development. With capacity gained through the successful execution of various research programmes, Southern Voice aims to contribute to the global discussion on the effectiveness of development cooperation in the era of SDGs.

The new initiative, "Rethinking Development Effectiveness: Perspectives from the Global South," is being carried out in partnership with the Centre for Policy Dialogue (CPD) in Dhaka, Bangladesh and with support from the Bill & Melinda Gates Foundation. The present study is the seventh in a series of nine occasional papers on rethinking development effectiveness. The study explores the concept of development effectiveness and its evolution in Bolivia a case that remains very different from other countries around the world.

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Acknowledgement

Researching on the Political Economy Development Effectiveness anywhere in the world is a mind-opening and a very insightful task given the multidisciplinary network involved in development endeavours. Bolivia, time and time again, has proven to be a unique setting where actors are diverse and multiple, may they be domestic or international. Moreover, Bolivia has proven to be a country where innovative thinking in regard to development is perceived, despite the difficulty in implementing such ideas. This melting pot of converging and diverging interests is what gives the specific case of Bolivia a high level of complexity which is why I have to thank the people who gave their time and effort to make it possible to open the window into the different actor's stances: Iván Velásquez Castellanos, Phillip Kaupert, Martín Saravia, Pamela Vargas, René Orellana Halkyer, Anuar Auad, Karim Leytón, Dan Delvi Vargas Beltrán, Ernesto Pérez de Rada, Wendy Guerra, Nicolaus Hansmann, Miguel Ángel Peñaranda Bocángel, Luis Carlos Jemio Mollinedo, Lykke Andersen, UDAPE, Mariko Watanabe, Shintaro Akiyama, Gladis Genua and Rubén Ferrufino.

Without Southern Voice's Rethinking Development Effectiveness Project, this study would not have been possible. Connecting the Global South through academia in order to think about sustainable development from within developing countries is an enormous and challenging task. Southern Voice is doing a great job in growing a 50+ think tank network, which is why I would like to thank Andrea Ordóñez, Gabriela Keseberg, Pauline Ngirumpatse, Zeynep Colpan and Iliana Ninahualpa for actively supporting this study.

Abstract

This study explores the shifting relations between the government and domestic and international actors, such as international cooperation agencies, development financial institutions and social movements in Bolivia. It discerns the implications for development effectiveness, as devised by the Paris Declaration. In this context, the paper looks at various factors. It analyses how the Bolivian government determines development objectives and which government actors define those. It also explores how accountability is established and how the achievement of the objectives is ensured.

Evo Morales's rise to power in 2006 is seen as a point of 'before' and 'after' in Bolivian politics. This research identified a visible shift in the behaviour of development actors within international cooperation agencies towards government institutions after 2006. The change was evidenced through a variety of policies that fractured the relations between the government and key bilateral donors, as well as international NGOs. The relations with Development Financial Institutions, however, continue to prosper. On the other hand, there was gained ownership in discourse. But it was not accompanied by stronger capabilities in the public sector. For example, the government still has limited data and poor or undeveloped indicators on its development objectives. And although the Bolivian authorities developed a structure to strengthen its control of international cooperation, a lack of capacity to achieve true accountability remains.

Author

Lily Peñaranda Ferrufino has devoted her academic work to studying International Development Policy and its impact on developed countries as well as on developing economies. She holds a BA in Political Science and a master's degree in International Relations by the London School of Economics and Political Science.

Content

List of figures

List of tables

Acronyms and abbreviations

CAF	Corporación Andina de Fomento
DFIs	Development Financial Institutions
GruS	Group of Associates for the Development of Bolivia
HIPC	Heavily Indebted Poor Country
IDB	Inter-American Development Bank
IMF	International Monetary Fund
LAC	Latin America and the Caribbean
MAS	Movement Towards Socialism
MDGs	Millennium Development Goals
NDP	National Development Plan 2006-2011
NGO	Non-Governmental Organisations
SDGs	Sustainable Development Goals
SSC	South-South Cooperation
UDAPE	Social and Economic Policy Analysis Unit
UN	United Nations
UNDP	United Nations Development Programme
USAID	United States Agency for International Development

The Political Economy of Development Effectiveness in Bolivia

Lily Peñaranda

Introduction

This case study aims to understand the intricate politics of development cooperation in Bolivia within the context of a fragmented international development landscape. The effectiveness of development cooperation depends on the arrangements between the multiple actors involved in the process of planning and measuring development outcomes. As such, the political nature of development cooperation and development effectiveness will be looked at closely in the Bolivian context.

Bolivia represents a compelling case to analyse the political economy of development effectiveness. Despite a massive debt crisis by the beginning of the 21st century, Bolivia has transformed into the fastest growing economy in the region by 2009, as well as from 2014 to 2017 (Plurinational State of Bolivia, 2018). The success occurred while the first indigenous president in the world, Evo Morales Ayma, has been in power. Bolivia shifted from a structural reform country, based on policymaking from the Washington Consensus, to a self-proclaimed anti-imperialist government opposed to neoliberal values. This shift is also visible in Bolivia's approach to development.

By tapping into the political economy of the new development landscape in Bolivia, this study will explore three questions: i) How does the Bolivian government determine development outcomes? ii) Who defines these outcomes? iii) What accountability lines in the pre- and post-Evo Morales periods exist for development cooperation?

The methodology of this study is comprised of desk-based research of national documents and interviews with stakeholders, which include government officials, civil society organisations, sectorial actors and donors with country offices.

Given the stark contrast between the pre- and post-2006 political environment in Bolivia, a brief overview of the pre-Evo Morales political environment will be done. Furthermore, it will help the reader identify where political relations have taken a sharp turn and where not.

The subsequent sections of the study will focus on answering the research questions laid out above. Bolivia's self-designed development plans from 2006 to 2016 will be looked into since self-determination, and a message of ownership of development has been an essential part of Morales's new development approach. The role of traditional cooperation in determining Bolivia's development outcome, as well as the role of emerging donors, private entities and philanthropic organisations, will be considered. Tracing accountability lines where possible, will also help answer whether there are specific elements that define development outcomes and will also shed more light onto who determines Bolivia's development outcomes and how they are assessed.

The neoliberal approach to development in Bolivia (1985-2005)

After the inflation and debt crisis of the mid-1980s, Bolivia went through the first stage of political[1] and macroeconomic stabilisation (1985-1993). At the time, the Development Assistance Committee countries played a crucial role in the structural adjustment process and in defining development objectives. Heavy debt forced Bolivia to negotiate internationally for external resources to overcome the economic crisis. Bolivia had to abide by donor conditions to receive financial aid to avoid an economic catastrophe. The conditions set by donors included the deregulation of markets and the creation of new state-led financial institutions to manage external financial resources used to fill in gaps in the national budget (Von Gleich, 2000). Furthermore, tax and tariff reforms were part of the public policy instruments proposed by traditional donors to finance public spending and to consolidate economic stability and structural reforms (López, 2002).

After this macroeconomic stabilisation, the period from 1994 to 2000 was characterised by second-generation structural reforms that took place aligned to donors' pro-poor growth policy[2] and neoliberal macroeconomic guidelines. The macroeconomic objectives were to deepen the reforms of the first period with further deregulation of the private sector and privatisation of public enterprises. What was different, however, was that during this period there were also policy recommendations to alleviate poverty in the country. Some of the more notable pro-poor policies included education reform, popular

1 In 1982 Bolivia had returned to democracy after decades of military dictatorships.

2 The so called pro-poor growth policy promoted by the more developed economies for implementation in developing countries, and adopted by the OECD as a guideline for donors, is based on the concept that focuses on the poorest segments of society through development aid. Moreover, it promotes the idea that the poor know best what they need, hence the poor should be empowered to see for their own welfare the best way possible under the given circumstances. It rejects a strong state participation and focuses on the individual as the main engine for growth and development.

participation, and administrative decentralisation laws. There is extensive literature on the globalisation of development policies and the implementation of decentralisation and participation laws in low-income countries. Bolivia may be one of the best countries to showcase these policies in action as reforms took the form of laws and institutions, deepening them to the point of difficult return (International Council on Human Rights, 2005; International Council on Human Rights, 2002). In practice, the policies implemented weakened the state's capacity to distribute wealth and shifted the responsibility of people's well-being from the state to citizens themselves. They needed to expand their agency and capacity to self-organise to be able to secure their prosperity (Duffield, 2001). As a result, citizens, especially those living in poverty and from the rural areas, become less dependent on the state. Politicians, on the other hand, were closely related to private interests and thus benefited to a great extent from the privatisation processes. Privatisation resulted in an exacerbated inequality, shown by the Gini coefficient which increased from 0.568 to 0.588 between 1997 and 2002, placing Bolivia in second place in terms of inequality in the region (Gigler, 2009).

By the end of the 1990s, traditional donors focused mainly on social expenditure and poverty reduction. Meanwhile, in the national context, there was a discussion about whether the government should allocate development cooperation funds on public investment instead of financing current spending. Given the government's weakness when it came to making decisions because of the large amount of foreign financial aid and the heavy conditioning politicians were put under, the final decision was made by donors, who prioritised structural reform policies. However, they provided enough resources to keep the state's minimum administrative capacity functional by providing funds for the current spending of the entire ministries.

By the end of the 1990s, traditional donors focused mainly on social expenditure and poverty reduction.

Despite the investments from Development Assistance Committee donors in social expenditure and poverty reduction, there was little progress on poverty eradication. High poverty rates led to Bolivia being considered a Heavily Indebted Poor Country (HIPC) by 1998. The World Bank selected Bolivia as a pilot country for experimenting with the Global Comprehensive Development Framework (Paz, 2016). The HIPC programme helped relieve Bolivia's foreign external multilateral debt accumulated during the second reform period. Between 1993 and 1998 Bolivia's public external debt had risen from USD 3,783 million to USD 4,659 million, signifying 56.2% of the country's real GDP in 1998 (Villegas & Loza, 1996; Bolivian Central Bank, 2018; National Statistics Institute, 2019). The HIPC programme was negotiated during the first half of that year, made effective by 2001 (Paz, 2016) and continued with disbursements in the social sector programmed until 2019 (Acevedo, 2016).

In summary, 1985 to 2005 is a period in which the social development agenda is set by traditional donors, with little to no coordination between them, based primarily on each donor's country programme. One of the most important and unexpected outcomes of donors' effort during this period, is the political empowerment of the self-identified indigenous segment of society against neoliberal policies (Haarstad & Andresson, 2009; Postero, 2005); and a new form of indigenous identity forged by the interaction between the rural population of Bolivia and the international community through Pro-Poor growth aimed projects and policy-making (McNeish, 2002). These movements became critical in the transformation of Bolivia's politics.

Social movements and social unrest as a consequence of neoliberal policies

Social unrest characterised the third period (between 2000 and 2005). The policies that had weakened the government's role, along with decentralisation and the popular participation laws of 1994, opened the door for indigenous groups and the poor to increase their political power (Postero, 2005; Haarstad & Andresson, 2009). While traditional forms of participation, such as unions and political parties, were weakened, new forms of grassroots political organisation emerged. Civil society overcame differences and united against unproductive policies. One example was the so-called Water War against the privatisation of water supply in the city of Cochabamba in 2000.

Another example was the 2003 civil society movement against exporting natural gas to Chile instead of supplying it for local consumption. These social battles were led by newly created social movements[3] composed of urban indigenous peoples and the urban poor. They were organized and made up of a variety of groups: indigenous organisations, farmers, community organisations, guilds, cooperatives, producer associations, civic

3 Social movements are pre-existing to neoliberalism in Bolivia. Nevertheless, the pro-poor policies and reforms have empowered indigenous and poor sectors who had not been politically empowered before. This is the meaning of 'newly created social movements' in this text.

committees, neighbourhood councils and base organisations who became the backbone of the revolutionary movement (Orías, 2012). These movements ultimately demanded the resignation of then-President Gonzalo Sánchez de Lozada, and after he finally did resign in 2003, Bolivia went through a political crisis with a total of four presidents in two years.

Towards socialism: more discourse than facts

In December 2005, the Movement Towards Socialism (MAS) was elected to become the new governing party with over 60% of the votes. Evo Morales, as the first indigenous president, was supported by the social movements who had ousted the neoliberal government in 2003 and who were guaranteed to co-govern during his mandate. This section reviews the conditions that allowed the country to shift its development paradigm and what this meant in practice.

