Bolivia experienced unparalleled economic growth for more than a decade between 2002 and 2014, averaging annual GDP growth of 4.7 percent. During this period, the country slashed the percentage of people living in extreme poverty by more than half and managed to reduce the poverty rate in urban areas to 30 percent. Rapid urbanization allowed Bolivians to access better paid employment in a wider variety of sectors. In 2018, 70 percent of Bolivia’s population lived in cities, and that figure is expected to rise to 75 percent by 2025.

This rapid growth in the urban population has exacerbated common challenges of Bolivian cities such as the expansion of informal settlements and the exposure to natural hazards. Moreover, rapid urbanization has strained the capacity of local governments to provide basic services, including water, sanitation, health, and education.

In response to such challenges, the City Resilience Program (CRP) responded by providing an initial $300,000 grant aimed at increasing the government’s capacity to manage rapid urbanization, improve living conditions, and reduce exposure to natural hazards and climate change in La Paz and Santa Cruz. The grant also supported the appraisal of a national city resilience project and helped World Bank teams in the project identification stages, and the assessment of technical specifications and designs of intervention. On February 19, 2020, a $70 million credit from the International Development Association (IDA) was approved for the World Bank’s Bolivia Urban Resilience Project.

CRP support to Bolivian cities evolved into a deeper conversation between the World Bank and the Swiss State Secretariat for Economic Affairs (SECO) and unlocked an additional $4 million in financing which will provide critical capacity to ensure the sustainability and scale-up of investments under the Bolivia Urban Resilience Project.

In the meantime, the COVID-19 pandemic had severely affected local communities as well as their municipal governments’ technical and financial capacities. The CRP responded by providing an additional $115,000 grant to support the response and recovery efforts. With this grant, the team carried out technical assistance to the Bolivian government and municipal authorities to help them better respond to the pandemic. The team led a technical review of local emergency protocols and institutional capacities and brought its support to the Municipal Emergency Coordination Committee, alongside broader inputs to the municipalities’ efforts to plan for economic recovery and investigate key poverty and demographic trends in the city center that will impact investment planning and prioritization.

These critical activities ensured that La Paz and Santa Cruz had a fuller understanding of their capacity to respond to their populations’ needs in the context of COVID-19. It also demonstrated how these cities could best avoid the effects of compounding shocks on their most vulnerable populations and provide a strong economic recovery instead.

The CRP’s planning and financial tools help cities to plan for and mitigate adverse impacts of disasters and climate change, thus enabling them to save lives, reduce losses, and unlock economic and social potential. The aim of the program is to catalyze a shift toward longer term, more comprehensive multi-disciplinary packages of technical and financial services, building the pipeline for viable projects at the city level that, in turn, build resilience.

Learn more about the City Resilience Program.