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## FINAL REPORT

### DEMOCRATIC DEVELOPMENT AND CITIZEN PARTICIPATION PROJECT EVALUATION

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*Submitted to:*

**USAID/Bolivia**  
**Democratic Strategic Objective**  
**Project Number: 511-0634**



*Submitted by:*

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## TABLE OF CONTENTS

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<b>Acknowledgements</b> .....	iv
<b>Acronyms</b> .....	v
<b>Glossary</b> .....	vii
<b>Executive Summary</b> .....	ix
I.    Introduction .....	ix
II.   Key findings .....	x
A.   Major Achievements .....	x
B.   Lessons Learned .....	xi
C.   Issues for consideration -- Building on the successes of DDCP I and II and Creating a Bridge to DDCP III .....	xii
III.  Recommendations .....	xii
 <b>Democratic Development and Citizen Participation Project Evaluation</b> .....	1
 I.    Introduction .....	1
A.    Purpose of Evaluation .....	1
B.    Evaluation Methodology .....	3
C.    Project Objectives .....	3
 II.   Results achieved and DDCP Project Impact .....	5
A.    Program Level .....	5
1.    Democracy Strategic Objective: Increased Citizen Support for the Bolivian Democratic System .....	5
2.    Intermediate Result Number 3: "Local Municipal Governments Effectively respond to Citizens' Needs and Demands" .....	6
B.    Project Level .....	7
1.    Relevance and Effectiveness of Design, Management, and Implementation Activities Financed through USAID/B's Contribution to the Initial 20 Pilot Activities .....	7
C.    Program Management .....	10
1.    Has Program Management Assured that Program Activities have been implemented on Time, are of High Quality, and Contribute to SO and IR Objectives? .....	10
2.    Has there been Sufficient USAID Staff Involvement with Counterparts to Monitor Program Activities Adequately? .....	10
3.    Are Grantees and Project Beneficiaries Managing Their Activities Effectively? .....	10
4.    Are Funds Accounted for Properly? .....	11
5.    Are Issues of Long Term Sustainability being Addressed Adequately? .....	11

D.	Program Implementation.....	11
1.	What is the Quality and Effectiveness of Technical Assistance? ....	11
2.	What has been the role of Local Organizations? .....	12
3.	What is the Impact of the Political Context? .....	12
4.	What are the Lessons Learned? .....	13
5.	What is the Progress towards Achieving Results? .....	13
6.	What is the Role of Other Donors? .....	14
E.	Program Design .....	14
1.	Are the Initial Design Parameters and Objectives of the DDCP Still Valid and are they being applied Correctly? .....	14
2.	Has the Major Thrust of the DDCP been Correct? .....	15
3.	Should Alternative Approaches be Added? .....	15
4.	Are the Project Activities Consistent with the Project Objectives? ..	16
5.	What Activities Should be Added, Modified, Deleted and/or Continued? .....	16
III.	Overview of DDCP Phase III Strategy and Recommendations.....	17
A.	Why a Phase III?.....	17
B.	Strategic Focus Areas for Phase III .....	18
C.	Recommendations for DDCP Phase III .....	19
1.	Key General Recommendations for DDCP III .....	19
2.	Specific Recommendations .....	20
a.	Promoting Effectiveness and Sustainability.....	20
b.	Increasing Involvement of Citizens, including Women .....	21
c.	Promoting Economic Development.....	22
d.	Addressing Institutional, Financial and Legal Issues and Improving Management and Administration.....	22
e.	Strengthening the Voice of Citizens and Municipalities at the National Level.....	24
3.	Implementation Considerations .....	24
a.	Implementation Issues Observed in the Current DDCP Project.....	24
b.	Implementation Considerations for Phase III with Regard to Gender.....	25
4.	Special Studies .....	25

**ANNEXES**

<b>Annex A</b>	Summary of Overview Phases I and II .....	A-1
<b>Annex B</b>	Overview of FAM and ACOBOL .....	B-1
<b>Annex C</b>	Gender Assessment of DDCP Phases I and II and Gender Integration Strategy for Phase III .....	C-1
<b>Annex D</b>	Present Environment and Influences on Decentralization .....	D-1
<b>Annex E</b>	Recommendations: Present Environment and Influences on Decentralization.....	E-1

<b>Annex F</b>	Scope of Work.....	F-1
<b>Annex G</b>	Field Interview Questionnaire.....	G-1
<b>Annex H</b>	Criteria for Selection.....	H-1
<b>Annex I</b>	Bibliography.....	I-1
<b>Annex J</b>	La Paz Interview Schedule.....	J-1

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Lastly, the team would like to thank the DDCP staff for taking the time to be available for interviews, given their busy schedules. All were very cooperative and made a great effort to find all the documents and prepare statistical data at the request of the team members.

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## ACRONYMS<sup>1</sup>

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ACOBOL	<i>Asociación de Concejalas de Bolivia</i> (Association of Council Women of Bolivia)
CAF	<i>Corporación Andina de Fomento</i> (Andean Development Fund)
CDVs	<i>Comités de Vigilancia</i> (Citizen Oversight Committees)
COP	Chief of Party
CSO	Civil Society Organization
CT	Co-participation Funds (transfers from National Treasury to Municipality)
DEMOSOT	Democracy Strategic Objective Team
DDCP	<i>Desarrollo Democrático y Participación Ciudadana</i> (Democratic Development and Citizen Participation)
DFID	Department for International Development (the British Development Aid Agency)
DUF	<i>Directorio Unico de Fondos</i> (Centralized National Cooperation Funds Office)
EBRP	Bolivian Strategy For The Reduction Of Poverty
EDA	<i>Encuentro de Avance</i> (Municipal Level Meetings)
EDC	<i>Encuentros de Decisiones Concurrentes</i> (Meetings for Decision Making)
ENLARED	<i>En La Red</i> (USAID/B Financed International City and County Management Association Project to provide Municipal Govts. access to the World Wide Web, portals, Internet, etc.)
FAM	<i>Federación de Asociaciones de Municipios de Bolivia</i> (Federation of Municipal Associations)
FAP	Project Support Fund Administered By DDCP
FDSP	Fund for Social Development and Productivity
FMO	USAID Financial Management Office
FNDR	<i>Fondo Nacional de Desarrollo Regional</i> (National Fund for Regional Development)
FPS	<i>Fondo de Inversion Productivo y Social</i> (Productive and Social Investment Fund)
GOB	Government of Bolivia
GTZ	<i>Deutsche Gesellschaft fur Technische Zusammenarbeit</i> (German Development Agency)
HIPC	Highly Indebted Poor Countries
ICMA	International City and County Management Association
IDB	Inter-American Development Bank
INE	Instituto Nacional de Estadísticas (National Statistics Institute)
IR	Intermediate Result.
JCP	<i>Jovenes Contra la Pobreza</i> (Youth Against Poverty)
LOP	Life of Project
MAS	<i>Movimiento al Socialismo</i> (Socialist Movement Party)

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<sup>1</sup> Note: Spanish Acronyms in this list are translated into English.

MGMP	<i>Modelo de Gestión Municipal Participativa</i> (Model of Participative Municipal Management)
MM	Million
NGO	Non-Governmental Organization
OTB	<i>Organizaciones Territoriales de Base</i> (Base-level Territorial Organizations)
PACD	Project Assistance Completion Date
PDCR	<i>Proyecto de Desarrollo Comunitario Regional</i> (Regional Community Development Project)
PDM	<i>Plan de Desarrollo Municipal</i> (Municipal Development Plan)
PMP	Performance Monitoring Plan
POA	<i>Plan de Operaciones Annual</i> (Annual Operating Plan)
PPL	<i>Ley de Participación Popular</i> (Popular Participation Law)
PRF	<i>Plan de Readecuación Financiera</i> (Plan for Debt Restructuring)
QPR	Quarterly Progress Report
SOT	Strategic Objective Team
SUMI	Universal Mother/Child Health Insurance
TA	Technical Assistance
TCO	<i>Territorios Comunitarios de Origen</i> (Tax-exempt indigenous communities)
TGN	Tesoro General de la Nación (National Treasury)
USAID	United States Agency for International Development
WB	World Bank
VMG	<i>Vice Ministerio de Género</i> (Vice Minister of Gender)
VMPEPP	<i>Vice Ministerio de Planificación Estratégica y Participación Popular</i> (Strategic Planning and Popular Participation Vice Ministry)

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## GLOSSARY

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**Alcalde Municipal:** (Mayor) The Municipal Executive, together with the Concejo Municipal (Municipal Council), they form the municipal government.

**Comité de Vigilancia:** (Citizen Oversight Committee). The *Concejo de Vigilancia* is the controlling body of the municipality and is made of civil society representatives.

**Concejo Municipal:** (Municipal Council). It is the principal authority of the municipal government. It is a representative body, which deliberates, defines policies, and controls the municipal management.

**Concejales:** (Councilors) Member of the Municipal Council elected by popular vote, according to the Municipalities Law and to the Electoral Code.

**Coparticipación Tributaria Municipal:** (Municipal tax co-participation). Transfer of national resources in favor of the municipal governments. According to the *Ley de Participación Popular* (Law 1551), 20% of the national taxes have to be distributed through the banking system, based on population criteria. These resources are deposited in the municipal accounts on a daily basis.

**Cumbre:** Meetings that are part of the Model of Participative Municipal Management that the mayor, municipal council citizen oversight committee attend, for the purpose of reviewing the execution of the annual operating plan and budget, and conduct the planning and decision making process prioritization for next year's annual operating plan. There are three *cumbres* that are held during the following times of year year: a) *Cumbre 1* – August to October; b) *Cumbre 2* – November; and c) *Cumbre 3* – December.

**Encuentros de Avance (EDAs)** Each year there are two EDAs, one in January to February, and the other in March to June. These public municipal meetings are to provide to the public reports on municipal management, reports on the implementation of the annual operating plans, and reports on health and education activities.

**Encuentro de Decisiones Concurrentes (EDC):** There is one Meeting for Decision Making per year that is held between August and October. The mayors, city council, citizen oversight committee members, prefects, departmental counselors, meet with their respective congressional *uninominal* for the purpose of discussing municipal issues, priorities, strategies, procedures, and actions that the municipal authorities, departmental authorities, and the *uninominal* all commit to implement for municipal and regional demands and projects.

**FAP:** Project support fund administered by the DDCP. As such, it represents a very important financial grant mechanism for DDCP to fund a wide range of activities that support the Strategic Objectives of the Project.

**HIPC II resources** these resources come from the debt alleviation approved by Law No. 2235 (*Ley Del Dialogo*). They are destined to finance programs, projects and public investment activities of municipalities. Before 20% of these resources are for the quality improvement of the education services and 10% are assigned for the quality improvement of the healthcare sector.

The remaining 70% are assigned for social and productive infrastructure projects. These resources are distributed according to poverty criteria in each municipality. The eligibility criteria for receiving these resources are defined in the *Ley del Dialogo*.

***Mancomunidad:*** Is the voluntary association of two or more municipalities, whose purpose is to coordinate joint actions of mutual interest and benefit for the socio-economic development of the member municipalities. The *mancomunidades* can be organized for different types of activities: developing infrastructure, managing natural resources: economic, tourism, environmental, etc. A single municipality can be a part of two or more mancomunidades simultaneously.

***Organizaciones Territoriales de Base (OTBs):*** These are the Base-Level Territorial Organizations from which the citizen oversight committee members are elected to represent the interests of community members in municipal affairs to ensure transparency and good management.

***Prefet:*** Politically appointed regional governor.

***Resources from the Fondo de Inversion Productivo y Social (FPS):*** These resources come from international cooperation agencies, multilateral organisms, foreign governments, in contrast to HIPC II resources. The non-refundable funds are transferred to the municipalities through the *Fondo de Inversión Productiva y Social (FPS)* for public investment projects..

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## EXECUTIVE SUMMARY

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### I. INTRODUCTION

From October 27 to November 22, 2002, a consulting team comprised of five persons evaluated the Democratic Development and Citizen Participation (DDCP) Project from its original conceptual plan and project design in 1994 and 1995, to the present time. The DDCP, during the entire life of the Project, is being managed and implemented by Chemonics International. The team also conducted an overall assessment of issues concerning the municipal sector in Bolivia. The experts on the team included a Senior Policy Analyst who also served as the team leader; a Gender Specialist, two Municipal Financial Specialists; and a Decentralization Specialist.

The Statement of Work identified four main components as the focus of the evaluation: Program level; Project Level; Program Management; and Program Implementation. The main Objectives of the DDCP, as defined in the original Project Paper approved in January 1996, were to:

- ▶ Strengthen citizen participation in municipal and national government; and
- ▶ Strengthen the ability of municipal governments, national and departmental electoral institutions and the national congress to respond effectively to the demands resulting from strengthened participation.

The primary purposes of the evaluation were to:

- ▶ Review the original DDCP project design and objectives to determine if they were still relevant and applicable to a possible future Phase III.
- ▶ Assess progress toward planned results and the extent to which DDCP has been able to achieve the Democracy SO: "Increased Citizen Support for the Bolivia Democratic System", and IR Number 3: "Local municipal governments effectively respond to citizen needs and demands".
- ▶ Assess the extent to which the DDCP has contributed to municipal strengthening.
- ▶ Systematically and objectively document and identify the impact of the DDCP project on GOB's decentralization efforts, through increasing citizen participation at the local level, and by improving the delivery, timeliness, and quality of services by the municipalities to its constituents.
- ▶ Determine the extent to which gender issues have been addressed and the impact in reducing gender disparities have been achieved by the project during the period of Phase II, from January 1, 2001 to September 31, 2003.
- ▶ Identify lessons learned, best practices, and areas for improvement for the purpose of developing recommendations for the possible DDCP Phase III activity.
- ▶ Assess the extent to which program activities have and are contributing to mission objectives in support of democracy.

The DDCP evaluation utilized a series of systematic evaluation methods to ensure that the evaluation was objective and participatory. A work plan, list of interview questions, and criteria for selecting representative municipalities to visit, were all prepared and reviewed with the USAID/B DEMOSOT during the first week.

The team reviewed background materials and project documents provided by USAID and DDCP, and conducted interviews with USAID and DDCP staff. The team interviewed current and former GOB officials, representatives from DDCP's national level partners, namely, *Federación de Asociaciones de Municipios de Bolivia* (FAM), and, *Asociación de Concejalas de Bolivia* (ACOBOL); and staff from other donor projects. Field visits to Oruro, Cochabamba, and Santa Cruz were undertaken to interview staff from departmental associations, *mancomunidades* (voluntary associations of municipalities), municipalities, citizen representatives participating in municipal oversight committees, and several key informants in these departments.

## II. KEY FINDINGS

### A. MAJOR ACHIEVEMENTS

- ▶ The project has promoted and popularized citizen participation in democratic processes, in support of the Government's 1994 proclamation of the Popular Participation Law, through the creation of Citizen Oversight Committees and Base-Level Territorial Organizations.
- ▶ The DDCP methodology and approach has gained widespread legitimacy at different levels: grassroots, municipal, departmental, and national.
- ▶ The participatory methodology and approach of the project for strengthening and extending decentralization to the grassroots level has been well accepted and adopted by the Government of Bolivia as policy, and by different donor organizations as a part of their strategy for working with municipalities.
- ▶ The project developed the Model of Participative Municipal Management, through working with 20 municipalities initially; the approach is replicable, with some modifications, on a nationwide basis.
- ▶ The DDCP has supported and strengthened Associations of Municipalities and *mancomunidades*, at the departmental level, and these are now replicating the Model in 171 municipalities.
- ▶ The project provides managerial training (integrated accounting, inventory control, budgeting) and technical assistance (soil conservation, improved farming, sanitation, irrigation systems, road construction, etc.) for municipal authorities to improve efficiencies in implementing and managing infrastructure projects, as well as providing other services to the local citizenry.
- ▶ The integration of gender issues into the overall project methodology and approach has begun.
- ▶ DDCP has been instrumental in the creation and support of two national level organizations: the Federation of Municipal Associations (FAM) and the Association of Council Women of Bolivia (ACOBOL), who serve as representatives and advocates of associations of municipalities and represent women in all aspects of governance.

- ▶ The Project Support Fund has proven to be a valuable resource in supporting and strengthening FAM, ACOBOL, Associations, and *mancomunidades* toward self sustainable goals to provide services, representation, technical assistance, and consulting services to municipalities and ultimately to local constituents.
- ▶ The project has demonstrated that it is possible to develop a “bottom-up” participatory decentralization activity, even when the policy and laws were “top-down” national level initiatives.
- ▶ The project has instilled in the citizenry and the municipal authorities who were trained (29,000) a sense of common responsibility, ownership, and participation in the governance of municipal affairs.

## B. LESSONS LEARNED

- ▶ The MGMP model was successful because the DDCP staff understood that popular participation in developing the model was essential, and they generated interest, responsibility, and ownership from the participants.
- ▶ With the first 20 communities, from 1996 to approximately 1999, the participative model was carefully designed as a learning process and was flexible enough to continue evolving and changing, based on experiences with the participants in its application.
- ▶ A centralized model for implementing a decentralized project was appropriate for the DDCP. This allowed for the creation of a “think tank” of highly experienced and knowledgeable staff at the national level, who developed the model as a group effort through experimentation, trial, and error.
- ▶ DDCP also correctly understood that, in addition to building the capacity of associations and *mancomunidad* at the departmental level, there was also a need to support the representation of associations, *mancomunidad*, and municipal interests at the national level, through the creation of the FAM and ACOBOL.
- ▶ The achievement of DDCP objectives would have been greatly facilitated, if the gender integration process undertaken in Phase II, had been incorporated in the project from the beginning.
- ▶ Working at the legislative level with the *uninominales* has been a slower process, partly due to reasons beyond DDCP’s control. The role and responsibilities of the *uninominales* require better definition, recognition, and support from the congress and the executive branch of government. Until this happens, only limited successes will be possible in encouraging *uninominales* to effectively respond to constituents’ demands and needs, as the *uninominales* have little power and resources within the National Congress.

**C. ISSUES FOR CONSIDERATION; BUILDING ON THE SUCCESSES OF DDCP I AND II AND CREATING A BRIDGE TO DDCP III**

- ▶ An important short-term issue concerns developing strategies that assure a smooth transition to DDCP III.
- ▶ During field visits and interviews with the association and *mancomunidades* staff in the same municipal department, we learned that there was a duplication of services among these organizations in the provision of technical assistance, training on the model, and consultations.
- ▶ It was difficult to measure the sustainability, effectiveness, financial health of the municipalities, and the impact in quantitative terms during the evaluation. To the knowledge of the evaluation team, no baseline information was available against which to measure progress toward these important criteria for the DDCP. Future efforts should involve the development of baseline data.
- ▶ The type of contract mechanism will be very important for Phase III. It will be especially important to involve local organizations, so that they can eventually assume the functions and responsibilities of the DDCP.
- ▶ During the evaluation, it was apparent that the present laws supporting decentralization and citizen participation are often confusing and contradictory. Until some of these laws and decrees are revised and refined to be more coherent and mutually reinforcing, the enabling environment (political, legal, inter-governmental) will affect how much progress DDCP III will be able to make in furthering democratic processes, good governance, and decentralization.

**III. RECOMMENDATIONS**

1. It is recommended that DDCP be extended for a Phase III. In general it should use the same approach as Phase II with changes made to account for the larger number of communities, the different needs of the communities and with more emphasis on gender.
2. The DEMOSOT should develop a short-term strategy for the next extension of DDCP that will start in February 2003, to serve as a bridge or to smooth the process to transition from Phase II to Phase III. This strategy should be included in the SOW Objectives for the next extension and should include a survey of at least a sample of the present 171 municipalities, associations, and *mancomunidades*---concerning their strengths, weaknesses, and recommendations for specific follow-on activities. Properly designed, the survey could serve as a baseline. A similar analysis should be prepared for FAM and ACOBOL.
3. DDCP III should address project sustainability and design as part of a medium-term exit strategy. Part of the strategy should be for FAM and the municipal associations to take ownership of the model so they can continue to support municipalities in training and technical assistance activities. The dependence of associations and *mancomunidades* on DDCP support should gradually decrease, and be replaced with municipal contributions

and fees from training, consulting services, etc. ACOBOL should also be assisted to become self-sustaining (see Annex J for details). As part of this effort, DDCP should also explore a working relationship with one or more of the GOB municipal outreach programs, such as *Jovenes Contra la Pobreza* (JCP).

4. An effective monitoring and oversight system should be established at the start of Phase III, based on the identification of the results expected. Results-oriented and quantifiable indicators should be established, and staff should be able to collect and analyze data, disaggregated by sex and other variables as necessary, in order to monitor the impact on all population groups. Baseline information will have to be developed and collected, so as to have a benchmark against which to measure progress. Effective supervisory, oversight and feedback procedures should be established for all activity areas, to ensure the quality as well as the quantity of the activities undertaken and the results achieved.
5. In developing Phase III of the DDCP, care should be taken to further explore and review the functioning and results to-date of the existing Model of Participative Municipal Management, to ensure that it is effective and realistic, and to determine whether it requires any modifications. No analysis of the effectiveness of *Encuentro de Decisiones Concurrentes* (EDC), that brings together citizens, municipal staff, associations, and prefectural staff with their *uninominal* representative, has been undertaken. The impact and results of the EDCs require further review and scrutiny.
6. The DDCP should continue to provide institutional, financial and advisory support to the departmental associations, *mancomunidades*, ACOBOL and FAM to help them achieve sustainability. Based on the team's short-term research, it is clear that these organizations have significant potential to further the collective interests of municipal actors (nationally and regionally).
7. The DDCP grant fund (FAP) should be maintained and used for different purposes, such as for assistance to FAM, associations, municipalities, ACOBOL, or other entities involved in the decentralization process. This fund could also be used to support some necessary studies and activities related to municipal development.
8. DDCP activities should promote the participation of all economic sectors in participatory planning events. These groups may include departmental construction and industrial chambers, producer associations, rural associations, women's organizations, cooperatives, peasant unions, and other entities related to productive activities.
9. The best and simplest strategy for Phase III is to keep the project focused on participatory approaches and methodologies, whereby the beneficiaries are actively involved in, and take the responsibility for participation in municipal governance; a vertical approach from the citizens all the way to the national level should remain a core activity. A sustainability strategy should be an explicit part of Phase III. So should development of a system to measure progress, and impact in a more quantifiable manner.

DEMOSOT has developed a very solid base, has a well known and accepted methodology and approach that was developed by DDCP I and II, and has a solid foundation on which Phase III can be launched. There are key decisions which must however be made on both the strategic and

tactical levels. The major ones are noted here. Section III.C. and Annexes C, D, and E provide a comprehensive discussion.

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# DEMOCRATIC DEVELOPMENT AND CITIZEN PARTICIPATION PROJECT EVALUATION

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## I. INTRODUCTION

The Government of Bolivia (GOB) enacted the Popular Participation Law (PPL), Law 1551, on April 20, 1994. This law introduced broad and substantial changes which decentralized many of the national government's responsibilities to the municipal level. It also mandated the active involvement of the local citizenry in municipal affairs. The PPL included several very important components:

- ▶ The creation of 311 municipalities;
- ▶ The provision of legal status to local community organizations to actively participate in municipal affairs through the creation of citizen vigilance committees. These committees were given the authority to provide fiscal oversight over receipt, spending and reporting on municipal level funds. The committees were also created as a mechanism to channel citizen demands to the municipal authorities; and
- ▶ The provision for transfer from the national treasury of 20% of the national budget to the municipalities, as co-participation funds.

The impact of the introduction of the Popular Participation Law was wide ranging and legitimized the participation of the local citizenry in political, economic, and social affairs of government at all levels: local, municipal, departmental, and national.

In 1994 and 1995, the Democracy Strategic Objective (DEMOSOT) team viewed the implementation of the PPL and of the Constitutional Reforms as a significant change in the enabling environment that mandated the integration of civil society and the State. These changes provided an excellent opportunity for USAID/B to support the Government of Bolivia (GOB) in decentralizing governmental affairs at all levels, through the creation of the Democratic Development and Citizen Participation (DDCP) Project. This report evaluates that effort.

For a detailed description of the municipal Decentralization environment, please see Annex D.

### A. PURPOSE OF EVALUATION

On October 27, 2002, Development Associates Incorporated was commissioned by USAID/Bolivia to undertake an evaluation of the DDCP project from its original conceptual plan and project design in 1994 to the present, under what is known as Phase II. A team of five persons was mobilized and deployed for this purpose.\*

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\* The Team members were comprised of four independent consultants (James Bell, Team Leader, Patricia Martín, Gender Specialist; Juan Carlos Navarro, Financial Specialist; and Diego Ayo, Decentralization Specialist, all representing Development Associates Inc.) and Elizabeth Bauch, Municipal Finance Advisor and a member of the USAID/B DEMOSOT Unit.