The intention to set a new development paradigm

The election of Evo Morales changed how development objectives were defined. There were political and economic reasons for this shift. Politically, the government created spaces for engagement with social groups. For example, in March 2006, the Vice-Ministry of Coordination with Social Movements and Civil Society formed as a branch of the Ministry of the Presidency. Social movements got regular and direct access to the policy process via the office of the vice-minister. They were able to make demands that were discussed directly with the highest level of the executive branch of government. By 2017, organisations engaging with the executive by way of this mechanism included indigenous peasant organisations, unions, popular organisations, political organisations and cooperatives. Indigenous peasant organisations, unions, and popular organisations were among the most active participants. This type of political engagement consisted of meetings between the executive and the above-mentioned organisation leaders. New public policies (such as education, labour and health), projects on infrastructure, productivity enhancement, administration governance, and corruption issues were discussed during the meetings. The relevance of these meetings increased significantly in this period. In fact, between 1985 and 2005, 59 sessions were held between the executive and civil society; between 2006 and 2017, a total of 6414 meetings took place (Plurinational State of Bolivia, 2017).

Bolivia's economy had significantly improved by 2006, giving the government more space to implement reforms. Due to the debt relief achieved by the HIPC programme and other measures, Bolivia's external debt was halved from USD 4.942 million in 2005 to USD 2.208 million in 2007 (Bolivian Central Bank, 2018).

High revenues from the new Hydrocarbon tax

State revenues began to increase after 2005 due to the direct tax on hydrocarbons (IDH) put in place to capture the windfall gains of natural gas exports. A referendum in 2004, determined the new hydrocarbon policy that Bolivian citizens had decided should be adopted during a social and economic crisis. On May 17, 2005, an immobilised government under the presidency of Carlos D. Mesa approved Law 3058 on hydrocarbons, which was immediately passed by Congress. The law reversed the privatisation process the sector went through during the 1990s by imposing an 18% royalty on foreign companies exploiting natural gas in the country as well as a 32% direct tax on hydrocarbons. Evo Morales, then a Member of Parliament, opposed these decisions; instead, the MAS party he represented demanded the direct tax on hydrocarbons to rise to 50%. One year after he took office, he announced Supreme Decree 28701 on May 1, 2006, which completed the nationalisation process of companies active in the hydrocarbon sector. In addition to the 18% royalty and the 32% direct tax on hydrocarbons, the MAS government assigned an extra 32% of the revenues (as a tax) to the public company which would, from then on, manage the nationalised hydrocarbon production: *Yacimientos Petrolíferos Fiscales Bolivianos (YPFB) or Bolivian Fiscal Oil Fields* in English.[4] The remaining 18% of the revenue was assigned to cover for *Yacimientos Petrolíferos Fiscales Bolivianos's* operation costs. Now 100% of hydrocarbon revenues, specifically, natural gas revenues entered the national treasury, providing the state with funds it had not had in decades. After a while, the 32% assigned to *Yacimientos Petrolíferos Fiscales Bolivianos* was absorbed by the central administration. An extremely centralised fiscal management gathered natural gas revenues and redistributed yields to local governments (Departments and Municipalities), to Public Autonomous Universities, to the so-called Indigenous Fund,[5] and cash transfers for pregnant women and mothers, school money for children, and senior citizens outside the pensions system.[6] Cash transfers became an important factor for the success of millions of Bolivians stepping out of the extreme poverty line, however,

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4 There remains a generalised idea that the MAS government nationalised all companies in all sectors. This is far from being true, only the hydrocarbon sector was affected by these measures; mining and other important productive sectors have not been nationalised during the 13 years Evo Morales sits as president. Even YPFB is a merge between public and private companies, making the nationalisation process a demagogy and not a fact as portrayed by the MAS government. However, the state has become an entrepreneur and established new publicly run companies in the foods, chemical, technology and the service sectors.

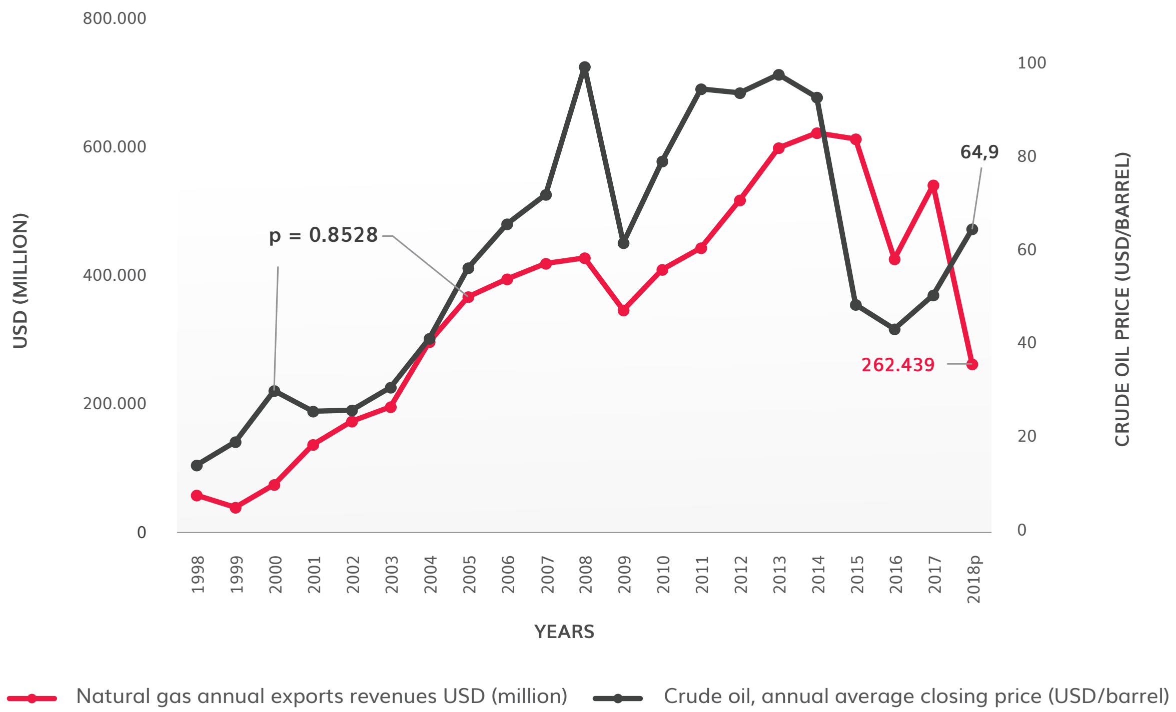
5 Whose head, Nemecia Achacollo, soon became the centre of a multimillion-dollar corruption scandal.

6 *Bono Juana Azurduy, Bono Juancito Pinto and Bono dignidad*. The latter had already been established in 1993 during the second structural reform phase.

not enough to eradicate poverty.[7] They were a direct mechanism for the windfall taxes to reach the poorest citizens.

As Figures 1 and Figure 2 below suggest, there are a close correlation between international oil prices, natural gas export revenues and natural gas export volumes.[8] We can infer that there were good practices in the management of hydrocarbon resources by reducing exports when prices fell and increasing exports when prices rose. An increase in natural gas revenues is clearly noted from 2003 onwards, just as oil prices increase. This explains the political debate and heavy pressure on politicians through social demands for a hydrocarbon policy change during those years.

Figure 1. Correlation between natural gas export revenues and crude oil prices

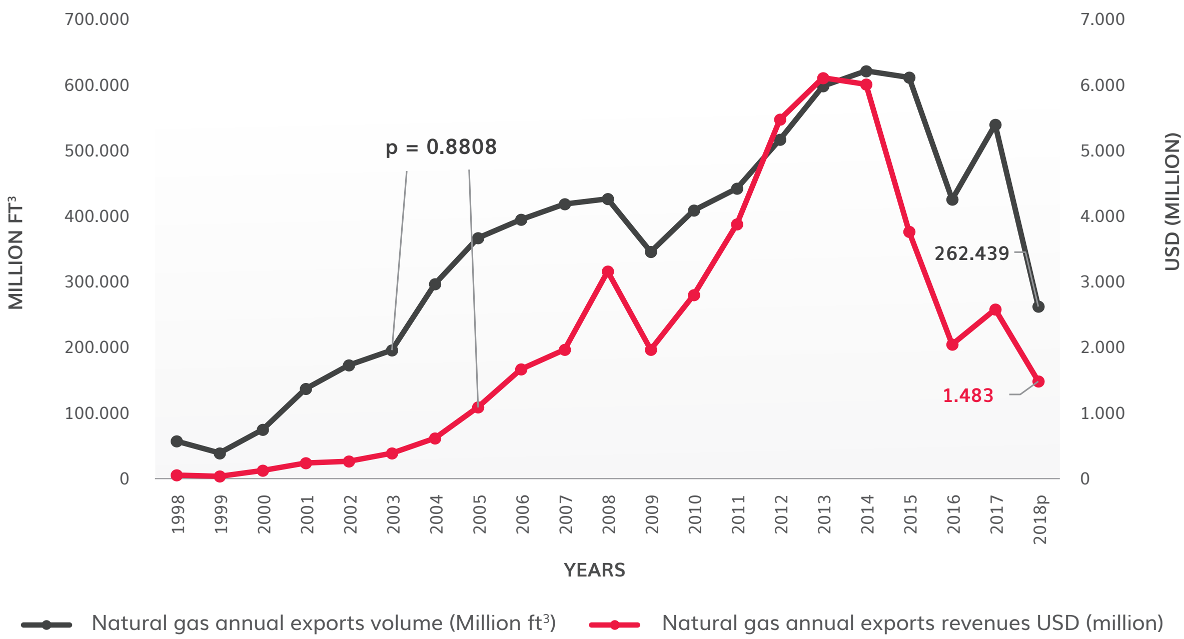


Source: Bolivian Central Bank (2015), Bolivian Central Bank (2018b) and macrotrends.net (2019). Elaborated by the author.

7 Cash transfers oscillate between USD 30 and USD 60 monthly, which hardly provides for a decent living standard, but in some cases signifies the replacement of the income farmers or cattle rustlers could gather for their activity.

8 Natural gas prices were pegged to international oil prices.

Figure 2. Correlation between natural gas export volumes and revenues



Source: Bolivian Central Bank (2015) and Bolivian Central Bank (2018b).
Elaborated by the author.

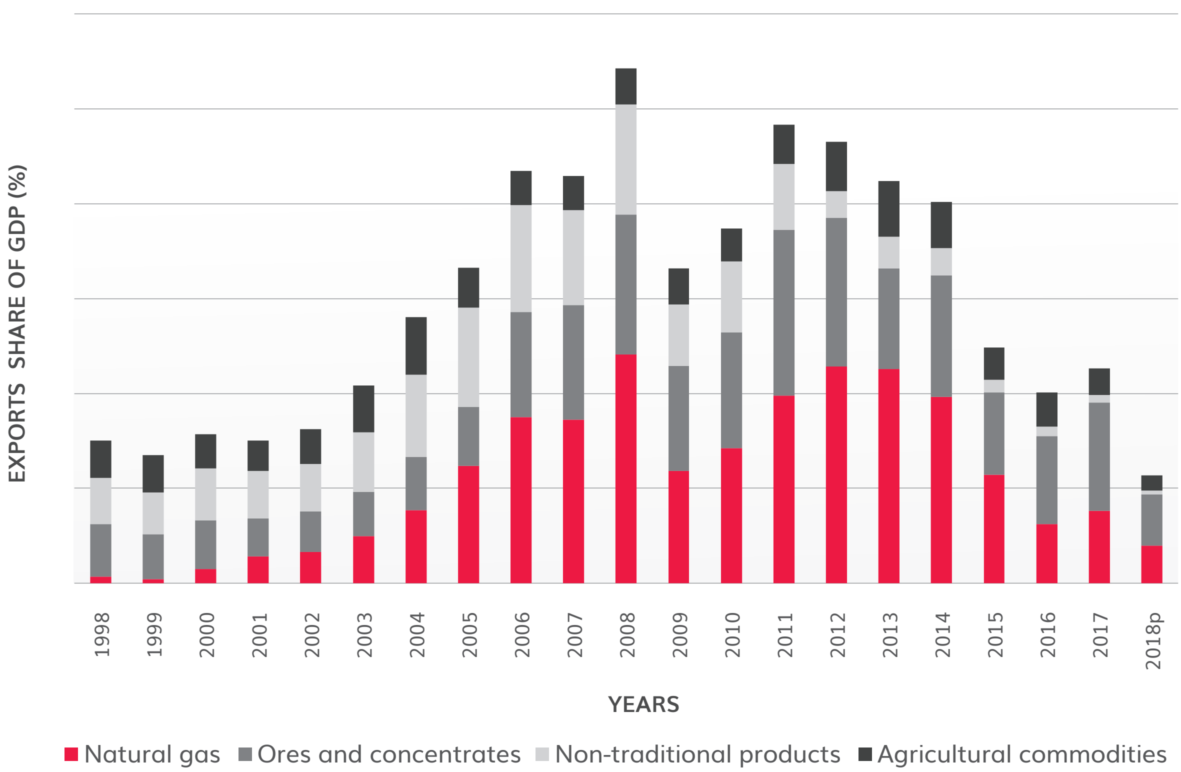
The significance of hydrocarbon export revenues for national GDP is shown in Figure 3 below. At its highest peak in 2008, natural gas revenues reached 24% of total GDP (current USD). This is in contrast to a decade earlier when natural gas exports barely signified 1% of national GDP. Other traditional export commodities like silver, zinc or gold were not nationalised, and revenues from these commodities cannot be taken into account as part of state income the same way natural gas revenues can. Including the domestic consumption of natural gas is not relevant for Bolivia's GDP growth only because Subsidised hydrocarbon prices at the domestic level signify a burden for the national treasury[9] more than added value.

