



Sustainable Financing Initiative
for School Health and Nutrition (SFI)

School Meals Financing Rapid Assessment

Bolivia

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National Context

Introduction

Nearly 78 million children in Latin America and the Caribbean receive a daily breakfast, snack or lunch at their schools, with an estimated annual investment of 4.3 billion US dollars, primarily funded from government budgets¹. Currently School Meals programmes are the world's most extensive safety net, and Latin America stands out as the second region with the largest number of beneficiaries only after South Asia.

The right to food is recognized in the 1948 Universal Declaration of Human Rights, as part of the right to an adequate standard of living (Art. 25.1) and is further developed in the Covenant on Economic, Social and Cultural Rights. According to article 11.1 of the Covenant, "the States Parties recognize the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions" and Article 11.2 mentions the need for urgent steps to ensure "the fundamental right to freedom from hunger and malnutrition". The human right to adequate food is crucial for the enjoyment of all rights.

The Plurinational State of Bolivia ratified the Covenant on 12 of August 1982. These international agreements are therefore binding.

Furthermore, the Bolivian National Constitution of 2009 in its Article 16 states that every person has the right to water and food; and that the State has the obligation to guarantee food security, by means of healthy, adequate, and sufficient food for the entire population.

Children and adolescents in Bolivia attending public schools started to benefit from a School Meals Programme in 2000. The programme, initially known as *Desayuno Escolar*, was renamed *Complementary School Meals in 2006*². During 2019, more than 100 million US dollars were invested by municipalities³ to provide schools meals to at least 2.2 million students attending school, covering almost 80 percent of the children and adolescents in school age. Estimated data for 2019 show that 95% of the 340 municipal governments granted this benefit.

Background

The Complementary School Meals programme (CSM) in Bolivia focuses on school-age⁴ children and adolescents from the poorer households in the country. It is provided only by public schools, where education is free. Regarding health and nutrition, the CSM programme is aimed to alleviate hunger, reduce anemia and undernourishment, and prevent overweight.

In October 1999, the Organic Municipal Law number 2028 granted to municipalities the competencies for health and education service provision, including planning and promotion of sustainable human development in their urban and rural areas.

¹ State of School Feeding Worldwide, WFP, 2020.

² In 2006 the term *Desayuno Escolar* (school breakfast) was changed to *Alimentación Complementaria Escolar*.

³ Municipalities in Bolivia are administrative divisions of the entire national territory governed by local elections. Municipalities are the third level of administrative divisions, below departments and provinces. Some of the provinces consist of only one municipality. In these cases, the municipalities are identical to the provinces they belong to.

⁴ School age in Bolivia ranges from 4 to 18 years old.

In this context, Bolivia has 340 municipalities, where only 4 of them have more than 500.000 inhabitants, 3 more than 300.000 inhabitants, 5 more than 100.000 inhabitants, 11 more than 50.000 inhabitants, 13 more than 40.000, 12 more than 30.000 inhabitants, 36 more than 20.000 inhabitants and the rest 256 municipalities have less than 20.000 inhabitants.

In 2005, revenues from the Direct Tax on Hydrocarbons (IDH⁵) were assigned to the municipalities to finance social, health and educational programs – including the school feeding program. Coverage gradually increased as municipalities started their school feeding programs and developed their skills and means to implement them. By 2011, school-feeding coverage was almost universal for primary education. Today, the provision of the CSM programme is not mandatory. The municipalities decide whether to implement the programmes or not, and how to allocate the financial resources to implement the programme.

Municipalities plan, finance, manage and implement the school feeding programmes, either directly or through partnerships with NGOs and international organizations. Today, Bolivia offers an example of a highly decentralized approach to school feeding.

Currently, the percentage of the budget allocated to Complementary School Feeding varies among municipalities. For this reason, not all children and adolescents have the same access to school feeding. Depending on the area, some receive only breakfast, others breakfast and/or lunch.

Juancito Pinto School Bonus

The Plurinational State of Bolivia introduced in 2006 a conditional cash transfer programme, the Juancito Pinto School Bonus, as part of its social protection policy. The objectives of the programme were to increase the school enrollment and reduce desertion, as well as to reduce the intergenerational transmission of poverty. This conditional cash transfer targeted boys and girls, aged between six and fourteen years old, throughout the country. Studies show that 4 out of 100 children not attending primary school, are children from rural areas, poor and of indigenous origin.⁶

The Juancito Pinto School Bonus aims to help alleviate the indirect costs associated with public education and is implemented by the central government. Figure 4 shows the positive evolution of the enrollment rate in Bolivia after the implementation of the School Bonus. When quantifying the magnitude of the incidence of Bono Juancito Pinto, it can be verified that: a) there is a positive and very significant impact on the rate of enrollment, in the order of an average of 1%; b) the bonus had also a positive and significant impact on school permanence on average by 1%.

The Juancito Pinto School Bonus and the Complementary School Meals programme both seek to reduce the number of students dropping out of school. At the same time, they aim to improve the nutrition and health status of children and adolescents in public schools, which represent more than 80% of children and adolescents in school age in Bolivia.

Objectives of the Complementary School Meals (CSM) programme

⁵ According to Article 53, Law 3058 of May 17, 2005, the IDH is a tax that is applied throughout the national territory with a rate of 32% on the total volumes or energy produced from hydrocarbons. See Annex 17 for annual statistics on this tax.

⁶ Ernesto Yañez Aguilar “*The Impact of Juancito Pinto Assistance Micro simulations Analysis*”, 2012

The CSM programme, in addition to preventing school dropout and increasing school enrollment, is aimed at improving school performance, reducing gender inequalities, and of course, improving the nutrition and health conditions among vulnerable children and adolescents.

By having this multi-purpose objective, the programme wants to generate a positive impact on the creation of human capital⁷, the reduction of poverty and inequality, and the local economy, by fostering domestic and local agricultural producers.

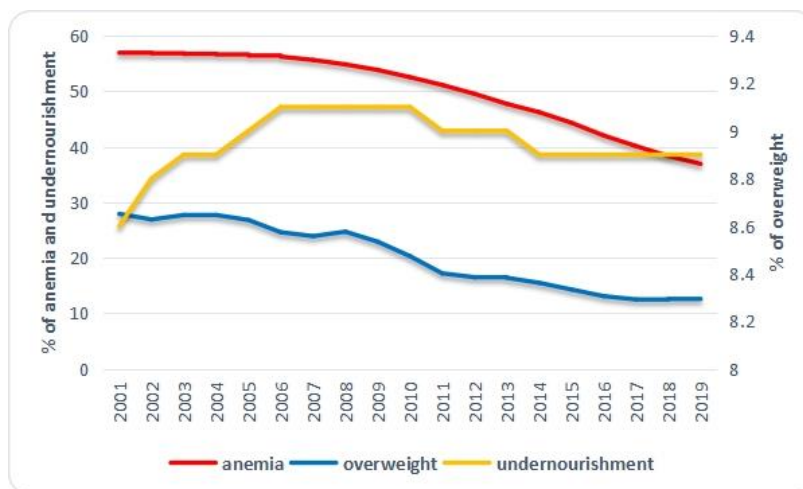
A first glance suggests that the overall benefits of school meals in Bolivia have the potential to surpass the outcomes on health and nutrition alone, so the general perception among the households and decision makers is that there is a need to ensure its financing, increase its coverage, and improve the quality and quantity of the meals provided.

Health and nutrition

The main benefits of school feeding on children and adolescents in relation to health and nutrition include alleviating hunger, reducing micro-nutrient deficiency and anemia, and preventing overweight and obesity.