The DDCP has been implemented and managed by Chemonics International Incorporated, from January 1996 until the present.\* The Statement of Work (SOW) that was prepared for the Evaluation Team identified four major components to be the focus of the evaluation: Program Level, Project Level, Program Management, and Program Implementation (see Annex F). A brief summary and overview of Phases I and II is provided in Annex A.

The purpose of the evaluation was to:

- ▶ Review the original DDCP project design and objectives, in order to determine if they were still relevant and applicable to a possible future Phase III.
- ▶ Assess progress toward planned results and the extent to which DDCP has been able to achieve the Democracy SO, "Increased Citizen Support for the Bolivia Democratic System" and IR Number 3: "Local municipal governments effectively respond to citizen needs and demands".
- ▶ Assess the extent to which the DDCP has contributed to municipal strengthening.
- ▶ Systematically and objectively document and identify the impact of the DDCP project on GOB's decentralization efforts, through increasing citizen participation at the local level, and by improving the delivery, timeliness, and the quality of services provided by the municipalities to their constituents.
- ▶ Determine the extent to which gender issues have been addressed and the impact on reducing gender disparities, which have been achieved by the project during the period of Phase II, from January 1, 2001 to September January 31, 2003.
- ▶ Identify lessons learned, best practices, and areas for improvement, for the purpose of developing recommendations for the possible DDCP Phase III activity.
- ▶ Assess the extent to which program activities have and are contributing to mission objectives in support of democracy.

The evaluation was appropriate and timely for a number of reasons:

- ▶ This evaluation was planned in the original and official DDCP project documents, including the 1995 government to government bilateral agreement.
- ▶ In August 2002, Gonzalo Sanchez de Lozada was elected back to the Presidency. President Sanchez' new government has re-affirmed their commitment to a policy of decentralization, and their desire for an on-going and continuing partnership with the U.S. government to fulfill this objective.

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\* Strategic International Development (SID), was an original member of the Chemonics consortium and provided the Operations Director to the DDCP from 1996 to 1998. The International Foundation for Electoral Systems (IFES), also an original member of the Chemonics consortium, implemented the legislative component from 1996 until 2000.

- ▶ These same elections resulted in a congressional turnover of 77%, or the election of 121 new members of the previous 157 members of congress. The Socialist Movement (MAS) Party won an unpredicted and unprecedented number, or, 22% of congressional seats. The impact of such a high turnover among the legislators, particularly with the electoral gain of the MAS Party (mostly comprised of indigenous groups), has changed the traditional balance of political power within congress and the executive branch. It has also resulted in the loss of valuable institutional memory at the congressional level.
- ▶ A new Democracy Strategic Objective Team (DEMOSOT) Team Leader and DEMOSOT Municipal Finance Advisor have recently been appointed and have undertaken their responsibilities at the Mission.
- ▶ The country is experiencing an economic crisis, with the poorest segments of the population being hit the hardest. According to the SOW, indigenous and other marginalized groups have been identified as direct potential, direct beneficiaries of the proposed DDCP Phase III activities.

## **B. EVALUATION METHODOLOGY**

The evaluation team developed a systematic methodology and work plan to ensure that the evaluation was thorough, objective, and participative to the extent possible. The team conducted a desk study of relevant USAID and DDCP documents, as well as of documents and statistics gathered during the course of the interviews with key informants, and through governmental departments of finance and administration. (See Annexes I and J)

The team developed a work plan that identified the procedures and methods that would be followed in conducting the evaluation. A series of field visits to the Departments of Oruro, Cochabamba, and Santa Cruz were undertaken to interview mayors, city council members, oversight committee members, prominent local figures, and association and mancomunidad staff. The Site visits conformed to the established selection criteria that the team had developed, so as to ensure a wide variety and random sample of municipalities to visit. (See Annex H)

The Team also developed a set of questions for the field interviews that covered issues such as: historical and general information; assessment of accomplishments; areas that required further strengthening; gender; financial; managerial; recommendations for future interventions, and the level of participation of the local population in municipal affairs. (See Annex G)

Overall the team reviewed over 50 documents and conducted over 100 interviews in 10 communities. (See Annex I & J)

## **C. PROJECT OBJECTIVES**

### *Phase I*

The Objectives as defined in the original Project Paper, approved in January 1996 were to:

- ▶ Strengthen citizen participation in municipal and national government; and

- ▶ To strengthen the ability of municipal governments, national and departmental electoral institutions and the national congress to respond effectively to the demands resulting from strengthened participation”.

In order to accomplish these objectives, the implementation strategy grouped the activities into three mutually reinforcing components:

- ▶ Municipal governance;
- ▶ Effective citizenship; and
- ▶ Representative congress.

Gender is mentioned as an issue only in the area of voter registration and voting. The Project Paper states that the majority of non-registered, eligible voters are poor, indigenous females from rural areas.

## *Phase II*

According to the SOW, the objectives of Phase II for the 21-month period of January 1, 2001 to September 30, 2002 were to:

- ▶ Build associations’ institutional training, service delivery and advocacy capacities;
- ▶ Replicate DDCP’s best practices;
- ▶ Continue to support the formation of *Mancomunidades* to achieve successful inter-municipal cooperation, in order to deliver services and to carry out local economic development projects;
- ▶ Expand support to the Association of Councilwomen of Bolivia (ACOBOL) to train, support and advocate for greater women empowerment and participation in local government;
- ▶ Provide support to USAID SOTs and donor coordination mechanisms, including follow-up of the National Dialogue; and
- ▶ Help the incoming GOB administration develop its own decentralization policy and transition plan.

In this SOW, USAID/B removed Specific Objectives Nos. 1 and 2 that stated: “Support the *uninominal* representation reform, since these will be part of a separate results package”. The new objectives also designated “DDCP as a key resource to other USAID/B SO Teams, which have increasingly placed municipal governments as the center of their respective strategies”. In addition, the SOW required that DDCP adapt its methodologies and best practices to include one or two large (over 50,000 in population) municipalities and to municipal associations. USAID/B also revamped the SOW to align it with current performance based contracting models, and with current contract administration practices.

For the period of September 30, 2002 to January 31, 2003, four objectives were identified in the contractor's SOW:

- ▶ To make Civil Society participation in local governments in DDCP municipalities and regional institutions more effective.
- ▶ To assure that DDCP municipalities are increasingly capable of professional, effective and transparent management, as well as sustainable financing.
- ▶ To assist municipalities to more effectively participate in and influence policy decisions concerning decentralization and citizen participation.
- ▶ To coordinate activities with all USAID/Bolivia Strategic Objective Teams and with the Food Security Unit and provide support to the donor coordination pillar mechanism.

A more detailed discussion of Phase I and II is presented in Annex A.

## **II. RESULTS ACHIEVED AND DDCP PROJECT IMPACT**

In this section, the team addresses the various elements in the Scope of Work (SOW). For each level of the project and the basic design, major findings are presented relative to the SOW. More detailed information or analyses are presented in various Annexes.

### **A. PROGRAM LEVEL**

#### **1. *Democracy Strategic Objective: Increased Citizen Support for the Bolivian Democratic System***

One of the most significant achievements of the DDCP is that it has gained widespread legitimacy, acceptance and recognition for increasing citizen support for the Bolivian Democratic system at different levels: community; municipal; departmental; and national (governmental, legislative, and executive).

DDCP developed the *Modelo de Gestión Municipal Participativa (MGMP)*, by working with 20 municipalities (often referred to as municipal schools) from 1996 to 1999. The MGMP is a comprehensive participative methodology that focuses on:

- ▶ Local citizen participation in municipal affairs; and,
- ▶ Municipalities, in turn, being responsive to citizen demands.

M. Seligson in his "Political Culture of Democracy in Bolivia" Study, identified that there was a 24.1% rate of citizen participation in DDCP supported municipal meetings, as compared to 14.8% in non-DDCP municipal meetings during the period 1998 - 2000.

The original MGMP was not gender-sensitive (implementation of the gender effort has just begun), thus contributing to a substantial gender gap in women's participation, which averaged only about 15% in municipal planning meetings. Based on data from the communities in which the gender-sensitive MGMP was validated, it appears likely that women's participation will

increase, contributing to the objectives of more effective citizen participation, more effective municipal response to needs, and greater support for democracy. It is also clear from the Seligson studies, as well as from the team's field visits, that women are perceived as, and perceive themselves to be less knowledgeable and less certain of their rights and abilities to participate in the municipal planning process; this attitude together with discriminatory attitudes by men, not only impedes women's ability to participate in planning, but is likely to create dissatisfaction with the democratic process. See Annex C for a systematic assessment of gender in DDCP.

At the departmental level, DDCP has expanded the replication and diffusion of the MGMP model, through its support and provision of capacity building activities to municipal associations and to *mancomunidades*. Specifically DDCP has replicated the model in an additional 175 municipalities and also provided technical assistance and consultations at the municipal level, based on citizen priorities.

DDCP has channeled local citizen and municipal demands through the municipal departmental associations. The associations, in turn, bring the concerns, issues and demands to the national level, through the *Federación de Asociaciones Municipales* (FAM) which was created in 1999 with assistance from DDCP. FAM's primary responsibilities are to serve citizens, municipalities, and associations as their spokesperson, lobbyist, and "watchdog" on important issues, political events, laws, etc., with the executive, legislative, ministerial, and to a limited extent, with the judicial branches of government. DDCP was also instrumental in creating the Association of Council Women of Bolivia (ACOBOL) that represents and assists in organizing councilwomen and women mayors from all over Bolivia. (See Annex B for more details)

The MGMP model, modified to incorporate a gender focus, has been made official policy by the Ministry of Sustainable Development and Planning, through Ministerial Resolution No. 130, dated June 27, 2002. This resolution also adopted the gender-sensitive participatory municipal planning model (MGMP) as an institutional strengthening policy for municipal governments and civil society.

## **2. *Intermediate Result Number 3: "Local Municipal Governments Effectively respond to Citizen's Needs and Demands"***

There is some evidence that the local municipal governments have responded to citizens' needs and demands, but this evidence does not directly provide the key quantitative indicators that are necessary to fully substantiate effective and efficient responses to citizens' needs and demands. Further, the word "effectively" requires precise definition to enable the measure of results achieved within the parameters of the definition. However, some data can be presented and inferences made.

According to DDCP project files for the year 2000, only 12.39% of the municipalities did not present their annual operating plans on time, as opposed to the 23.88% national average for non-DDCP municipalities in the same category. From this information, it is reasonable to assume that the DDCP municipalities are better organized and use participative methodologies by incorporating citizens' needs and demands in preparing these documents on time. According to the DDCP's Quarterly Report for the period of April to June 2000, 80% of the base level Territorial Organizations (OTBs) participated in the municipal planning activities. The Seligson

Democratic Values Survey for the year 2000 also indicates that in DDCP municipalities for the period of 1998 to 2000, the mean percentage of demand making on municipal government was 22.9%, as opposed to 17.3% for non DDCP municipalities. Although the study did not define "demand making", it appears to refer to municipal services, infrastructure, better health care and education, and technical assistance.

All of the above statistics measure citizen participation in municipal affairs, presumably because they are receiving some type of benefits. But exactly what are the benefits? The information is general and does not directly measure how effective the municipal governments are in meeting citizen needs and demands. While it is plausible to assume that there have been improvements in the municipalities effectively responding to citizen demands based upon the above, no direct quantitative data were found to support this.

## **B. PROJECT LEVEL**

### ***1. Relevance and Effectiveness of Design, Management, and Implementation Activities Financed through USAID/B's Contribution to the Initial 20 Pilot Activities***

The relevance of the design, management, and implementation activities, as measured by conformance with the established DDCP objectives were, for the most part, met in the first 20 pilot communities.

In 1996 when the project started, it was decided by USAID/B and by DDCP staff to work in 20 rural municipalities, with a population of over 5,000 inhabitants, during the first few years (1996 to 1999) of the project. The reason for working with rural municipalities was to avoid many of the political, financial, and transparency problems that were endemic and institutionalized in many of the larger municipalities.

DDCP also decided to operate from a national office, instead of establishing branch offices in the different departments. This proved to be a wise strategy, as it created an environment for the debate, discussion, planning and the development of strategies for the implementation of project activities by a highly professional and qualified staff. The DDCP hired highly qualified professionals from a wide variety of disciplines (accountant, lawyer, political scientist, sociologist, and public administrator), who had previously occupied high positions in government or were from the private sector.

Based on good design, management, and implementation activities, the main achievements in this first phase of working with the 20 pilot municipalities were:

- ▶ Integrating citizens into a culture of active ownership and participation (through the organization of OTBs) in municipal affairs, that included their listing demands and prioritizing them in the annual operating plans, and the development of citizen oversight committees to ensure transparency and efficient governance;
- ▶ Working with and providing training and technical assistance in the principles of democratic governance to municipal officials -- mainly to mayors and to municipal councils -- whereby they would be held accountable to the citizenry for the prioritizing of local demands, delivery of services, and efficient transparent governance;

- ▶ Beginning to provide management training to municipal authorities and skill training to municipal line staff in accounting, information systems, controlling goods and services; preparing budgets, and controlling and accounting for expenses; and
- ▶ Developing and validating the MGMP model.

However, there are three objectives, described below, that were not fully met:

**a. Lack of True Representation from all Segments of the Municipality**

In studying the model, there remain questions as to how participatory it is. The participative municipal management cycle (or MGMB model) includes the following meetings of the Mayor, Municipal Council, and Citizens Oversight Committee, and local citizens interested in municipal affairs:

1. January/February: EDA 1
2. March to June: EDA 2
3. August to October: EDC and *Cumbre 1*
4. November: *Cumbre 2*
5. December: *Cumbre 3*

The above meetings are normally scheduled as one to two day activities. Municipalities are comprised of many separate communities, and some are long distances (from 1 to 2 days' travel) from the seat of the municipality; it is questionable whether inhabitants of some of the distant communities could actually attend all (or even some) of the above meetings, as members of the oversight committees. There is also the question of whether persons on the oversight committees who, either live far away or closer, can afford the time to attend all of the meetings listed above, due to responsibilities of farm or work, or due to sickness in the family, etc.. In all fairness to the DDCP, the long distances that some people have to travel to participate in the meetings are unquestionably prohibitive and not possible. The number, location and timing of meetings may impose a particular burden on women, who usually are less able to take time from domestic, productive and childcare responsibilities to attend meetings. (See Annex D for more detailed discussion)

**b. Lack of the Incorporation of Women in Municipal Activities**

Strategies to include women in municipal activities were notably absent in the original objectives of the Model of Participative Municipal Management (MGMP). (See Annex C for a more detailed Gender discussion)

**c. The Project Support Fund (FAP)**

In the first phase, from May 1997 until approximately late 1999, \$1.5 million was spent by the Project Support Fund (FAP) to support 131 projects. Of the \$1.5 million allocated, 83% of all funds were allocated to local/national NGOs, as a mechanism for strengthening municipal governance. The activities that were funded included but were not limited to: voter registration; training adults on the concepts of participative democracy; preparing municipal development

plans; training on the equality of women in the democratic process; planning municipal activities based on prioritizing citizen demands etc..

Although no written documentation exists to the knowledge of the evaluation team -- according to conversations with the present COP for DDCP, the USAID CTO and the DDCP COP at that time decided that the FAP would be targeted to municipalities that were completely outside of the DDCP working area—with the exception of 5 projects. It appears that the effectiveness of the DDCP may have been diluted, as a result of its not having had access to the Project Support Fund for the funding of activities involving all of the first 20 municipalities.

This first phase of the FAP was evaluated by a USAID/B intern. It is understood from the DDCP COP that this evaluation of the FAP program was positive and met its objectives.

In order to verify and validate the documents, reports and financial records from the 131 projects, the evaluation team obtained a list of all the projects and randomly selected four projects to review the documentation. DDCP made available the files on all four projects. The information in the archives for each project was complete, and included the proposal for the activity to be funded, progress and final end of project status reports, as well as financial records. The team also reviewed the computerized financial records for the projects, and this information was also complete and in order.

## 2. *Subsequent Municipalities which have Received DDCP Support to Date*

According to project documents, there are approximately 171 municipalities that are receiving DDCP support, mostly through the replication of the MGMP model by the departmental associations and *mancomunidades*. In order to support the associations and *mancomunidades* in replicating the model, DDCP began providing funding assistance in 1999 to build the capacity and strengthen the associations' and *mancomunidades*' ability to provide training, technical assistance, and consulting services to member municipalities connected with their organizations.

The funding assistance, through the FAP, included stipulations that the associations and *mancomunidades* had to match these funds, as a part of DDCP's strategy to initiate the process of the future sustainability. These associative organizations are required to generate either 20% (first year beneficiaries), or 40% (second year beneficiaries) of their recurrent costs, through either municipal affiliation fees and/or through the sale of services.

At the same time that the model was being developed and tested in the 20 municipalities during 1996 to 1999, the DDCP staffs were also working on completing the preparation of a comprehensive series of training materials based on the previous experience with the first 20 municipalities.

Over the past two years, the MGMP training materials and other documents have been revised to comprehensively include gender specific issues and instruments. With the completion of these materials, gender is now included as an essential part of the process and methodology. Annex C contains more detailed information on gender-related activities and results.

The model provides guidance and training for the municipal council, mayor, citizen oversight committees, and OTBs concerning their respective responsibilities and duties in ensuring the

appropriate management of affairs at the municipal level. This is done by planning and sequencing participatory activities (EDAs, meetings, EDCs, etc.) in conformity with the national budgetary cycles, project planning and submission, and fund transfers.

### C. PROGRAM MANAGEMENT

#### 1. *Has Program Management Assured that Program Activities have been implemented on Time, are of High Quality, and Contribute to SO and IR Objectives?*

Over the past 7 years of the project, there have been a number of management changes at USAID/B DEMOSOT that have affected DDCP, due primarily to the completion of tours. This has resulted in changes of perspectives, emphasis, and different management styles and also in the loss of institutional memory and perspective.

The Project Paper that was completed in early 1996 programmed an evaluation of the DDCP activity for 1997. There was no evidence that this evaluation ever took place.

According to the DDCP COP, the Quarterly Progress Reports (QPRs) that DDCP has been submitting over the years to the DEMOSOT team, have never resulted in responses, comments, or suggestions for changes or improvements. However, there is little detail in the reports on which to comment and no evidence of actions were found.

The two extensions for Phase II have impacted on the performance and results of the project. Although the extensions of the DDCP were ultimately granted for Phase II, unfortunately the transfers of funds from USAID/B to DDCP were late by several months. This resulted in some of the DDCP staff, particularly at the association level, being laid off, due to the lack of funds to pay their salaries. ACOBOL staff also pointed this out as a problem area, as the transfers of funds from USAID/B were late by several months, which meant that some staff had to be laid off. It also meant that programmed activities had to be postponed and re-scheduled for later dates.

#### 2. *Has there been Sufficient USAID Staff Involvement with Counterparts to Monitor Program Activities Adequately?*

The DEMOSOT involvement with the DDCP activity has been adequate according to the DDCP COP. There have been very few visits from DEMOSOT staff to the DDCP office and few DEMOSOT trips to project sites.

#### 3. *Are Grantees and Project Beneficiaries Managing Their Activities Effectively?*

During the evaluation team's field visits, municipal authorities and representatives from departmental associations and *mancomunidades* were interviewed and a sample of their monthly reports to DDCP was studied. The evaluation team also questioned DDCP's technical staff concerning the proper management of activities in an effective manner. The DDCP staff is constantly in the field providing technical assistance and consultations to the associations and *mancomunidades* and is supervising their work. Due to the restrictions of time for the evaluation team, further investigations were not possible. However, from the interviews with the municipal authorities and direct observations of the evaluation team concerning the management of

activities, and in validating this with the Association and *mancomunidad* staff, no significant issues were discovered.

**4. *Are Funds Accounted for Properly?***

An audit of the appropriate use of funds is beyond the SOW for this team. However, the DDCP has been working, for a number of years, with a local auditing firm, Pozo and Associates. Audits are conducted on a monthly basis and all project expenditures and reports are prepared. The audits also review the expenditure and reporting of FAP funds. DDCP also has internal monitoring systems which verify expenses in their administrative unit. Further, the Chemonics home office reviews project expenditures on a monthly basis. The QPRs include detailed financial reports for USAID/B's scrutiny. In reviewing the documentation available, no irregularities were discovered in the use of DDCP funds.

**5. *Are Issues of Long Term Sustainability being addressed Adequately?***

Issues of long term sustainability are expressly included in the SOWs prepared by USAID/B as obligations for DDCP to implement.

However, DDCP, in working with the associations and *mancomunidades*, has required matching funds in order for them to qualify for financial assistance. The funds (20% for first year beneficiaries and 40% for second year beneficiaries) that these entities have to provide are for recurring costs to support their organizational activities. DDCP also requires a 25% counterpart contribution. Since DDCP first started working with the associations and *mancomunidades* in early 1999, FAP has granted them \$1,099,000. The counterpart contribution from the associations and *mancomunidades* has totaled \$450,000 over the same period. The purpose of the DDCP's requirement for matching funds is to assist these associations and *mancomunidades* towards long-term sustainability.

Long term sustainability is also being addressed by the DDCP through the promotion and institutionalization of the MGMP model at the national level within the GOB, and with various donor organizations.

**D. PROGRAM IMPLEMENTATION**

**1. *What is the Quality and Effectiveness of Technical Assistance?***

In meeting and conducting interviews with key DDCP staff, it was very apparent that they were well versed in their respective areas of expertise. They were able to provide many insights into the operations and implementation strategies of the DDCP. Further, their technical expertise was evident in the development, success, and wide diffusion of the MGMP model. The staff were very adept at being flexible and in adjusting to the enabling environment, and in identifying and creating opportunities for DDCP activities. One example of the quality of the DDCP central staff was the appointment of one staff member to be Viceminister of Municipal Strengthening. The DDCP staff have developed a wide range of contacts within the GOB and within the donor community that have proven valuable in furthering the goals and objectives of the project.

DDCP is also supporting approximately 53 technical staff at the association and *mancomunidad* levels. The technical staff of these organizations is comprised of a wide range of talent and expertise: lawyers, accountants, financial auditors, economists, doctors, psychologists, publication specialists, business specialists, information systems managers, agronomists, industrial engineers, sociologists and one geologist. These staff are replicating the MGMP model with their member municipalities, as well as providing technical assistance, consulting services, and training. There have not been any impact or analysis studies done to assess the depth and quality of the training and technical assistance that these persons were providing to their respective municipalities. The team, as well, did not have the time to devote to assessing the skills experience, and performance of these persons. Based upon field level results and comments however, the quality and appropriateness of technical assistance provided appears high

A constraining factor is that the association and *mancomunidad* staff do not have any means of transportation, other than buses and taxis to travel to the municipalities. It is reasonable to assume that the limits of transportation also reduces the coverage and amount of time that a staff person can spend in any particular municipality—especially those that live long distances from their home offices.

## **2. *What has been the Role of Local Organizations?***

During the early phase of the DDCP in 1997 to 1999, the FAP program funded numerous NGOs, universities, private organizations, as has been previously stated. These organizations were funded to conduct a wide variety of activities in training, promoting citizen participation, and registering citizens to vote, providing training on peoples rights and responsibilities in a democratic society, etc.. One and a half million dollars (\$1.5 million) was spent on 131 projects. However, these projects, with the exception of five or six, were outside the 20 communities in which DDCP was working. This first phase of the FAP was evaluated by USAID/B in 2000.

In January 1999, DDCP began funding associations, *mancomunidades*, *FAM*, and *ACOBOL*. The QPRs report on replicating the MGMP with municipalities affiliated with associations and *mancomunidades*. The continued and strengthened role of the associations, *mancomunidades*, *FAM*, and *ACOBOL* is viewed by the evaluation team as a key component of the strategy for DDCP Phase III. As noted in a previous section, there is little evidence that DDCP is also working with, or supporting other local organizations to any significant extent.

## **3. *What is the Impact of the Political Context?***

With the elections held in June 2002 that returned Gonzalo Sanchez de Lozada to the Presidency, the political environment has changed significantly toward supporting the concepts of the initial implementation of the PPL and the law of Decentralization. It was under President Sanchez's previous administration in 1994 and 1995, that the Popular Participation Law and Decentralization was first signed into law. During the interviews with the DDCP staff, it was apparent that new opportunities for furthering the objectives of the DDCP under the new administration, will develop -- which was not the case under the Hugo Banzer administration.

The evaluation team considered it important to provide DEMOSOT with an analysis of the present environment and influences on decentralization. This Section has been included as

Annex D, which covers some very important issues that influence or impact on the DDCP initiative. It includes discussion of: economic and financial, institutional, social control, indigenous groups and popular participation, and territorial limits. Annex E follows with a series of recommendations.

These two Annexes discuss some of the present and pressing issues that the GOB is debating or should have on its agenda. The DEMOSOT, in designing Phase III, should carefully review these two annexes, as they are very important enabling environment considerations that do and will impact on DDCP III.