Hydrocarbon exports became the main source of funds for public investment. We can see the importance of hydrocarbon exports on government revenue: in 2011, 64% of subnational government budgets came from the direct tax on hydrocarbons, 27% came from hydrocarbon royalties, and only 9% came from the fiscal co-participation of departments and municipalities (Lasa A., 2016).

9 Gasoline and diesel oil are not produced in the country, instead represent a high percentage of imports and were heavily subsidised since before Evo Morales took office.

Figure 3 also depicts how non-traditional exports made up between 2% and 6% of GDP from 1998 to 2011. From 2012 onward, non-traditional exports completely disappear in the graph, showing that Bolivia's economic diversification process halted and reversed from 2011 onward. Petrol, gold, zinc and silver are the main commodity exports with the most GDP share between 1998 and 2018. In 2018, natural gas, zinc, silver and gold exports fell to match 2003 levels (lower in the case of natural gas), and non-traditional products are missing compared to 2003. Instead of deepening economic diversification, the international commodity boom had a negative effect on it by halting and even reversing economic diversification in contrast to a high dependence on natural gas production. When the commodity boom slowed down, export products were fewer and less diversified, and by June 2018, the share of total export in the GDP was at the lowest it had been in 20 years. The fixed currency exchange rate adopted in 2011 had a negative effect on the production of added value export items. Imports were privileged with this measure by keeping a relatively strong currency, which clearly showed a devastating effect on economic diversification as importing became cheaper than investing in the development of national industry.

Figure 3. Export share of GDP, 1998-2018 (%)



Source: Bolivian Central Bank (2015), Bolivian Central Bank (2018b) and the World Bank (2019). Elaborated by the author.

It is important to note that high natural gas export volumes were possible thanks to resource exploration in previous years, which resulted in the discovery of natural gas reserves in the country. This discovery coincided with the increase in international oil prices starting in 2005, which yielded exceptionally high revenues and a positive trade balance. Nevertheless, observing Figures 1 and 2, by 2016, we see a clear division between the curve representing the international price of oil and the other two curves representing natural gas export revenues and export volumes, implying a strong fall in natural gas production even though international oil prices were still high. The share of GDP also shows a stark decrease in Figure 3.

Exports began falling, and international prices kept rising. As a finite resource, by 2016 natural gas reserves had reached critical levels and could hardly fulfil buyer's demands (mainly Argentina and Brazil). This is due to the abandonment of exploration activities in the period 2005-2015. Even if hydrocarbon production is improved in the coming years, international market dynamics have changed from 2005 to 2019. Inexpensive natural gas is now transported by sea, and new resources are being found in neighbouring countries. Alternative energy sources are being explored and implemented, thus making Bolivia less competitive in the hydrocarbon market.

An era without the IMF

Overall, by 2006, Bolivia's macroeconomy was healthier, which in 2010 led to its graduation from a low-income country to a middle-income country. Thus, Bolivia gained access to market-rate credits from Development Financial Institutions such as the World Bank, the Inter-American Development Bank (IDB) and the Corporación Andina de Fomento (CAF). With financial independence, Bolivia did not need to abide by structural reform conditions any longer.

It must be noted that since 2006 the International Monetary Fund (IMF) is no longer active in Bolivia's development or financial decision making. By not renewing the Stand-By Agreement with the IMF, Bolivia rejected its policies and its development framework (Paz, 2016). It is hard to say whether the decision to cease relations was mutual or one-sided. However, this change happened when Bolivia started showing steady annual GDP growth rates and had just gone through the political and ideological shift from neoliberal policies to state-centric policymaking driven by Morales's socialist ideology. IMF External Relations Department Director, Thomas Dowson, declared in March 2006 that IMF funds were unnecessary to Bolivia given the favourable macroeconomic situation it was going through. This was stated after acknowledging that government officials did not intend to renew the agreement (DPA, 2006). IMF high-level representatives and high-level government representatives were caught up in a force measurement situation.

Neither side wanted to be the one to blame for the rupture in relations, and both wanted to be the strongest party. Haarstad & Andresson (2009) in a desk review of IMF reports and policy papers on Bolivia, found that:

> After the 2003 crisis the IMF increasingly admitted that there was tension between the aim to promote an attractive environment for FDI, on the one hand, and the need to address the concerns of large segments of the population, on the other ... Looking back on its own policies from the 1990s, the IMF concluded that the capitalisation programme had been too generous toward foreign investors and that this had sparked popular protests, which, in turn, had damaged the investment climate. Institutional reform had not succeeded in breaking the grip of elites and vested interests on public resources, which was also a factor that contributed to social unrest and the crisis situation (Haarstad & Andresson, 2009, p. 18).

An acknowledgement of the failure of development outcomes of its policy advice and implementation made it easier for the IMF not to insist on continuing to foster further relations with a hostile Bolivian government. Moreover, the IMF extended a 100% debt relief for the country under the Multilateral Debt Relief Initiative (MDRI) in 2005, by which 18 other countries also benefited (IMF, 2005). Under the risk of mistaking the IMF's actions as organisational guilt, it appears that a failure in their intended outcomes (in reference to the fight against poverty) weakened the IMF's leverage in Bolivia.

The halt in Bolivia-IMF relations removed Bolivia's restriction to access non-concessional credits, even before it was officially announced as a middle-income country in 2010. This was a considerable shift between a pre- and a post-2006 Bolivia since historically Bolivia had benefitted from concessional credits at interest rates as low as 1%. Non-concessional credits represented a greater risk of looking ahead since they increased the risk and pave the way for a new and deeper debt crisis in the near future.

The processes to define the desired development outcomes

With new political power and economic independence, the Bolivian government formulated three development plans between 2006 and 2016 with no external inputs. Two of them are medium-term plans (2016-2020), and a third one is a long-term plan (2013-2025). The first National Development Plan 2006-2011 (NDP) was published in 2007, a year after it should have been implemented according to its content. The NDP, more than a development plan, was an ideological statement that lacked realistic objectives, indicators and targets. Ideologically, the discourse of the first NDP was anti-neoliberal, but the development plan had, in fact, taken many elements from neoliberal concepts of development. A lack of development planning capability is perceived not only in the incongruence in the time of publication in the case of the NDP (2007) and the alleged implementation period (2006 onward) or in the lack of real innovation in terms of development theory that the Morales's administration tried to install through the use of a new development terminology within the document, but also in how quickly the NDP was elaborated and in the state's incapacity to implement policies outlined by the document.

In the period between 2006 and 2013, local governments could not spend the additional resources produced by the high international commodity prices and debt relief, because of their lack of administrative capacity. The central government transferred financial resources to local governments, periodically and even several times a month during a fiscal year. When disbursements were not spent by local governments, the remaining annual budget was retained at the central level.[10] For the central government, a relatively simple method to spend the resources was to create universal cash transfers by creating universal insurances for education, maternity and pensions.[11] This redistribution measure supported a quick reduction of inequality, in poverty and extreme poverty. By 2015, when the Millennium Development Goals (MDGs) were evaluated (UDAPE, CIMDM & MPD, 2015), Bolivia had overachieved many of the set goals mainly due to this measure (E. Pérez, personal communication, October 18, 2018; J. Jemio, personal communication, October 17, 2018).

The government made use of a more straightforward plan that excluded a sustainability evaluation or an investment-oriented solution which eventually resulted in weak policy.

This example portrays how, instead of relying on a carefully designed development strategy with design outcomes, the government made use of a more straightforward plan that excluded a sustainability evaluation or an investment-oriented solution which eventually resulted in weak policy. Cash transfers alleviate poverty as long as cash is available for distribution. However, it is essential to point out that the financial resources used for these cash transfers depend strictly on the income generated by unstable international prices of natural gas and oil and for this reason, the funds for cash transfers

10 By the beginning of each fiscal year, each local government presents the so-called Annual Operating Plan, where the annual budget is determined.

11 A universal pension scheme was already set in place by Gonzalo Sanchez de Lozada in 1996. The MAS government re-named it and re-formulated the financial source for the current universal pension scheme.

are unpredictable. In other words, sustainability for these financial sources is not guaranteed. Further evidence of the lack of planning capacity is the fact that a review of the NDP was not carried out. Instead, MDG indicators were used to assess progress on key areas of social development.

In January 2013, the Patriotic Agenda 2025 was published as a result of Evo Morales's annual presidential report. The 13 pillars around which development cooperation efforts ought to work were defined in this document:

1. Eradication of extreme poverty.
2. Socialisation and universalisation of essential services with sovereignty to live well.
3. Health, education and sport for the formation of an integral human being.
4. Scientific and technological sovereignty with own identity.
5. Financial communitarian sovereignty without servilism to financial capitalism.
6. Productive sovereignty with diversification and integral development without the dictatorship of the capitalist market.
7. Sovereignty over our natural resources with nationalisation, industrialisation and trade in harmony and balance with Mother Earth.
8. Food sovereignty through the construction of nourishment know-how to live well.
9. Environmental sovereignty with integral development, preserving Mother Earth's rights.
10. Complementary integration with sovereign peoples.
11. Sovereignty and transparency in public administration under the principles of not stealing, not lying and not being lazy.
12. Enjoyment and plain happiness of our parties, of our music, our rivers, our jungle, our mountains, our snowed mountains, our clean air, and our dreams.
13. Sovereign reunion with our joy, happiness, prosperity and our sea (Plurinational State of Bolivia, 2013, p. 13-14, extracted and translated by the author).

The 13 pillars are SDG-friendly, as they include all aspects of development and more. Such broad pillars enable development cooperation programmes from donor countries to adaptable to it easily. It includes common issues of cooperation such as gender, basic services, extreme poverty, governance, environment, democracy and health. The Social and Economic Development Plan 2016-2020 adds to this framework a set of possible indicators. However, according to an interview in 2018 with the team of the Economic and Social Policy Analysis Unit (UDAPE), the indicators are still being developed. Indicator production and assessment methods will be looked at closer in the last section of the study.

Overall, the central government has increased the ownership of its development policies and strategies since 2006. A self-designed development plan has become a key benchmark for the government's independence from external entities. There is, nevertheless, a big gap between determining the desired outcomes, and the actual design of a coherent development plan and its outcomes. It could be inferred that the new political atmosphere, without key actors like the IMF, together with macroeconomic health, has given the government the impression of independence in defining development outcomes. The anti-neoliberal discourse changed the planning of development without taking into account the underlying problem of the lack of governance and capacity in administrative matters and planning. The development strategy maintained pre-2006 parameters for development disguised under an indigenous discourse that was new to the world. The MDGs and the SDGs are international standards to which Morales's government is aligned. This creates a contradiction, given that current Bolivian authorities have a negative attitude towards international agendas that are not the National Development Plan.

The government has required full alignment to its development framework, even though it is unclear how the Patriotic Agenda 2025 and the Social and Economic Development Plan work together. Anyone who intends to comply by Bolivia's development framework has taken the 13 pillars as a guide, given it is the clearest of all three documents. Envisioning the achievability of the ambitious outcomes is easier when considering the Patriotic Agenda 2025 as the development guideline, although it is a shorter period than that set by the SDGs.

The actors involved in determining development outcomes in Bolivia

As mentioned in the previous section, the broad nature and unconventional language of Bolivia's development framework makes room for a variety of interpretations. It also makes room for easy adaptation, allowing cooperation agencies to be able to implement their programmes by adapting the parameters of their country programmes to Bolivia's development priorities. The development framework's compatibility with international development standards such as the MDGs and the SDGs, which all agencies regard as the cornerstone for development, provides common ground between donors and Bolivia's development strategy. Bilateral and multilateral donors have programmes deriving from their own international development policy. This has not changed with the advent of Evo Morales and the Paris Declaration's call for alignment. Instead, a space for cooperation in areas prioritised by Bolivia and partner agencies has opened up. The following section will discuss how different actors cooperate with the government according to their own agendas and political stance, creating a negotiation platform around the concepts of alignment to the NDP and of ownership of development.