According to World Bank data, the indicators related to the latter issues show positive results. The prevalence of anemia among children (% of children ages 6-59 months) decreased significantly from 56.9% in 2001 to 36.9% in 2019. The prevalence of undernourishment (% of population) fell constantly from 27.9% in 2001 to 12.6% in 2019. Thus, the increasing prevalence of overweight (% of children under 5) registered during the 2000 - 2005 period, reached a plateau at 9.1%, and started to decrease since 2011 to 8.8% in 2020.

Figure 1. Bolivia: Prevalence of anemia, undernourishment and overweight (In percentages, 2001-2019)



Source: WDI

Education

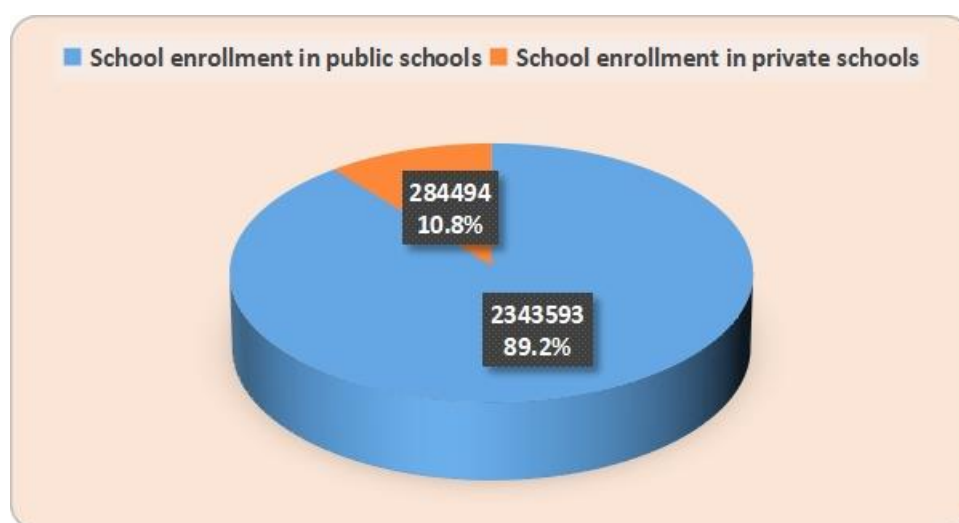
Bolivia's education system is composed of a public and a private sector. Both sectors have four cycles: i) initial or pre-primary, ii) primary, iii) secondary, iv) and higher education.

The initial or pre-primary cycle is divided in two sub-cycles. The first cycle refers to pre-school education for children up to four years of age, It is non-formal and not mandatory. It includes childcare institutions and communitarian care facilities where available. The second cycle is compulsory by law for children from four to six years of age. Primary education is compulsory and starts at the age of six and lasts for six years. Secondary education is offered to students from 12 to 18 years of age.

In terms of education and human capital, the objective is not only to improve the amount of schooling, but also the quality of learning. Therefore, the most important contribution of school meals derives from increasing school enrollment⁸ and attendance (reducing drop-outs), particularly of girls, increasing cognitive and academic performance, and contributing to gender equity in access to education.

The participation share between the two systems shows that during 2019, more than 2,3 million (89.2%) of school-age children and adolescents attended public schools, which are free of charge, while the remaining population (10.8%) attended private schools.

Figure 2. Bolivia: School enrollment in public and private schools (Number of students and percentage from total enrollment, 2019)

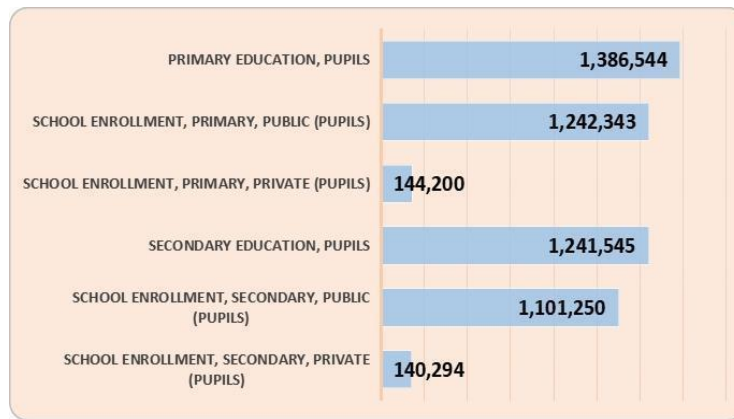


Source: WDI

The figure below shows that there are similar proportions in the enrollment according to primary and secondary education in Bolivia. The great majority of children and adolescents are enrolled in the primary and secondary public education systems, respectively, as compared to private schools.

Figure 3. School enrollment according to school system and education level (Number of students, 2019)

⁸ World Bank data for 2019 shows 77.3% of school enrollment in pre-primary education, 98.5% in primary level, and 89.9% in secondary level.



Source: WDI

Over the last two decades, official school statistics indicate that school enrollment has been increasing, especially during the first years of the first decade. Thus, the gender gap has reduced significantly, representing an important improvement in terms of gender equity in access to education.

Figure 4. School enrollment in secondary level according to gender (%)



Source: WDI

The Ministry of Education leads the Complementary School Food working group (in coordination with the Ministries of Health, Rural Development, Productive Development and Plural Economy) as a member of the Technical Committee of the National Food and Nutrition Council (Responsible for the design of public policies aimed to improve the food and nutrition of the population, particularly of school-age children and adolescents).

Participation of domestic/local producers

The law for the school feeding programmes in Bolivia requires that the municipal governments purchase good quality food at fair prices, prioritizing the purchase of locally produced food from family or small producers, to encourage local economic development.

Municipal governments also promote training events delivered by competent institutions to family producers or small farmers involved in processing and handling food.

The small farmer and/or family producers are supposed to become one of the main providers of complementary school feeding, being able to develop associations named OECAS (Peasant, Indigenous and Native Economic Organizations) or OECOM (Community Economic Organizations) within the framework of laws 338 and 622. These associations should guarantee the required production of quality food in a stable manner, thus contributing to nutritional food security with sovereignty.

According to the strategic principles established jointly by the Ministry of Health and the Ministry of Education, the participation of the private sector in school supplementary meals becomes effective in the provision of food rations to students in the cities with more than 20.000 people, under the principle of corporate social responsibility.

The responsibilities of the private sector in relation to the CSM programme are the following:

- To promote productive investment with corporate social responsibility, contributing to the development of family farming associations with the acquisition of raw material at a fair price.
- To guarantee the provision of processed and fortified food rations.
- To contribute to the environment by recycling, reusing, decreasing and disposal of solid waste.
- To invest in research and development of new nutritional products.
- To include in its technical planning and production team professionals from the area of nutrition.
- To contribute to the development of the Municipal CSM Programme.

Current programme

The current state and main features of the programme can be better understood by analyzing the evolution of the legal framework on which it has been established.

Legal framework

<p>Education Law 070 Avelino Siñani - Elizardo Pérez (2010)</p>	<p>Establishes the productive socio-community educational model, and incorporates functions for the subnational⁹ levels, providing that the autonomous governments, both departmental, municipal and native indigenous autonomies, support educational programmes with resources established in the regulations, such as the complementary school feeding that commits resources through Supreme Decree 28421 and the Bi-ministerial Resolution 02/00 and 01/01.</p>
<p>Autonomies and Decentralization Law "Andrés Ibañez" (2010)</p>	<p>The Law of Autonomies and Decentralization seeks to regulate the Autonomy Regime in force in the Bolivian Political Constitution, in terms of education. It promotes the right to education and establishes the competences of the autonomous entities governed under the</p>

⁹ Law 031 establishes that the subnational governments are in charge of drawing up the autonomous departmental statutes, the organic municipal charters and the statutes of the rural native indigenous autonomies to regulate the exercise of their responsibilities (Art. 62).