#### **4. *What are the Lessons Learned?***

- ▶ The MGMP model was successful, because the DDCP staff understood that popular participation in developing the model was essential to generating interest, responsibility, and ownership, if it was to be successful.
- ▶ Designing the model as a learning process and to be flexible in response to a changing learning environment was an appropriate strategy.
- ▶ The willingness of USAID/B to provide the DDCP with a great deal of flexibility to respond appropriately to changes in the national and local environments was a sound approach.
- ▶ A centralized model for implementing a decentralized project was appropriate for the DDCP. This allowed for the creation of a “think tank” of highly experienced and knowledgeable staff at the national level that developed the model as a group effort, through experimentation, trial, and error.
- ▶ It is possible to develop a “bottom-up” participatory decentralization activity, even when the policy and laws were “top-down” national level initiatives.
- ▶ The achievement of DDCP objectives would have been greatly facilitated, if the gender integration process undertaken in Phase II, had been incorporated in the project from the beginning.

#### **5. *What is the Progress towards Achieving Results?***

As referenced several times earlier in this report, the development and replication of the MGMP model has been very successful and resulted in measurable changes of the level of citizen participation and responsibilities concerning municipal governance. In turn, the responsiveness of municipal officials to incorporate citizens in municipal governance is also an important result.

However, the team believes the DDCP is focused too much on the “numbers” of meetings held, completion of the annual operating plans and budgets, number of municipalities associated with the project, and number of training events, etc. in its reporting. Ways to measure the impact of these events in improving efficient management, providing better services to citizens, and measuring the organizational and technical capacity of FAM, ACOBOL, associations and *mancomunidades* to deliver quality, on time, and responsive services to their constituencies are

lacking. The team could not find any system to measure citizen responsiveness to project activities. We have assumed that the citizens value the project and are receiving benefits, or 29,000 persons would not have attended meetings over the past year, at their own expense but better, more direct documentation is needed.

#### 6. *What is the Role of Other Donors?*

The DDCP, in order to replicate and diffuse the MGMP model on a broader scale, has engaged other donors to assist with this effort. As a result of the quality, usefulness, and acceptance of the model, there has been great demand for using and incorporating the model within the donor community financed projects. Below are some examples of the role and collaborative efforts of other donors with the DDCP:

- ▶ The Inter-American Development Bank recently signed an agreement with DDCP to publish and distribute the model and training materials to approximately 215 municipalities, where the DDCP and the associations and *mancomunidades* are not working.
- ▶ The World Bank's municipal decentralization project has requested DDCP to train their *Proyecto de Desarrollo Comunitario Regional II* (PDCR) project staff in the use of the Participatory Municipal Model process.
- ▶ The Embassy of the Netherlands has offered to directly finance DDCP decentralization activities.
- ▶ The German Development Aid Agency, GTZ, has adopted the model to those areas where it is actively funding municipal level development activities; and
- ▶ The Ministry of Sustainable Development has specifically adopted the gender-sensitive model as official policy (Resolution No. 130 of June 27, 2002) for participatory municipal planning.

#### E. PROGRAM DESIGN

##### 1. *Are the Initial Design Parameters and Objectives of the DDCP Still Valid and are they being applied Correctly?*

In general, the initial basic design parameters and objective of: "Strengthen citizen participation in municipal and national government, as well as the ability of municipal governments, national and departmental electoral institutions and the national congress to respond effectively to the demands resulting from strengthened citizen participation" -- remain valid, but require some revisions and modifications.

Bolivian democratic organizations are still new, fragile, and will require continued support at all levels (national, departmental, association and *mancomunidad*, municipal, and local community levels). There remain concerns that the political forces and local party bosses will take over these organizations with their good progress to date, for the obvious reason of acquiring control of the significant financial resources that are being transferred to the municipalities.

Doubts remain about how successful the DDCP has been or can be in working with the National Congress, particularly the *uninominales*, through the *Encuentros de Decisiones Concurrentes* (EDCs). This activity requires careful monitoring, especially as the DEMOSOT funded *Proyecto de Apoyo a la Representividad Congresal* (PARC), through the State University of New York (SUNY), has as one of its objectives to also conduct EDCs. It is apparent that these two projects are in some conflict in terms of implementation philosophies and methodologies. There are also concerns as to whether the EDCs are a sustainable activity, due to the cost associated with hosting these activities throughout the country.

There are other reasons for requiring that modifications and revisions be made to the design parameters and objectives of the DDCP. Some are external to the project, such as the economy, new administration in power, new congress, rise of the MAS party, availability of new funding resources, etc. Some are internal: for example, the MGMP model has been developed and replicated very quickly, through DDCP's support to Associations and *mancomunidades*. The sheer number of municipalities now involved with the project — 171 — will require the development of a modified and more effective service delivery and monitoring and evaluation systems that will include focusing on the institutional and organization capacity of the associations and *mancomunidades* to provide long-term sustainable services to the municipalities.

## 2. *Has the Major Thrust of the DDCP been Correct?*

The major thrust of focusing the majority of DDCP resources on implementing the PPL and on decentralization activities at the citizen and municipal levels -- has been correct. Seligson reports that, in the year 2000, participation of the local citizenry in non-DDCP municipal affairs was 14.8%, whereas in DDCP supported municipalities the level of participation in municipal affairs was 24.1%. However, it must be noted that, to date, there has been no decrease in the gap between female and male participation levels attributable to DDCP activities, as exemplified by one basic indicator, participation in municipal meetings; indeed, the gap has sometimes been larger in the DDCP sample than at the national level. The impact of the adoption of the gender sensitive MGMP should be closely monitored to see if it helps to close this gap. In the field interviews, the majority of persons interviewed expressed positive opinions concerning their sense of ownership and voice in municipal affairs. This was also verified through the interviews with key informants in La Paz, who expressed the opinion that the local citizenry was more involved in municipal affairs, due to the DDCP's support.

According to DDCP statistics, 29,952 persons participated in DDCP, association, and *mancomunidad* sponsored workshops during the period of Sept. 1, 2001 to July 31, 2002. This demonstrates that the incentive to participate was to learn about and to exercise their rights, responsibilities, voice, and participation in a democratic society. It should be noted that, in most instances, citizen participation in workshops and seminars was not subsidized, nor were the participants reimbursed for all of their costs associated with attending workshops (travel, lodging, and meals, and lost opportunity of productive work).

## 3. *Should Alternative Approaches be Added?*

Perhaps the most important alternative approach that can be added for Phase III is that of developing differentiated strategies. The Project has grown from the original 20 municipalities

that were rural and probably had many of the same characteristics. There are now 171 municipalities participating that represent a wide range of needs, organizational and management skills, citizen participation, different cultures and economic bases, transparency, and financial solvency, just to name a few. Also, DDCP has entered more urban and larger municipalities, and supports the development of stronger relations between urban municipalities and the surrounding smaller and perhaps more rural municipalities.

An essential component of DDCP's present strategy is to support associations and *mancomunidades* in the replication of the model. During the field visits and interviews, a number of persons indicated that the model also needed to be modified to meet local cultural, economic, and social conditions. With 171 rural and urban communities now involved in the project, the characteristics, demands, infrastructure, health and education considerations, managerial capability of the mayor and municipal staff, and the role and importance of the oversight committees and the base level territorial organizations, are quite heterogeneous.

DDCP has transferred the replication of the model at the municipal level over to the associations and *mancomunidades*. This represents a significant shift in the implementation strategy and at the same time it represents explosive growth in the number of municipalities, from the original 20 to approximately 171 at the present time. To the knowledge of the evaluation team, there has been no analysis of the quality of services that are being provided, nor has there been any analysis of these services on the impact of improvements in the municipalities' management skills or on the increase in citizen participation in municipal affairs.

#### **4. *Are the Project Activities Consistent with the Project Objectives?***

The project activities meet the project objectives of: a) strengthening citizen participation in municipal governance; and b) developing the capacity of municipal governments to effectively respond to citizen demands. They are basically congruent, mutually reinforcing and appropriate.

There are questions, however, concerning the appropriateness of the training materials that have been developed for use with the MGMPs. Reviewing some of these materials revealed to the evaluation team that the majority the training materials were very technical, long, and written for well educated people. The materials that are intended for the use of the training of the OTBs and Citizen Oversight Committees require revisions, including possibly simplifying the model and developing versions in indigenous language and appropriate for participants with limited literacy. This will become even more important in the future, as the DDCP puts higher priority on involving women in municipal governance, as many rural women, particularly, are illiterate or just speak indigenous languages.

#### **5. *What Activities Should be Added, Modified, Deleted and/or Continued?***

After reviewing its findings, the team concluded that with respect to DDCP, that 1) many of the activities could be continued as in the past without modifications; 2) other activities would be benefited by some degree of modification; and 3) that to meet changing priorities, still other activities might beneficially be added to the program. The team did not find that any current activities required deletion or curtailment.

Because our suggestions regarding continued, modified, and potential additional activities for DCCP III are in the nature of recommendations, we have provided the information in Section III of this report, "Overview of DCCP Phase Strategy and Recommendations."

### **III. OVERVIEW OF DDCP PHASE III STRATEGY AND RECOMMENDATIONS**

This final section synthesizes the reasons why undertaking a third phase of the DDCP is important, and lays out focus areas to help guide the development of a third phase of the project, followed by specific, detailed recommendations.

#### **A. WHY A PHASE III?**

With the successes of the DDCP Phases I and II, USAID/B has an opportunity to build on its many accomplishments in strengthening the principles of democracy and good governance in Bolivia. Decentralizing national resources to the municipal level is being accomplished and active citizen participation in municipal affairs is taking hold, due in part to the contributions of the DDCP Project. However, developing sound and sustainable democratic processes and institutions is not something that can be done in a short period of time—it is a slow process. To be sustainable, this process must also conform to, and be developed not from the top levels of government, but rather from the "bottom up", through popular participation, and it must respect citizens' rights and their voice in the affairs of government. It is a process of learning that will most successfully be accomplished at its own pace and through its own dynamics—not imposed by the central government, nor unduly influenced by donor agencies.

A sound base of legitimacy and sense of ownership as well as an acceptance of responsibility by the citizenry and municipal authorities has been developed during Phases I and II—January 1996 to the present, November 2002. Literally thousands of persons have been trained and are using their knowledge. This has resulted in a very strong base from which to continue to build. These same persons have also requested more assistance, as the process is incomplete and still evolving. The GOB has also accepted the DDCP methodology and model of popular participation, and has made it national law for other institutions and donors to follow. Other donors such as the World Bank, IDB, GTZ, Dutch development program, etc., have also incorporated the model into their decentralization activities. DDCP has been in the vanguard and the leader in promoting the adoption and implementation of GOB laws favorable to decentralization and to popular participation. But there remains much work to be done; it is still a very young and fragile process.

The model has proven that it can be replicated cost-efficiently. There is strong demand, at the community, municipal, and departmental levels, to continue with the process of good governance and citizen participation.

As citizens learn to identify and prioritize municipal projects and gain experience with the transparent management of municipal resources, they are now focusing more and more on economic development as a priority for local level governance. Development funds are available to them, but the bureaucratic requirements to access these funds have been excessive, involving 145 different steps. Now that the GOB is actively involved in simplifying local access to funds,

it is essential to continue training managerial, administrative, and financial staff to ensure the proper use of these funds.

Municipal development has progressed with the assistance of the DDCP. Challenges and opportunities remain to strengthen representation of associations of local municipalities at the national level, through the FAM. Opportunities also remain to assist *mancomunidades* to promote productive economic development. For example, better management of health, education, the environment, local infrastructure, and development of economic opportunities are also sought by the populace and municipal authorities. This will require new alliances and joint planning with national level ministries, regional authorities, guilds, unions, local citizen groups, the private sector, NGOs and donors.

The DDCP has, over the past few years, begun to explore working with urban municipalities, economic corridors, and with building coalitions between urban municipalities and surrounding smaller municipalities, based on common needs and objectives. Reaching economies of scale, improving the efficient use of pooled resources, and coordinating the planning and construction of infrastructure projects (roads, potable water, garbage collection, and electricity) and health and education activities, are just some of the advantages to be gained by municipalities through working collaboratively.

Threats still exist in the political environment that potentially can jeopardize the progress made to date in institutionalizing popular participation and decentralization. DDCP Phase III can continue promoting broad ownership and responsibility among the citizens of Bolivia, since there remains a need to continue to strengthen the constituency for the Popular Participation Law.

In sum, the team recommends DDCP be extended to Phase III with some changes as noted in the next sections. A DDCP Phase III would be in a unique position to continue working with the government, citizenry, and municipalities in operationalizing and reinforcing decentralization activities. Developing human resources for decentralization is a process of learning, redirecting actions, and modifying behaviors that is not yet complete. In this regard, USAID clearly has a comparative advantage and has developed excellent and recognized expertise, through the successful activities of Phases I and II. (Annexes D and E provide more discussion on government level issues for consideration.)

## **B. STRATEGIC FOCUS AREAS FOR PHASE III**

Phase III should solidify and build on the accomplishments to date. Recommended focus areas for Phase III include:

- ▶ Promoting the effectiveness and sustainability of DDCP-assisted institutions and activities, to ensure long-term impact.
- ▶ Increasing involvement of citizens, including increasing women's participation, in municipal, departmental and regional participatory planning and oversight of governance.

- ▶ Promoting economic development, in order to facilitate the achievement of concrete benefits through participatory planning, and to enhance the sustainability of the participatory planning process at the local and *mancomunidad* levels.
- ▶ Addressing institutional, financial and legal issues affecting local governance and popular participation, and improving management and administration.

These focus areas were selected on the following basis: 1) to complete or complement actions already undertaken, or to help these efforts to become sustainable; and 2) to add activities which had not previously been included, but which would help increase the effectiveness and impact of the project, and contribute to the sustainability of participatory local planning and achievement of the USAID Democracy Strategic Objective: "Increased citizen support for the Bolivian democratic system", Intermediate Result No. 3, and "Local municipal governments effectively respond to citizen needs and demands". The recommendations which follow are based on these strategic focus areas.

### C. RECOMMENDATIONS FOR DDCP PHASE III

The following recommendations pertain to the development of Phase III of the DDCP. They are intended as points to bear in mind as the strategy and design for Phase III are developed

#### 1. *Key General Recommendations for DDCP III*

- a. The DEMOSOT should develop a short-term strategy for the next extension of DDCP that will start in February 2003 to serve as a bridge, or smooth the process to transition from Phase II to Phase III. This strategy should be included in the SOW Objective for the next extension. The SOW should also include surveys which sample the present 171 municipalities, associations and *mancomunidades* concerning their strengths, weaknesses and recommendations for specific follow-on activities. A similar analysis should be prepared for FAM and ACOBOL. These surveys should be designed to also serve as a baseline.
- b. The DDCP team should continue to disseminate the revised, gender-sensitive popular participation model through departmental associations, *mancomunidades* and/or other organizations. The model should be adapted and/or simplified, and materials translated, if necessary, to ensure that it meets the needs of all types of municipalities and populations. The DDCP team should emphasize "training of trainers" in the third phase of the project.
- c. DDCP should continue to provide institutional, financial and advisory support to the departmental associations, *mancomunidades*, ACOBOL and FAM to help them achieve sustainability. Based on the team's short-term research, it is clear that these organizations have significant potential to represent the collective interests of municipal actors (nationally and regionally).
- d. DDCP III should address project sustainability and design a medium-term exit strategy. FAM and the municipal associations should take ownership of the model and continue to support municipalities in training and technical assistance activities. The dependence of

associations and *mancomunidades* on DDCP support should be designed to gradually decrease and be replaced with municipal contributions and fees from training, consulting services, etc. ACOBOL should also be assisted to become self-sustaining (see Annex J for details). DDCP should also explore a working relationship with one or more of the GOB municipal outreach programs, such as *Jovenes Contra la Pobreza* (JCP).

- e. All third phase activities should include a specific gender strategy and incorporate gender throughout all project components and, where applicable, should also include indigenous groups. A gender specialist should be included in the Phase III staff to support DDCP's efforts in this regard. (See Annex C for details on the recommended Gender Strategy.)
- f. The DDCP grant fund (FAP) should be maintained and used for different purposes, such as the assistance to FAM, associations, municipalities, ACOBOL, or other entities involved in the decentralization process. This fund could also be used to support some necessary studies and activities related to municipal development.
- g. An incentive system should be developed for municipalities that reach a set of negotiated objectives (a municipal benchmark system). Technical assistance should be provided on the basis of municipalities' commitment to achieve specific goals.
- h. An effective monitoring and oversight system should be established, based on identification of the results expected. Results-oriented indicators should be established, and staff should be trained to collect and analyze data, disaggregated by sex and other variables as necessary, to monitor impact on all population groups. Effective supervisory, oversight and feedback procedures should be established for all activity areas, to ensure the quality as well as the quantity of the activities undertaken and the results achieved.

## 2. *Specific Recommendations*

The following sections present more specific recommendations applicable to each of the suggested focus areas outlined above.

### a. **Promoting Effectiveness and Sustainability**

- ▶ The DDCP should transfer its training methodologies to the departmental municipal associations, which should, in turn, provide technical assistance to *mancomunidades*. The DDCP should assist *mancomunidades* by providing "training for trainers" to cover specific municipal management and technical issues.
- ▶ The DDCP should continue to provide support and technical assistance to *mancomunidades* in the preparation of regional strategic plans.
- ▶ The DDCP should promote the development of joint municipal projects through *mancomunidades*. The GOB is supportive of this: the FPS requires a smaller counterpart for *mancomunidad*-based projects versus projects for individual municipalities.

- ▶ The DDCP should promote economies of scale for *mancomunidades*, in order to leverage municipal resources. Examples would include purchasing goods and services, sharing professional staff, etc.
- ▶ Multi-sectoral and multi-disciplinary collaboration within USAID/Bolivia should be continued in the future DDCP strategy. For example, as it has for the health sector, DDCP could also design a module for municipal management of education. Similarly, DDCP should coordinate with the USAID Environment SOT to develop a municipal model for managing natural resources.
- ▶ The DDCP should expand its urban program in Cochabamba and replicate it in other metropolitan areas of the country, such as La Paz and Santa Cruz.
- ▶ The DDCP should encourage the establishment of an effective metropolitan planning model. Such a model could focus on one or more of the following areas: water supply and treatment, garbage collection, sewage, unemployment, public safety, etc..
- ▶ The DDCP's pilot urban projects should encourage the disbursement and monitoring of capital funds by municipalities to the district (*sub-alcaldia*) level.
- ▶ The DDCP should promote long-term strategic planning and the replication of the DDCP model at the departmental level. The prefectures should participate in this process, which should promote consistency between departmental development plans (PDDs) and municipal development plans (PDMs).
- ▶ The DDCP should continue to establish strategic alliances with other members of the donor community, in order to leverage resources and to maximize impact.

**b. Increasing Involvement of Citizens, including Women**

- ▶ DDCP activities should encourage wider participation of grassroots organizations and diverse social sectors, and especially seek the collaboration of women and women's organizations. Efforts to reduce gender barriers and preparatory training will be important in increasing women's participation.
- ▶ The DDCP should strongly promote representation of OTBs in planning meetings by both men and women; the feasibility of making this a requirement, or the utility of providing incentives for doing so should be examined.
- ▶ The DDCP should strongly encourage women's organizations, as well as other community-based organizations, to participate in the participatory planning process, and encourage their representation on citizen oversight committees.
- ▶ The DDCP should promote participatory planning by indigenous municipalities, using its model at a municipal and district level. Gender will also need to be considered in promoting participation within indigenous communities. Indigenous districts and municipalities with significant indigenous populations should be supported, so that they are better able to deliver goods and services demanded by their members.

- ▶ The DDCP should develop a gender- and ethnic-sensitive methodology for preparing *Planes de Desarrollo Municipal* (PDMs), as well as long-term strategic planning at the departmental level, in order to integrate gender, and ethnic minorities, into long-range strategic planning -- to further buttress the existing MGMP focused on Annual Operating Plans, budgets and social control, and to ensure coherence and gender and ethnic sensitivity in the entire process.

**c. Promoting Economic Development**

- ▶ DDCP activities should promote the participation of all economic sectors in participatory planning events. These groups may include departmental construction and industrial chambers, producer associations, rural associations, women's organizations, cooperatives, peasant unions, and other entities related to productive activities.
- ▶ The DDCP should support technical assistance in project identification, preparation, identification of funding sources, and implementation, with an emphasis on developing viable productive projects, particularly those of benefit to women. Such projects should be based on market demand, not on gender, and should result in significant and sustainable improvements in employment, production/sales, and income for both women and men.
- ▶ The project should provide support and technical assistance to municipal associations and *mancomunidades* in the preparation of proposals and project designs to be presented to the FPS or FNDR. The associations and *mancomunidades* should, in turn, replicate the process with municipalities.
- ▶ Periodic follow-up visits by association and *mancomunidad* staff should be made to assess the implementation of decisions made during the planning process and to identify and help resolve any issues or problems, including the implementation of projects of interest to women.
- ▶ The DDCP should encourage municipalities to use local micro-enterprises as suppliers or service providers. DDCP should encourage municipalities to implement the "*Tarjetas Empresariales*", in order to facilitate the participation of micro enterprises in the local market.
- ▶ The DDCP could coordinate with the GOB and multilateral donors to apply its methodology to training on procurement and contracting procedures, through *mancomunidades* and/or associations.

**d. Addressing Institutional, Financial and Legal Issues and Improving Management and Administration**

The following **territorial and land use recommendations** should be considered in developing Phase III of the DDCP:

- ▶ The DDCP could provide advisory services and technical support to FAM and municipal associations to lead and coordinate the boundary negotiation process with other actors,

such as the *prefecturas*, congress, etc.. Municipalities cannot legally resolve these issues among themselves.

- ▶ The DDCP could offer support to selected municipalities in the definition of municipal districts and further decentralization of resources. DDCP could help one or more municipalities develop a districting process, which may then be replicated elsewhere, in coordination with the Municipal Development Ministry and with other donors working at the municipal level.
- ▶ The DDCP should develop pilot land-use-planning projects with municipalities and/or *mancomunidades* to encourage specific and concrete links between this effort and the POA process.

The following recommendations pertain to **municipal revenues and finance**:

- ▶ The DDCP should complement and reinforce GOB and other donor activities to promote the improvement of local revenue collection. This may be done through a combination of accounting system improvements, the redesign of municipal tax and fee collection systems and public education programs. The DDPC might offer incentives to municipalities generating more local funds.
- ▶ The DDCP should support and train in the use of the SIM (*Sistema de Ingresos Municipales*). DDCP could play an important role in building public awareness of the importance of local resource generation and in encouraging the development of a legal framework that permits municipalities to tax certain economic activities, such as mining and forestry.
- ▶ In coordination with other donors, the DDCP should promote improved financial management training for municipalities (through universities, associations, *mancomunidades* and other agents). The project should support the design of a comprehensive financial management curriculum aimed at both local officials and municipal staff. Training should not be limited to accounting issues, but should especially include long-term financing planning, sound fiscal management, prudent debt policies, liquidity and financial risk management.
- ▶ The DDCP should support GOB efforts to encourage the use of innovative forms of financing (e.g. leasing, municipal bonds, securitization of future revenues, guarantees, etc.). The DDPC could partner with the Bolivian Stock Exchange, the *Superintendencia de Bancos* and some investment bankers to work with selected municipalities to develop long-range debt management plans.

The following recommendations address **institutional strengthening** issues:

- ▶ The DDCP should continue to strengthen the municipal councils. DDCP training programs for councilmen and councilwomen have demonstrated that having better informed authorities contributes to local political stability.

- ▶ The DDCP should continue to support training for councilwomen in municipal planning and management, participation and gender issues, legislative and negotiation skills, etc., to help them become more effective.
- ▶ The DDCP should consider supporting non-partisan training of women candidates for municipal councils in campaign skills, municipal responsibilities, gender issues, etc, in order to prepare them to compete effectively in elections, and to increase the representation of women at the municipal level.
- ▶ The DDCP should promote an agreement with the Municipal Development Ministry and the *Superintendencia de Servicios Civiles*, in order to help establish a municipal administrative career track and to provide technical assistance and support to municipalities that decide to implement this initiative. DDCP could also encourage direct links between this effort and the *Jovenes Contra la Pobreza* program.
- ▶ The DDCP should promote e-learning programs, in order to reduce the turnover and firing effects in municipal technical levels. A partnership could be established with *Enlared Municipal*.
- ▶ With regard to legal issues, DDCP could provide technical assistance to rationalize the legal framework affecting municipal development, with the objective of eliminating contradictory provisions and facilitating further decentralization and participatory local governance.

**e. Strengthening the Voice of Citizens and Municipalities at the National Level**

- ▶ In developing Phase III of the DDCP, care should be taken to further explore the functioning and results to date, of the existing mechanism to bring together municipal, departmental and national actors, the *Encuentro de Decisiones Concurrentes* (EDC), in order to determine whether any modifications are needed to enhance coordination, effectiveness and sustainability of the EDC mechanism.
- ▶ DDCP should support better coordination by FAM with government officials and international donors, in order to avoid duplication of efforts.