The World Bank and IMF

As mentioned, the Bolivian government is reluctant to trust institutions that have a neoliberal stance, which has put the World Bank and IMF under political siege. The situation with the IMF has already been described. The relation with the World Bank, unlike the IMF, did not break completely, and they currently have offices in Bolivia. The World Bank, as one of the key government whisperers regarding neoliberal policies and structural reforms, has received the government's disdain. While the World Bank is allowed to operate, its actions are, to a great extent, limited. The World Bank has reduced its activity after high-level political impasses with the current government. For example, in 2016, the World Bank's Director for the Andean region, Alberto Rodriguez, demanded Bolivia's development plan to be modified[12] in return for USD 200 million that the bank would earmark for Bolivia. On Morales's instruction, the Development Planning Minister met Rodriguez in Washington D.C and stated this demand was an act of sovereign interference and that the development plan would not be changed (R. Orellana, Personal communication, October 3, 2018).

> **The Bolivian government is reluctant to trust institutions that have a neoliberal stance, which has put the World Bank and IMF under political siege.**

The World Bank has a clear political stance, and, although weakened, is Bolivia's third-largest creditor with USD 2 343,5 million given by June 2018 (Bolivian Central Bank, 2018). The World Bank, even without political leverage, has kept conditions in exchange for its support. Similar to CAF and IDB, the World Bank demands sustainability and evaluation of social and environmental impact before, during and after any project they financed. Conditions are limited to these elements, and structural reform conditions are now part of the past. Despite the significant sum, no project financed by the World Bank in Bolivia is executed by them although World Bank officials working in Bolivia are in charge of executing the bank's projects in Argentina. In Bolivia, the government

12 The nature of the suggested modification is unknown.

and the sectorial responsible entities (ministries or local governments) are in charge of implementing projects and hiring personnel. World Bank officials do have a role in designing the projects and mainly focus on meeting the conditions set by them.

Other regional development financial institutions

The government adapts project outcomes to align with the 13 pillars during the pre-investment evaluation and financial negotiation periods, whereby other actors outside the government are looked for if additional financing is needed. The government has prioritised the use of the country's resources and asks for financial support if more resources are required imperatively, and always under co-funding terms (Vice Ministry of Public Investment and External Financing, 2014; PDES, 2016; Plurinational State of Bolivia, 2013). This modality is used with bilateral agencies as well as with multilateral cooperation agencies, although the latter is approached under this modality on fewer occasions given the larger budget and dramatically more significative projects (infrastructure) attributed to them.

Government officials stress the fact that project outcomes are determined exclusively by government institutions within government political structures. However, there is technical cooperation offered and requested for, when designing projects in different sectors. For example, IDB was asked by former Minister René Orellana to aid with technical solutions for the design of environmental projects (Personal Communication, October 3, 2018). In another example, the European Commission technically supports water and irrigation projects in its design stage (European Commission, 2014).

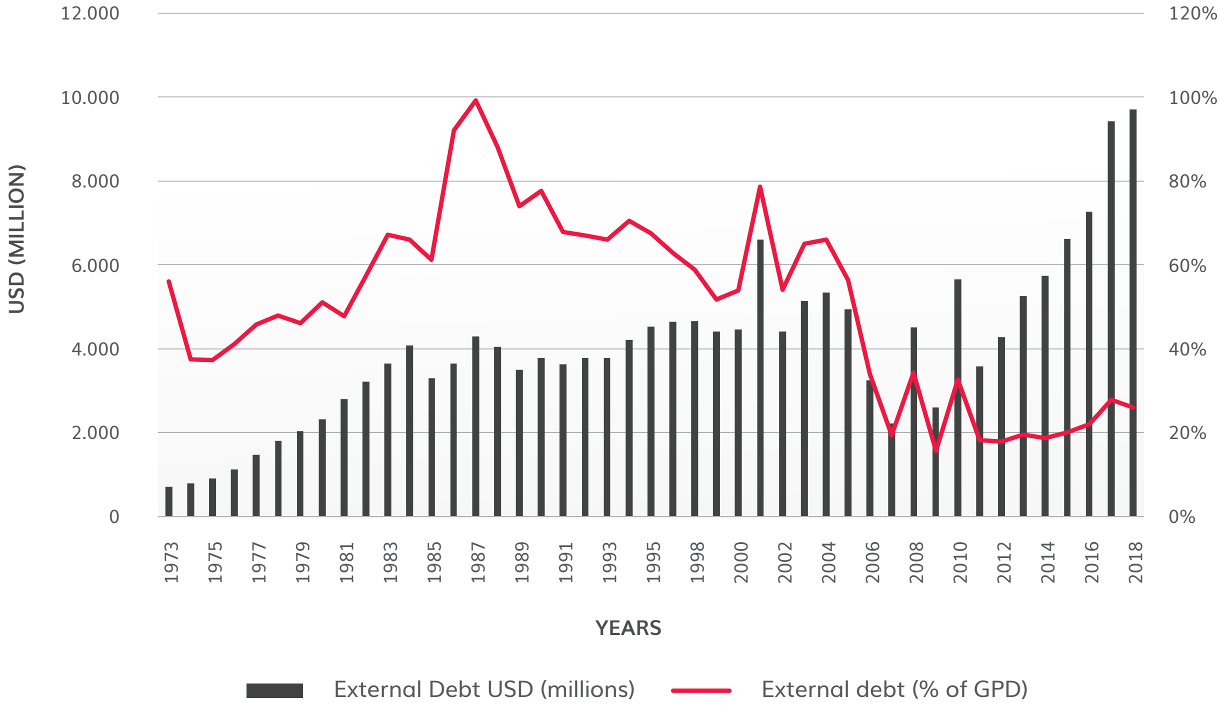
Roads and infrastructure within the Initiative for the Integration of Regional Infrastructure in South America (IIRSA) and the South American Council on Infrastructure Planning (COSIPLAN), are at the top of the regional development agendas. At the same time, Bolivia has prioritised infrastructure in eight out of its 13 development pillars. What has been important is that Development Financial Institutions (DFIs), or multilateral development banks and agencies have developed different political relations with the MAS government than bilateral agencies have. The difference, as will be shown, is abysmal. Bilateral agencies are under political siege due to their tight connection to previously implemented neoliberal reforms, while DFIs are on good terms with the current government except for the IMF and the World Bank (to a lesser degree).

Regional DFIs, such as the CAF or IDB, are different in the way they relate to the government and other actors. Given the more significant amounts of financial resources they allocate to the country compared to bilateral cooperation, big projects are negotiated at the highest political sphere, bypassing all the nuances bilateral donors have to go through, as will be described in the following section. CAF and IDB, Bolivia's two largest creditors (Bolivian Central Bank, 2018), still hold a condition-based relationship with the government in exchange for credits, technical cooperation, or donations. The conditions are not focused on policy reform like during the neoliberal phase but are oriented towards assessing outcomes, ensuring conditions for sustainability and social and environmental impact.

On the one hand, the technical capabilities that government institutions lack in terms of assessment and ensuring basic conditions for sustainability, are noticed by these banks who became a complementary technical extension for development in Bolivia. On the other hand, DFIs are more suited as a source for external capital to blend with state resources in development efforts, than as development aid institutions, which makes them different from bilateral donors. As the representative director of CAF in Bolivia, Gladis Genua stated, "CAF does not abide by the same country-category the [World Bank Group] and others abide by... we need to provide profitable credits to be able to effectively provide the Latin American region with financial resources" (personal communication, October 31, 2018). Since the moment the country was able to access market-rate credits instead of concessional credits in 2006, Bolivia's external debt grew exponentially to amounts never reached before in the country's history. IDB and CAF as the first lenders have gained more political leverage than any other external entity in Bolivia. Although the leverage given by the World Bank or the United States Agency for International Development (USAID) was not used in the same way, the political capability of the IDB and CAF is there. Before and since 2006, both institutions have had a low profile in the political arena, which explains why these two institutions have not had the sudden rupture the World Bank and the IMF have had since 2006. Similar to the structural reform periods between 1985 and 1993 and the second structural reform period between 1993 and 2000, the IDB and CAF are still among the top three creditors to the country while not getting involved in politics. The leverage they use is the technical one, for which they are notoriously recognised and indispensable when incurring in pre-investment evaluations or environmental and social impact evaluations, amongst others.

Despite having had 12 years to elaborate a government-produced development assessment method, it is too early to say whether CAFs or IDBs practice has impacted the. Government's assessment processes. The first development evaluation using self-produced indicators and evaluation methods is yet to be published. According to an interview to the UDAPE team in charge of this evaluation, UDAPE is taking what is needed from SDG indicators as they include new indicators more related to the national development plan than to the SDGs.

Figure 4. Historic external debt of Bolivia 1973-2018 (in current USD millions and percentage of GDP)



Note. The data was compiled from different sources.
Source: Villegas & Loza (1996) for data between 1985 and 1995, Humérez & Mariscal (2005), World Bank (2019) for data between 1970-1984 and 1996, Bolivian Central Bank (2018) for data between 1997 and 2018.
Elaborated by the author.

The graph above shows debt in nominal values and as a percentage of GDP. Most of this debt is to DFIs. The government justifies debt with rapid economic growth. Figure 4 shows how, as a result, debt represented 24.9% of GDP by June 2018, keeping the country out of the danger of a debt crisis (Plurinational State of Bolivia, 2018).[13] As explained previously, a windfall effect related to natural gas production and international prices added to the direct tax on hydrocarbons implemented in 2005, increased revenues for the country. The HIPC measure added to other bilateral, and debt relief measures explained in previous sections of the study helped lower the external debt to GDP ratio, especially in 2007 and 2009. Annual GDP grew year by year starting after the big debt relief, but nominal

13 Data for external debt as % of GDP is scarce and even varies between different Bolivian Central Bank reports. All data used for this analysis is gathered from de Bolivian Central Bank (BCB). WB data is not being used since measurement methodologies vary, hence results might vary as well.

external debt has never been as high as it was up to June 2018 at USD 9.713 million, compared to UDS 707 million in 1973. The windfall effect allows for a higher GDP, and when analysing external debt as a percentage of GDP, the numbers are not alarming. However, considering that a commodity like natural gas explains much of the GDP growth since 2003, a fall in natural gas exports or prices could have severe negative effects on the external debt to GDP ratio.

According to the data, it can be seen that a higher GDP growth is accompanied by lower external debt in nominal terms and also a decrease in the external debt to GDP ratio. This has been a specific pattern followed by the Bolivian economy during times of expansion of the economy. Figure 4 and Figure 5 show consistency when in 1975, GDP growth reached 7.3%, the highest rate registered for the period, external debt was as low as USD 896 million. In addition, external debt in percentage of GDP, in 1975, reached only 37% established as the lowest value in the period between 1973 and 2006.

On the contrary, in 1983, the GDP growth rate reached -6.5%, external debt rose to USD 3.643 million, and the external debt to GDP ratio rose to 67%. According to this scenario, Bolivia was going through a severe economic contraction; in fact, one of the worst inflations in the country's history took place during this time. Horst Grebe, a Bolivian economic historian, notes that the Bolivian economy is characterised for a succession in cycles of expansion immediately followed by periods of crises and recession (Grebe, 2017). Since 1950 This has been the case without exception.