	Educational Law.
Law 144, of the Agricultural Community Productive Revolution (2011)	The law seeks to increase food production from the community economy, diversify the diet and, at the same time, help combat extreme rural poverty, concentrated in the indigenous population. It seeks to create awareness in the population on Nutritional Food Education and its insertion in the school curriculum; it also expands the coverage of Complementary School Feeding Programme up to the secondary level in accordance with the provisions of the Bolivian Political Constitution, and finally, it incorporates the Community Economic Organizations as providers of the Complementary School Meals programme.
Supreme Decree 28421 (2005)	This Supreme Decree regulates the Direct Tax on Hydrocarbons, assigning resources and competence to municipal governments for the provision of Complementary School Meals programme.
Supreme Decree 25963 (2000)	Provides for the creation of a fortified product ¹⁰ , points out that Complementary School Feeding must have with this enriched product called "Boliviarina".
Bi-ministerial Resolution 02/00 (2000)	Approves the School Health and Food Policy and the school health and food regulations, which defines the school feeding policy in the country. The Resolution establishes the regulations and procedures for the implementation of health and school feeding programs. It defines nutritional, educational and health objectives, and the basic composition of the food ration for school feeding.
Law 622 "School Feeding Law in the food sovereignty framework and the plural economy" (2014)	The objective of the programme is to contribute to improving the school performance and nutritional status of the children and adolescents of the Public Schools and Schools of agreement ¹¹ through an adequate, healthy and culturally appropriate diet and universally endowed, through a complementary school meals programme.

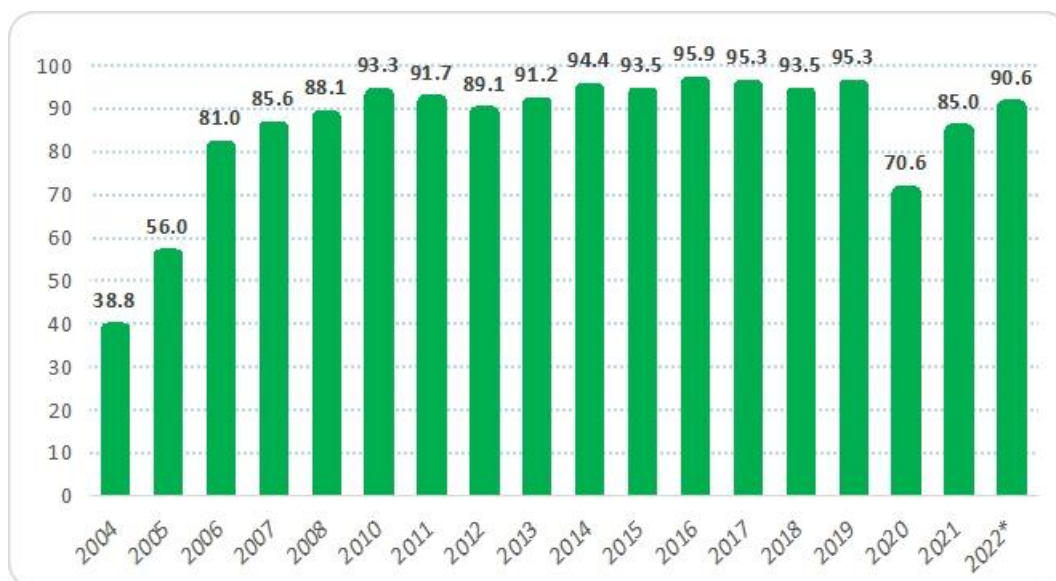
Coverage

The coverage of school breakfast programs will be analyzed from different economic perspectives, using indicators like municipalities that provide the CSM, budget expenditure in the programme, and estimated per capita costs (annual and daily). The following graph shows the evolution over time of the percentage of municipalities that provided the CSM programme by year.

¹⁰ The product contains wheat flour, a minimum of fifteen percent (15%) of cereals as soy bean, corn, amaranth, cañahua and quinoa, or combinations composed of these or individually, to constitute a mixed flour called "Boliviarina".

¹¹ The schools of agreement are institutions managed by religious entities, non-profit and whose access is free. They must function under the supervision of public authorities, and are governed by the same rules, policies, plans and programs of the public education system.

Figure 5. Bolivia: Municipalities that delivered Complementary School Meals (In percentages, 2004 – 2022)



Source: Based on data from the Ministry of Economy and Public Finances (2022* = programmed budget)

Since the early years of the programme, the figure below shows that budget execution in CSM programme has increased significantly over time. By adding up all the municipalities budget expenditure data we account for more than 110 million dollars invested each year in school meals (for more detailed data see Annex 7). However, the school closures during 2020 and 2021 due to the COVID-19 pandemic made it impossible to deliver the CSM, severely affecting the budget effectively spent by municipalities in the CSM programme.

Figure 6. Annual Budget Expenditure in Complementary School Meals (In millions of USD)



Source: Based on data from the Ministry of Economy and Public Finances

Based on official data processed from the Ministry of Education and the Ministry of Economics and Public Finances, it has been estimated that on average (2014 - 2019) the mean annual per

capita expenditure in the complementary meal was 49 dollars. Assuming that a normal school year in Bolivia is composed of 180 days, the estimated daily expenditure is 27 cents per dollar, per student.

Table 1. Estimated annual and daily cost of the Complementary School Meals

	2014	2015	2016	2017	2018	2019
Annual mean per capita budget spent (USD)	48.04	51.45	49.44	48.38	49.38	48.96
Number of school days per year	180	180	180	180	180	180
Daily mean per capita budget spent (USD)	0.267	0.286	0.275	0.269	0.274	0.272

Source: Based on data from the Ministry of Education and the Ministry of Economics and Public Finances

At national level, the daily cost of the complementary school meal ration was on average 27 cents per dollar during the 2014 - 2019 period. The departmental capital cities registered an average cost of 22 cents per day. In those capital cities, the costs per ration range between 14 cents and 33 cents, with the exception of the city of Cobija, where the cost is well above the average (40 cents) due to its remote location. During the same period, in municipalities with more than 20.000 inhabitants, the costs per serving were approximately 23 cents per day. Municipalities like San Lorenzo (64 cents), Entre Rios (45 cents) and Villamontes (40 cents) in the department of Tarija; Caracollo in the department of Oruro (45 cents), and Warnes in the department of Santa Cruz (38 cents), ranked as the municipalities with the highest cost per ration.

On the other hand, the municipalities with less than 20.000 inhabitants showed costs of 25 cents per ration. In this group, we find Municipalities like Cruz de Machacamarca, Escara, Esmeralda and Yunguyo de Litoral (all of them located in the department of Oruro); Caraparí (in the department of Tarija) and Bolpebra (in the department of Pando) with the highest costs per ration (2,93 dollars; 1,80 dollars; 1,48 dollars; 1,11 dollars; 1,1 dollars and 95 cents respectively).