**3. Implementation Considerations**

This section outlines a few issues regarding project management and implementation, which should be borne in mind in developing the strategy and design for Phase III. While they are not included as formal recommendations, they are factors which should be followed up, or otherwise considered during the design process.

**a. Implementation Issues Observed in the Current DDCP Project**

- ▶ It is understood that as of June 30, 2002, DDCP is no longer funding the *mancomunidades* to provide training and technical assistance to the municipalities (presumably due to the shortage of funds and short time period of the most recent extension of the DDCP, from October 2002 to January 2003). The impact of this is not

known (it is too early to fully assess the impact of this suspension of support). The DEMOSOT should investigate this further to determine what impact the conclusion of funding is having on project activities and beneficiaries, etc., in order to ensure that any negative effects can be minimized or avoided in the future.

- ▶ There appears to be minimal contact and collaboration with local NGOs or other Bolivian organizations involved with supporting decentralization and local participatory planning. For future sustainability of the accomplishments of the DDCP, consideration should be given to partnering with national and local organizations to ensure that these organizations can help support the activities that the DDCP is now implementing.

#### **b. Implementation Considerations for Phase III with Regard to Gender**

- ▶ Implementation of gender-related activities should be an integral part of Phase III activities. While it may be useful to undertake some activities through NGOs, through institutions such as ACOBOL, or in coordination with the Vice Ministry for Women, these should not be the sole or major means of addressing gender issues, which would tend to make gender a separate category, rather than integrating it. The municipal associations and *mancomunidades* should be the primary implementers for gender, as for all DDCP activities.
- ▶ As with other training, training in addressing gender issues should make use of a training-of-trainers model, in which DDCP staff train association or *mancomunidad* staff, who may in turn train others at the municipal and civil society levels.
- ▶ Phase III should include funding to cover specialized short-term expertise in gender issues, when necessary.

#### **4. Special Studies**

The team recommends the establishment of a relationship among DDCP municipalities and universities, in order to generate studies and investigations about different municipal issues, in support of Phase III activities. These studies should then be disseminated among the municipalities and related entities. Some of the topics that the team recommends are the following:

- ▶ Municipal management of health and education resources.
- ▶ Recommendations for the harmonization of laws and regulations affecting municipalities.
- ▶ Municipalities' roles in the "*cadena productiva*".
- ▶ The Systematic collection of sex-disaggregated baseline reference data by region and sector, so as to be able to analyze the impact of infrastructure and service initiatives on the quality of life.

Finally, Annex E presents a series of recommendations which are designed to be useful to the Bolivian government, as they pertain to their pioneering decentralization efforts.

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## ANNEXES

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Annex A	Summary of Overview of Phases I and II.....	A-1
Annex B	Overview of FAM and ACOBOL.....	B-1
Annex C	Gender Assessment of DDCP Phases I and II and Gender Integration Strategy for Phase III.....	C-1
Annex D	Present Environment and Influences on Decentralization.....	D-1
Annex E	Recommendations.....	E-1
Annex F	Scope of Work.....	F-1
Annex G	Field Interview Questionnaire.....	G-1
Annex H	Criteria for Selection.....	H-1
Annex I	Bibliography.....	I-1
Annex J	La Paz Interview Schedule.....	J-1

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## ANNEX A

### SUMMARY OF OVERVIEW OF PHASES I AND II

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#### A. PHASE I

According to Ms. Marisa Barrera, in a Report prepared for USAID/B in October 1995: "To characterize Bolivia's PPL as broad reaching is understatement. The law grapples with issues such as municipal development, legislative modernization, democracy strengthening, corruption, and decentralization in a manner that is nothing short of revolutionary."

Given this framework within which the USAID/B design team worked, the DDCP was an experiment with unsure results, but with plenty of opportunities and very real risks. The DDCP was not designed to produce a working model that could solve all of the problems of local government. What was important was not only the results but also the process by which the results were reached. Thus, the DDCP designers anticipated that flexibility and adaptability would be key elements during implementation, and that a future Phase II activity would build upon the participatory model which was being developed, and would incorporate lessons learned and successful strategies.

The objectives for Phase I were developed as ambitious, bold, and risky initiatives that committed significant US Government funds and human resources, over a five year period, in new and unknown frontiers, and within a political and cultural environment where nothing of this magnitude had ever been tried.

Chemonics provided the Chief of Party and overall management and administrative functions of the DDCP, and Strategic for International Development (SID) provided the Operational Director responsible for the two project components: Sustainability and Representative Congress. The International Foundation for Electoral Systems (IFES) worked directly at the congressional level in the areas of: citizens' rights; registration of citizens to acquire their identification cards; and in assisting citizens to register to vote.

The major focus of the Project was to provide technical assistance and training to strengthen municipal governance and citizen participation in 20 target municipalities listed below.

- Punata
- Llallagua
- Luribay
- Patacamaya
- Sipe Sipe
- Colomi
- Challapata
- Moco Moco
- Turco
- Cobija
- Capinota
- Villa de Yocalla
- Tora
- Coroico
- Mizque
- Uyuni (Thola Pampa)
- Pazña
- Chulumani
- Pucarani
- Curahuara de Carangas

DDCP worked towards establishing representative grassroots organizations (OTBs) that elected representatives to the Vigilance Committee that served as an oversight and control system in order to ensure transparency in the use of Municipal funds. The project also trained mayors in managerial skills, skills needed to conform to the SAFCO criteria of accounting, and to the Municipal councils on their roles as counselors to the mayor.

Several outputs were intended to be the result of DDCP's training and technical assistance to the municipalities:

- Development of a comprehensive Model of Participative Municipal Strengthening
- Development of a Municipal Annual Operating Plan (POA) and budget based on the POA through a participatory process;
- Efficient management of resources, better planning, and dialogue among the key groups identified in the PPL who were charged to management municipal affairs: Mayor, Council Members, and Vigilance Committee; and
- On time and high quality services (infrastructure, health, education, environment, etc.) to the public.

This was a very concentrated experience with the 20 municipalities and there was much trial and error using a participatory approach. Nonetheless the DDCP developed and refined its Model of Participative Municipal Strengthening. The model had four main objectives through which local citizens and municipal officials were to work together on all aspects of municipal affairs: planning, organizing, executing, and controlling.

There was also another component with a grant funding mechanism budget of \$2 million that funded NGOs, Universities, and Civil Society Organizations to support training and technical assistance to decentralization activities through a series of small projects. As of June 30, 2000, \$1,626,288 had been spent on projects through the grant fund. The NGO grant fund did not support DDCP activities during the initial years of the project with the exception of 5 projects where DDCP was active. There is no formal record on why the decision was made to not support grant fund activities in the project area.

DEMOSOT staff, in collaboration with the DDCP COP, decided to focus on working with rural municipalities for a variety of reasons. A primary reason was to avoid the risk of having the project co-opted or heavily influenced by political parties, syndicates, etc. Interests and power were very concentrated and institutionalized in the larger municipalities. Working in them would have likely caused a lack of transparency, inefficient bureaucracies, and the lack of participative planning. Furthermore, the poorer municipalities were in greater need of assistance and were more receptive to the idea of working with the DDCP.

DDCP also was responsible for improving the level of communication and coordination between elected officials in congress "uninominal" and their constituents. This was to be accomplished through a process, that would be supported by DDCP, known as the "Encuentros de Decisiones Concurrentes (EDCs)". DDCP also assisted the OTBs to register with the GOB and be granted legal status. The project assisted citizens to gain their identity cards and to register to vote.

In 1999, municipalities started to graduate from the program based on 15 municipal graduation criteria established by DDCP. With this the model was deemed complete, and the project initiated a strategy to replicate the participatory training model on a larger and more cost efficient scale though transferring the implementation of the model to regional Associations that were organized by the Municipalities.

The year 2000, can be characterized as one of reorienting and refocusing DDCP in significant new activities, based on the positive progress and experiences to date. The effort included new

strategies for replicating the model in a low cost manner through the involvement of Associations of Municipalities, Mancomunidades, Federation of Municipal associations (FAM), women's groups (ACOBOL) and the promotion of the model to other international donors and the GOB. Many of the above mentioned organizations, donors, and the GOB had become aware of the success of the DDCP participatory model, and expressed great interest in incorporating it into their own development strategies.

During the April to June 2000 reporting period, the USAID Office of Financial Management (OFM) audited DDCP's preliminary reporting through a review of project files documenting compliance and through field visits to 6/7 municipalities. According to the Project Paper of January 6, 1995, a mid-term evaluation of the DDCP was planned for August 1997, but there is no evidence that it ever occurred.

## **B. PHASE II**

Phase II can be divided into two different periods based on the dates of the contract extensions, and also on the changing focus of DDCP support to Municipalities and to the Legislature and other institutions. The first component was for a period of 21 months, January 1, 2001 to September 30, 2002. The second period is from September 30, 2002 to January 31 2003.

Although the contract extensions were ultimately signed, there were delays in the transferring of funds from USAID/B to the DDCP which impacted the project. The result was that there were no funds to pay staff salaries for several months. Some staff had to leave in order to find more secure jobs. The other impact was on planning and implementing activities. Without the certainty of uninterrupted funding and assurances of the DDCP's continuing operation, the staff had to work under very difficult conditions, in terms of being able to only make short term commitments for new activities with the organizations (Associations, mancomunidades, municipalities, etc.) with whom they were working.

Phase II included new project activities and refocused and strengthened some on-going activities in order to:

- Expand the model to 60 additional municipalities, through replication;
- Focus on supporting the institutional growth and stability of the Associations and Mancomunidades;
- Develop a strategy and expand support to ACOBOL to increase women's participation in municipal, association, Mancomunidad, and FAM activities;
- Revise training materials and the model to include gender specific objectives and activities;
- Provide support to USAID's other Strategic Objective Teams (SOT) and institutionalize other SOT activities within municipal planning and participatory management processes;
- Coordinate support to the ICMA project "En La Red";
- Continue to strengthen the relationship between the "uninominals" and their constituents;
- Adopt DDCP's methodologies and best practices to one or two large (over 50,000 in population) municipalities;
- Provide assistance to focus more on increasing professional capability, effective and transparent management and sustainable financing.
- Re-orient the FAP fund in support of Associations, FAM, ACOBOL, Mancomunidades, etc.
- Assist the incoming national administration in designing a decentralization strategy.

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## ANNEX B

### OVERVIEW OF FAM AND ACOBOL

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One of the DDCP's achievements was to assist in the creation and funding of both a national level Federation of Municipal Associations (FAM) and the National Association of Councilwomen (ACOBOL) in 1999. FAM serves as the spokesperson, lobbyist, and "watch dog" of important issues, political events, laws, etc. with the executive, legislative, ministerial, and to a limited extent, at present, with the judicial system. Although still a young organization, FAM has made progress given that it is still a very young organization, but it still has much to do to reach its full potential. According to the evaluation team field interviews with municipal authorities and departmental association staff, these organizations recognize the important role that FAM plays in being a conduit and spokesperson in the defense, representation, advocate, and promulgation of important association and municipal issues.

Through DDCP assistance and funding since 1999, FAM has accomplished the following:<sup>1</sup>

- GTZ and the Embassy of the Netherlands signed cooperative agreements with FAM in 2000 to promote the decentralization process in Bolivia;
- The International Union of Local Authorities (IULA) invited FAM to be on its governing board;
- The World Bank's PDCR II decentralization project has requested that FAM assist the institution in channeling non-formal assistance to Bolivia's municipalities;
- The World Bank's decentralization project is negotiating an agreement with FAM to partner in the process of working with the municipalities to assist them with balancing their accounting books, implementing more rigorous fiscal controls, and providing training on the financial aspects of municipal governance in Bolivia's 314 municipalities;
- The Office of the Bolivian Vice-President assigned responsibility to FAM for organizing the "mesas del dialogo" municipal and departmental in 4 departments;
- In 2001, FAM organized the 2<sup>nd</sup>. National Congress of Municipalities in which approximately 600 municipal authorities participated;
- FAM is also collaborating with the project "En La Red" to establish the first Bolivian Portal for municipalities;
- In the National Dialogue of 2001, FAM served as the spokesperson for the rural, and small and medium municipalities; and

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<sup>1</sup> April to June 2000 DDCP Quarterly Report, written by Tom Reilly, COP, dated July 15, 2000

- FAM completed three national policy position papers (the Ley del Dialogo, Ley de Reformas Constitucionales, and Ley de Gasto Administrativo Municipal) according to the April to June 2000 DDCP Quarterly report.

The Government and Ministries often consult with FAM concerning matters relating to decentralization.

DDCP was also instrumental in creating ACOBOL, which represents councilwomen and women mayors from all over Bolivia, and which has helped bring a gender focus into municipal policies and plans. ACOBOL is also a young organization. While ACOBOL has achieved significant results as an effective voice and national-level advocate for women in municipal government, it is still developing its potential and trying to achieve sustainability. Some key accomplishments of ACOBOL include:

- it has promoted the formation of departmental associations of councilwomen, which now exist in all 9 departments;
- it has held workshops in different departments, on strengthening women's participation, the participatory municipal planning model, municipal council functions, and municipal organization and associations;
- it has established a legal advisory service for councilwomen;
- it has established an information and documentation center;
- it has developed an agenda to promote democratization and equality, to strengthen ACOBOL as an institution, to "professionalize" councilwomen, and to promote human development at the municipal level.

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**ANNEX C**

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**GENDER ASSESSMENT OF DDCP PHASES I AND II  
AND GENDER INTEGRATION STRATEGY FOR PHASE III**

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**I. DDCP EVALUATION FROM A GENDER PERSPECTIVE**

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**A. PURPOSE OF EVALUATION**

The purpose of this component of the evaluation is to assess the extent to which gender issues have been addressed and impact in reducing gender disparities has been achieved, within the context of program and project objectives and based on the information available. At the program level, this assessment will consider progress towards achieving USAID/Bolivia's Democracy Strategic Objective, "Increased citizen support for the Bolivian democratic system" and Intermediate Result No. 3, "Local municipal governments effectively respond to citizen needs and demands". At the project level, progress toward the DDCP Strategic Objective -- "Civil society participation in local government in DDCP municipalities becomes more effective" -- will be assessed.

**B. PHASE I: DECEMBER 1995 – FEBRUARY 2001**

The stated purpose of the DDCP in the original Project Paper approved in 1995, was to strengthen citizen participation in municipal and national government, as well as the ability of municipal, departmental and national institutions to respond effectively to the demands resulting from strengthened participation. The strategy adopted with regard to citizen participation included strengthening municipal participatory planning, increasing citizen participation by means of improved voter participation and education (this was discontinued prior to 1999), and ensuring greater access by constituents to legislators at the national level.

Gender is mentioned as an issue only in the area of voter registration and voting. The Project Paper states that the majority of non-registered, eligible voters are poor, indigenous females from rural areas. There is also a brief reference to including women in OTBs and encouraging women's priorities in municipal investments. However, there is no reference to any specific activities to address gender gaps in participation, or to ensure that women participate equitably; nor are end-of-project indicators disaggregated by sex or otherwise sensitive to gender issues. Furthermore, there is no mention of gender-related objectives or activities in the contractor's "Statement of Work for Phase I" of the DDCP.

It is evident that during the first several years, the DDCP was carried out in a gender-neutral manner, with little if any attention to the effects of gender on citizen participation. The participatory municipal planning methodology (*Modelo de Gestión Municipal Participativa*, MGMP) developed during this phase did not have a gender focus, apart from the occasional reference to participation by men and women, apparently assuming that everyone would participate under more or less equal conditions. There were occasional isolated efforts with regard to women, such as assistance by the DDCP in getting help from an NGO for women's

productive projects developed by a women's organization in Pucarani, but there was no systematic effort to address women's participation or barriers to participation based on gender.

It was not possible to obtain any sex-disaggregated information on results for the earlier part of Phase I.

**C. PHASE II: FEBRUARY 2001 – SEPTEMBER 2002; EXTENSION TO JANUARY 2003**

The need for a focus on gender became evident as a result of an analysis of the Democratic Values Surveys (Seligson) conducted over the last several years of DDCP activity. While the surveys indicated significant impact for many aspects of the DDCP, there has been no decrease in the gap between female and male participation levels attributable to DDCP activities, as exemplified by one basic indicator, participation in municipal meetings; indeed, the gap has sometimes been larger in the DDCP sample than at the national level.

**TABLE 1  
Attendance at Municipal Meetings by Sex**

LEVEL	1998		2000		2002*	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
NATIONAL LEVEL SAMPLE	23%	13%	19%	11%	23%	14%
DDCP sample	31%/25% **	21%/13% **	***	***	39%	20%

Source: Democratic Values Surveys

\*Data for 2002 are provisional, pending finalization.

\*\*urban/rural breakdown, done only in the 1998 DDCP analysis

\*\*\*Data by sex for DDCP sample was not included in 2000 analysis

The 2000 Democratic Values Survey identified significant gender gaps at the national level, across many relevant dimensions; the Survey demonstrated that women were not participating equally in municipal decision-making and hence did not have the same opportunity to ensure that they benefited from municipal programs and activities. As a result, the DDCP began to incorporate a gender focus, defined as a strategy to address differences in participation and access to benefits, due to socially and culturally ascribed gender roles, and to promote equity through actions to reduce such gender gaps; this occurred in the latter part of Phase I (beginning around 1999-2000) and continued in the current Phase II extension of the project. The activities undertaken include:

- Assistance to the *Asociación de Concejalas de Bolivia* (ACOBOL, Association of Councilwomen of Bolivia).
- Assistance to NGOs, through FAP funding, to provide gender-related training or to support women's participation in municipal planning, outside the original DDCP pilot municipalities (no results information available).
- A study to document different experiences with equitable participatory municipal planning in Bolivia.

- The addition of a gender specialist to the DDCP staff.
- Integration of a gender focus and the development of gender-specific methodologies and instruments within the MGMP, including components on the preparation of the Annual Operating Plan (AOP), the municipal budget, and social control/accountability to the citizenry.
- Validation of the gender-sensitive MGMP (MGMP-G) in two municipalities.
- Training for DDCP and municipal association staff in the use of the MGMP-G.
- Implementation of the MGMP-G in the current municipal planning cycle, through the municipal associations and *mancomunidades*.
- Identification of impact indicators which track by gender, participation, projects approved, and municipal investment amounts.

#### D. RESULTS ACHIEVED

The results of major gender-related activities are briefly assessed below, followed by an overall assessment of the impact achieved and major issues identified.

##### 1. ACOBOL

ACOBOL was founded in 1999, with the assistance of DDCP grant funding, through the Popular Participation Support Fund (FAP, *Fondo de Apoyo a la Participación*), for two organizational meetings of councilwomen from throughout Bolivia. The mission of ACOBOL is to represent councilwomen and women mayors, and to help women become members of municipal councils and to carry out their duties efficiently and under conditions of equality, by providing legal and institutional support and training. Its purpose is to achieve, through representation of women in municipal government, the integration of a gender focus in all municipal policies and plans, in order to improve the quality of life of municipal residents. The membership consists of women mayors, current and past councilwomen, and departmental associations of councilwomen and other related organizations, which wish to affiliate with ACOBOL.

In addition to its support for the creation of ACOBOL, DDCP FAP grant funds have supported a diagnosis of training needs of councilwomen in municipal administration and in the development of a training program. Training has included legislation affecting municipalities, territorial limits, and municipal council regulations, among other topics. Councilwomen have also been trained in the MGMP and MGMP-G to assist in dissemination and replication. DDCP has also provided institutional support, including funds for office space, equipment and staff.

Since its creation, ACOBOL has:

- Promoted the formation of departmental associations of councilwomen, which now exist in all 9 departments;
- Held workshops in different departments, on strengthening women's participation, the MGMP-G, municipal council functions, and municipal organization and associations;
- Held workshops in three departments on Integrated Legal Services, in collaboration with the Vice Ministry for Women;
- Established a legal advisory service for councilwomen;
- Established an information and documentation center;

- Inventoried national NGOs which work with women;
- Developed a survey and data base on councilwomen in Bolivia;
- Developed projects to present to international donors, and received funding from other donors;
- Developed an agenda to promote democratization and equality, to strengthen ACOBOL as an institution, to professionalize councilwomen, and to promote human development at the municipal level.

While ACOBOL has achieved significant results in the brief time since its formation, it is still far from being a self-sustaining organization. Interruptions in DDCP support, while extensions were being negotiated, caused serious problems, including lack of funds to pay staff. Some internal conflicts have also emerged within the organization, and conflict-resolution measures will be needed to help the organization to prosper. ACOBOL will continue to require institutional support for a while longer, in order to enable the association to eventually become sustainable without USAID assistance.

## **2. *Integration of Gender into the MGMP***

The DDCP reviewed all existing methodologies applied to date in Bolivia to reduce gender gaps in municipal planning and social control, and found that none would be likely to solve the problem, because they were not integrated into existing municipal planning processes and lacked validated operational methodologies for planning, budgeting, and social control. Therefore, the DDCP developed a new methodology, which was integrated into the existing MGMP, and which has been successfully validated in two municipalities, both of which demonstrated significant increases in women's participation as a result, according to DDCP documentation. Furthermore, and very importantly for continued future action, the Ministry of Sustainable Development issued a Ministerial Resolution declaring DDCP's gender-sensitive model to be state policy (*política del estado*), and committed the *Jovenes Contra la Pobreza* brigades to replicate the model throughout Bolivia's 314 municipalities.

While time constraints have not permitted a detailed analysis of all the instruments included in the methodology, a review of the methodology and the instruments indicate that they are very thorough in integrating a gender focus into all aspects of the following three components of the MGMP covered to-date:

- The process of developing the Annual Operating Plan;
- The process of developing the municipal budget;
- The social control process, or citizen review of municipal actions.

The methodology and instruments developed effectively bring a gender focus into all the necessary project identification, analysis, prioritization, budgeting and accountability processes. This is an enormously significant advance in promoting equitable participation in municipal planning and management, and should certainly be continued as a permanent revision of the MGMP. The process is, however, quite complex, and could perhaps be adapted and simplified to make it easier to use, and less daunting to those with little or no education -- a condition particularly prevalent among rural women. The methodology is absolutely necessary, but not sufficient in itself to achieve the objective of reducing or eliminating the gender gap in

participation and benefit at the municipal level. The recommendations for Phase III will indicate some possible actions to reinforce and complement the MGMP-G methodology.

The process of training municipal association technical staff in this revised version of the MGMP is underway, and the methodology is now beginning to be applied in the current round of planning. It is not yet clear whether this will result in greater participation by women, since the process is now going on, and figures are not yet available. Our field visits indicated that participation by women is still quite low. In our meetings there were councilwomen present in five of the seven municipalities visited, but they rarely spoke, unless invited to speak. However, some municipalities are taking actions to encourage women's participation, which have had good results. For example, in Porongo only 5% of the participants at the first *cumbre* were women, but when a sent note specified that each OTB should be represented by a man and a woman, participation by women in the second *cumbre* reached 30%. This was also tried by some other municipalities, though they reported that their requirement that women attend was often ignored. Challapata reported that they had on their staff a woman who was responsible for gender; and Punata has formed a Women's Directorate, with municipal support, to train women in its communities. Most of the municipalities and municipal associations visited were implementing the MGMP-G methodology.

It is clear that the establishment of measurable impact indicators is essential in tracking the results of the implementation of the MGMP-G. Though no data is yet available except for participation in planning meetings, the indicators selected by DDCP include the following:

- Percentage of women (compared to total) participating in municipal planning
- Percentage of projects approved of interest to women or proposed by women
- Percentage of investment resources for projects of interest to/proposed by women

Analysis of sex-disaggregated data provided by DDCP on attendance at municipal planning meetings (*cumbres*) indicates that the average for women's participation at all three *cumbres* for all municipalities assisted by municipal associations or *mancomunidades* was 15%. However, there is considerable variation, from a high of 27% in the Yungas *Mancomunidad*, to a low of 7% in the *Mancomunidad del Cono Sur* in Cochabamba. It should be emphasized that these figures constitute a baseline, before implementation of the MGMP-G began in the current planning cycle (the figures cover a period through July 31, 2002). The relatively high figure in Yungas is probably due to the fact that the MGMP-G was validated in two municipalities in Yungas, thereby increasing the participation rate for that *mancomunidad*. It will be important to monitor the data as implementation of the MGMP-G proceeds, to track impact on women's participation.

With regard to EDCs (*Encuentros de Decisiones Concurrentes*) -- which bring together municipal, departmental and national actors, with civil society, on an intermunicipal *mancomunidad* or regional level to determine a development agenda -- the participation by women in 34 EDCs held in 2001-2002 totaled 21.3%.