Table 1. Cycles of Bolivian economic expansion and recession

Economic expansion	Economic recession
1950 - 1952 1961 - 1979 1987 - 2000 2003 - 2014	1952 - 1960 1982 - 1987 2000 - 2003

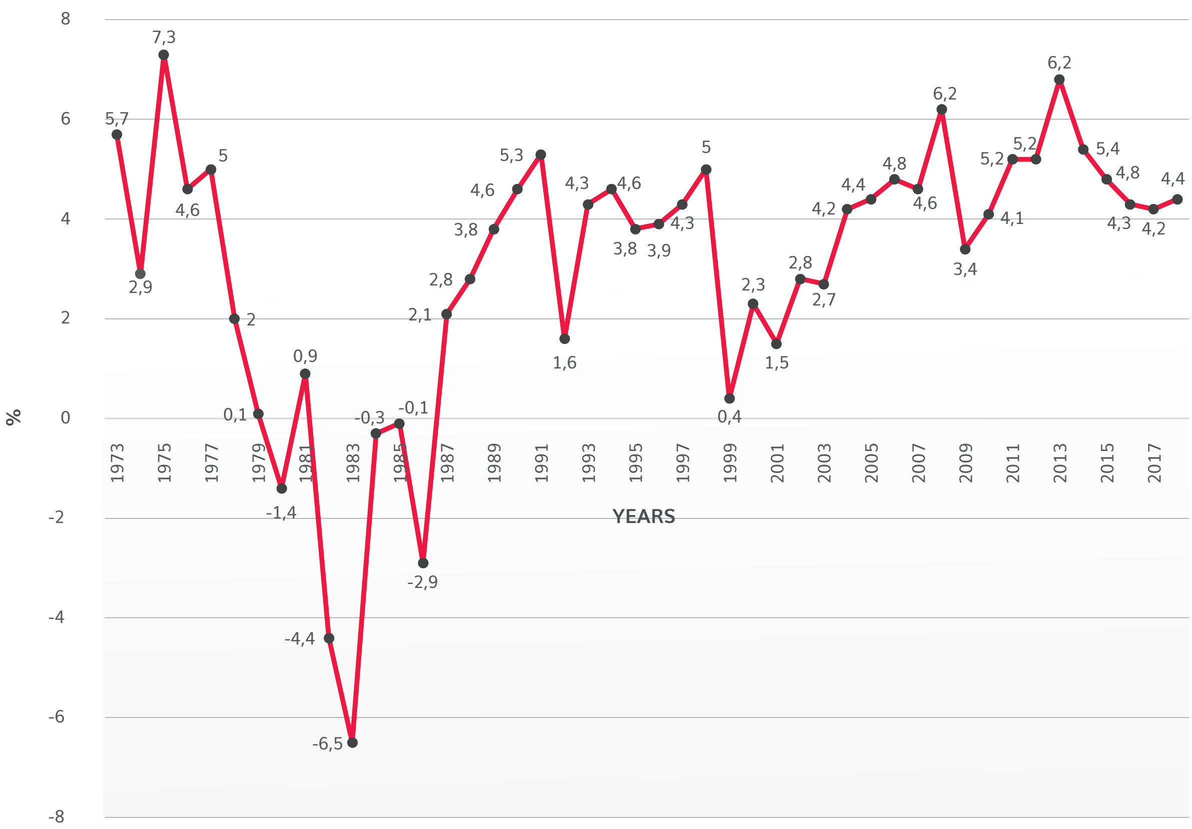
Source: Grebe (2017).
Elaborated by the author.

In all cases, economic expansion was tightly related to a rise in commodity prices, which means that the Bolivian economy always depended on one or a few commodities, traditionally from within the mining sector. The last cycle, however, was triggered by natural gas.

The period between 2003 and 2014 depicts a slight variation in the expansion pattern. The relationship between external debt and GDP growth is not compliant with what economic history would predict. Instead of having a high growth rate and a low or decreasing nominal external debt, there is a growth in both GDP (6.8% in 2013) and nominal external debt (USD 5261 million in 2013). For the first time, it allowed external debt in percentage to GDP to be very low during the expansion period, but also during the contraction period, which had never happened before.

Assuming that a recession started after 2014, according to Grebe's pattern based on GDP growth, Figure 4 shows an expected-increase in nominal external debt between 2014 and 2018, in fact, the highest it has been in Bolivia's history. The consequence is an exceptionally low external debt to GDP ratio, although GDP growth fell from almost 7% in 2013 to 4.2% in 2017. This configuration allows for a perception of well-being when economy is actually slowing down and contracting.

Figure 5. Annual GDP growth rate of Bolivia 1973-2018 (%)



Note. Data was compiled from different sources.
Source: Grebe (2017) for data from 1973 to 2016, Statistic National Institute (2018b) for data from 2017 to 2018.
Elaborated by the author.

A decrease in the international price of oil starts to show from 2013 onwards, also notorious during the financial crisis of 2008 (Macrotrends, 2019), which translates into a slowdown in annual GDP growth, making Bolivia more reliant on loans and credit. A second factor has to do with a reduction in natural gas production and export in 2016, reaching its lowest levels in 2018, which is why external debt goes from 18.1% of GDP in 2013 to 24.9% in 2018. By looking at historical annual GDP growth, Bolivia can be labelled as a cyclical economy. It is also possible to see the length of time for each of these cycles. The so-called Dutch Disease plays a significant role in the cyclical behaviour of GDP growth. Currently, natural gas is the commodity on which Bolivia's economy depends, relying heavily on international market prices.

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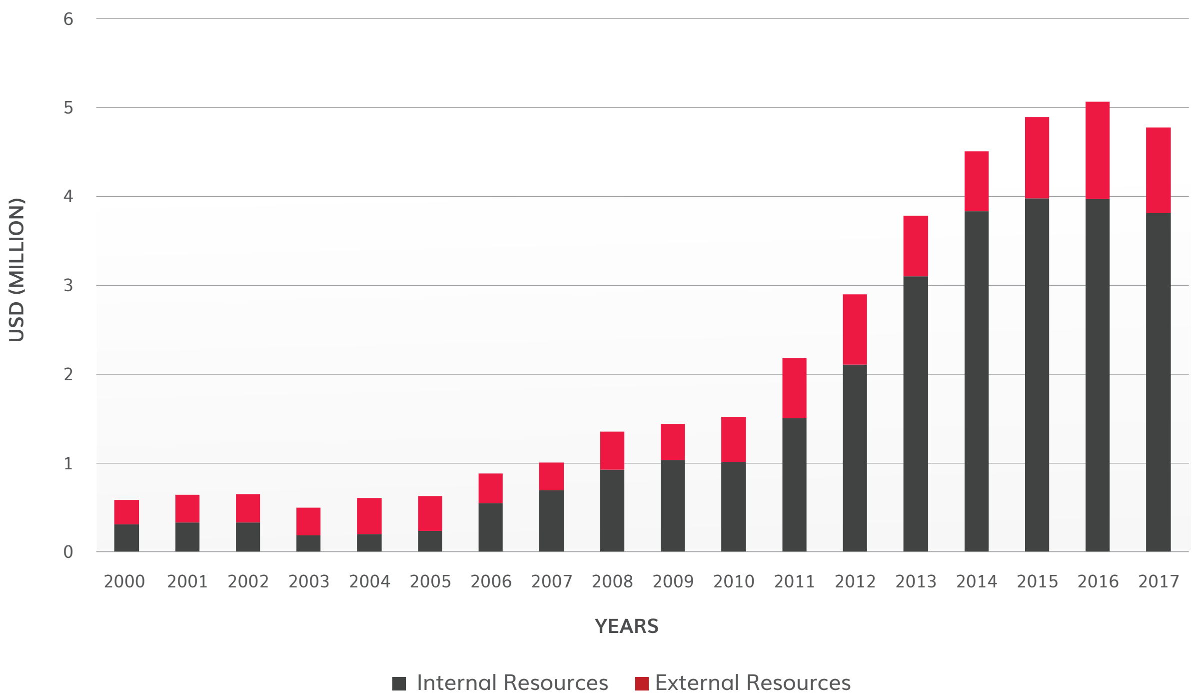
Public investment is funded mostly by domestic resources, as seen in Figure 6 below. The percentage of credits and donations as part of public investment went from 66.4% in 2004 to 20.1% in 2017, of which 18.7% are credits and only 1.45% donations. By June 2018, Bolivia's external debt was owned 65% by the IDB, 27.9% by CAF, 24.1% by the World Bank, and only 8% by China, Bolivia's first bilateral creditor (Bolivian Central Bank, 2018). A lack of transparency and confidentiality clauses related to the financing of projects through credit makes it difficult to know what exactly composes the Chinese credit line for Bolivia (Molina & Herrera Vargas, 2018). It is understood that China tends to attach commodity-backed loans and other specific conditions to its financial support in countries in Africa and Latin America, but what is included in the Bolivian case is currently not confirmed. The information Bolivian think tanks and academics use regarding China-Bolivia relations since 2009 is retrieved from the press and official announcements from the Vice-presidency (Agramont & Bonifaz, 2018; Molina & Herrera Vargas, 2018).

Figure 6. Public investment by financial source (in current USD million)



Source: UDAPE (2018).
Elaborated by the author.

Bilateral donors and NGOs

Bilateral cooperation has fallen to a negligible point in Bolivia, whether via credits or donations. This explains the loss of political leverage beca use the possibility to condition policymakers and politicians vanished together with their development cooperation funds. If the reader goes back to 2003 and the political crisis that turned neoliberalism into Bolivia's first political enemy, one of the outcomes is the subsequent loss of political leverage traditional donors had benefited from between 1985 and 2003.

Although on paper, Bolivia's development strategy could easily be aligned with traditional donor agendas, the government gives little political space for free will to donors and international non-governmental organisations (NGOs). Through laws and supreme decrees, the government strengthens institutions that will hold donors and international NGOs accountable to the government and more constrained in terms of where and how they assist.

Politically speaking, the Bolivian government has been able to convey to all development actors the need for alignment with the new paradigm. The development plan did not have a real impact on Bolivia's development planning or project execution capabilities per se. Still, it sent a message of cohesion and demand for alignment at a political level. At the beginning of Morales's administration (2006), this clear political message was not accompanied by a legal and institutional framework to constrain or control international cooperation; this would come later. The Paris Declaration in 2005, coincidentally also demanded alignment and harmonisation with national development strategies as indicators for aid effectiveness. Given the national and the international demand for alignment, donors began engaging with the government in working groups (Mesas de Trabajo in Spanish) with ministers and sectoral leaders on issues such as water, energy, education and others. The working groups were set up according to priorities determined by the development plan and were meant to coordinate how to address these priorities with the engagement of all development actors present in the country (Gomez, 2008). The use of working groups to socialise development strategies were not new. The novelty was that they were organised by sectors (European Commission, 2014), the government led them, and they did not incorporate donor agendas as was the case with the structural reform scenario in the past.

To guarantee alignment with the national development plans, the government has put in place both tighter regulations and monitoring systems for international cooperation. The government paid particular attention to traditional donors and international NGOs due to their role in the period before 2006. It issued two laws in 2013 and 2014 (Plurinational Assembly of Bolivia, 2013; Plurinational Assembly of Bolivia, 2014) directed toward holding donors and international NGOs accountable to the government, under tight control. Donors were more constrained through fiscal regulations of aid, and international NGOs were constrained by a legal framework that compelled them to respond to the national development framework under tighter registration regulations for monitoring purposes.

In terms of monitoring, the government has set up a system that tracks the activities of every important development actor. The Vice Ministry of Public Investment and External Financing (VIPFE) is in charge of the system that monitors and manages development cooperation overall. This Vice Ministry was created in 1997 and evolved into a powerful tool for the follow-up of external development actors. Morales's government strengthened VIPFE in 2009, and since then, the ministry has continually changed into a more structured and centralised entity for public investment planning and external financial resource management.

Bilateral cooperation is regarded the same way the World Bank and the IMF are: as a source of sovereign intromission. Alvaro García Linera, Morales's vice president and a key figure behind the government's political philosophy stated in 2015: "... foreign governments who finance and meddle in political activities that go against the interests of the Plurinational State of Bolivia and the people´s revolution process…" (García L., 2015, p. 3). The government, however, does ask bilateral donors to support specific projects financially, provided they are compatible with the development programme (Vice Ministry of Public Investment and External Financing, 2014).

In addition to tighter control and monitoring, bilateral donors face difficulties in implementing their programmes as they deal with a highly politicised bureaucracy. Given the anti-neoliberal stance the government has assumed, many public servants actively supporting the MAS party are reluctant and even refuse to work with bilateral donors. One of the highlighted problems pointed out by most of the interviewees was the politicised environment public institutions are working in. Despite having opposition parties and an equivalent to a parliament (Plurinational Assembly), Bolivia is going through a political party crisis establishing the MAS party as the most substantial political force. A single-party system has become stronger, which affects public institutions. The lack of division between the party and the state is seen in practices such as keeping up to five per cent (and sometimes more) of public worker's salary (Escobar de Pabón & Rojas C., 2011), for to the party's arches. Party-affiliated and non-affiliated public servants are required to support presidential events, inaugurations of infrastructure and military parades which sometimes take place outside the city they work in. The risk of not abiding is to lose their jobs. Hence, party supporters and non-supporters are clashing in every public institution, and bilateral donors find themselves stuck in-between, looking for open spaces that would allow them to work their agendas. Interviewees have pointed out the polarisation not only as a grievance for bilateral donors but more broadly for institutional effectiveness.