The effects of the pandemic on the CSM programme (2020 – 2021)

The COVID-19 pandemic disrupted in a significant way the delivery of this benefit. The official data shows the negative effect among municipalities. In 2020, the first and most critical year, the figures show that 100 municipalities were not able to spend any of the resources programmed for CSM. That number decreased in 2021 to 51 municipalities, since many managed to provide households in exchange of the meals, with baskets of food to be prepared at home. However, in 2022, the official data from the Ministry of Economics and Public Finances indicates that 32 municipalities have not programmed any funds in their annual budget to deliver the CSM (see Annex 15 and 16 for more detailed information at the municipal level).

By considering the number of children and adolescents enrolled in public schools by 2020 in those 32 municipalities that have not programmed any funds in their annual budgets to deliver the CSM, it is possible to infer that the number of children and adolescents missing the CSM benefit will be approximately around 104,735 (see Annex 20).

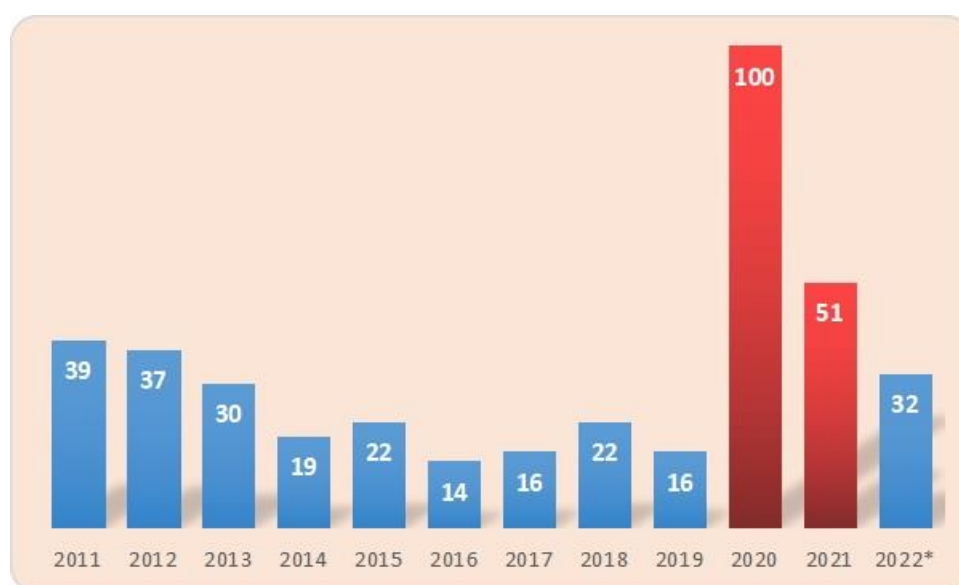
The Department of Santa Cruz would be the most affected with 11 municipalities that have not programmed any funds for the CSM programme. The Department of La Paz ranks second, with a total of 9 municipalities not providing the CSM. The smallest Departments in terms of population are Beni and Pando, ranking in the third position with 4 municipalities each. Oruro and Potosí register 2 municipalities each, that have not programmed to grant this benefit to

their students. Chuquisaca and Tarija are the only two Departments where a 100% of their municipalities have budgeted funds for this purpose.

Many from these municipalities have more than 5,000 students, such is the case of Caranavi (11133 enrolled students in 2020), where the CSM has not been budgeted since the year 2016, another example, the municipality of Charagua, has approximately 8,163 students that are not receiving the CSM since 2017.

The data shows that 13 out of these 32 municipalities have a non-budget recurrence for three years or more. Only in the case of the municipalities with no funds programmed for the last three years (2020, 2021 and 2022) it is possible to assume that the main reason is due to the impact of the covid-19 pandemic. There are other 10 municipalities that have more than four years without a programmed budget for the CSM.

Figure 7. Bolivia: Number of municipalities not delivering the CSM per year



Source: Based on data from the Ministry of Economy and Public Finances
(2022* = no programmed budget for CSM)

Most children and adolescents in public schools appreciate their school meals, and parents consider them so valuable, that they have assumed its provision as a *merit good* or a mandatory transfer from the local and central governments.

Households view school meals as a right they have earned over time. In September 2020 the parents started to protest in at least four major cities of the country, demanding the distribution of a student basket, financed with funds from the Complementary School Meals, that were not implemented by the municipalities¹². The Complementary School Meals programme was not delivered, due to schools closure caused by the pandemic.

After massive demonstrations of parents demanding the CSM programme, some municipalities announced that the funds were to be used to provide food baskets. Other municipalities issued vouchers to be exchanged in supermarkets. The representatives of the Federation of Municipal Associations (FAM) prepared a preliminary draft to authorize Municipalities to provide student food baskets, instead of the Complementary School Meals.

¹² See Annex 2: Testimony of Elena Ticona who lives in Ovejuyo, a suburb of the city of La Paz.

The new regulation determined that the autonomous municipal governments could use the funds allocated to the CSM budgeted for the 2020 administration, in food baskets to all the beneficiary children and adolescents of the public schools, within their territorial jurisdiction.

The regulation was promoted by the Municipality of La Paz, which provided to each student the money for the CSM. In 2020, the Municipality of La Paz included originally six products in the student basket. In 2021, the student basket for La Paz included ten products: milk, flour, sugar, oil, cereals and other products¹³.

From the early years until 2019, official data from the Ministry of Education showed encouraging indicators about the CSM programme. Between 2013 and 2019, the annual growth rate of students enrollment receiving the CSM was 1.12%, while during the same period, the budget spent increased at a 4.12% annual growth rate. In 2019 there was a total enrollment of 2,568,774 students in public schools at the primary and secondary level. From that population, a total of 2,526,121 students received the CSM (98.3%), while the remaining 42,653 children and adolescents (1,7%) at public schools were still missing the CSM.

The disruption due to the COVID-19 pandemic became evident when the annual budget spent dropped from 112 to 27 millions of USD. Approximately 274,805 children and adolescents enrolled in public schools (10.6%) did not receive the CSM in 2020 due to school closures. As mentioned above, some municipalities managed to deliver school baskets with food, but this solution was exceptional, since not all municipalities had the capacity to implement the school baskets alternative.

Table 2. Number of children and adolescents benefited by the CSM

	Total school enrollment	Students enrolled that did not receive the CSM	Students enrolled that received the CSM	% of students enrolled that did not receive the CSM	% of students enrolled that received the CSM	Annual budget spent in US dollars
2012	2.418.029	135.072	2.282.957	5,6%	94,4%	73.221.718
2013	2.446.126	83.419	2.362.707	3,4%	96,6%	87.766.655
2014	2.469.277	63.102	2.406.175	2,6%	97,4%	105.013.660
2015	2.498.610	68.398	2.430.212	2,7%	97,3%	113.982.314
2016	2.514.551	46.103	2.468.448	1,8%	98,2%	108.303.578
2017	2.530.717	72.385	2.458.332	2,9%	97,1%	104.787.853
2018	2.541.548	71.815	2.469.733	2,8%	97,2%	108.607.155
2019	2.568.774	42.653	2.526.121	1,7%	98,3%	111.820.984
2020	2.590.803	274.805	2.315.998	10,6%	89,4%	27.498.674
2021						61.487.708