### **3. *General Conclusions and Issues***

Gender-related activities within the DDCP are still quite new, so it is very difficult, because of lack of data, to assess the impact, in terms of project and program level objectives relating to more effective citizen participation, more effective municipal response to needs, and greater support for democracy. It is clear, however, that these actions are helping to improve results, as exemplified in the validation of the MGMP-G and in information from our field visits -- although more needs to be done to support the process. It is also clear from the Seligson studies, as well as from our field visits, that women are perceived as, and perceive themselves as, less knowledgeable and less confident of their right and ability to participate in the municipal planning process, which, together with discriminatory attitudes by men, not only impedes their ability to participate in planning and win approval of projects which address their needs and improve their situation, but is likely to work against their satisfaction with the democratic process itself. If democratic governance is to continue to prosper in Bolivia, it is essential that the entire population understands, values and exercises the opportunity to participate, and perceives benefits from doing so.

It is evident from what we have seen that the participatory process for men is well underway and showing excellent results; the process for women has been much slower, but has certainly begun and is beginning to show results. It will need continued, intensified support to realize its full potential.

Some of the issues noted with regard to furthering this process include the following; these will be addressed in the strategy for Phase III:

- Relatively less emphasis has been given to-date to effectively reach women at the base level and to prepare them for equitable participation in the MGMP-G process, including the incorporation of women's organizations into the participatory planning process. The attention to-date has been predominantly, although certainly not exclusively, on the institutional structure, such as on OTBs, Vigilance Committees, and the municipal government, with greater emphasis on the latter, rather than on how to bring more diverse actors into these structures and into the municipal planning process. The MGMP-G is a very important initiative to address this issue, but needs to be amplified and augmented with other actions.
- It is important to work effectively with both women and men, in order to promote more equitable participation. Men as well as women must understand the benefits and be willing to change traditional attitudes and practices which have impeded women's participation.
- Participation in and of itself is not sufficient; there is a need to ensure that it results in concrete benefits, and that the projects approved are viable, effective means of benefiting women as well as men.

### **4. *Lessons Learned***

One clear lesson is that, in order to achieve the maximum impact, gender disparities must be addressed systematically, across all relevant components of a project.

Perhaps the most important lesson is that the achievement of DDCP objectives would have been greatly facilitated, if the gender integration process undertaken in Phase II had been incorporated in the project from the beginning.

## II. PRESENT NATIONAL ENVIRONMENT AND ISSUES

This section briefly reviews the current status of women's participation in municipal governance in the nation as a whole, and notes major gender-related issues.

### A. REPRESENTATION IN MUNICIPAL GOVERNMENT

The following tables indicate the current number of titular and substitute councilwomen and female mayors elected in Bolivia's 314 municipalities in the year 2000, as a percentage of the total.

**Table 2**  
**Titular Councilwomen**  
**2000**

Departments	Council Members	Councilwomen	Percentage
Chuquisaca	149	15	10,1%
La Paz	400	52	13%
Cochabamba	244	30	12,3%
Oruro	172	22	12,8%
Potosi	205	24	8,2%
Tarija	65	14	11,7%
Santa Cruz	270	50	18,5%
Beni	107	31	29%
Pando	78	18	23,1%
<b>Total</b>	<b>1690</b>	<b>256</b>	<b>15,1%</b>

Source: Dirección General de Participación Popular. Tercer Boletín. La Mujer en la Gestión Municipal. March 2002

**Table 3**  
**Substitute Councilwomen**  
**2000**

Departments	Council Members	Councilwome n	Percentage
Chuquisaca	149	102	68,5%
La Paz	393	299	76,1%
Cochabamba	242	174	71,9%
Oruro	169	129	76,3%
Potosí	199	128	64,3%
Tarija	65	41	63,1%
Santa Cruz	270	192	71,1%
Beni	104	61	58,6%
Pando	78	48	61,5%
<b>Total</b>	<b>1669</b>	<b>1217</b>	<b>72,9%</b>

Source: Dirección General de Participación Popular. Tercer Boletín, La Mujer en la Gestión Municipal. March 2002

**Table 4**  
**Women Mayors**  
**2000**

Departments	Mayors	Women Mayors	Percentage
Chuquisaca	28	0	0%
La Paz	75	3	4%
Cochabamba	44	0	0%
Oruro	34	3	8,8%
Potosí	38	1	2,6%
Tarija	11	1	9,1%
Santa Cruz	50	5	10%
Beni	19	5	26,3%
Pando	15	2	13,3%
<b>Total</b>	<b>314</b>	<b>20</b>	<b>6,4%</b>

Source: Dirección General de Participación Popular. Tercer Boletín, La Mujer en la Gestión Municipal. March 2002

In addition to the councilwomen directly elected, as in the foregoing tables, 294 substitute councilwomen became titular councilwomen, after the election of mayors (replacing the 294 men elected by council members to serve as mayors), bringing the total representation of titular councilwomen to 530 (294 plus 256, minus the 20 women elected as mayor), or 31.4% of the total number of council members.

In comparing these figures with those for the previous election (1996), there has been a marked increase in women's representation: the number of titular councilwomen elected increased 100%, from 128 to 256, and the number of women mayors increased 53.4%, from 13 to 20. These increases can be largely attributed to the change in the Electoral Code, commonly known as the Quota Law (*Ley de Cuotas*), which requires that at least 30% of candidates be women, with men and women alternating on the electoral lists.

## B. GENDER ISSUES WHICH AFFECT THE MUNICIPAL LEVEL

### 1. *Political and Policy Issues*

It is clear from the Seligson surveys that there is discrimination against women in Bolivia: surveys in 1998 and 2000 indicated that 82% and 83% of respondents, respectively, felt that there is discrimination against women; 60% of respondents in 2000 said that it was a serious or very serious problem. This underlies a series of more specific issues which affect women's participation at the municipal level, and in the democratic process in general.

Women are less likely to be registered to vote, and to vote, than are men, although the overall difference is not large at the national level; among the rural poor, particularly illiterates, the difference is likely to be much larger. In the 2000 sample, 76% of men and 71% of women were registered to vote. Of these, 92% of men and 88% of women intended to vote. Males are also more likely than females to contact public officials at all levels.

Males are nearly twice as likely to have participated in municipal meetings as are females. In the 2000 sample, 19% of men and 11% of women had participated in municipal meetings. While 20% of men had made demands on their local governments in the year prior to the survey, only 14% of females had done so. Similarly, 11% of men and only 6% of women had participated in municipal budget-making. The same relationship occurs with regard to complaints to Vigilance Committees: 12% of men versus 8% of women.

An important issue that is both political and cultural is violence against councilwomen, which stems from widespread discriminatory attitudes, but in most cases is intended to force women to resign, so that a man can take their place (since men and women alternate on lists as titular members and substitutes), or to give way to men and/or their political interests in decision-making—in sum, as a means of retaining male political power. This problem was mentioned frequently by councilwomen in field interviews and by ACOBOL representatives, and has been documented in a study by the *Dirección General de Participación Popular*, from which the following information is taken. Based on data from ACOBOL, the number of complaints lodged regarding violence (characterized as physical, psychological, indirect/subtle, and interference with official functions) has increased between 2000 and 2001.

Table 5

## Municipalities with Violence against Councilwomen, 2000-2001

Departments	2000		2001		DIFFERENCE 2000-2001	
	No. of Municipalities with Complaints of Violence (1)	%	No. of Municipalities with Complaints of Violence (2)	%	Total (2) - (1) (3)	% (1) / (3)
CHUQUISACA	0	0%	0	0%	0	0%
La Paz	11	65,3 %	15	66,1 %	+4	+ 36,4%
Cochabamba	3	8,1%	5	12,3 %	+2	+66,7%
Oruro	3	18,4 %	1	3,1%	-2	- 66,7%
Potosí	1	6,1%	1	3,1%	0	0%
Tarija	0	0,0%	0	0%	0	0%
Santa Cruz	1	2,1%	2	9,2%	+1	+100%
Beni	0	0%	2	6,2%	+2	+200%
Pando	0	0%	0	0%	0	0%
<b>Total</b>	<b>19</b>	<b>100</b> %	<b>26</b>	<b>100</b> %	<b>+7</b>	<b>+36,8%</b>

Source: Dirección General de Participación Popular. Tercer Boletín, La Mujer en la Gestión Municipal, March 2002

Interference with official functions is the most common type of violence (45.6% of cases), followed by psychological violence (33.4%), with physical and indirect/subtle violence accounting for 10.5% each. Because these figures are based on complaints registered, it is very likely that they represent the tip of the iceberg, as far as the prevalence of such violence.

## 2. Economic Issues

Pervasive discriminatory patterns are also evident in the economic arena, typified by limitations on access to economic opportunities by women, and lower allocation of public and private resources directed toward creating increased economic opportunities for women.

The 2000 Seligson survey indicates marked gender differences with regard to perceptions, as to whether women have equal employment opportunity as compared with men: while 57% of men responding said that women had equal employment opportunity, only 45% of women agreed. The more urban the residence of the respondent, the more likely it is that the individual perceives employment discrimination. The *cholo* and indigenous populations also perceive a higher degree of discrimination than do whites, blacks or *mestizos*, and also show the largest gender gap in perceptions, with women far more likely to perceive discrimination than men. Further, a quarter of survey respondents noted that women receive lower pay than men, and cannot get a job if they

are pregnant. About 20% mentioned sexual harassment, and about 14% noted difficulties in getting permission to care for children. About 10% indicated problems in promotion.<sup>2</sup>

Such problems are certainly a factor at the municipal level as well, although quantitative data are not available. Field interviews indicated a pervasive interest among women in assistance for productive or employment opportunities and activities, which were expressed as one of their most urgent needs. While women are slowly gaining a voice in determining municipal priorities, it is clear that even in the best of cases, they are nowhere near achieving an equal voice and perceiving equal benefits from municipal economic development activities. When asked about activities to benefit women, nearly all responses, from both male and female municipal officials, focused on highly traditional, female-stereotyped activities. It is clear that traditional gender roles are the driving force in determining such activities, rather than economic viability, market demand, and potential economic impact in terms of employment and income.

### **3. *Socio-cultural Issues***

Reasons often given for women's lower rates of participation in the political and economic arenas include women's lower levels of education. According to Seligson, on average men had 11.1 years of schooling in 2000, while women had 9.8 years. However, Seligson also demonstrates that culture is a prime variable affecting women's knowledge of politics and access to political information. Men are nearly twice as likely as women to know accurate political information, even when education level is controlled.<sup>3</sup>

Culture, in the form of highly stereotyped gender roles, is the underlying reason for both the political and economic discrimination noted above. The issue of violence against councilwomen, previously discussed, is also a socio-cultural manifestation, since most of the municipalities where violence has occurred are rural, where councilwomen have low levels of education, limited access to information, and little experience in politics or municipal management.<sup>4</sup>

## **III. GENDER INTEGRATION STRATEGY FOR PHASE III OF THE DDCP**

This section outlines a strategic approach, with specific recommendations for activities and actions to consider, in order to support the gender integration process, if USAID decides to support Phase III of the DDCP. The strategy is intended to strengthen the existing gender-related actions undertaken in Phase II and to support and complement them with additional activities, in order to achieve greater impact on full, active participation by women, as well as by men, in the municipal planning process and on the benefits of social and economic development at the municipal level.

The main components of the strategy are listed below. Subsequent sections discuss each of these components and suggest specific considerations and activities to support them.

- Preparatory activities at the base level

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<sup>2</sup> M. Seligson, *The Political Culture of Democracy in Bolivia: 2000*, November 2000

<sup>3</sup> *Ibid.*

<sup>4</sup> Dirección General de Participación Popular. *Tercer Boletín. La Mujer en la Gestión Municipal*. March 2002

- Implementation of the MGMP-G
- Support for the development of viable, effective projects to benefit women as well as men
- Monitoring implementation and results
- Institutional strengthening and organizational support
- DDCP implementation mechanisms for gender activities

#### A. PREPARATORY ACTIVITIES AT THE BASE LEVEL

Nearly everyone interviewed noted the need for greater outreach to women at the base level, for training which would help them develop sufficient knowledge and self-confidence to participate actively in the municipal planning process; for greater sensitization of men to facilitate women's participation; and/or for actions to remove barriers to participation. In order to enhance access and participation by women, it is important that such activities take place at the OTB level, or in groups of nearby OTBs, to minimize time and mobility constraints which particularly affect women. It is also important that women's organizations be brought into the process, as well as women as individuals. Such preparatory work would greatly facilitate women's subsequent participation in the MGMP-G process.

Components or activities which should be considered in the design for Phase III include:

- Motivational outreach to women within each OTB (or group of OTBs), and to local women's organizations, prior to the initiation of the planning cycle (*cumbres*), to encourage participation in the municipal planning process and to identify issues, barriers and training needs affecting participation. This could be done by OTB and CV members (preferably female), or by local NGOs trained by municipal association or *mancomunidad* staff.
- Training for women and women's organizations, within each OTB or group of OTBs, to address the needs identified, including, but not limited to, topics such as motivation and confidence-building; leadership skills; the MGMP-G process; and basic analysis, prioritization, and decision-making skills. This could be done by association or *mancomunidad* staff, or by local NGOs.
- Sensitization and motivational outreach to men within OTBs and CVs to develop greater understanding of the benefits of women's participation, in order to increase community well-being. This could be done by male leaders trained by association or *mancomunidad* staff.
- Support for removing barriers to women's participation, for example, by selecting accessible locations and times for meetings/training, paying someone to care for children during meetings/training, and conducting outreach and training activities in indigenous languages, and/or adapting them to reach illiterate women when necessary.

#### B. IMPLEMENTATION OF THE MGMP-G

Current activities to disseminate the MGMP-G should be continued. These include training association and *mancomunidad* staff in the revised methodology, and support by these staff

persons to the implementation process in the municipalities. Additional interventions which should be considered include:

- Strongly promoting representation of OTBs in planning meetings by both a man and a woman; the feasibility of making this a requirement, or the utility of providing incentives for doing so should be examined.
- Strongly encouraging women's organizations, as well as other community-based organizations, to participate in the MGMP-G process.
- Taking women's constraints into account in selecting meeting places and times, and providing child care, if necessary, during meetings.
- Adapting/translating the methodology and materials into major indigenous languages, and/or adapting it to reach illiterates and those with very limited education, in order to enhance the broadest, most diverse participation.
- Formalizing follow-up (*seguimiento*) of the planning and implementation process by association and *mancomunidad* staff (also see section D below).
- Developing a gender-sensitive methodology for preparing Municipal Development Plans (PDMs, *Planes de Desarrollo Municipal*), in order to integrate gender into long-range strategic planning, to further buttress the existing MGMP-G focused on Annual Operating Plans, budgets and social control, and to ensure coherence and gender sensitivity in the entire process.

### **C. SUPPORT FOR THE DEVELOPMENT OF VIABLE, EFFECTIVE PROJECTS TO BENEFIT WOMEN AS WELL AS MEN**

In order for participation to be meaningful and sustainable, there must be concrete benefits which improve conditions for all segments of the community. A concern voiced by many of those interviewed was the need for assistance in identifying and developing feasible municipal projects, particularly productive and human development projects, in addition to more traditional municipal infrastructure projects. There is a high rate of rejection of municipal projects by national-level funding sources. There is an especially acute problem with projects which are intended to benefit women, particularly productive projects, since they are usually selected on the basis of gender (e.g., they are traditionally female activities such as handicrafts production), rather than on the basis of economic viability and impact. They are thus more likely to be rejected or more likely to fail to have significant impact if implemented, thereby resulting in a disincentive to continued participation. In order to address this problem, the following should be considered:

- Support technical assistance in project identification, preparation, identification of funding sources, and implementation, with an emphasis on developing viable productive projects, particularly those of benefit to women. Such projects should be based on market demand and should result in significant and sustainable improvements in employment, production/sales, and income.

- Promote women's involvement in micro-enterprises which provide municipal services, such as trash collection and recycling, preparing school breakfasts, child care centers, tourism development, natural resource protection, etc..
- Promote human development projects which improve women's ability to participate and benefit, such as classes in Spanish for those who only speak indigenous languages, and literacy classes. Such classes should also be available to men who wish to participate.

#### **D. MONITORING IMPLEMENTATION AND RESULTS**

To date, follow-up of the municipal planning process has been limited and not systematic. In order to track the impact on participation and benefit, and thus enable documentation of the achievement of DDCP and USAID strategic objectives and intermediary results, it is essential to collect a wider range of data by sex, and to track indicators which demonstrate impact on both participation and meeting needs.

- Periodic follow-up visits by association and *mancomunidad* staff should be made to assess the implementation of decisions made during the planning process and to identify and help resolve any issues or problems, including the implementation of projects of interest to women.
- Association and *mancomunidad* staff should be trained by DDCP in collecting and reporting sex-disaggregated data.
- Measurable indicators of impact should be established for Phase III gender-related activities. These might include the present gender indicators developed by DDCP (women's % of participation, projects and investments), but not necessarily be limited to these. Indicators on the quality of participation, e.g., the percentage of women in leadership positions at various levels, or indicators on satisfaction with results/improvements in quality of life, by sex, may also be useful.

#### **E. INSTITUTIONAL STRENGTHENING AND ORGANIZATIONAL SUPPORT**

Interventions which should be considered for Phase III include:

- Continuation of support to ACOBOL, in order to help it achieve sustainability. This should include assistance such as the strengthening of departmental associations, developing a strategic plan, supporting the hiring of an executive director, training in conflict resolution and organizational development, rationalizing the dues structure to promote sustainability, strengthening the legal defense program (including the possibility of providing self-sustaining paid services), and strengthening the capacity to document experience and provide guidance to new councilwomen and mayors, to enhance the value of the organization to its membership.
- Continue to support training for councilwomen in municipal planning and management, participation and gender issues, legislative and negotiation skills, etc., to help them become more effective.

- Support non-partisan training of women candidates for municipal councils in campaign skills, municipal responsibilities, gender issues, etc, in order to prepare them to compete effectively in elections and to increase representation of women at the municipal level.
- Promote the formation of organizations (formal or informal) to share experiences and to provide support for women members of OTB directorates and CVs within municipalities and/or *mancomunidades*.

#### **F. DDCP IMPLEMENTATION MECHANISMS FOR GENDER ACTIVITIES**

Implementation of gender-related activities should be an integral part of Phase III activities. While it may be useful to undertake some activities through NGOs, through institutions such as ACOBOL, or in coordination with the Vice Ministry for Women, these should not be the sole or major means of addressing gender issues, which would tend to make gender a separate category, rather than integrating it. Any such activities should be designed to support integrated, mainstream DDCP efforts to promote gender equity at the municipal level. Implementation mechanisms which should be considered include:

- Use of a training-of-trainers model, in which DDCP staff train association or *mancomunidad* staff, who may in turn train others at the municipal and civil society levels, in addressing gender issues.
- Continuation of a full-time gender specialist on the DDCP staff.
- Inclusion of technical specialists with gender expertise in municipal associations and *mancomunidades* (at least one technical specialist in each association or *mancomunidad* should possess expertise in gender, together with his or her other technical specialization).
- Funding to cover specialized short-term expertise in gender issues, when necessary.
- Funding to cover translation/adaptation of the MGMP-G methodology and materials for speakers of indigenous languages and for illiterates.

## ANNEX D

### PRESENT ENVIRONMENT AND INFLUENCES ON DECENTRALIZATION

In spite of important achievements in Bolivian decentralization during the last years, there are new challenges ahead that have to be faced in order to strengthen the process and make it sustainable over time. One of these challenges refers to effective management of scarce municipal resources.

#### 1. MUNICIPAL REVENUE SOURCES

Bolivian municipalities rely on the following resources: locally generated funds, transfers from the central government, and loans from public or private lenders. The composition of revenues varies significantly among municipalities of different size<sup>\*</sup>.

##### A. LOCALLY-GENERATED FUNDS

Municipalities in Bolivia legally generate income from taxes and fees.<sup>\*\*</sup> During 2000, municipalities generated local income of US\$134 m, 19.5% more than in 1995. The ten largest municipalities (48.9% of the population) collect 85.4% of local taxes and fees nationwide. On the other hand, medium and small municipalities generate only 11.7% and 3% respectively (see Table 10). Even among the largest cities, there are cases of fiscal ineffectiveness. For example, while La Paz generates US \$62 per capita, Santa Cruz, a wealthier city, collects only US \$ 24.

**TABLE 10**  
**Locally-Generated Municipal Revenues 1995 – 2000**

Municipalities	Local Revenues 1995		Local Revenues 2000		Growth 1995 – 2000	Local revenues per/capita 2000 US\$
	US\$ m	%	US\$ m	%		
Large	97.0	86.5%	114.5	85.4%	18.0%	28.29
Medium	11.9	10.7%	15.7	11.7%	31.1%	6.88
Small	3.2	2.9%	4.0	3.0%	23.8%	2.03
Total	112.2	100.0%	134.1	100.0%	19.5%	16.21 <sup>***</sup>

Source: VPEPP, CD-Estadísticas socioeconómicas Municipales

By far the largest share of locally generated municipal revenues is comprised of local taxes (property, automobile, and transfer taxes). These represent two thirds of local resources

<sup>\*</sup> For analytical purposes, we have classified municipalities in three size categories, based on the 2001 Census results: Large municipalities, with more than 100,000 inhabitants; Medium-sized municipalities, with more than 20,000 and fewer than 100,000 inhabitants; Small Municipalities, with fewer than 20,000 inhabitants

<sup>\*\*</sup> Their main income taxes are the property tax (impuesto a la propiedad de bienes Inmuebles), motor vehicle registration tax (Impuesto a la Propiedad de vehículos automotores), a property and automobile sales tax (Impuesto Municipal a la transferencia de inmuebles y vehículos automotores), a business license tax (patente) and a business license tax for forest and mining companies (patentes forestales y mineras).

<sup>\*\*\*</sup> Weighted average

nationwide. Forest and mining activities generate only marginal resources, because municipal authorities are not aware of the legislation that entitles them to collect taxes on these activities. More effort needs to be directed to reducing tax evasion and improving tax records and control systems.

## B. TRANSFERS FROM CENTRAL GOVERNMENT

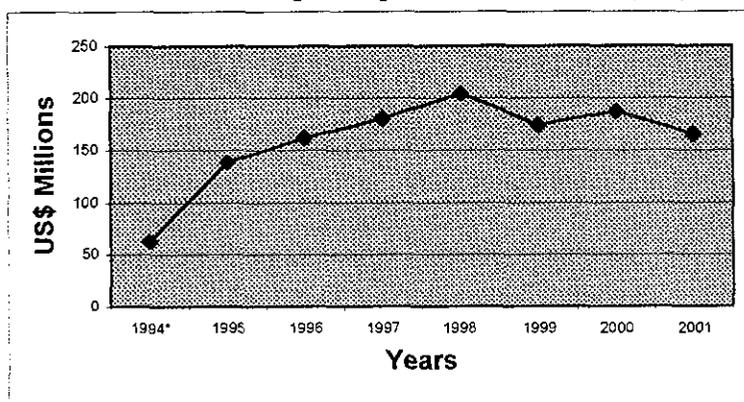
Municipalities receive three kinds of transfers from the Central Government:

- Co-participation funds (*Coparticipación Tributaria-“CT”*)
- HIPC funds
- Transfers from the FPS (*Fondo de Inversion Productivo y Social*).

### 1) *Coparticipación Tributaria (CT)*

CT is the most important income source for most municipalities. According to the PPL, 20% of national taxes\* are transferred to the accounts of the 314 municipalities in Bolivia, proportionate to their population. Municipal governments must spend at least 85% of this amount on investments and may use up to 15% on operating expenses. CT has shown a volatile trend, it is extremely sensitive to economic changes. Graph 1 shows the evolution of CT.

GRAPH 1  
*Coparticipacion Tributaria (CT)*



Source: VPEPP, *CD-Estadísticas socioeconómicas Municipales*

Until 2001, CT distribution was based on the 1992 Census. Since 2002, calculations are based on the 2001 Census results. The population shift has had a strong impact on several municipalities; some lost nearly 50% of their CT levels, others were increased by over 60%. The urbanization trend is continuing, as large municipalities' share of total population has grown from 46.2% to 48.9%.

While having a reliable source of income has helped to promote stronger municipal governance, CT has also exposed local governments' vulnerability to over-reliance on resources channeled through the central government. Small municipalities are especially vulnerable; they are often

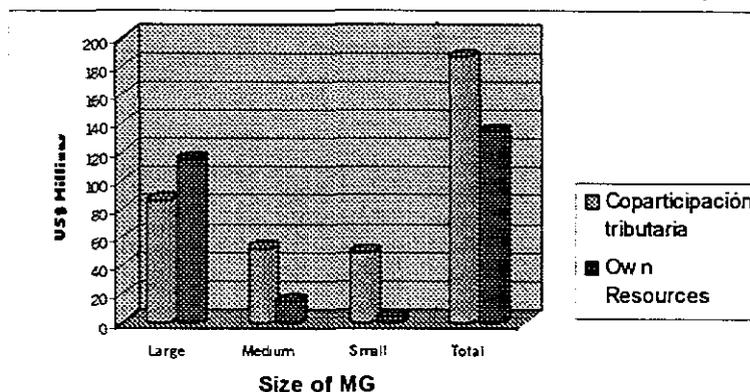
\* Value Added Tax (IVA), Complementary VAT (RC-IVA), Corporate Income Tax (IUE), Tax on Transactions (IT), Specific Consumption tax (ICE) Custom taxes (GAC), Inheritance tax (sucesiones) and export taxes

48

the poorest entities. Their officials have limited political capacity to impose and collect local revenues.