From the lesson learnt perspective, bilateral agencies like the German Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) have had to deal with constant conflicts at the political level. They were constantly reminded that they had been involved with the Revolutionary Nationalist Movement (MNR) party, which was responsible for the national revolution in 1952 and most of the neoliberal structural reforms between the 1980s and early 2000s. In his interview, Hansmann, an EU Delegation high-level official, stationed in Bolivia during the transition period between the neoliberal government of Gonzalo Sanchez de Lozada and Morales's rise to power, stated that: "most traditional donors preferred to stay neutral towards the drastic change in government policies. Taking a side would have had considerable political costs".

The experience of some external cooperation agencies like USAID, which were expelled by the MAS government in 2013, confirms this statement. Furthermore, Hansmann continued that "it is also a fact that development cooperation is only feasible and successful when cooperation programmes are aligned with the national sector policies of recipient countries and count on the political will of their authorities" (Hansmann, N., personal communication, October 28, 2018).

An evolution in the relationship with traditional donors

Two stages define the relationship between donors and the government since 2006. The first stage is characterised by a healthy relationship backed by the Paris Declaration's call for alignment (OECD, 2008). The second stage is marked by an antagonising relationship where the government made it clear that specific agencies were not welcomed, resulting in an ever-growing hostility at the political level.

Looking at the broader picture, the shift in donor-government relations responds to multiple factors, ranging from normative arrangements to economic and social transformations and policy re-orientation on both ends (Paz, 2016).

In the first phase, between 2006 and 2012, donors negotiated the creation of the now called Group of Associates for the Development of Bolivia (GruS),[14] officially established in 2006. The group began working to align their efforts by sharing information about their own country programmes. Before 2006, donors had been working in an atomised way, without knowing what their counterparts' agendas were. GruS had two reasons for coming into existence. First, development policies at the international level were demanding such action. Second, at the national level, the political and macroeconomic circumstances made it feasible for Bolivia to demand coordination from donors. In this sense, the NDP builds on the Paris Declaration call for alignment and harmonisation of procedures, to optimise the access and use of external resources and consequently improve public investment (Plurinational State of Bolivia, 2007).

At the beginning of Morales's government, the government, donors and other stakeholders, were eager to abide by the Paris Declaration guidelines. The establishment of GruS, nevertheless, did not mean that every agency was aligned and immediately harmonised their efforts. For instance, the Dutch cooperation agency self-identified as an articulator of the Paris Declaration and the Accra Agenda for Action among cooperation agencies. The Swedish, Danish and Dutch cooperation agencies were the most eager to align with the national strategy (Ministry of Foreign Affairs of the Netherlands, 2016).

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14 Members of the GruS are 16: 7 European (Germany, Belgium contradictions, Spain, Italy, Sweden, Switzerland, UE), 4 Banks (WB, IDB, CAF), 2 SSC agencies (Colombia, South Korea), the UN System, Japan and Canada.

Others were not as engaged and continued to work in a project-based and atomised fashion, prioritising their country programmes. The GruS was not binding and is mostly described as a platform for discussion and information, not as a policy alignment platform. Mariko Watanabe, from the Japan International Cooperation Agency (JICA), and Gladis Genua from CAF, both said that a positive result of the GruS is that information exchange among donors and creditors, in contrast to the pre-2006 period, allows agencies to know what is being done in each sector (personal communication, October 25 and 31, 2018).

The government on that regard has its own stance, generally positive of traditional donors, in a report which evaluates advances on the Paris Declaration (Plurinational State of Bolivia, 2010). The government states that resources channelled through NGOs, foundations, non-profits and business guilds are not necessarily aligned with the NDP, a fact that is deeply concerning to the government. In the same report, the government also acknowledges that result-based coordination between traditional donors and the governmental sphere is almost inexistent but crucial to achieving effective development cooperation (Plurinational State of Bolivia, 2010). On the positive side, the report concludes that donors have had a smooth transition to alignment and that there were no significant contradictions between donors' main actions tackling poverty in the past and the NDP.

The second phase, between 2013 and 2016, is characterised by a setback in the relations between donors and the government. In 2011, the Dutch embassy and cooperation agency in Bolivia announced their retreat after 25 years of building institutional networks with civil society organisations and the public sector. By the end of 2013, USAID,[15] the Drug Enforcement Agency (DEA) and IBIS (a Danish NGO) had been expelled by Morales's government, alleging obstruction of Bolivia's sovereignty. The Danish Cooperation agency also decided to leave on its own accord in 2017. Others, like the Swiss and the Belgian cooperation, are considering phasing out or are in the process of doing so. The remaining traditional donors have readjusted their role in the country mainly by reducing financial resources. The Dutch, in a report evaluating their phasing out process, affirm that after them leaving, the achievements of the Paris Declaration principles reversed in Bolivia, putting a halt to progress on alignment, harmonisation and intra agency coordination (Ministry of Foreign Affairs of the Netherlands, 2016). The European agencies started leaning on the European Commission to transfer their workload. The European Commission is now the current biggest donor for Bolivia.

Hostile political moves through the issuing of laws started affecting international development efforts in Bolivia. A new law on the legal status of social organisations,

15 In 2008 the United States Ambassador was expelled. Diplomatic relations have not been re-established since.

NGOs, foundations, non-profit civilian entities, and religious and spiritual organisations was approved in 2013 (Plurinational Assembly of Bolivia, 2013). Within one year of the issuing of this law, all organisations had to present their document to confirm their legal status to central or local government institutions designated for this purpose. Religious and spiritual organisations were granted two years to do so. The consequences of not abiding were to lose the capacity to operate in the country. International organisations were mandated to register in the Ministry of Foreign Affairs (Plurinational Assembly of Bolivia, 2013). By 2015 donor and NGO relationships with the Bolivian government had deteriorated up to a point where a scandal broke out publicly around four Organisations[16] who claimed the Executive would expel them as they did with USAID. The Vice President Alvaro García Linera wrote a public letter answering allegations. The letter was addressed to NGOs in Bolivia and their funders. By addressing funders, Linera was referring to agencies who work closely with some NGOs by funding them and implementing their own country programmes via NGOs. The letter reads as follows:

> In that regard, who has been warned and prevented with expulsion, are International Organisations NGO and foreign governments who finance and meddle in political activities, that go against the interests of the Plurinational State of Bolivia and the people's revolution process... That is the main reason why we decided to (...) expel the IMF from the private offices they had in the Central Bank; the CIA who had offices in the government palace... USAID and the United States' ambassador (Linera, 2015, p. 3) (Translated by the author).

The letter increased tensions for foreign actors in Bolivia and resulted in the expulsion of some NGOs, including the aforementioned Danish NGO, IBIS. To date, 426 NGOs are registered in the online system managed by the central government, and 71 are registered in the Ministry of Foreign Affairs as foreign organisations, including religious and spiritual organisations. Moreover, through law No. 351, the process of registering an NGO became extremely bureaucratised, more expensive and complicated, as did a lot of institutional procedures regarding development cooperation. As a result, international NGOs unified under the International Non-Governmental Organisation Coordinator (CONGI). Like the GruS, the CONGI opened a path to dialogue with the government to keep working in the country. CONGI is fully aligned with Bolivia's development strategy as well as with the SDG agenda.

In 2014, Law No. 617 of tributary treatment applicable to agreements and other juridical international instruments subscribed by the Plurinational State of Bolivia, came

16 Milenio (Think Tank for economic research), Centro de Documentación e Información Bolivia (CEDIB) (Think Tank for social análisis), Fundación Tierra (Think Tank for agrarian research) and CEDLA (Think Tank socio-economic research).

out (Plurinational Assembly of Bolivia, 2014). This law enables the government to hold a tighter grip of donors through tax and fiscal normative frameworks. Donors are more accountable to the government and have less freedom in terms of importing supplies for development cooperation or personal belongings of agency personnel. The intention of this measure is gaining more control over the donor's endeavours in the country. A broader role is played by the Foreign Ministry as well as by customs in monitoring traditional cooperation.

Since 2013, the GruS and donor-government relations have shifted into suboptimal conditions. At this point, the GruS had become "too big of a chat group, and little focalised", in the sense that many members have non-related programmes and little or nothing to coordinate about, e.g. the IDB and Colombia (Hansmann N., personal communication, October 28, 2018). Moreover, the government has turned its back on bilateral cooperation agencies, which were the most significant component of the GruS. Despite donor representatives and Bolivian government representatives insisting on not relating the phasing out of various donors to political components like the government's hostility towards bilateral cooperation and NGOs, there is an undeniable complication in working with the public sector since 2013 and even earlier. Bolivian politicians and high-level civil servants perceived the phasing out as a form of political disapproval from the agencies (Ministry of Foreign Affairs of the Netherlands, 2016). Although not confirmed, the Dutch announcement of departure in 2011 was not taken lightly by Bolivian government officials. Even the Dutch diplomatic corps in Bolivia had not been told why they were leaving the country, and describe the phasing out process as abrupt and little assisted by the Dutch government. Dutch officials came to know about their phasing out mandate through the Bolivian press who had leaked information before it got to the Dutch embassy in Bolivia, only confirming the departure after asking their government whether it was certain they were leaving Bolivia (Ministry of Foreign Affairs of the Netherlands, 2016).

Unclear circumstances and a problematic landscape within the Bolivian political sphere leave many questions open about bilateral donor-government relations. It is, however, curious that both bilateral representatives and Bolivian government representatives denied a political reason for the phasing out of so many agencies. A matter of diplomacy and denial of conflict might be in the interest of both, especially in the international sphere where Bolivia is playing an important role as a leading figure for indigenous people and South-South cooperation (SSC), so keeping face as a friend and coherent actor is essential. Bilateral cooperation also has much to lose within the international community. If political reasons are given for the cease of aid to one of the poorest countries in the region; eventually, the concept of international altruism, and fighting poverty as a right for all states as equals would undoubtedly be questioned.

The most accepted explanation for this situation is that the international financial crisis of 2008 made it necessary to cut some budgets, hence reducing personnel and closing offices all over the world. The Dutch concentrated Ecuador's and Bolivia's affairs in Lima, the United Kingdom concentrated many LAC offices in Bogotá. The European region is focusing more on the Middle East and Northern Africa (MENA) region and Sub-Saharan Africa due to the more pressing issue of migration that affects them.

Bolivia is currently treated as a middle-income country, making it necessary by regulation to change the way aid and cooperation agencies relate to the blend category country, losing access to concessional funds (Paz, 2016). Bolivia and LAC, in general, have had a growth cycle that put the region above some Southeast Asian countries and above African countries in terms of alternative development resources. The Development Assistance Committee policy stresses the need for allocating resources to the poorest countries in the world, making it coherent for them to reallocate resources.[17] To summarise, besides political issues, the shift in donor-government relations has multiple sources in Bolivia: 1) normative arrangements, 2) economic and social transformations and 3) policy re-orientation (Paz, 2016).

The Global Philanthropy Environment Index, scores Bolivia with a 3.08, with 1 being the worst score and 5 being the best. Bolivia is below the average world score of 3.41. The lowest score is given to the philanthropy environment category at 2.8 for the political environment Bolivia provides. The highest score was given for cross-border flows (3.5). The catch for bilateral donors is in the latter score. There are no tax regulations for money-based donations or regulations as to where donations come from and where donations are aimed for NGOs (Peres, 2018). Partnering with NGOs makes it easier for bilateral donors to redirect the course of their financial flow to partner NGOs. Both bilateral donors and NGOs have historically been bound in their development efforts, with the former being a precursor in the fight against poverty when traditional cooperation was still focusing on economic growth. During the neoliberal period in Bolivia, and worldwide, NGOs paved the way for bilateral cooperation to enter the poverty reduction game (Weidnitzer, 1997). Now international partner NGOs are playing the role of catalysts for bilateral cooperation resources in Bolivia. Still, with both under political surveillance, their activity has decreased significantly since 2013.

The period from 2016 to 2018 can loosely be called the third period though there is not much clarity just yet. There is, however, a notorious change in government

17 It is noteworthy that the top 10 ODA recipients are: 1. China, 2. Brazil, 3. India, 4. Turkey, 5. Indonesia, 6. Egypt, 7. Nigeria, 8. Syria, 9. Mexico and 10. Ethiopia. Most of the BRICS, except for South Africa and other good performing economies are receiving the most resources in spite de mandate to allocate resources to low income countries. (OECD, 2018).

representatives' attitudes towards traditional donors since the slowdown of the economy, the fall of international oil prices, and other macroeconomic elements that put Bolivia back into a somewhat concerning the macroeconomic situation.