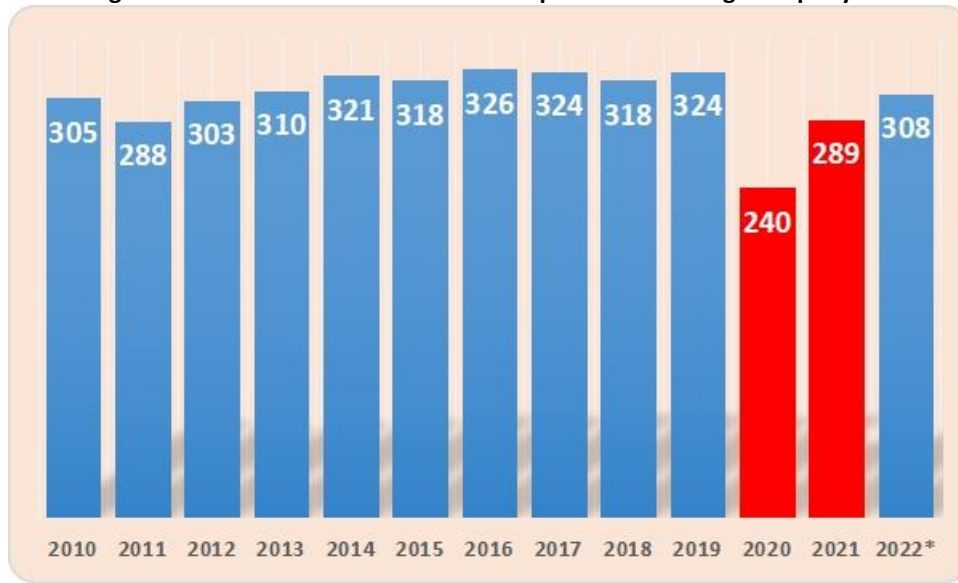
Source: Based on data from the MEFP and Ministry of Education

Financing the CSM programme

Financing and delivering the CSM programme is decentralized from the national government. According to law, the 340 municipal governments are fully responsible for budget expenditure in the CSM programme. It is remarkable how during the last years the implementation percentage has always been above 300 in terms of the number of municipalities (except in 2020 and 2021).

¹³ Interview with Isabel Espíndola former Secretary of Education of the municipality of La Paz.

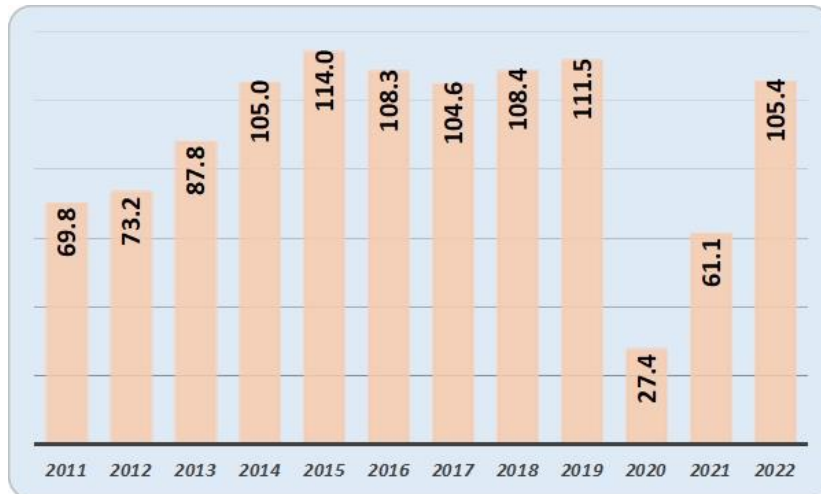
Figure 8. Bolivia: Total number of municipalities delivering CSM per year



Source: Based on data from the Ministry of Economy and Public Finances (2022* = programmed to deliver CSM)

The increase in expenditure on the CSM for the last ten years, reveals how important this programme has become over time in the municipal government’s agenda throughout the country. Since 2014, more than a hundred million dollars are programmed annually to finance the delivery of the CSM. The significant decrease of the amount of money spent in 2020 and 2021 shows the direct effect of the school closures in the country.

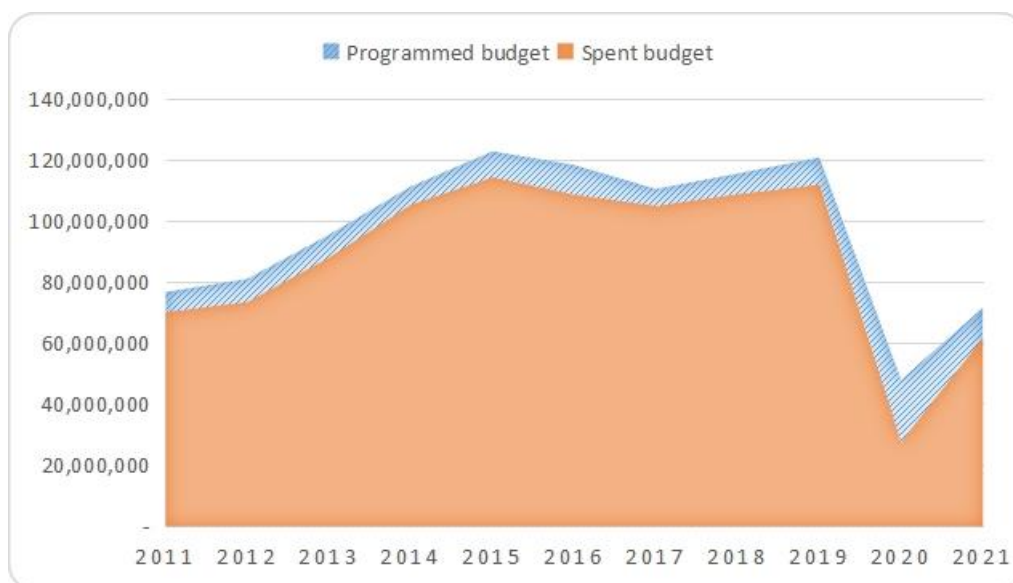
Figure 9. Annual budget spent in the Complementary School Meals programme in Bolivia (Millions of USD)



Source: Based on data from the Ministry of Economy and Public Finances; 2011-2021 budget spent, 2022 corresponds to programmed budget

The graph below shows that there has always been a small difference between the programmed budget at the beginning of the year and the budget spent at the end of every school year (For more detailed data please see Annex 11). This gap can be explained in part by the number of days that public schools close when teachers or other sectors are on strike.

Figure 10. Difference between programmed budget and budget spent in the CSM as reported by municipalities (In USD)



Source: Based on data from Ministry of Economy and Public Finances

Financing sources

Table 2 displays the financing sources of the CSM programme in Bolivia.

Table 3. Financing sources

	Budget 2011 - 2019	Percentage
External Donations	16.354.241	1,85%
Basket Funding	39.909	0,00%
HIPC II Donations	16.123.378	1,83%
Other External Financing Organizations	55.723	0,01%
Other NGOs	13.966	0,00%
WFP	121.264	0,01%
Specific sources	111.682.682	12,64%
Other specific sources	928.922	0,11%
Specific sources of Autonomous Municipal Governments and Indigenous Governments	74.238.758	8,40%
Royalties	36.515.002	4,13%
Nation's General Treasury (NGT)	755.310.904	85,51%
NGT Direct Tax on Hydrocarbons	627.777.490	71,07%
NGT Oil Royalties	834.394	0,09%
NGT Special Tax on Hydrocarbons and their derivatives	165.040	0,02%
NGT Tax Co-participation	126.533.981	14,32%
Total	883.347.827	100,00%

Source: Based on data from Ministry of Economy and Public Finances

It is outstanding that over 98% of the cost of the CSM programme comes from domestic funding. The Nation's General Treasury accounts for more than 85% of the funds aimed for the CSM programme. Therefore, the school meals provided in Bolivia are mainly financed

through a national tax scheme based on a Direct Tax on Hydrocarbons¹⁴ or IDH (71%). Another important amount comes from a Tax Co-participation¹⁵ scheme.