During 2000, US\$186.7 m has been transferred from the central government as CT, while municipalities generated US\$134.1 m in the same period. In general, large municipalities generate slightly more local resources than CT. Medium and small municipalities are far more dependent on CT funds. CT funds are passive resources, outside the control of the municipalities. Ideally, all municipalities would rely more on revenues that they can adjust and control than on external resources.

**GRAPH 2**  
**LOCAL REVENUES VS. COPARTICIPACION TRIBUTARIA (YEAR 2000)**



Source: *Viceministerio de Planificación Estratégica y Participación Popular*

## 2) HIPC Resources

According to the *EBRP*, the *Ley del Dialogo*, approved in July 31 2001, is the legal instrument that provides the criteria for the distribution of HIPC funds. The education and health sectors receive 20% and 10% respectively from HIPC resources, around US\$27 m per year. The remaining 70% is distributed to municipalities for social and productive investment purposes, in sectors directly related to the fight against poverty. The distribution formula\* favors the poorest and the smallest communities:

- 30% (US\$18.9 m) is distributed among the nine departments in equal amounts, and further distributed among the municipalities according to the poverty formula.
- 70% (US\$44.1 m) is distributed directly to local governments, according to the poverty distribution formula.

## 3) Transfers from the Fondo de Inversión Productivo y Social (FPS)

The FPS is a central government entity whose main purpose is to transfer resources from international cooperation (multilateral and bilateral) to municipalities for public investment related to poverty reduction. Funds are assigned to each municipality, according to the poverty

\* The formula recalculates the population of each Municipality as follows: Population with Basic Needs Satisfied x (-1) + Population at the Limit of Poverty x (0) + Population of Moderate Poverty x (1) + Population of Indigent Poverty x (2) + Population of Marginal Poverty x (3)

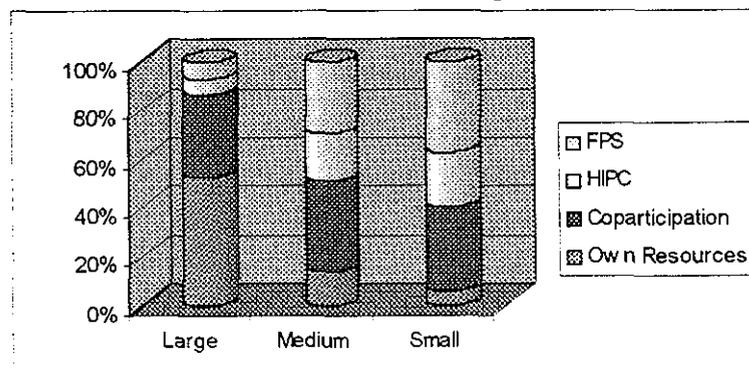
distribution formula. The funds are not automatically deposited in municipal accounts; they are delivered upon approval of projects that meet technical criteria defined by the FPS.

Projects require a counterpart from the municipalities, according to the poverty level and type of project, which ranges from 10% to 50% of the total cost of the project. In order to facilitate access to FPS funding, the central government decided to reduce the counterparts to a maximum of 20%.

Although the FPS has been designed as a strategic governmental vehicle to fight poverty, it has not been very effective so far. There are many obstacles to effective use of FPS funds: funding problems, the complexity of procurement processes (mainly World Bank and IDB) with which municipalities must comply, the internal bureaucracy of the FPS, the lack of adequate technical knowledge by municipalities. Of the 5,929 requests received by the FPS, which amounted US\$317 MM, 1,395 have been approved and US\$82 MM has been committed for financing, but only 8% of the funds have been disbursed so far.

Graph 3 shows the structure of municipal funding sources. Large municipalities rely mainly on their own capacity to collect local taxes, while resources from HIPC and FPS have a relative marginal impact on their finances. On the other hand, medium and small municipalities rely on funds from the central government.

**Graph 3**  
**Structure of Municipal Sources**



Source: Viceministerio de Planificación Estratégica y Participación Popular

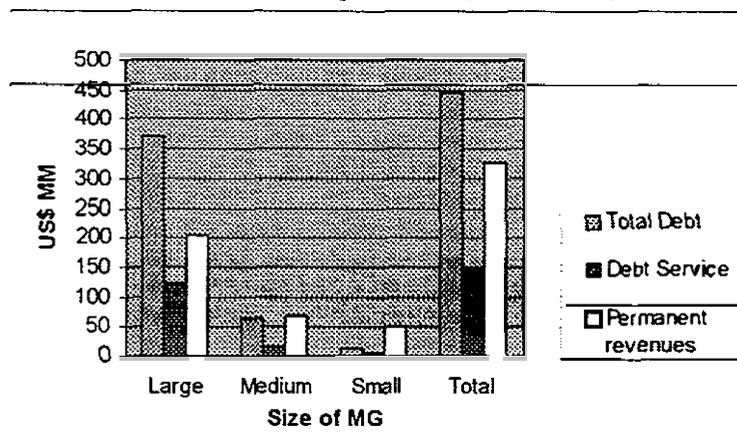
### C. LOANS

Municipalities finance part of their expenditures by borrowing. The *FNDR* is their most important source of credit, but not the only one. Credit can also be obtained from the financial market (commercial banks, municipal bonds), suppliers, and contractors. Municipal debt reached approximately US\$446.8 m during the year 2000, while debt service was US\$145.8 MM, as shown in Graph 4; these figures represent 137% and 45% of permanent revenues (local income + CT), respectively.

\* The Ministerio de Hacienda uses two indicators to authorize borrowings of public institutions: first, total debt should not exceed 200% of the previous year's permanent revenues and second, debt service should not exceed 20% of the permanent revenues.

The debt burden is severe in large municipalities, which account for 83% of total municipal debt. The average debt and debt service ratios of this group are 180% and 60%, respectively. Some municipalities have exceeded the allowed debt limits and are currently facing a critical situation. The situation is generally less severe among medium municipalities (debt ratio and debt service ratio of 96% and 23%, respectively), but there are some critical cases that must be monitored very carefully. Small municipalities do not have this problem, as their access to financial sources is very limited. Small municipalities are in general reluctant to borrow from third parties, and tend not to be attractive credit risks.

**Graph 4  
Municipal Debt (1999-2000)**



Source: *Fondo Nacional de Desarrollo Regional (CD-PAI)*

The *Ministerio de Hacienda* has not been able to effectively control municipal debt, especially debt to contractors and suppliers. As a result, many of them have exceeded the limits and are facing a hard situation, using most of their CT to repay debt.

The loan portfolio of the FNDR has deteriorated recently. By December 2001, its past-due loan portfolio amounted US\$23.4 m. The main reasons for this have been the income reduction of many municipalities, the lack of political will to collect service fees and taxes, the weak financial management in most municipalities, and the implementation of overly large projects.

In the year 2000, the *Ministerio de Hacienda* decided to enter into PRF agreements with overly indebted municipalities. PRFs included reprogramming of liabilities with public sector entities, payment of past-due loans with CAF resources and inclusion of some restrictive covenants. Some municipalities are making great efforts to make adjustments to meet the PRF agreements, but the results are not so encouraging in all of them. The largest municipalities have not improved their debt ratios since PRF was implemented.

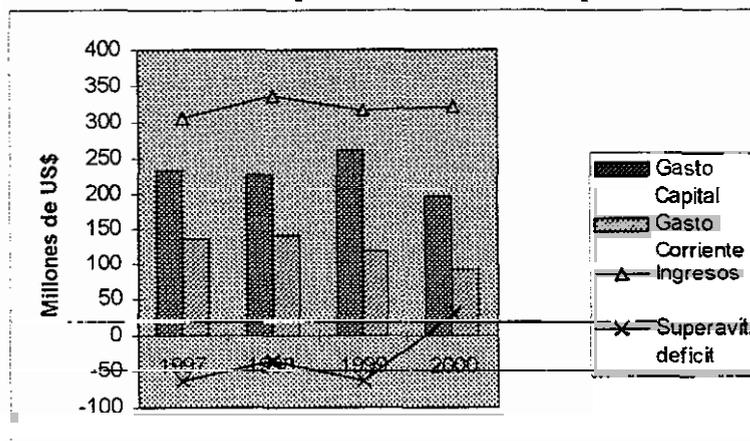
Another municipal credit problem is that there is a high exposure to devaluation risk. Credits are normally contracted in US dollars, but municipal revenues are in Bolivianos. Because public institutions are not allowed to hold accounts in foreign currencies, there is no way for the municipalities to hedge this kind of risk.

## 2. MANAGED FINANCE ISSUES

### A. INVESTMENT AND EXPENSE

Graph 5 reveals a worrisome municipal financial issue: except for the year 2000, current and capital expenses exceeded revenues, generating a fiscal deficit that has been covered by incurring debt. This problem may threaten the fiscal situation not only at the municipal level, but also at the national level. The central government and municipalities have to become conscious of this threat and design corrective actions as soon as possible. Otherwise, the sustainability of the model will be in danger.

**Graph 5**  
**Municipal Revenues and Expenses**



Source: *Viceministerio de Planificación Estratégica y Participación Popular*

Most municipal investment has gone to the social sector (health, education, sanitation and urban infrastructure), representing 72% of total municipal investment in the year 2000. Although this is important, its economic impact is marginal--it does not promote productive investments that can help economic recovery.

### B. "PRODUCTIVE MUNICIPALITY" AND ECONOMIC MUNICIPAL INVESTMENT

Public investment executed by municipal governments from 1994 to 2000 to support productive activity in their territorial jurisdictions has not exceeded 3% of total investment, and it has been almost entirely directed to supporting the agricultural and cattle breeding sector through research, training and technical assistance. In the same period, municipal investment increased from 10% to 17%, emphasizing road improvement and construction, electrification, irrigation systems and micro-irrigation. This limited contribution to local economic development has been typical of municipalities, since the basic premise has been that the municipal system is a process of social reformation.

Economic sectors have barely participated in planning. Existing norms and regulations are not favorable, since any resource transfer to private parties has been immediately labeled as mismanagement. A legal breakthrough was established with the Dialogue Law, which allows the

municipal government to direct funds, within the 70% percent established for infrastructure, to "technical assistance to support production and micro-enterprises". Moreover, it enables economic organizations within municipalities to participate in the Productive, Economic and Development Councils.

However, the situation is still unfavorable to municipal decentralization, since these councils are under the authority of the Citizen Oversight Committees, to which they must submit reports. Also, it is noteworthy that it has not been possible to harmonize the interests of producers in the outstanding economic sectors with the interests of municipal governments. Both processes run parallel to each other, preventing complementary public-private encounters ("local joint ventures.")

### **3. INSTITUTIONAL ISSUES**

#### **A. MUNICIPAL GOVERNANCE: CENSURE VOTES AND POLITICAL CONFLICTS**

Between the elections of 1995 and 1999 there were a large number of dismissals of mayors. On average, 129 mayors (almost 40%) have been removed annually. During this period, 200 municipalities have changed their mayor at least once. These changes cause governance problems, staff instability, and impede training efforts.

The Municipal Law (1999) entitles the Municipal Council to remove the mayor (voto de censura) on an annual basis. This law establishes certain legal requirements in order to avoid discretionary dismissals of mayors\*. While these changes have reduced dismissals by 17% since the year 2000, the qualitative aspect of the conflicts seem worse now. Many mayors have been discharged from their offices through threats and the actual use of force\*\*. Struggles are also motivated by the influence of political parties at the national level. As long as there is the chance of censuring mayors and dismissing them due to political interests, the possibility of achieving sustainable municipal development will be negatively affected.

#### **B. DEPARTMENTAL DECENTRALIZATION AND MUNICIPALITIES**

Departmental decentralization has not been able to bring about a planning process that effectively interacts with the municipal realm. The Departmental Development Plans hardly ever correspond with the PDMs. Departmental investments carried out in coordination with municipalities have not exceeded 4% of total departmental resources. Moreover, resources have been allocated according to political interests.

Departmental council members, as province representatives and potential links between both levels, have not fulfilled a satisfactory role either. Their actions are subordinate to the power of

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\* For instance, the proposition for dismissing a mayor needs the support of at least one third of the council members. the Municipal Council has to wait a week to vote for or against the proposal and an accredited vocal from the Departmental Electoral Court must oversee the enforcement of this legal ruling.

\*\* The cases of Santa Rosa and Huanuni, where there were deaths and kidnappings, illustrate this reality of exacerbated positions. Although those were isolated cases, they are warnings of possible violence and non-governance.

the Prefect, who is not elected by the citizens of the department but is directly appointed by the President.

Adequate legislation to promote better technical assistance "from top to bottom" is lacking. The conflicts and ambiguity regarding responsibilities, among departmental directorates and services, result from lack of legal clarity, and have allowed these entities to be taken over by the ruling political parties, thus generating discrimination.

Also, decentralization regulations concerning human resource management have hindered municipalities' ability to exercise appropriate follow-up of health and education personnel. Decentralization currently places law making at the central level, personnel management at the prefecture level and infrastructure management at the municipal level. To date, this "decentralization through factors" has produced an alarming lack of coordination and efficiency.

### **C. INSTITUTIONAL STRENGTHENING AND INTERNATIONAL COOPERATION**

More than US\$50 m has been invested in institutional strengthening since 1996. Diverse training agents, including the central government (several entities and prefectures), social actors (donors, NGOs or departmental associations), have carried out isolated technical assistance efforts. Some municipalities are assisted by up to 10 NGOs, while others are neglected. Cooperation agencies are concentrated in some municipalities, especially the urban ones.

These activities are not regulated. As a consequence, technical assistance becomes a matter of supply instead of demand. This kind of work is undertaken where there are no obstacles or where poverty or the presence of indigenous people prevails. Other parameters should also be taken into account, such as fiscal or administrative efficiency.

There is no legislation aimed to support staff stability in municipalities. Much training is repeated over and over, and only improvised technical teams can be established, due to high turnover. There is no municipal administrative career, nor are there any training centers for public administration and decentralization. High schools and universities have not taken into account major reforms, hindering the formation of human resources. Training has a short-term approach instead of taking a more structural focus. This is perhaps a result of state weakness, since the State has not issued a single policy on the matter, and does not regulate its application nor evaluate its impact. In this scenario, international cooperation has replaced the role of the State.

### **D. DECENTRALIZATION BY SECTORS**

Basic sanitation, education and health have become more important, since their share of total social investment rose to 40% in year 2000, from less than 25% in 1994. This amount could increase if HIPC resources were included, since they require fixed amounts for social investment, according to the Dialogue Law (20% for education, 10% for health). Few such investments have been implemented, since adequate spending capability is lacking. The situation of the health account is especially serious, since hardly any resources have been used.

The Dialogue Law allows the use of US\$27 m annually to balance the deficit in health and education. For the selection of new health and education personnel, a proposal to establish Local Selection Committees was made. Municipal participation in the appointment of new education personnel has been almost non-existent. In the case of health, the calculations carried out concerning the deficit of personnel (as defined in Law 2235), have been erroneous, which still show a considerable deficit.

However, this sector has access to 6,4% (out of 85%) of CT resources, to be destined to the Mother-Child Insurance, as well as to counterpart funds (60% covered by the TGN and 40% by the municipal system) for the operation of the Old Age Alleviation Insurance. Regarding the first, 67 municipalities have a deficit of US\$ 1.3 m; this means some municipalities exceed their limit of 6,4%, while others do not even use half these resources. The second case has generated an obligation with the national healthcare institutions, due to insufficient disbursements from the TGN and the municipalities.

#### 4. SOCIAL CONTROL ISSUES

The PPL sought to become more than a municipal decentralization reform and took into account the participation of OTBs (neighborhood boards, peasant communities and indigenous peoples) creating at the same time a *Comité de Vigilancia (CV)*, as a social control organism.

The CVs' performance has floundered due to diverse barriers: representation problems, because of over- or under-representation of the cantons and the restriction of membership to OTB leaders. Thus there are only territorial representatives instead of functional officials representing crucial sectors (mother's clubs, civic committees, producer's associations, etc).

Regarding their operation, CVs have demonstrated a mediocre performance due to resource scarcity, lack of technical expertise, tendency to concentrate tasks on the CV President, or over-adherence to central political power. Although the creation of the *Fondo de Control Social* (Law of Municipalities) has granted resources to the CVs and alleviated some of their needs, it has almost transformed them into state agencies, highly dependent on government funds. This resource granting is carried out without a social counterpart, this is, there are no minimal efficiency parameters governing the transfer of such resources.

The CODEPEs are intended as technical support entities to the CV as well as mechanisms for the inclusion of economic actors in the control process. Although the design seems desirable, complicated models have feasibility problems due to lack of realism. An initial failure in this area occurred with the creation of the CV's Consultative Council (Law 2028 of Municipalities) which intended to provide technical support. No more than 20 Consultative Councils were created. Currently there is a similar number of CODEPEs.

On the other hand, the Dialogue Law, has made it possible to grant legal status to social control mechanisms, a social body prompted by the Catholic Church. The intention is the extension of social control to the national and departmental spheres. Nine departmental mechanisms and one national mechanism have already been established. Their objective is to follow-up implementation of the EBRP. Their performance is still unknown, and there is a lack of clarity as to their establishment and in their operation.

## 5. PARTICIPATORY PLANNING

The possibility of carrying out planning at a municipal level was a noteworthy advancement, since only isolated planning initiatives, diverse in terms of their scope, existed previously. In some cases, there were canton plans and in others province-oriented plans. PPL provided structure to planning and a single universe for participation-oriented planning was defined: the municipality.

So far 314 PDMs have been prepared and the POAs are produced yearly. Although this progress is positive, the reality is that PDMs and POAs are in concordance in only 33%, which renders the first instrument almost useless. It has not been possible to link local planning with departmental planning either. Although there is a National Planning System (SISPLAN) and also nine Departmental Plans, the fact is that these instruments are insufficient to achieve coordinated planning that integrates all levels.

This shows that the prioritization of technical preparation of norms and plans has not been congruent with local and regional realities. Therefore, perhaps less technical neatness but more social participation is required. So far, NGOs and private consultants have been hired to prepare PDMs, but these instruments are not really known by the population.

In this framework, the addition of an even more complex component could be, paradoxically, the solution to the lack of truly participatory dynamics: the need to take into account the form of planning laid out in the Dialogue Law. The aim is to plan based on Municipal Dialogues, Departmental Dialogues and a National Dialogue. This type of articulation must be promoted, which may also bring a participation component into planning, together with improved coordination.

## 6. GENDER AS A FACTOR AFFECTING PARTICIPATION AT THE MUNICIPAL LEVEL

This section briefly reviews the current status of women's participation in municipal governance in the nation as a whole, and notes major gender-related issues. More information on Gender is presented in Annex C.)

### A. REPRESENTATION IN MUNICIPAL GOVERNMENT

There has been a marked increase in women's representation in the 2000 election, compared with the 1996 election: the number of titular councilwomen elected increased 100%, from 128 to 256, and the number of women mayors increased 53.4%, from 13 to 20. These increases can be largely attributed to the change in the Electoral Code, commonly known as the Quota Law (*Ley de Cuotas*),\* which requires that at least 30% of candidates be women, with men and women alternating on the electoral lists.\*\* Annex C provides more detailed information.

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\* Law N° 1984, passed June 25, 1999

\*\* Information in this section is from Dirección General de Participación Popular, Tercer Boletín, La Mujer en la Gestión Municipal. March 2002

56

**B. GENDER ISSUES WHICH AFFECT THE MUNICIPAL LEVEL**

**1) *Political and Policy Issues***

Women are less likely to be registered to vote, and to vote, than are men, although the overall difference is not large at the national level; among the rural poor, particularly illiterates, the difference is likely to be much larger. In the 2000 election, 76% of men and 71% of women were registered to vote. Of these, 92% of men and 88% of women intended to vote. Males are also more likely than females to contact public officials at all levels.

Males are nearly twice as likely to have participated in municipal meetings as are females. In the 2000 sample, 19% of men and 11% of women had participated in municipal meetings. Similarly, 11% of men and only 6% of women had participated in municipal budget-making. The same relationship occurs with regard to complaints to Vigilance Committees: 12% of men versus 8% of women.

An important issue that is both political and cultural is violence against councilwomen, which stems from widespread discriminatory attitudes, but in most cases is intended to force women to resign, so that a man can take their place (since men and women alternate on lists as titular members and substitutes), or to give way to men and/or their political interests in decision-making—in sum, as a means of retaining male political power. Interference with official functions is the most common type of violence (45.6% of cases), followed by psychological violence (33.4%), with physical and indirect/subtle violence accounting for 10.5% each. Because these figures are based on complaints registered, it is very likely that they represent the tip of the iceberg, as far as the prevalence of such violence (see Annex I, Table 5 for detailed information).

**2) *Economic Issues***

Pervasive discriminatory patterns are also evident in the economic arena, typified by limitations on access to economic opportunities by women, and lower allocation of public and private resources directed toward creating increased economic opportunities for women.

Such problems are certainly a factor at the municipal level, although quantitative data are not available. Field interviews indicated a pervasive interest among women in assistance for productive or employment opportunities and activities, which were expressed as one of their most urgent needs. While women are slowly gaining a voice in determining municipal priorities, it is clear that even in the best of cases, they are nowhere near achieving an equal voice and perceiving equal benefits from municipal economic development activities. When asked about activities to benefit women, nearly all responses, from both male and female municipal officials, focused on highly traditional, female-stereotyped activities. It is clear that traditional gender roles are the driving force in determining such activities, rather than economic viability, market demand, and potential economic impact in terms of employment and income.

### 3) **Socio-cultural Issues**

Reasons often given for women's lower rates of participation in the political and economic arenas include women's lower levels of education. According to Seligson, on average men had 11.1 years of schooling in 2000, while women had 9.8 years. However, Seligson also demonstrates that culture is a prime variable affecting women's knowledge of politics and access to political information. Men are nearly twice as likely as women to know accurate political information, even when education level is controlled.

Culture, in the form of highly stereotyped gender roles, is the underlying reason for both the political and economic discrimination noted above. The issue of violence against councilwomen, previously discussed, is also a socio-cultural manifestation, since most of the municipalities where violence has occurred are rural, where councilwomen have low levels of education, limited access to information, and little experience in politics or municipal management.

## 7. **INDIGENOUS GROUPS AND POPULAR PARTICIPATION**

Indigenous people and peasant communities have benefited from recognition under the PPL, which granted them the right to legally incorporate. 65 OTBs are peasant communities and almost 2% are indigenous OTBs. 464 indigenous authorities were elected mayors and council members in 1995 and more than 500 in the municipal election of 1999, a quarter of all municipal authorities.

The creation of 136 indigenous municipal districts, through 1997, is also noteworthy. Since then 36 Indigenous District Development Plans have been presented. However, progress is still insufficient. Concerning incorporation, it is a matter of concern that many indigenous people cannot demand recognition because of the pressure exercised by certain social sectors (cattle breeders, lumber companies or large property owners), who conceive such recognition as something potentially dangerous to their interests.

Indigenous/peasant authorities have not performed differently from non-indigenous authorities. For example, dismissal of mayors in municipal governments with indigenous/peasant presence is quantitatively similar to those without this presence.

Finally, there is an even more complex problem produced by indigenous people/peasants, who have inaugurated a "parallel decentralization" through the creation of the so-called Original Community Territories (TCOs) established by the INRA Law (on agrarian reform). Today there are 104 TCOs; some of them are already legalized, others are in the process of recognition, and others are paralyzed. Only one-third of their boundaries are compatible with municipal boundaries.

Currently, they are demanding recognition of their territory, with the goal of exercising their own direct public management in the short term, apart from the municipal system. The overlapping of territories between municipalities and TCOs is likely to result in conflicts between these two forms of decentralization. Municipal decentralization is based on pure supply and the other, socio-cultural decentralization is based on pure demand. Harmonization must be achieved, since Law 2150 on Political and Administrative Units states that, with the presence of 5,000 people belonging to a homogeneous socio-cultural unit, a new municipality can be established.

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## 8. TERRITORIAL LIMITS

Law 2150 on Political and Administrative Units was enacted in 2000. This law was essential to provide a legal framework for the administrative processes of creation, restoration, elimination and limitation of the political administrative units that comprise cantons, province sections, provinces and departments.