The United Nations System

In 2017, the *United Nation's Complementary Frame for Living Well 2018-2022* was signed. Within the Bolivian political conditions discussed above, the United Nations (UN) system is one of the most well-adapted and flexible agencies in Bolivia. Straightforward alignment is mostly due to its heavy dependence on discretionary funding from the government and other donor agencies. Entire projects in the United Nations Development Programme (UNDP) are financially dependent on cooperation agencies like the Swedish and others. A fragile relationship between government and bilateral donors has directly impacted the UN system. Since 2006 onwards, the Vice-presidency and other government institutions have had a significant influence on the UN's endeavours in Bolivia. Since the UN system is perceived to be a conglomerate of NGOs and the funding is provided by many stakeholders currently under political siege, the UN system has taken the safe road to subsistence in Bolivia. Alignment is absolute in discourse; however, benefitted by the fact that Bolivia's development outcomes are as broadly set as they are, the UN system has adapted their programmes completely to suit the national strategy.

One of the UN's main task is to promote the SDGs, which happen to be compatible with the Bolivian development strategy. Given the weakness in data collection and analysis mentioned previously, the UN system provides an excellent alternative to accessing analysis about different sectors the organisations engage with. Of course, assessment is generally done from the organisation's performance stance, but documents that analyse the broad spectrum of the Bolivian situation can also be found. An example is the Common Country Analysis (2017) which sheds interesting light on advances and weaknesses in the Bolivian development process. The SDGs to Live Well (2018) alignment paper was produced to evaluate SDGs under UN parameters. It aligns with all 13 pillars in the Bolivian strategy with SDGs in a creative manner. It is somewhat

United Nation's main task is to promote the SDGs, which happen to be compatible with the Bolivian development strategy.

ironic that the UDAPE is doing the same on their end, without crossing information with the UN system about it.

South-South Cooperation and China, the white elephant in the room

SSC became a matter of ideological pride for Bolivia. Its first partners in the region were Brazil, Argentina[18] and Venezuela (in an earlier stage). In general, within the LAC region, Bolivia stands out as the second SSC receiver after El Salvador (Ibero-American General Secretariat, 2017).[19] Bolivia remains locked under asymmetrical cooperation relationships, where it is commonly the weakest partner. As for Argentina, Colombia, Mexico, Ecuador, Peru, Uruguay and Chile, in 2015, they focused their support mostly in the productive sector in the region (39.5%) (South-South Cooperation, 2018), adding to Bolivia's resources and efforts in that sector. In LAC the social sector has been benefited with 27.2% of SSC in 2015, with the rest going to Institutional strengthening (16%), Infrastructure (6.2%), Environment (6.8%) and 4% to other areas (South-South Cooperation, 2018). It is interesting to note that Bolivia has channelled traditional cooperation to Infrastructure and SSC to the productive and social sectors.

China has become Bolivia's major bilateral creditor, as it has managed to do in several corners of the globe (Parker & Chefitz, 2018). China first entered Bolivia in 2009 (Agramont & Bonifaz, 2018) with a win-win discourse and an alternative development strategy focused on commerce, investment and financial cooperation (Molina & Herrera Vargas, 2018; Agramont & Bonifaz, 2018). Donations are not a part of China's strategy; instead, it sends a message of symmetry, relying on a market economy and a pragmatic view of development. Bolivia has made it clear to the international community that it is working towards improving the multilateral system;[20] so, does China. Global Commercial networks are of utmost importance to China, the World Trade Organisation (WTO) being among the most value to them.

There is a lot of common ground between Bolivia and China. In both cases, they are revisionists of the international system but also stress the importance of keeping its

18 Both Brazil and Argentina recently turned from socialist governments to liberal and far right governments.

19 It is worth noting that the region counts with a number of integration projects like Mercado Común del Sur (MERCOSUR), Comunidad Andina de Naciones (CAN), Unión de Naciones Suramericanas (UNASUR), Alianza del Pacífico, Area de Libre Comercio de las Américas (ALCA), Bolivarian Alliance for the Americas (ALBA), Trans Pacific Partnership (TPP). Not all of them are efficient. This is more an x-ray about the region´s polarization between free market and socialist protectionist governments. The most relevant in this list are the MERCOSUR, TPP and UNASUR.

20 It went to the International Court of Justice to solve a historical dispute against Chile. This means that multilateralism is very important to Morales and his administration.

structure. A non-conditionality policy, at least in the macroeconomic realm, is attractive to Bolivia, who had to submit to heavily conditioned financial agreements in the past. However, China does not come without conditions when transferring funds. Operational conditionality is part of contracts, meaning that when accessing Chinese resources, Bolivia is forced to employ Chinese companies and workers, and to buy supplies from them to execute the projects financed by them through Bolivia's credit line (Agramont & Bonifaz, 2018). Until December 2016, Bolivia hired a total of 28 Chinese companies for a total of 39 projects (Agramont & Bonifaz, 2018). According to Agramont and Bonifaz, 96% of Chinese supplies and goods are purchased with Chinese money (through credit), and 57% of Chinese services are paid off with Bolivian funds or multilateral credit, 43% of Chinese goods and services are paid with Chinese credit and the remaining 11% with other types of loans (Agramont & Bonifaz, 2018).

Infrastructure is one of Bolivia's main concerns. Roads have been the slogan for development under Morales, where Bolivia´s development strategy aligns with Chinese credits since roads are the central element financed by the Chinese government in Bolivia (Molina & Herrera Vargas, 2018). The One Belt One Road project is, nevertheless, dependent on infrastructure across the world, making it indispensable to build in regions where natural resources are at hand, and important markets are accessible for commercial purposes. We can surmise that instead of a win-win agreement, it is, in fact, China's interest in natural resources that leads it to work with Bolivia, resulting in a clear, asymmetric, cooperative relationship between the two countries. The ideological component of the relationship might be more important to Bolivia than to China, who seems to focus primarily on its global commercial rather than political goals. Even if MDGs and SDGs are supported and promoted by China's discourse and strategy, China still maintains a unique and state-centric way of implementing development policy. In Bolivia, China has, what is currently called, *llave en mano* (key in hands) contracts, which refer to the Chinese having total control over the pre-investment evaluation of individual projects, as well as over the execution and the assessment of those projects. Many irregularities are perceived in those projects, such as the inexistence of feasibility studies and other key elements that are considered to be essential to make projects sustainable or even feasible.

The current state of Chinese-Bolivian cooperation is deeply marked by a lack of transparency in terms of not making contracts public due to clauses of non-disclosure, and the evidence of stronger ties between the Bolivian and the Chinese governments when giving Chinese companies preference for road and large scale infrastructure contracts (Molina & Herrera Vargas, 2018). Environmental issues, labour rights and transparency have triggered major activist movements and segments of society to protest against the Chinese presence in Bolivia. In addition to neighbouring countries Argentina, Brazil and

Venezuela, environmental and labour rights are being breached by Chinese companies in Bolivia as well (Agramont & Bonifaz, 2018; Molina & Herrera Vargas, 2018).

Further lack of knowledge on whether Bolivia has agreed to commodity-backed loans with China prevents both academia and the press from publishing accurate information; in the long run, this information is crucial for evaluating how beneficial or detrimental the Chinese engagement is for Bolivia. Bolivia is part of the Lithium triangle together with Argentina and Chile, which makes it one of the richest countries in Lithium resources worldwide. There is suspicion about the possibility of commodity-backed loan agreements since two shipments of lithium carbonate priced lower than that set by the market were registered in 2016. The first shipment consisted of 10 tonnes and the second of 15 tonnes. The government denies Chinese participation in the funding of this endeavour, and there is no consensus about why the shipments were under-priced. Bolivia has agreements with a German company to produce lithium batteries on Bolivian soil (Plurinational State of Bolivia, 2018) and an agreement with China to produce lithium carbonate and lithium batteries (Reuters, 2019). The difference between both agreements is that the German company will be producing batteries on Bolivian ground and China will be producing lithium batteries on Chinese soil but will be investing much higher amounts on lithium production in Bolivia than The Germans. The Germans will initially invest USD 1.328 million, whereas China signed an agreement to invest USD 2.300 million (Reuters, 2019; Deutsche Welle, 2018). China was reluctant to invest under Bolivia's demand to produce lithium batteries on Bolivian soil. Bringing technology and all production costs to the Andean country is against Chinese interests. China seems interested in raw material and not in transferring technology. However, under both agreements, the Bolivian state company Yacimientos de Litio Boliviano (YLB), holds 51% of both project's equities (Reuters, 2019; Deutsche Welle, 2018). Bolivia, in this case, followed a coherent policy with its overall vision of ownership of development policies and independence of foreign capital.

It is essential to compare the Bolivian lithium case to other countries in Africa and Asia. A study by Parker & Chefitz (2018) refers to a similar strategy used in Africa and Asia a decade ago. Today heavily indebted countries from the Horn of Africa to the Pacific Islands in Asia could be under the same threat faced by Hambantota, a small town in southern Sri Lanka. The Sri Lankan government has had to sign over a strategically located port built with Chinese contracted credit for commercial purposes. The port was a commercial failure, and for a small economy like Sri Lanka's, there was no other way out than to hand it over to the Chinese for 99 years (Parker & Chefitz, 2018). Today US officials are concerned due to the geostrategic location of that port.

Summarised, Bolivia is generally the weak party in what seems to be asymmetric SSC efforts. Venezuela, Brazil and countries like Perú, Chile, Argentina, Colombia, Mexico and Uruguay are institutionally more developed than Bolivia is.

Who is accountable to whom?

The purpose of this paper is to answer how and who determines development outcomes and how these outcomes are assessed in Bolivia. Following chains of accountability can be helpful to understand how development outcomes are assessed since agencies, whether it is the government or external development actors, will assess outcomes according to whom they are accountable to. Understanding accountability lines can also shed light on how development outcomes are determined.

In the case of Bolivia, the shift that occurred in 2006 also changed accountability lines significantly. During the neoliberal period between 1985 and 2005, donors established the Emergency Social Fund (ESF) in 1986 as a development institution dependent on the Presidency and independent from ministries in charge of sectoral development (health, education, etc.). It was entirely reliant on external resources primarily from the World Bank. Its first objective was to channel large amounts of foreign and central government funds to projects implemented by NGOs and local governments. The ESF helped establish tighter donor-NGO-government relations, especially with the executive power and became the cornerstone of development financing of the country (Von Gleich, 2000). Such a close relationship added to the government's heavy dependence on external resources which resulted in an accountability line that obliged the executive and all government institutions to be accountable to donors and international NGOs. These circumstances made the government extremely reliant on NGOs and donors during the period of pro-poor policy implementation and market deregulation. The Emergency Social Fund had a short lifespan of three years but was responsible for 3000 projects valued at USD 180 million (Von Gleich, 2000).

The Social Investment Fund (FIS) replaced the Emergency Social Fund in 1990 and continues to function under the same accountability line the latter was operating under until the year 2000 when the National Productive and Social Investment Fund was created. The decentralisation process that was started in 1994 was deepened by supreme decrees and laws like supreme decree No 2598 of November 2000 which established that cooperation funds and national resources should be directly assigned to local governments (Plurinational State of Bolivia, 2000). Most importantly, this legal manoeuvre decentralised the former Emergency Social Fund, Social Investment Fund and now the National Productive and Social Investment Fund to the then Finance Ministry, instead of being directly linked to the executive power. That meant a breaking point for the accountability line previously established between donors-international NGOs and the government. Nevertheless, the accountability flow from government to donors was not yet entirely broken.

Many institutions established by traditional donors before or during the neoliberal reform period underwent the same decentralising and independence process from the central government and donors and NGOs by the beginning of the 21st century. The UDAPE and the National Statistics Institute are some of those cases and are currently key institutions for development in Bolivia. These institutions were created by donors and were strengthened by Morales's government over the years, as were other similar institutions.

In terms of institutions, not much has changed from the time before 2006. The development strategy and methodology are a continuation of the neoliberal period, institutions from that period have been revamped in a way that empowers them more administratively and separates them from the central government's jurisdiction, while keeping the accountability line to the central government and not to donors, as it was before. It is highly relevant to establish a clear difference between the anti-neoliberal discourse and the fact that the development strategy is still based on neoliberal precepts. The dichotomy that a neoliberal development strategy under a strong state apparatus creates is the Achilles heel of the Morales administration. In fact, it is keeping the decentralisation process unresolved and makes it difficult to close some gaps in the development logic. It is essential for the reader to understand that institutions have not been changed but readjusted to the new model. A political rejection of neoliberal actors is notorious but not a real rejection of neoliberal policies for development.