An important source of financing comes from the capacity of the municipal governments to generate incomes through local or regional taxes, consequently, specific sources of Autonomous Municipal Governments and Native Rural Indigenous Governments account for 8.4% of the total financing, while royalties (from mining activities) contribute with 4.13%.

During the 2011 - 2019 period, Table 3 indicates that external financing, through donations, has contributed to this programme only with 1.85% of the total funding, thus its participation is decreasing.

The conclusion is that the CSM programme in Bolivia is essentially supported by internally generated funds, even though the country has received important technical assistance, at different government levels, from international organizations, such as the World Food Programme.

The role of the private sector and households

Although the purchase of local food is regulated, national policies and laws encourage municipal governments to buy the food for the CSM programme within their own territories to promote food security and food sovereignty.

The participation and financial contribution of parents in rural areas is an essential element to the successful development of the CSM programmes. In rural areas, where there is an important cultural community conscience or self-identification, households have the chance to play an important role in the delivery of the school meals, by donating food and participating directly in the preparation, transportation, and delivery of the meals.

Similarly, teachers play an important role in the programme, since they help in the distribution and organization of the food, and they hold a key responsibility in the process of educating students about the benefits and importance of health and nutrition.

Thanks to technical assistance provided by international organizations, currently 40% of the municipalities have objectives related to the productive and the local economic development, including by fostering the productive vocation of the municipality. As a result of this process, school farms were implemented in more than 20% of the 340 municipalities in Bolivia.

School farms in rural areas provide an excellent example of what could be achieved in the long run. Locally produced food provides sustainable and nutritious nourishment sources for complementary meals. Using locally produced food saves scarce resources, increases access to fresh and natural products, stimulating the local economy and promoting market stability for agricultural producers. On the other hand, it is an education tool for students as they not

¹⁴ According to the current legal framework, the Direct Tax on Hydrocarbons (IDH) is divided into 64.8% to regions (departments and municipalities) and 35.2% to the Nation's General Treasury (TGN). From the resources that go to regions, the regional governments receive 32.8% of the IDH, 25.6% of the IDH goes to the local governments and the remaining 6.4% to public universities.

¹⁵ The Tax Co-participation defined in the Popular Participation Law (1994), establishes that from the total of seven national taxes collected (VAT, RC-VAT, IUE, IT, ICE, ISAE and GA) 75% remains for the National Government, 20% for municipalities and 5% for universities. This distribution was a first approach on decentralization. Later, in 2005 the Hydrocarbons Law established the Direct Tax on Hydrocarbons (IDH) with distribution percentages for Departmental Governments, Municipal Governments, Universities and the National Government.

only learn to eat healthier products, but also learn good horticultural practices, which are then replicated in their homes¹⁶.

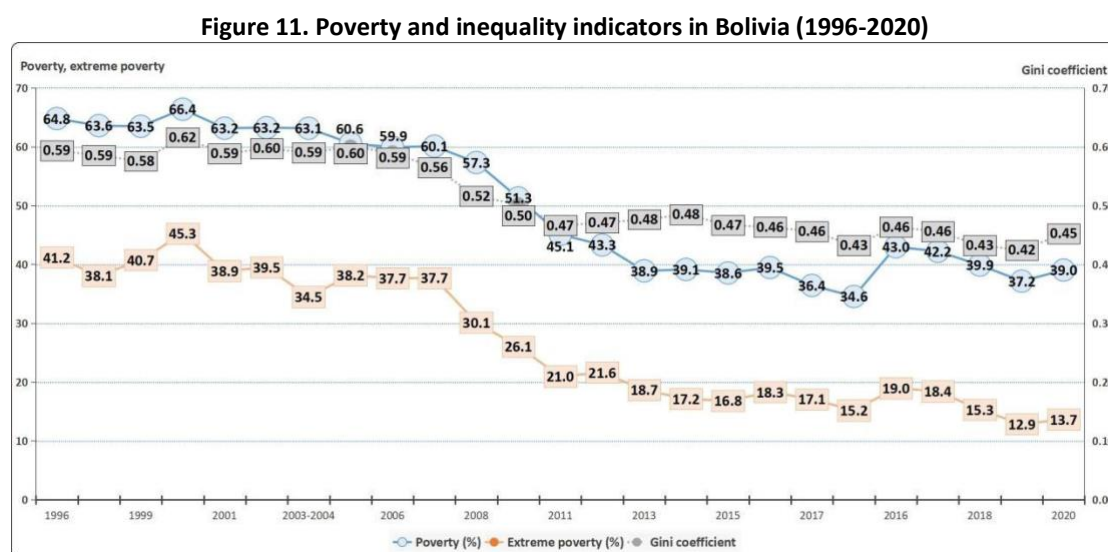
As part of the programme, parents have been taught that they have the right to demand a nutritious and healthy diet for their children. In some parts of the country, parents are also involved in the preparation and distribution of the meals.

Those municipalities and schools, in which parents and teachers are strongly involved, tend to have more sustainable and resilient programmes. On the other hand, in urban areas there is unfortunately less space for the participation of parents since they have to leave their residencies to go to work or look for a daily subsistence¹⁷.

Efficiency and equity reflection

The recent evolution of poverty and inequality in Bolivia

Despite a slight increase in 2020, over the last two decades, there is a negative trend in the evolution of the time series indicators regarding the incidence of poverty (FGT), extreme poverty (FGT) and income inequality (Gini) in Bolivia (see graph below). As a matter of fact, the incidence of poverty fell from 66.4% in 2000, to 39% in 2020. During the same period, extreme poverty was reduced from 45.3% to 13.7%, and inequality dropped from 0.62 to 0.45 as measured by the Gini coefficient.



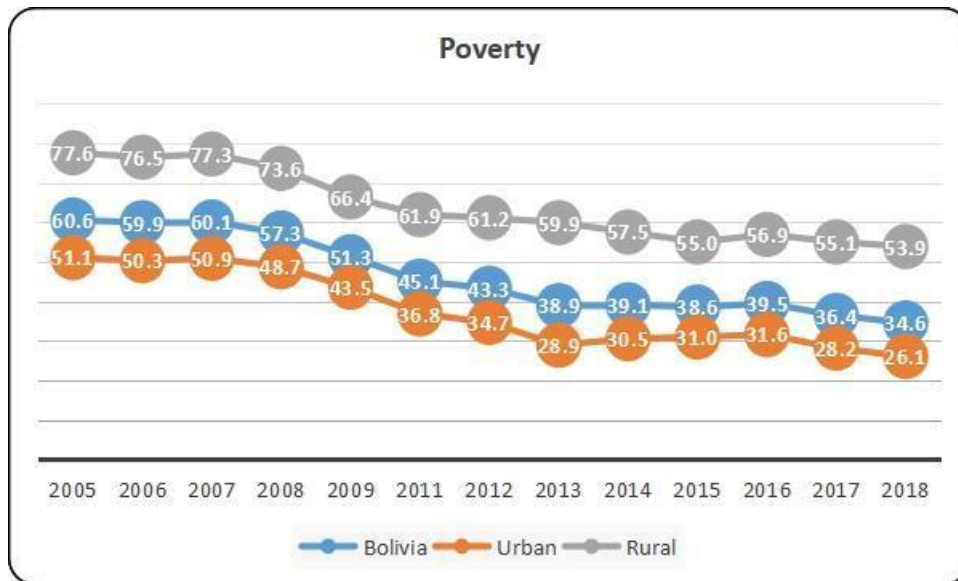
Source: Based on data from the National Institute of Statistics

While analyzing the indicators from urban and rural areas of Bolivia separately, the evidence shows that the incidence of poverty and extreme poverty is higher in rural areas as compared to urban areas.