This seemingly administrative matter increasingly became a profound political issue, with departments and municipalities disputing territorial limits. The outcome of this situation is erroneous distribution of CT, HIPC and FPS resources, giving some municipalities resources that should go to others.\* The issue gets worse in certain cases in which the disputes involve not only population, but also natural resources.\*\*

As a consequence, municipal non-governance is commonplace. Moreover, adequate educational and health assistance is negatively affected since the administrative identity to which some towns belong remains unclear. This situation also has political effects, since some towns vote in the wrong municipality, affecting the selection of mayors.

### A. DISTRICTS, CANTONS AND MUNICIPALITIES

Currently, there are 1,350 cantons in Bolivia. They produce a relatively chaotic organizational map of the country. There are cantons representing no more than 100 citizens, while others represent 1000. Both demand equal attention from the municipal government and have the same number of representatives to the CVs. This situation hinders adequate municipal planning and proportional representation, thus creating under-representation or over-representation.

In order to solve this structural problem a new decentralization process known as municipal district distribution was undertaken, with the intention of achieving better planning and representation\*\*\*

Up to 1997, 297 municipalities had been reorganized in terms of districts; 20% of them issued municipal ordinances ratifying this creation. Unfortunately, the next administration did not continue this initiative and allowed the reemergence of cantons. Currently, there are 102 demands for the creation of new cantons. There is a risk involved in canton creation, since this phenomenon has basically an electoral origin (the representatives to Congress try to please certain towns granting them canton status). This trend could result in demands for the creation of new municipalities. Currently, there are 84 such demands in Congress, which implies a potentially risky division of the country, hindering effective and efficient administration.

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\* For instance, Cobija assists to communities of Bolpebra due to proximity factors, but the resources are given to the latter municipality. This situation occurs in 90% of the municipalities and it is aggravated by the existence of different municipal maps at the central government. The INE manages a map that is different from the one established by the territorial legislation (Law 1669).

\*\* For example, Villamontes and the neighboring municipalities dispute over oil wells or Daniel Campos province claims the Uyuni salt flats. This strife reaches departmental levels, such in the case of Beni and Cochabamba, which claim Isiboro Secure Park.

\*\*\* For instance, in Caracollo, where there are two cantons, one comprising no more than 20 inhabitants and its neighbor with 12 thousand inhabitants, three municipal districts of four thousand inhabitants each were created in order to ease adequate planning and representation.

## B. MANCOMUNIDADES AND MUNICIPALITIES WITH LESS THAN 5,000 INHABITANTS

*Mancomunidades* emerge more out of municipal will than legality. There are important legal restrictions and ambiguities regarding their creation. In spite of the enactment of Decree 26142, intended to provide a legal platform for the operation of these actors, progress has not yet been achieved. There are legal limitations, such as the need for differentiating them from associations, the possibility of making them subjects for credit and funding, the pertinence of establishing them as facilitators of concurrent investment from prefectures to municipalities, and other issues. Not even the incentives offered by the PNC, which requires that minor counterpart funds be granted by municipalities presenting projects as *mancomunidades*, have fostered their development.

These legal weaknesses have not prevented the creation of 71 *mancomunidades* nationwide: 41 (57%) have economic objectives (tourism, road infrastructure construction, irrigation, etc.), 12 (17%) seek human development goals (especially health, basic sanitation), 6 (9%) pursue institutional goals (technical assistance); there are no available data for the remaining 12 (17%). Also, 14 *mancomunidades* (19%) already have boards of directors, 21 (29%) have technical teams, 59 (83%) have statutes and rulings and 29 (41%) have their own fiscal accounts.

Progress has been difficult and governmental support has been intermittent and biased. In fact, there are neither selection criteria nor development strategies for *mancomunidades* in Bolivia and therefore, technical assistance is *ad hoc*, rather than systematic.

Municipal structures and processes have been extended to this new level, such as the creation of a CV for the *mancomunidad*, Development Plans at this level and the implementation of the eight SAFCO systems.

There is no specific policy for municipalities with less than 5,000 inhabitants, which according to law should establish *mancomunidades* in order to receive CT and HIPC resources in a more efficient way.

## C. METROPOLITAN AREAS AND URBAN DISTRICTS

The PPL was not conceived for urban areas. The evident levels of rural poverty, resulting from the lack of governmental assistance, produced a rurally-oriented decentralization process in Bolivia.

The urban population accounts for almost 70% of the total population. The three main metropolitan regions, La Paz, Cochabamba and Santa Cruz, are growing. It is projected that by the year 2030 the metropolitan population will reach 60.9% (it is currently 42%). Therefore, there is a need for urbanization of decentralization. Moreover, 58% of GNP, 43% of the industrial GNP, 72% of electricity, GLP and water services, 72% of transportation and communications, 89% of financial services, 65% of public administration services and 66% of commercial GNP are in urban areas.

An exclusive political and administrative approach has produced artificial divisions such as between La Paz and El Alto or between La Paz and Palca, Mecapaca and Achocalla, which are

cut off from the "mother" municipality and are becoming not only autonomous but also confrontational. This neglect has hindered the consideration of other major problems of urban concern, such as garbage disposal, traffic congestion and its environmental effects, and the extension of the informal economy. An overly simplistic view has prevailed, under the assumption that all municipalities are equal. The fact that the capitals shelter large urban populations facing singular problems has been largely overlooked.

The criticism against the central state prior to the enactment of the PPL can now be directed to many municipalities, which have become notably centralized. Thus, three subjects demand urgent attention: the urban phenomenon, deconcentration to sub-municipal structures, and the solution of strictly urban problems.

## **9. TERRITORIAL ORGANIZATION**

The General Plan for Economic and Social Development (1998) contemplates the need for establishing State policies allowing optimal use of existing territorial units (regional or local) according to their physical and socioeconomic features. New planning guidelines are being established, which consider productive potential, basic services, population settlements, current road infrastructure and cultural and political-institutional characteristics.

Current planning takes into account those factors only peripherally; it approaches community planning only as an aggregation of individual demands, thus neglecting the socio-economic characteristics of a given region. As a consequence, municipal decentralization becomes weak in two ways:

- First, planning takes place based only on municipal criteria, through the PDM, overlooking the fact that the biophysical and socioeconomic realities require supra-municipal and inter-municipal planning. The PDMs are formal requirements that do not harmonize well with the need for including territorial criteria that supersede artificial political and administrative limits.
- On the other hand, the process has exaggerated the variable of participation. Territorial communities demand individual distribution of resources producing a fragmentation of public investment.

Consequently, it has been necessary to establish Territorial Organization Plans, which comprise two areas: the Land Use Plan (covering the biophysical component) and the Territory Occupation Plan (addressing the socioeconomic aspect).

The achievements in territorial organization are still limited. Only 23 of 314 municipalities (8.5% of the national territory) have conducted a study on this issue. In terms of departments, only La Paz and Cochabamba lack a land use plan, but progress is extremely slow due to the high cost of planning.

At the same time, two major problems arise: the lack of specific legislation (there is only a Draft Project for Territorial Organization) and a series of norms superficially touching territorial matters (for instance the INRA Law on agrarian reform or the Forestry Law).

On the other hand, even if those plans actually existed, the challenge would be their harmonization with participation plans. Otherwise, the result would be a duplication of planning efforts without substantial results for regional development and population welfare.

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## ANNEX E

### RECOMMENDATIONS

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#### PRESENT ENVIRONMENT AND INFLUENCES ON DECENTRALIZATION

These recommendations are directed to Bolivian authorities, rather than to the DDCP; they deal with important issues in the context of a decentralized, participatory local governance effort which may be useful to them in their future efforts. They are important for USAID to consider in moving into Phase III.

#### A. ECONOMIC AND FINANCIAL

##### STRUCTURAL /LEGAL NEEDS

###### *Recommendations*

- a. A differentiated strategy for technical assistance should be established in accordance with the municipalities' capacity for resource utilization. More assistance should be given to municipalities that are not fully implementing their resources. This has become more urgent since co-participation resources have increased, including HIPC and FPS resources, with the enactment of Law 2235.
- b. Inter-ministerial agreements must be established among the Ministries of Municipal Development, Health and Education. These should include active municipal participation, through the corresponding associations, to promote the utilization of the funds is voted for education and health (20 and 10 percent respectively), which now are virtually paralyzed.
- c. A strategy for municipal training in the preparation of municipal projects must be adopted. FPS statistics show that no more than 300 municipal projects were implemented prior to the Popular Participation Law; approximately 9,000 were implemented prior to the Dialogue Law. Now approximately 13,000 projects are being implemented. Therefore, stable human resources, capable of developing and implementing projects, are essential.
- d. FPS project selection criteria must be revised and become more flexible; FPS funding procedures for participatory planning must be harmonized; the rulings concerning automatic discounts to municipal assignments must be revised.
- e. There must be ample cooperation during the project bidding stage. The government's objective should be not only to disseminate the Goods and Services regulations which facilitate resource implementation, but also to provide technical support to municipalities in use of the current rulings (including the rulings established by the World Bank and the Inter-American Development Bank). Agreements among prefectures must be established to promote joint action.

- f. An immediate reform of FPS and its departmental branches should be undertaken. Currently it is difficult for municipalities to present projects. The major obstacle is a ponderous bureaucratic structure that is slow at evaluating projects and even slower at actually disbursing the resources. However, not just these short-term weaknesses should be corrected, but the entire structure, which parallels existing decentralization structures. The departmental branches must be brought under the departmental structure, as with the DUF, which now operates under the control of the Ministry of Municipal Development.

## **“PRODUCTIVE MUNICIPALITY” AND ECONOMIC MUNICIPAL INVESTMENT**

### *Recommendations*

- a. There must be a realization of the fact that municipal structure is fundamental to regional economic development. It is necessary that the government undertake exhaustive research on regional economies in the country. This research should find out answers for questions such as: Where is employment generated? Where are there more possibilities to build sustainable regions? What is the positive/negative impact of macroeconomic policies on regional development? Harmonization between the municipal institutional base (political-institutional decentralization) and economic activity (economic decentralization) must be achieved. Otherwise, the current institutional structure will become an enormous delusion, deprived of economic sustenance.
- b. A strategy for rural development should be consolidated to generate a common platform for rural municipalities in terms of their role in development. Thus, investment could be better directed to achieve productive results.
- c. A national survey of all municipalities, in terms of existing economic and semi-economic organizations, should be undertaken. The purpose is to identify rural enterprises, productive associations or other productive actors, so that they can be included in the process of municipal decentralization. Previous experiences with projects such as PADER, AIPE and/or CEPAD should be taken into account to foster the establishment of organizations with three types of links: with municipal government, with territorial authorities, and with economic agents. Also, it is important that these three elements become involved in participatory planning, thus achieving public-private commitments at the municipal level.
- d. The central government should initiate a campaign to strengthen implementation of the Dialogue Law regarding the use of 70% of HIPC resources to support micro-enterprise activities. Traditionally, municipal resources have supported projects such as road construction and irrigation systems.
- e. The economic possibilities deriving from Law 2235 should be complemented by a decree to create and grant the so-called Entrepreneurial Card that enables local entrepreneurs to get official recognition, with less bureaucratic hindrances, and to participate in municipal bidding. The Ministry of Municipal Development must establish a commitment to assist municipal governments in this crucial step, in coordination with the Ministry of Labor (and in particular with the Vice Ministry of Micro-enterprise).

- f. The establishment of CODEPEs should include municipal economic agents. Otherwise, these entities will become appendices of the Citizen Oversight Committees. Despite the legal limitations in this area (the Citizen Oversight Committees mediate the process), this is an excellent opportunity to introduce the economic component into the dynamics of decentralization.
- g. The Ministry of Municipal Development should foster an agreement with the Ministry of Economic Development (in particular with the Competitiveness and Productivity Unit) to achieve better results in fostering productive linkages in the municipal realm. In the long term, a serious effort in this direction would produce new forms of territorial organization, where the economic component may attain the institutional background it currently needs. In the short term, it is advisable to encourage the formation of municipal *mancomunidades* based on productive linkages.

## **MUNICIPAL INCOME**

### ***Recommendations***

- a. New legislation permitting more tax collection in the municipalities must be promoted. This should include criteria for the correct delimitation of urban municipal areas, in contrast with rural areas, with the objective of consolidating accurate municipal land registry. This legislation should foster higher tax collection by granting more resources to the municipalities achieving higher fiscal effectiveness (in terms of the collection of both national and local taxes). Also, new municipal tax legislation must be adopted to include the entrepreneurial agents present in the municipality (enterprises in the fields of timber, mining and hydrocarbon exploitation must be included). Finally, this legislation must facilitate the implementation of tax incentives to attract private investments. To date, since the legislation on the matter is centrally focused, the municipalities are prevented from competing for private investments on the basis of tax preferences.
- b. The government should develop a more dynamic program for the collection of resources through taxation. Currently, the Municipal Income System is in operation, but it has not been truly relevant due to lack of support from the Ministry in charge.
- c. Governmental support, in terms of technical assistance, should be conditional on the implementation of more effective mechanisms for tax collection. To date, the municipalities that receive higher support have been selected on the basis of poverty indices or ethnic composition. Even though these parameters are important, it is crucial to foster the creation of incentives for the generation of income.
- d. The existence of territories/towns exempt from taxes, in accordance with the INRA Law (e.g. community-held or peasant-farmed lands), requires development of standards characterizing municipalities. These standards should identify municipalities with higher or lower taxation capability. Moreover, it is crucial that these province areas pay taxes in "non-mercantile" ways. Nevertheless, they should pay some sort of taxes. Any legislation on the matter must include this issue.

## **MUNICIPAL DEBT**

### *Recommendations*

- a. There is an important legal loophole regarding the granting of "sub-national" credits. A draft law on sub-national credit should be prepared in order to create minimal regulation mechanisms such as sanctions for non-compliance, time limitations for debt acquisition, supplier control and the establishment of parameters regarding legal or fiscal responsibilities, to discourage taking on unnecessary or ill-planned debt.
- b. The implementation of the Program for Financial Re-adequacy should be maintained. However, it should be implemented with less of a strictly financial approach than has been the case so far. The principle of "less deficit due to more layoffs" cannot always be applied, due to political reasons. This program has to become more flexible and it also should include the Ministry of Municipal Development, to ensure follow up.
- c. The approach should focus not on problem solving, but on problem prevention. For this reason, it is important to have follow-up indicators in order to monitor the financial situation of the municipalities. The Institutional Adjustment Program (IAP) was established for this purpose. However, it was implemented only once. This mechanism for financial monitoring in the municipalities should be continued. Satisfactory indicators would suffice for the granting of loans to a municipality.

## **B. INSTITUTIONAL**

### **MUNICIPAL GOVERNANCE: CENSORSHIP VOTE AND POLITICAL CONFLICTS**

#### *Recommendations*

- a. Article 201 of the State Political Constitution should be modified to prevent the censure vote from becoming detrimental to municipal development. This modification should state that the vote may take place only at the middle of the administration's term or that the successor be elected from among the other candidates for mayor, but not from among all council members.
- b. A legal mechanism should be enacted to ensure the immobilization of state funding in case there is misuse of the prerogative of the censure vote, which may produce negative results for the municipality (such as closure of the city hall, two mayors operating at the same time, etc.). In order to prevent political use of this instrument, the regulation should clearly define the cases in which these measures can be applied.
- c. An institutional instrument could be created to address conflicts that go beyond the municipal realm and that may unnecessarily degenerate due to lack of governmental attention or other causes. A Superintendency of Decentralization or a Municipal Ombudsman office should be created for this purpose.

## **DEPARTMENTAL DECENTRALIZATION AND MUNICIPALITIES**

### *Recommendations*

- a. A draft law on decentralization should be undertaken. Current legislation is extremely ambiguous and insufficient (for instance, regarding municipal council members), and this situation hinders an adequate relationship among levels. Rather than a law regulating municipal decentralization, it is necessary to have legislation allowing efficient management of public administration at all levels.
- b. The current organization of the Executive Branch impedes the implementation of interrelated state policies (resulting in scarce investment or inadequate planning). Currently, the Ministry of the Presidency works directly with the Prefects, the Ministry of Sustainable Development works in departmental planning and the Ministry of Municipal Development works on other municipal matters. There is a need for the establishment of a single government agency, with presence in the departments, responsible for all these aspects.
- c. In the case of health and education, personnel management should be de-concentrated in gradual and agreed-upon ways. Such management must occur at the municipal level to avoid the existing lack of coordination and the resulting gap between municipal interests and sector requirements.

## **INSTITUTIONAL STRENGTHENING AND INTERNATIONAL COOPERATION**

### *Recommendations*

- a. The State should promote the establishment of a municipal administrative career in order to promote labor stability, define a homogeneous training curriculum, establish the roles of the different agents involved and implement an efficient regulating mechanism at the central government level.
- b. Orientation on public administration, democratic values and decentralization should be included in elementary and higher education.

## **DECENTRALIZATION BY SECTORS**

### *Recommendations*

- a. The ruling regarding "decentralization according to factors" (national level ruling, departmental level managing and municipal level managing infrastructure) should be modified to favor gradual, consensus-based decentralization.
- b. The government should prepare a municipal ranking system, by sector. A differentiated municipal characterization must be made, not only regarding health care and education but also regarding basic sanitation, housing, electricity and irrigation. The preparation of this diagnosis will enable better allocation of public resources. These resources will be

granted to the sectors in greater need, as revealed by analysis of the data. Even though the resources destined to social areas in the municipalities have increased, these disbursements are still biased and sporadic.

- c. A study on the role of municipal governments regarding the tasks given them by law should be done. According to the law, municipal governments are responsible for managing health care, education, and other types of infrastructure and for the relationship between this infrastructure, the users and other sectors.
- d. The new law on mother-child health insurance should be put into effect, through the immediate establishment of DILOS. Therefore, the Ministry of Municipal Development must coordinate actions with the Ministry of Health.
- e. The government should design a strategy, based on a consensus among the Ministry of Municipal Development and the other related Ministries, to enable the utilization of HIPC funds in education (10 percent) and health care (20 percent). These joint actions should strengthen the "municipality-orientation" of the different sectors. Currently, the management of these sectors is only occasionally coordinated with the governmental entity in charge of municipal development. This situation is repeated at the municipal level, where the health and education sectors define their own decentralization process, regardless of complementary actions taken in coordination with the municipal governments.

## **C. SOCIAL CONTROL**

### **Indigenous Groups in Popular Participation**

#### ***Recommendations***

- a. Legislation more favorable to the inclusion of incentives for social control should be promoted. For this purpose, the current standards for resource distribution to the Citizen Oversight Committees, through the Social Control Fund, should be modified. The standards, which now include equity parameters (more resources for poorer committees) should also include merit criteria (more resources for the more efficient committees). Also, this legislation should give more flexibility to the territorial-based election of committees in order to enable the inclusion of other representative agents in the social control process.
- b. A survey of Citizen Oversight Committees should be undertaken to get an accurate picture of the situation of each committee. To date, there is no information about their election procedures nor about their performance. This hinders the government's ability to give differentiated (and efficient) assistance to the committees. The government treats all committees the same, since there is a lack of minimal data or diagnosis.
- c. Councils for Economic and Social Development should be created to allow the inclusion of economic agents into the decentralization process in general, and into the social control process in particular.

## **Participatory Planning**

### *Recommendations*

- a. A complete linkage between SISPLAN planning, which includes participatory planning and planning through municipal, departmental and national dialogues, must be achieved. For this purpose, it is necessary to establish a specific norm involving the links and mutual feedback between the two ways of planning (or the two ways of prioritizing demand).
- b. More effective linkage between departmental planning and municipal planning should be established. This will enable adequate and effective joint investment.
- c. The preparation of MDPs should be simplified in order to make them more useful for municipal development. Currently, the technical complexity in the preparation of MDPs, which aims to satisfy legal requirements rather than real needs, makes them unmanageable instruments. These plans must become reference guides, less exhaustive and detailed but more relevant and practical. Thus, a linkage between MDPs and AOPs may be achieved.

## **D. INDIGENOUS GROUPS AND POPULAR PARTICIPATION**

### *Recommendations*

- a. Harmonization between TCOs and province sections must be achieved. This compatibility is already established (as a legal possibility) by Law 2150 on Political Administrative Units, which establishes that in the presence of 5,000 inhabitants belonging to the same socio-cultural unit, a new municipality could be created. To this end a detailed standard for existing TCOs must be available. In the cases where demographic requirements could not be complied with (indigenous populations with less than 5,000 inhabitants), a sustained indigenous municipal district should be promoted.
- b. To prevent indigenous municipal districts from becoming another frustration, a gradual deconcentration of resources toward these new organizations should be promoted. For this purpose a legal framework must be established to reward municipalities that deconcentrate resources or that define minimal parameters to begin a deconcentration process (considering that there is a great difference between an indigenous area with 100 inhabitants and another with 4,000). Therefore, the election of sub-mayors should take place with less interference from the municipal governments so that the District may gain full functionality.
- c. A survey of municipal authorities should be undertaken. This survey should include parameters on their socio-cultural origin to enable more effective training of indigenous authorities. To date, the socio-cultural particularities of those authorities are unknown.
- d. A Program for Indigenous Municipal Development should be implemented by the Ministry of Municipal Development in coordination with the Ministry of Indigenous and Peasant Affairs. This program would be responsible for: i) training indigenous leaders to

promote their participation in the municipal democratic system, ii) designing a strategy to harmonize TCOs with municipalities, iii) providing technical assistance to mayors and indigenous council members or to sub-mayors in the indigenous municipal districts, to improve municipal management, iv) defining a differentiated strategy for resource deconcentration in indigenous districts.

## **E. TERRITORIAL LIMITS**

### *Recommendations*

- a. An exhaustive diagnosis of the 45 percent of municipalities that have boundary problems must be prepared. This also includes the need for the urgent design of a municipal demarcation strategy to be implemented in two stages: first, to fix the acute existing problems (in the aforementioned 45 percent), and second, to address the 46 percent of municipalities that lack technical demarcation, but have social consensus.
- b. A norm should be established to allow for the partial immobilization of the resources of towns "in dispute" (towns that are located in one municipality but feel they belong to another) within the 45 percent of conflictive municipalities. These resources should remain paralyzed until the territorial limits become clearly identified. In this way, greater loss of resources, which has occurred since 1994, would be prevented.
- c. A commission should be formed to produce a single municipal map of Bolivia. Thus, a single resource distribution standard would be available to grant co-participation, HIPC and FPS resources.
- d. Municipal population registries should be harmonized with the population registries in the corresponding Electoral Courts to prevent the problems that arise when citizens vote in one province section but actually live in another.

## **Districts, Cantons and Municipalities**

### *Recommendations*

- a. The constitutional status of cantons should be eliminated. A constitutional reform should eliminate cantons.
- b. The resumption of municipal district organization must be promoted. To this purpose, it is indispensable to design a district organization strategy for all Bolivia. Departmental teams should again be implemented, but with more active participation by the health and education sectors, so that municipal district organization responds to the needs of the sectors (for instance, there should not be a school or a community clinic located between two districts).
- c. Policies that provide incentives for district organization must be adopted by the central government. A municipality that has its corresponding district organization recognized by a municipal ordinance should receive more technical assistance or more resources.

- d. Considering the current ambiguities in municipality limits and their subsequent demarcation, attention to demands for municipal creation, suppression or demarcation should have priority over attention to demands for canton creation. A ruling establishing a "territorial pause" should be adopted, conditioning the consideration of new demands for canton creation to the definition of municipal limits.
- e. Regarding the increasing trend of creation of municipalities, Law 2150 must be respected. This law establishes that any demand for the creation of a municipality must follow the appropriate legal stages: first, the demand is analyzed at prefecture level; second, it must be reviewed at the Ministry of Sustainable Development, and third, it is presented in Congress. To achieve this objective, the departmental teams for territorial demarcation, created on the basis of Supreme Decrees 26273 and 26520, must be strengthened. Also, a joint commission including the Executive and Legislative Branches must be created to carry out permanent technical monitoring of new demands for the creation of political administrative units.
- f. Article 31 of the Law on Political Administrative Units should be eliminated because it currently allows that reports on the creation of new units, issued by the former Inter-Ministry Limits Commission, be directly submitted to Congress, thus permitting that politically oriented demands (due to electoral interests) obtain recognition as actual laws.

#### **Mancomunidades and Municipalities with less than 5,000 Inhabitants.**

##### ***Recommendations***

- a. A law on *mancomunidades* should be enacted to clarify ambiguities and eliminate legal loopholes. For instance, *mancomunidades* are now unable to receive credits or state funds because they are characterized as subjects of private law. In other cases it would be necessary to adjust the existing laws to address current needs in both municipal and *mancomunidad* matters. An example is the adjustment of SAFCO law (on accountability of public officials) to cover the regional and local realms. These laws must be adapted to the municipal context.
- b. The Ministry of Municipal Development, mainly through FPS, and with the aid of incentives, should promote a strategy to facilitate the submission of projects to be undertaken by municipalities organized as *mancomunidades*. Also, an additional resource fund must be created to encourage *mancomunidad* projects. Many municipalities are simply not motivated to prepare such projects because they have a number of municipal needs to satisfy. Addressing only municipal needs is a legitimate motive, but overlooking the fostering of municipal alliances to produce regional economies should be avoided. Thus, an Incentive Fund for *Mancomunidad* Projects (with additional resources) constitutes a crucial need.
- c. A strategy for *mancomunidad* development should be designed to categorize and apply to *mancomunidades* all over Bolivia. To date, the 70 existing *mancomunidades* are not singled out according to their specific needs. Such a strategy would allow their unique requirements to be satisfied. Giving preferential assistance to certain *mancomunidades* on the basis of personal criteria or due to the pressure exercised "from the bottom" must be

avoided. The strategy has to have a series of parameters, including a parameter of efficiency, so that the *mancomunidad* that complies with its own objectives will receive greater assistance.