In terms of accountability lines, a lot has changed. As mentioned previously, the Ministry of Development Planning and the Vice Ministry of Public Investment and External Financing are currently the institutions in charge of the National Productive and Social Investment Fund. Through laws like the ones mentioned in previous sections of this study, donors, especially bilateral agencies and NGOs have become accountable to the government contrasting starkly with the pre-2006 dynamic where the government was accountable to donors.

Of course, there is a considerable difference between the first and second periods identified for donor-government relations (2006-2012 and 2013–2016). A report published by the European Commission in 2014 shed light on how the government had been accountable to them by delivering timely reports and transparent data sets for projects implemented with the Commission's support (European Commission, 2014). During this first period, there appears to have been a will to cooperate with donors taking the Paris Declaration as a guideline. Despite the anti-neoliberal discourse, a renewed relationship with donors seemed to be a goal for Morales's government. On the donors' side, enthusiasm for what appeared to have evolved into a successful dynamic with the government led some to think that Bolivia had turned into a success example under the parameters of the Paris Declaration mandates and that development cooperation was evolving rapidly into what was expected.

By the second period (2013-2016) a more hostile attitude from the government is, as mentioned, intensely perceived by donors, which in accountability terms meant a tighter fiscal and activity control over the latter, limiting traditional donors and NGOs actions. Such a shift in relations does not necessarily assert that the Bolivian government is not accountable at all. The government must be accountable to donors in specific projects for with particular agreements and outcomes established to keep working as development partners. This is mainly the case for DFIs, who as mentioned above, still demand accountability in terms of social impact and sustainability. In the case of bilateral agencies or even in the European Commission's case, attempts to nationalise current spending budgets from these agencies have stressed relations between the government and them to the point of mistrust and country policy reformulation on the agency's end. More than accountability, this is a political issue that affects accountability indirectly by creating a distance between both actors.

From 2016 onwards, a slight change in attitude from government officials is slowly improving donor-government relations, making mutual accountability more likely, although not quite yet effective. A renewed trust-based relationship is starting to blossom, but there have been no significant advancements yet. Bolivia's future macroeconomic situation will determine in which direction relations are steered towards. The slowdown in the country's economy has already resulted in a friendlier attitude towards international donors; the question is still unanswered whether the pre-2006 accountability dynamic will return if the economy keeps slowing down. One critique made by government officials in detriment of donors is a lack of transparency, especially when political interests are involved. The government is also not well-known for transparency, which would mean that transparency is an issue to be overcome on both ends if future donor-government relations are to be reshaped, and mutual accountability established.

Key elements for the assessment of outcomes

The definition of development outcomes was extensively discussed above. A self-identified ownership process by the government is mixed with broad development objectives allowing for external development actors to quickly adapt to the nationally determined development goals without changing their own agendas. However, national development evaluation becomes a crucial factor in determining Bolivia's performance.

Every development agency used to rely on the UNDP's assessment, in addition to their own. Project and programme assessment are still a mandate for donor agencies, who are accountable to their own governments. These agencies undertake independent assessments as a means to justify the resources spent in Bolivia. These sort of assessment methods are individual to every agency and do not permeate the public sector. The UNDP is known to provide detailed country evaluations in the human development sphere, used by the government, various development agencies, NGOs or the private sector actors to gauge development in the country. The UNDP has traditionally relied on nationally generated data and statistics, specifically from the National Statistics Institute and the UDAPE, to create such reports. By 2006, the UDAPE put a wall between the UNDP and their own institution. A rupture in relations and dependency was apparent, despite the lack of institutional capability to produce quality evaluations.

National civil society institutions and think tanks like Fundación Jubileo also tried evaluating advancements on the MDGs. In 2013, before the 7th official MDG report came out, Fundación Jubileo stated that due to restricted access to data, only 23 out of 56 indicators were evaluated by them (El Diario, 2013). The UDAPE's MDG reports also assessed only the indicators it had data and statistics for.

In 2016 an assessment method called Subsystem of Follow-up and Integral Evaluation of Planes (SFIEP) was established. It was based on the Integral State Planning System Law No. 777 issued in 2016 after the publication of the Social and Economic Development Plan. Prior to that, the National Development Plan 2006-2011 was evaluated partially, mainly through the assessment of MDGs and their indicators. It provided objectives and some indicators, all on a macro level, with little use for thorough and detailed analysis. The Integral State Planning System Law, the Social and Economic Development Plan 2016-2020 and the Patriotic Agenda 2025 focused on a more structured implementation and evaluation system, providing the development strategy with a more robust assessment method unprecedented for the country.

Even though it shows a more coordinated strategy, indicators were still missing for assessment. Only in 2016 the construction of indicators to follow-up on the Social and Economic Development Plan 2016-2020 and the Patriotic Agenda 2025 was started by the National Statistics Institute and the articulating Ministry for Development Planning (Ministry for Development Planning, 2017). More than 1000 economic and social indicator cards with the 13 Pillars, 68 objectives and 340 desired results were generated under that process by 2017 (Ministry for Development Planning, 2017). A non-public document shows this effort, which the author was only able to take a quick glimpse at over an interview with the Social and UDAPE team. Currently (October 2018), the UDAPE is working towards the first Social and Economic Development Plan 2016-2020/SDGs 2030 development report to be published by the end of 2018. During an interview, the UDAPE team explained that indicators are divided into three categories: i) indicators that have methodology and information sources, ii) indicators for which a methodology exists but no information source, iii) indicators for which no methodology nor information source exists. The United Nation's statistical tier system is used and came in handy for indicator building, meaning that Bolivia has not started a unique indicator system but uses international standards to do so, accentuating the fact that Bolivia's development strategy is highly compatible with the SDGs and global development methodologies. Furthermore, many SDG indicators are being used if considered relevant to the plan's evaluation. In other cases, SDG indicators are not sufficient due to a lack of depth, like in the case of the Social and Economic Development Plan's spiritual poverty or social poverty target measurement.

Even though an assessment method is being set up, it is nowhere near mature, meaning that recent years have not seen an effective assessment process to learn and readjust the strategy. Interviews conducted with different National Statistics Institute, UNDP and government officials, highlight concerns on two points: the first is the political interference with national data and the statistical measurement of indicators such as GDP and others; in the same way, the second point is the fact that Bolivian institutions cannot measure too many indicators due to their lack of maturity. The first development report based on the Social and Economic Development Plan and SDGs will show how effective the new assessment tools are.

SDGs have fallen out of the priority list for Bolivia, even when it comes to the High-Level Political Forum (HLPF) on Sustainable Development at the UN General Assembly. The country has not presented a Voluntary National Review in the past two years and is not planning to do so for 2019 (United Nations, 2018). The UDAPE team in charge of producing such a document was not aware of and not working towards delivering a Voluntary National Review for 2019. In addition, the team affirmed that "once they finish the Social and Economic Development Plan report by the end of this year, information for any such voluntary report will be available" (UDAPE team, personal communication, October 25, 2018). There is no doubt in the country's prioritisation on this respect.

Bolivia has not presented a Voluntary National Review in the past two years and is not planning to do so for 2019.

Up to October 2016, Bolivia prepared a Voluntary Report for the Global Partnership for Effective Development Co-operation (a multi-stakeholder platform for effective development efforts). The issuing of the Integral State Planning System Law, and the assessment subsystem added to the new indicator production by the UDAPE, were all started in 2016 when the Bolivian government decided to prioritise national assessment rather than international platforms for development evaluation.

The effect on the determination of development outcomes under a still immature assessment framework has yet to be evaluated. Since 2006 the new development framework starting with the NDP has not had a real assessment, feedback or readjustment process underpinned by a severe assessment method. This process was started only recently in 2016, with results still pending since the new indicators and reports have not been published yet. Additionally, a readjustment process of the development framework has not been exercised yet either. As mentioned before, an ideological stance more than a real planning process was the foundation for the development strategy pursued by the Bolivian government since 2006.

Conclusion

A clash against the hallmark of western hegemony, neoliberalism, is evident across the LAC region since the beginning of the 21st century. Bolivia is a great example for understanding this shift given its stark political turn against neoliberalism and apparent macroeconomic success in the middle of a global crisis context. This study aimed to answer three questions with the purpose of understanding the political economy of development effectiveness in Bolivia. Firstly, about how the government defined development outcomes since 2006 when Evo Morales assumed the country's presidency. It was found that despite a strong message of ownership of development on the government's end, a broad development strategy enables the easy adaptation of different development models and programmes dwelling within the Bolivian context. In fact, beneath the new strategy is a very standardised global development approach when looked at closer.

As innovative as it may seem, a broad, ambitious and superficially planned development strategy results in a flexible and adaptable strategy. Identifying a weak strategy leads to answer the second question: who defines development outcomes in Bolivia? With active and influential DFIs and an ever-growing Chinese presence, these two actors have the most relevance in determining development outcomes for Bolivia. Infrastructure, which is a priority in both agendas, the Chinese and that of DFIs, was Bolivia's best-financed and attended sector in the past decade. It could be two-fold, that the broad development strategy Bolivia provides as a planning guideline also stresses the importance of infrastructure, or that the importance of the infrastructure sector is persuaded by the two most important actors involved in development financing in the country. Whichever it might be, it is clear that a shift from policy conditioning of the likes of structural reforms to policy negotiation has happened. Nevertheless, cases like China bring new conditionality modalities that pull Bolivia into a new and risky asymmetric dynamic.

Finally, following accountability lines brought the pre- and post-2006 Bolivian case into perspective. It was found that an accountability dynamic evolution process that started in the mid-1980s and continued until now shows how traditional cooperation agencies began with a heavy influence even when it came to institution building like with the National Statistics Institute. Not only had traditional international cooperation an undeniable influence in policymaking, but it had the executive branch of government followed by the rest of the government being accountable to them. Today, in general terms, the accountability line responds to the government instead of responding to traditional international cooperation agencies like in prior years. The shift in the accountability line is also a consequence of a re-strengthened central government as a regulator, underpinned by independence and anti-neoliberal sentiments.

Bolivia went through a contradictory process from 2006 onwards, explicitly positioning its discourse. At first glance, it gives a notion of a total change in the country's way of administration, but in fact, it is a continuation of preceding policies with different wording and new political enemies. It became clear that the politics involved in development cooperation in Bolivia were more of an ideological feud than a policy planning and debating process. The most relevant advances are seen in the legal strengthening of institutions by the government, a process weakened by administrative incapacity leading to an excess in bureaucracy, corruption and difficulty to engage in development efforts for development cooperation agencies. Development outcomes are influenced by new and old actors who despite the macroeconomic windfall and the consequent financial independence of Bolivia, have made themselves indispensable in project design and financing, evidenced by China and DFIs. Last but not least, the extractive productive model and the dependence on commodity prices has not been solved. Diversification of the Bolivian economy remains a challenge.

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Appendices

Appendix 1. List of Interviewees

Name	Position	Affiliation
Iván Omar Velásquez	Country Office Coordinator	Konrad Adenauer Stiftung Bolivia
Philipp Kaupert	Director	Friedrich Ebert Stiftung Bolivia
Martín Saravia	General Manager	Credibolsa S.A.
Pamela Vargas	Former Executive Analysis Director	Ministry of the Presidency
René Orellana Ortuño	Former Minister of Planning and Development	Ministry of Planning and Development
Ing. Anuar Aud	Director Planning and Investment Unit	Departmental Government of Tarija
Ing. Karim Leytón	Secretary Planning and Investment Unit	Departmental Government of Tarija
Dan Delvi Vargas Beltrán	Consultant in Urban Development	Departmental Government of La Paz
Ernesto Pérez de Rada	Coordinator of the Human Development Office	UNDP
Wendy Guerra	Project Manager	World Bank
Nicolaus Hansmann	Programme Officer	EU Delegation in Bolivia
Miguel A. Peñaranda	Former Project Manager	Canadian International Development Agency (CIDA)
Luis Carlos Jemio Mollinedo	Senior Researcher	Institute of Advanced Development Studies (INESAD)
Lykke Andersen	Executive Director	Sustainable Development Solutions Network (SDSN) Bolivia
Five high-level anonym representatives	Technical team	Social and Economic Policy Analysis Unit (UDAPE)
Mariko Watanabe	Programme Officer in Bolivia	Japanese International Cooperation Agency (JICA)
Shintaro Akiyama	Sub-Director Resident Representative	Japanese International Cooperation Agency (JICA)
Gladis Genua	Representative Director	Development Bank of Latin America CAF
Rubén Ferrufino	Economic Adviser	Bolivian Confederation of Private Companies

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