Figure 12. Incidence of urban and rural poverty (%)

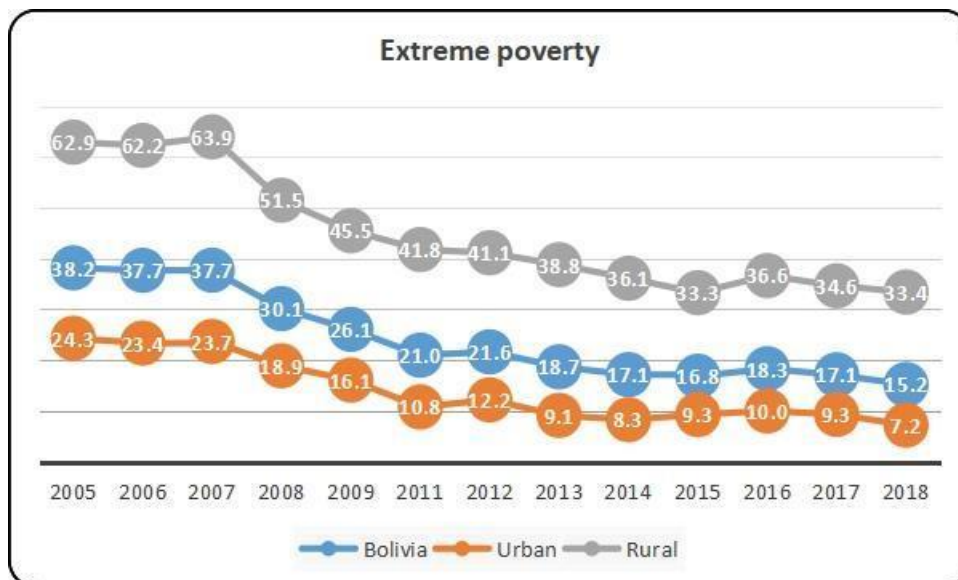
¹⁶ World Food Programme (2017) “Análisis Costo – Beneficio Alimentación Complementaria Escolar de Bolivia (estudio de caso en 15 municipios)” La Paz, Bolivia

¹⁷ World Food Programme (2017) “Análisis Costo – Beneficio Alimentación Complementaria Escolar de Bolivia (estudio de caso en 15 municipios)” La Paz, Bolivia



Source: Based on data from the National Institute of Statistics

Figure 13. Incidence of urban and rural extreme poverty (%)



Source: Based on data from the National Institute of Statistics

To be able to properly conclude about the direct effect of the CSM programme in terms of income equity, it would be necessary to evaluate its progressivity and redistributive effect on income. The approach requires determining the equity in the distribution of the CSM among households with school-age children and adolescents enrolled in public schools, and its effects on the income distribution among households.

The CSM programme is exclusively provided at public schools that mostly concentrate students from the poorer households in Bolivia. At first glance, the evaluation of inequality based on the distribution of income before (*pre*) and after (*post*) the delivery of the CSM programme each year, would very probably lead us to conclude that the CSM is a progressive programme that promotes a better income distribution. By providing the CSM only in public schools, this benefit is correctly or adequately focused on the most needed population, determining a redistributive effect that favors a more equitable income distribution.

Conclusions

1. By 2019, 95% of municipal governments had implemented the CSM. In 2020, 70% and in 2021, 85%. By 2022, 90% of municipal governments programmed budget to deliver the CSM.
2. Municipal autonomy sometimes diverts into no budget for Complementary School Meals or no expenditure.
3. There is no compulsory commitment of the municipalities to implement CSM.
4. There is a large degree of appropriation by parents of the CSM programme, however, there are no formal oversight or control systems in place.

These four conclusions present the following challenges and opportunities.

Complementary School Meals in Bolivia		
Problems - Failures	Challenges	Opportunities
By 2019, 95% of municipal governments had implemented the CSM. In 2020, 70% and in 2021, 85%. By 2022 90% of municipal governments programmed budget to deliver the CSM.	Increase the number of municipalities that have the CSM Programme to 100%.	Educate the society and make them more conscious about the benefits of the CSM not only in terms of education, but also regarding, health, nutrition, food security, environmentally sustainable local production.
Municipal autonomy sometimes diverts into no budget for Complementary School Meals or no expenditure.	Make the CSM compulsory with compliance indicators and a percentage of the Indirect Tax on Hydrocarbons.	Complement the Complementary School Feeding Law 622 with a policy and legal framework with compliance indicators that municipalities must report to regional governments.
No compulsory commitment to implement CSM.	Empower municipalities that are not fully capable of delivering the CSM.	Provide technical assistance to municipalities so they are capable to program a budget for the CSM from the funds they receive from the IDH and improve their capacity to deliver the complementary schools meals.
No control system.	Implement a control system of the money spent, the quality of the products given to the students.	Develop alliances between parents, teachers, municipal representatives and local providers to improve the management and evaluation of the program.

Financing the scaling-up of programmes

The CSM programme has become a merit good¹⁸. It is an asset in favor of children and adolescents in the country, therefore it will be very difficult to abandon it. However, it should be strengthened in different aspects.

¹⁸ Merit goods are deemed to be socially desirable, and are likely to be under-produced and under-consumed through free market mechanisms. Some examples of merit goods include education, health care, welfare services, housing, fire protection, refuse collection and public parks.

The municipal governments are responsible for allocating the necessary funds for the implementation and administration of the programme. They also need to approve municipal norms for the CSM programme and involve more instances of social control, considering the participation of parents and the community in oversight committees and school boards.

The productivity of small producers and SMEs engaged in the delivery of local food should be improved. This can be achieved through various means, including by strengthening local and national value chains working with municipalities in the provision of the CSM programme. Best practices in developing countries should be embraced, through technical cooperation delivered at regional government level and/or the Federación de Asociaciones Municipales (FAM).

South-South cooperation mechanisms are essential to promote the exchange of knowledge among countries that are establishing national school feeding programmes. It should be seriously considered by all government instances to work closely with the WFP Excellence Centre Against Hunger in Brazil.

The vulnerability of the CSM programme in Bolivia derives from a financing scheme based on a highly unstable tax, like the Direct Tax on Hydrocarbons (IDH). The income that Bolivia receives from the sale of natural gas and oil is highly volatile, in fact, the range of taxes, royalties and revenue share is between 600 million dollars and 2.7 billion dollars¹⁹. We recommend considering the creation of a fund, to provide more financial stability to the programme²⁰.

Direct Taxes on Hydrocarbons in Bolivia are based on the revenue from gas exports, a non-renewable natural resource. With natural gas production and exports declining, the funding is seriously vulnerable to future developments in a highly unstable sector like hydrocarbons. A more stable source of financing through other taxes must be considered at the national level to provide more certainty to the programme. As a suggestion, at the municipal level, a specific environmental tax on the consumption of plastics or hard to recycle goods could be analyzed.

Under a more predictable funding horizon, the CSM programme could be more efficiently institutionalized among all municipalities.

Assuming an annual population growth rate of 1,4% and a 3% inflation rate, we can project the following variables regarding the CSM Programme: Budget expenditure, number of beneficiaries and estimated annual cost per student. The projections are summarized in the following table:

Table 4. Projections

¹⁹ Medinacelli Mauricio (2017), *“Impuesto Directo a los Hidrocarburos Origen, Destino y Usos”* La Paz, Bolivia

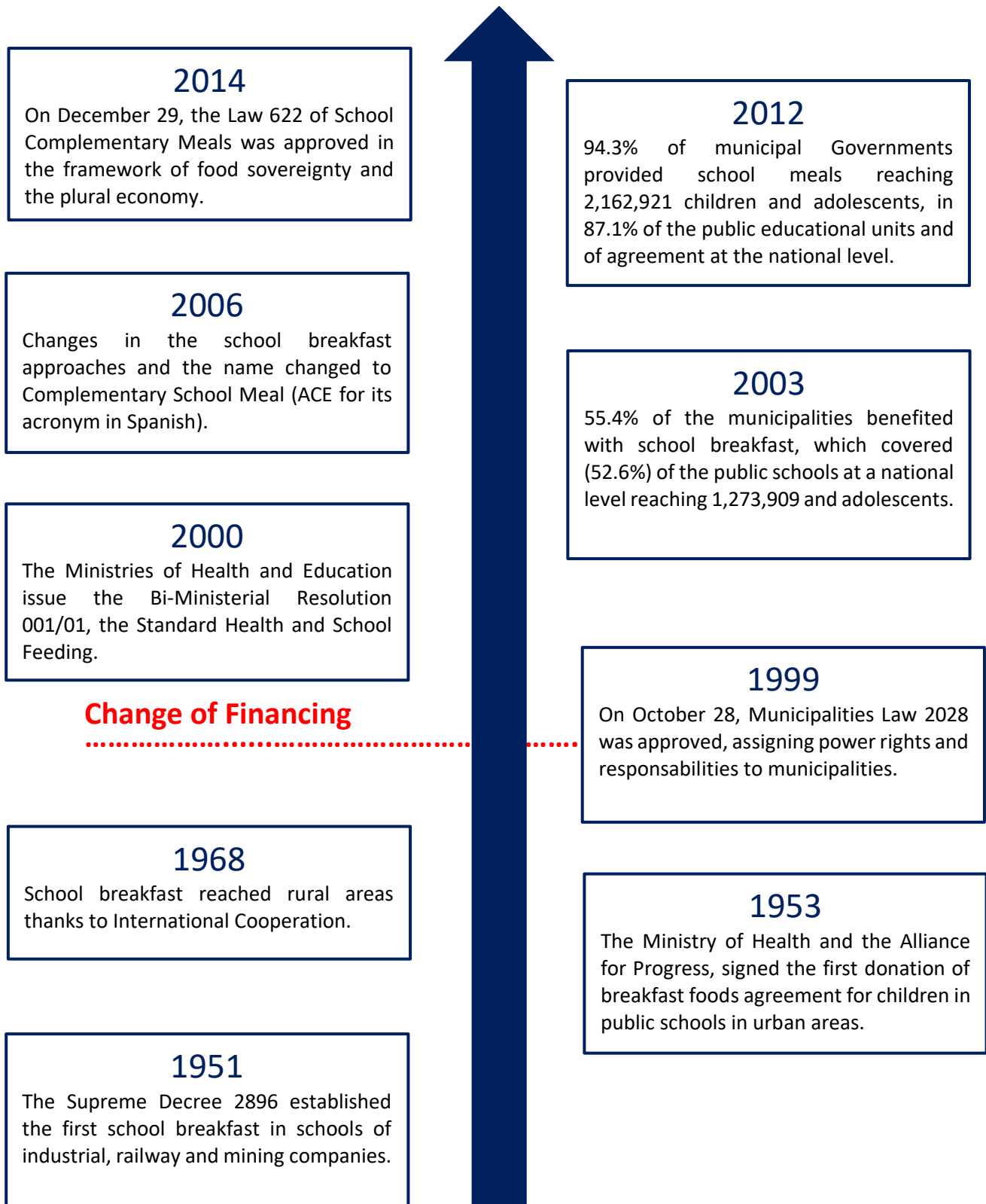
²⁰ The stabilization fund is a mechanism for setting aside money either for unforeseen needs or for capital projects. Such a fund is intended to equalize the budget expenditure in the CSM programme over time and to provide a rainy day fund for municipalities when required. Stabilization funds could enable municipalities to work under more certainty given the more stable budget. In difficult times, when financing from the collection of the IDH is below a predetermined level, municipalities could borrow from the fund and used it to finance budget expenditures in the CSM programme. Bolivia’s General National Treasury could contribute with a legally established percentage to the fund when the collection of IDH exceeds a determined amount, so that the fund increases in good times, but when IDH funding is reduced, municipalities would still be able to provide a stable budget for the CSM programme.

	2021	2022	2023	2024	2025
Budget expenditure in CSM (USD)	61.487.708	105.420.601	120.916.717	126.287.837	131.897.543
Number of beneficiaries with the CSM	2.249.849	2.281.347	2.313.286	2.345.672	2.378.511
Estimated annual cost of the CSM per student (US\$)	49,27	50,75	52,27	53,84	55,45

Developing a system in which all stakeholders can be involved (parents and teachers) with stronger oversight and coordination mechanisms would deliver a stronger and more sustainable programme. On this point, we recommend creating a training and awareness campaign on the benefits of healthy and natural food, as well as the benefits of living following an environmentally conscious diet.

Annexes

Annex 1. Historical Background²¹



²¹ World Food Programme (2017) "Análisis Costo – Beneficio Alimentación Complementaria Escolar de Bolivia (estudio de caso en 15 municipios)" La Paz, Bolivia

Annex 2. Testimony of Elena Ticona

Doña Elena Ticona lives in Ovejuyo, in the outskirts of the city of La Paz. She is mother of four children, three of them school-age, the youngest stays with her. “I am a single mom,” she says, “I get up early to work as a construction helper. My children go to school on their own. I never worried about preparing something for them to eat because I knew they would have some bread and milk, banana or yogurt at school. They would eat even better that I could provide them at home. Sometimes they would even bring their leftovers to my youngest daughter. I could only leave them daily 2 Bolivianos to buy themselves some bread. I did not have more to give. When the pandemic started, I really felt the absence of that meal. I could not work. I did not earn more money. Without school and my children at home, I felt they were hungry all the time.”

For Doña Elena, just like many poor families around the country, the school meals are vital to ensure her children have at least one healthy food a day.

Due to the Covid-19 outbreak, all schools closed since March, 2020. As a consequence, school meals stopped being provided. On September, 2020, parents demanded the government to provide a solution to the absence of school meals. The protests spread throughout most cities, roads were blocked and parents even clashed with police forces.

“We were driven to protest in the streets to demand the government to listen to us. Most of us have basic needs. Because of the pandemic, we lost our jobs and we could not feed our children. We thought that if there was money destined to school meals, it was fair that this funds would still go to them,” explains Susana Torres, a parent at school Santa Rosa de Lima from to the rural area of Palca in La Paz. Parents insisted that money for the meals should go directly to the students as a regular income.

All countries must guarantee the right to food to all their citizens. In Bolivia the *Alimentación Complementaria Escolar* (commonly known as “school breakfast”) not only helps to improve students’ nutrition and performance, but also aids to reduce school dropouts as well as increasing the family’s well-being. Parents demand that the financial funds be ensured to maintain and properly implement the schools feeding programme so such unexpected crisis will never affect the Bolivian households again.

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