- d. A clear answer must be provided for the municipalities with less than five thousand inhabitants. There is a need for a strategy that includes the fusion of certain municipalities, the assisted formation of *mancomunidades* and the consideration of some municipalities as units taking into account demographic factors (e.g. the Uru Chipayas reject a *mancomunidad* with their Aymara neighbors).

## **Metropolitan and Urban Districts**

### ***Recommendations***

- a. The government should allocate resources from international cooperation to urban areas. Existing support programs must be extended to urban areas. Three matters demand priority attention: First, the process must become "metropolis-oriented." Second, a larger deconcentration of municipal resources toward urban districts (sub-city halls) should be fostered, this is a process to "decentralize the decentralization." Third, specific areas which are not important issues in rural areas, such as garbage disposal, citizen security and others, must be addressed.
- b. An Urban Development Forum should be established. It must be a permanent forum for dialogue between the State and the diverse sectors of civil society. It must take into account that it is precisely within urban areas that society becomes particularly complex; therefore, this forum should strive to include the opinions of diverse actors. Moreover, this forum would allow metropolitan issues to be discussed in an integrated way, so that they do not remain isolated within the three main metropolitan areas (La Paz, Cochabamba and Santa Cruz). In this way, common experiences and solutions could be shared.
- c. Some sort of legislation should be adopted to foster incentives favoring the creation and operation of metropolitan areas. To date, the municipalities surrounding the urban areas of La Paz, Cochabamba and Santa Cruz perceive any attempt at coordination with these metropolitan areas as an attack by the departmental capitals. Measures including encouragement or coercion should be adopted to advance regional planning that transcends administrative limits.
- d. A ruling demanding compliance with National Dialogue Law 2235 should be enacted in terms of the distribution of Poverty Alleviation funds to the districts, according to a poverty formula. This law declares that the distribution of HIPC funds, which currently takes place at the national level, must be directed to municipalities. It states that more resources should be given to the poorer urban districts. This measure will be put into effect in 2003 for metropolitan areas.

## **Territorial Organization**

### ***Recommendations***

- a. Legislation on territorial organization should be enacted. The debate about a tentative promulgation of the law on territorial organization must be resumed.
- b. The conclusion of departmental PLUS (plans for land use) must be undertaken (the plans for La Paz, Cochabamba and Oruro need to be finished). The design of regional plans, based on these departmental plans, should be addressed, to transcend the municipal realm. The challenge is not only to integrate MDPs with OTPs, but also to redefine the planning process itself, according to biophysical and socio-economic criteria.
- c. The adjustment of MDPs should include territorial organization criteria. The government must have a clear plan to redesign the current MDPs. To date, the existence of 314 MDPs (one per municipality) is considered a definitive fact, thus neglecting the pursuit of a deeper process. On the contrary, a better legal context should be available for both territorial organization and decentralization standards. For instance, the Participatory Planning Norm that advocates planning with social participation (and in accordance with social demands), should be modified to include parameters of supply, including those related to biophysical and socio-economic conditions.

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## ANNEX F

### SCOPE OF WORK

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#### I. INTRODUCTION

The Democratic Development and Citizen Participation Project (DDCP) has been a joint effort between the Bolivian and US governments. In 1995, USAID/Bolivia authorized an eight year DDCP project to support democratic development in Bolivia, including implementation of the Popular Participation Law (PPL or Law 1551). The purpose of the project is to (a) strengthen citizen participation in municipal and national government; and (b) develop the ability of municipal governments, national and departmental electoral institutions and the National Congress to respond effectively to the demands resulting from strengthened citizen participation. The project has been managed by USAID/B's Democracy Strategic Objective Team (USAID/B DEMOSOT) and implemented by Chemonics International Inc. under a performance based contract which was awarded on December 19, 1995, and is planned for completion on May 31, 2003.

The 1994 Population Participation Law (PPL) and the 1995 Constitutional Reforms created for the first time in the history of modern Bolivia, an enabling environment for citizens to participate fully and democratically in the decisions affecting their lives. At the time of its inception, GOB policies strongly supported the program, which was in its infancy. In recent years, a less supportive government has compelled municipalities to organize into associations, called *mancomunidades*, and a federation in order to be in a position to address issues amongst municipalities.

The DDCP project is now at a point where further work is needed to strengthen and sustain the work accomplished over the past eight years. Emphasis on the replication of lessons learned, further application of the Participatory Municipal Planning Model (MGMP) and the gender model to increase the participation of women remain high on the list of priorities for DDCP. The need to continue to address weaknesses in Popular Participation and to work in fast growing urban areas where more than half of the population currently live are high priorities for the future of the DDCP program.

#### A. PROJECT DESCRIPTION

The project has three components: (a) municipal governance; (b) effective citizenship; and (c) representative Congress.

##### *Municipal Governance*

At the outset, 20 pilot municipalities were jointly selected as direct beneficiaries under the Municipal Governance component, by the Ministry of Sustainable Development's National Secretariat for Popular Participation (NSPP), USAID/B, and the project contractor. To ensure rapid start-up three to five municipalities were selected during the first year and others followed. One of the key features of this activity was to provide project-financed technical assistance, training and commodities to the 20 pilot municipalities to assist local civil society and

government representatives with the implementation of the PPL. A municipal needs assessment was undertaken to assist the NSPP, Regional Development Corporations and the contractor to develop a municipal action plan for each of the 20 pilot municipalities.

The action plan was intended to identify and draw upon all available resources to support its implementation - i.e. contractor, municipality, citizens, NGOs, private institutions, etc. Training and technical assistance activities included in the municipal plans constituted a participatory process which led to the receipt, investment and management of municipal funds, local tax revenues, and other donor funding. Activities and replication from the 20 pilots to additional municipalities were determined to be a key measure of success.

### ***Effective Citizenship***

At the national level, support was provided to strengthen the capacity of national level entities to establish a voter identification and registration system, and to motivate and educate at the local level. Agreements to support this purpose included a national level action plan for financial support, technical assistance, training and commodities for the December 1995 elections, and similar support for later elections to strengthen responsible institutions. At the local level, the ability of civil society organizations and municipal governments was strengthened by working with the 20 pilot municipalities covering two national elections and one municipal election.

Additional activities included (a) formation of local voter leagues through civil society groups; (b) publication of a voter list by last name in alphabetical order including relevant democratic education materials; (c) wide dissemination of the booklet to municipal civil society groups and government officials; (d) voter documentation; (e) registration and education drives in the 20 pilot municipalities; and (f) on-going democratic education through school curriculums, radio and television programming and workshops for civil society and municipal government officials.

### ***Representative Congress***

This component has created two way institutionalized linkages between the Congress and municipalities and with the 20 pilot municipalities. This was done by expanding citizen participation from the local level to the national level and by strengthening the representative functions of Congress. Activities included strengthening the *Centro de Investigación del Congreso (CICON)* to enable it to provide congressional members with technical support required to assume new representative functions defined by the PPL and Constitutional Amendment Laws.

## **B. DDCP ACHIEVEMENTS TO DATE**

Since 1995 a considerable amount of work has been undertaken against the planned objectives of the DDCP. Details of this work are described more fully below:

### ***1. DDCP Phase I: December 1995 - February, 2001***

In 1995 the project began by assisting electoral institutions to create modern voter registration systems, instructing marginalized groups how to register and cast an educated vote and training elected municipal councils in democratic skill building. However, the majority of project

support was directed to strengthening municipal governance by helping 20 pilot municipalities to establish legitimate, functioning and effective democratic municipal governments with civil society representatives, including exercising participatory planning and transparent use of resources.

The environment for Popular Participation in 1995 was very different from that of today. GOB policies strongly supported Popular Participation which was in its infancy at that time. In subsequent years government support fluctuated and municipalities found the need to organize themselves into associations known as *mancomunidades* and a federation of municipalities.

The early work with these 20 pilot municipalities led to the development and validation of a decentralization model which is known as *Modelo de Gestión Municipal Participativa* - Participatory Municipal Planning Model (MGMP), which has been replicated at the national level under Phase II of the project.

Evaluation results of Phase I have shown that the MGMP has been effective in promoting wide citizen participation in the prioritization of municipal demands and investments, in establishing a culture of participation and transparent government and efficient municipal administration, and it has provided access to single-district representatives known as *uninominales* for municipal governments and interested citizens. The annual Democratic Values Survey (DVS) reports also provided useful feedback and have reinforced the Phase I evaluation findings.

## 2. *DDCP Phase II: February 2001 - September 2002*

Based on the promise of replicating these results at a national level, USAID/Bolivia extended the project and contract for the period February 2001 to September, 2002. Phase II has attempted to further assist Bolivian municipalities and the GOB to develop and support the decentralization process, strengthen citizen participation in local government, and help constituencies establish linkages with their congressional representatives to influence policy. Phase II also sought to develop municipal governments' capacity to deliver services demanded by their citizens, while promoting democratic governance and development in a manner consistent with the PPL and the 1995 Constitutional Reforms.

Phase II included equipping municipal governments and civil society organizations with the skill sets to implement the mandates of the PPL as well as to effectively exercise their citizenship rights and establish linkages with their congressional *uninominal* representatives. DDCP developed and implemented a replication strategy to extend project outreach and impact to up to over 150 additional municipalities, through dissemination of lessons learned and replication of municipal governance best practices and models. DDCP II has contributed to (a) continued increased citizen support for the Bolivian democratic system; (b) continued strengthening of citizen participation in municipal and national governments by assisting civil society identify their legitimate local and national representatives and channel demands to their respective municipal governments and single district congressional representatives; and (c) building institutional and technical capacities of municipal governments and *mancomunidades* to satisfy citizen demands resulting from strengthened participation.

The results of DDCP Phase II have thus far included:

- DDCP methodologies for participative municipal management have been adopted by the central government (through ministerial resolution) as policy for implementing the PPL;
- DDCP methodologies have spread and other donors have agreed to use the same methodologies in their municipal strengthening efforts;
- the urban municipal governments of Sucre and Cochabamba have participated in two pilots to develop a DDCP model for participative municipal management and deconcentration;
- gender-sensitive planning, budgeting and social control methodology have been integrated into the DDCP participatory MGMP; and
- DDCP has supported the implementation of Highly Indebted Poor Country (HIPC) resources through training and reformulation of municipal plans (POAs) and has generally supported the Popular Participation campaign of the Vice- Ministry for Popular Participation.

### 3. *DDCP Phase II Extension to May 31, 2003*

Phase II will continue to extend decentralization in Bolivia with a focus on training and dissemination of the MGMP including a set of best practices in over 150 municipalities, 9 departmental associations, and 9 *mancomunidades*. This will also include specific components and instruments of gender planning, social control, budgeting; urban municipal decentralization, and promoting the successes of the public hearings between single-district representatives and their constituents (*Encuentros de Decisiones Concurrentes*)- EDCs. Training and dissemination activities will be conducted within the framework of assisting the in-coming new Bolivian administration in developing its own decentralization policy and transition plan, based in large part on the lessons learned from the DDCP project.

### C. **SECTOR OVERVIEW & ISSUES**

**Popular Participation Law (PPL) and Decentralization** - On April 20, 1994, the Government of Bolivia passed Law 1551, the Popular Participation Law which (a) at the time of its enactment created 311 municipalities; (b) transferred 20% of the national budget to those communities in the form of co-participation funds, and (c) provided legal status to local community organizations so that they might elect vigilance committees to channel citizen demands to and exercise fiscal oversight over municipal governments. As such, the PPL created the conditions for the social and political integration of civil society and the state at the local levels, their municipalities, and national democratic institutions at the national level. This major step towards decentralization set the stage for the DDCP project.

On August 6, 2002 a new Bolivian government took office. While it is fully expected that the PPL and decentralization will receive on-going support of the new administration and decentralization of municipal governance will be sustained, there will need to be some consultations and monitoring with newly elected government officials and key stakeholders to determine the extent to which the PPL remains constant and whether past policies which have supported decentralization will be consistent with the political and administrative priorities of the newly elected government.

**Modelo de gestión Municipal Participativa (MGMP)** - One of the key outputs of DDCP Phase I was the development and validation of a decentralization model known as the *Modelo de Gestión Municipal Participativa (MGMP)* - a tool for the development and implementation of a participatory municipal planning methodology designed to increase citizen participation in

municipal and national governance. The MGMP was initially implemented and validated with the original 20 pilot municipalities. Another parallel tool developed, but yet to be validated is a similar model known as "Gender Sensitized Participatory Municipal Management Model" to increase the participation and representation of women.

**Municipal Association Movement** - Unlike many other countries, the Bolivian municipal association movement is a new phenomenon with most associations being founded after 1999. The USAID/B financed DDCP has assisted in the creation of these institutions through support for encounters that led to their creation, the provision of technical assistance to draft their statutes and by-laws and providing them with small grants for the start-up of their operations. Sustainability of these entities is key to the further development and deepening of the decentralization process.

**Federation of Municipalities and ACOBOL** - Over the past few years, DDCP has undertaken a number of activities to establish strong partnerships with the Federation of Municipalities (FAM) and the Association of Women Council Members (ACOBOL). For FAM, efforts have been made to strengthen this associative organization as a catalyst and overall coordinating body for the municipalities. For ACOBOL, training, support and advocacy for greater empowerment and participation of local government has begun. In both cases, FAM and ACOBOL should be viewed as organizations deserving support for long term sustainability.

**Mancomunidades** - The movement by municipalities to organize themselves into "*mancomunidades*" as a means of municipal strengthening was a measure taken when GOB support for decentralization has been at times uncertain and fluctuating. *Mancomunidades* are increasingly conceived by municipal experts, GOB and municipal officials and some donors, as a vehicle for achieving a holistic re-organization of the country's territory which would respect traditional and diverse forms of land occupation thus strengthening social networks of multi-ethnic, pluricultural Bolivian communities. By linking population, territory and economic resources, the PPL created the conditions for the formation of *mancomunidades* which although are contemplated in the Nation's Constitution - did not exist until after 1994. These regional institutions hold the promise of being engines of regional economic pro-poor growth in a context of good local democratic governance.

Currently, more than 35 *mancomunidades* have been organized, incorporating almost 3/4<sup>th</sup> of Bolivia's 314 municipalities. They are still considered a new phenomenon and remain in many cases, politically fractured or lacking sufficient technical and financial resources to fully realize their potential.

**Mancomunidad de Municipios de la Gran Chiquitania** - This is a pilot experience which has attempted to assist the *mancomunidad* with the preparation of legal, financial and other diagnostic analysis to support a loan proposal to the *Corporación Andina de Fomento* (CAF) to finance the rehabilitation and maintenance of its secondary road network while implementing modern accounting systems and an urban-rural cadastre system that is intended to improve local revenue collections. This pilot experience is intended to provide important lessons learned and the ground work for future activities with *mancomunidades*.

**Poverty Reduction Strategy** - In year 2000, in the context of the Highly Indebted Poverty County (HIPC) II initiative (which resulted in \$1.8 billion in debt relief over a fifteen year

18

period), and the National Dialogue, municipal governments were given additional resources with a corresponding responsibility for implementation of Bolivia's Poverty Reduction Strategy. Parallel to the HIPC process, three Development Funds were restructured under a Single Directorate of Funds (Directorio Unico de Fondos - DUF) to provide municipalities with matching funds for poverty alleviation under the new compensation policy, managed by the DUF. This has created the potential for locally based economic development and reduced poverty. Borrowing and access to transfers from the DUF have not been operationalized thus far. The development of procedures and/or DUF regulations to enable transfers and loans to a pilot *mancomunidad* and proposing a *mancomunidad* financing credit model have been a focus of USAID/B's pilot activity with the *Mancomunidad de Municipios de la Gran Chiquitania*.

**Gender Inclusion** - Eight years after passage of the Popular Participation Law (PPL), the administrative and management models of most large, urban municipalities are markedly centralized, non-transparent and non-participatory. According to the DVS studies citizens (especially women), in large, urban centers are less likely to participate in the workings of their municipal governments, to exercise less social control over their decisions, and to be less satisfied with the performance of their elected representatives. Left on their own, these weaknesses threaten the progress to date in decentralizing the Bolivian state and, potentially, the survivability of democratic governance in Bolivia.

DDCP has, during Phase II, reviewed all existing methodologies piloted to date in Bolivia for increasing gender participation in municipal planning and social control and found them in need of further development. Most problematic of the existing models is their lack of integration into any existing municipal planning processes, such as DDCP's MGMP and the lack of a validated operational methodology for planning, budgeting and social control. As a result, DDCP has taken the best of the existing proposals and developed with the DDCP project team, a new methodology which has been tightly integrated into the existing municipal administration models. This gender model includes components for gender-sensitive planning, administration and social control and it has undergone a process of validation during Phase II. Once finalized, validated and packaged, these methodologies for gender-sensitive participatory planning, budgeting and social need to be disseminated and further developed.

**DDCP in Urban Municipalities** - Although the PPL and the DDCP model have been successfully implemented in rural municipalities, there remain issues of long term sustainability along with the need to address to needs of urban municipalities which suffer from low levels of citizen participation and an absence of mechanisms guaranteeing citizen oversight of municipal practices. The importance of validating and disseminating an urban decentralization model is of key importance. The emergence of a viable decentralization model for urban municipalities as well as the political will, especially of the new administration to fully implement the model, is an opportunity not to be missed. Thus far, key municipal and civil society representatives in both Cochabamba and Sucre have, to date, almost universally expressed keen interest in DDCP assisting their municipalities to adapt to the spirit of the 1995 Popular Participation Law. Other urban municipalities will need to follow this lead and attention will need to be given to the needs and inclusion of other urban municipalities in the future.

**Financial sustainability** - In spite of the many accomplishments of the DDCP, municipal governments need to do much more and be assisted to create economic opportunities for their citizens through larger scale larger term planning and execution of productive investments. This

is a key issue for the long-term sustainability of DDCP. Municipalities need to do much more to reduce their national transfers which now account for 92-98% of municipal budgets with the exception of the 13 main Bolivian cities where the relationship between local revenue and national transfers is on average 40/60. It is through the promotion of robust local economies that municipal governments will become sustainable and fiscally autonomous. Individual, small municipalities do not now have the institutional capability to leverage resources and investments needed for their development.

**Replication of Best Practices** - DDCP's strategic focus during the first phase of the project (1995-97) was to support the implementation of the 1994 Popular Participation Law (PPL - referred to as Law 1551). It was to support 20 pilot municipalities, which were selected on the basis of agreed upon criteria, in order to identify best practices and to develop training methodologies and materials that would enable training in Bolivia's 314 municipalities in municipal participatory democratic governance. In parallel with this process, municipalities began on their own, to organize themselves into *mancomunidades*, departmental municipal associations and a national federation of municipal association (referred to as "FAM"). This process began during the last year of Phase I and became the focus of Phase II. In addition, departmental associations are gaining recognition and credibility as non-partisan, service-oriented institutions from Bolivia's affiliated municipal governments and their communities, within the international donor community as well as with the Government of Bolivia (GOB). By the end of Phase II, it is expected that the project will have replicated a set of best practices which comprise the "Participatory Municipal Governance Model" (referred to as the MGMP) in 150 out of 314 municipalities, through nine departmental associations and nine *mancomunidades*.

## **II. SOW OBJECTIVES**

The SOW will include an overall review of the current status of the Democratic Development and Citizen Participation project at both the program and project levels. First, at the program level, to assess the extent to which DDCP has contributed to municipal strengthening. Second, at the project level, to assess what have been the quantitative and qualitative achievements to date of project interventions against project objectives.

Specifically at the program level, the evaluation should assess progress towards planned results and the extent to which DDCP has been able to achieve the Democracy Strategic Objective "Increased Citizen Support for the Bolivian Democratic System" and Intermediate Result No.3 - "Local municipal governments effectively respond to citizen needs and demands".

At the project level, the assessment should examine the relevance and effectiveness of design, management and implementation of activities financed through USAID/B's contribution to the initial 20 pilot municipalities and subsequent municipalities which have received DDCP support to date. To the extent possible, the assessment should evaluate the extent to which program activities have and are contributing to Mission objectives in support of democracy.

**Program Design** - the evaluation should assess whether the initial design parameters and objectives of the DDCP are still valid, and if they are being applied correctly. The contractor's views will be sought on (a) whether the major thrust of DDCP has been correct; (b) whether alternative approaches should be added; (c) whether the project's activities are in line with the

project's objectives; (d) what activities should be added, modified, deleted and/or continued; and (e) what additional priority activities need to be added to DDCP III.

**Program Management** - the evaluators will be asked for their views and feedback on the following points: (a) has program management assured that program activities have been implemented on time, are of high quality, and contribute to SO and IR objectives? (b) have there been sufficient USAID staff involvement with counterparts to monitor program activities adequately, to develop a sense of ownership among counterparts and participants, to undertaken mid-course modifications as necessary, and to provide substantive input on key decisions and activities? (c) are grantees and project beneficiaries managing their activities effectively? (d) are funds accounted for appropriately? and (e) are issues of long term sustainability being addressed adequately?

**Program Implementation** - to address implementation issues the evaluation team will conduct site visits, field interviews, reviews of project documentation and materials produced under project components to determine progress being made toward objectives and identify issues and problem areas. Specifically, the team will address six points: (a) appropriateness of the quality and effectiveness of technical assistance; (b) role of local organizations; (c) political context; (d) lessons learned thus far; (e) progress towards achieving results; and (f) role of other donors. The evaluation team will recommend actions to address problem areas, financial and other sustainability issues, and the direction and key activities which are appropriate for the future of DDCP and which will serve in the preparation of a SOW for a subsequent phase of DDCP.

### **III. TEAM COMPOSITION AND PARTICIPATION**

The team should consist of two individuals possessing skills in the following areas:

**Team Leader** - experienced in the area of municipal strengthening and citizen participation, decentralization, institutional strengthening, capacity development, and municipal financing strategies. The team leader should be appointed based on experience related to leading and managing similar evaluation activities.

**Specialist in Gender** - experienced in the area gender inclusion, including conducting gender-disaggregated assessments, gender strategic planning and gender programming preferably in the field citizen participation, municipal strengthening and association building.

**Specialist in Municipal Financing** - experienced in municipal financing strategies, budgeting, revenue generation and issues related to financial sustainability.

The evaluators should be experienced with donor-financed democracy building projects. They should have significant experience conducting USAID project evaluations in the democracy sector and be proficient in conducting interviews, focus group data collection, and applying other rapid appraisal methods. The team leader will be appointed based on experience related to leading and managing similar evaluation activities.

The individuals must be Spanish language proficient to at least the FSI 3+/3+ level, and possess excellent written and verbal communication skills.

The contracted individuals will be augmented by at least one USAID staff person who will serve as a full member of the evaluation team and who will assess the financial sustainability issues. The participation of the USAID representative will provide USAID perspective throughout the evaluation and enable the agency to draw useful lessons and recommendations for the future direction of the DDCP program, especially as it relates to issues of long term financial sustainability.

#### **IV. SPECIFIC TASKS AND DELIVERABLES**

##### **A. PREPARATION AND REVIEW OF RELEVANT BACKGROUND MATERIALS**

1. Review of USAID policy documents and directives in the area of citizen participation, local governance, citizen participation and municipal strengthening.
2. Review of USAID Bolivia documents including its current Democracy strategy, concept papers, and relevant program/project planning documents related to DDCP;
3. Review Bolivia's Popular Participation Law, and reports on its implementation;
4. Review relevant documents on the current social, cultural, political and economic situation in Bolivia;
5. Review relevant project documents related to DDCP, including citizen participation, municipal strengthening, association building, use of the MGMP and gender model as tools for participation;
6. Review all quarterly progress reports, annual reports, proposals for extensions and other related and relevant documents/reports dealing with DDCP since 1995.
7. Interview USAID/B, US Embassy staff, GOB officials and donors as required regarding municipal strengthening approaches, current programs and policies, the DDCP approach, etc.;

##### **B. FIELDWORK**

*Based on the work plan and results of the activities listed in Section #2.1*

1. The team will conduct interviews with identified interlocutors, stakeholders and beneficiaries;
2. The team will provide feedback and findings to the mission at approximately 1/3 to 1/2 point in the fieldwork (timing, level of detail and type of feedback to be determined);
3. At the conclusion of the field work, and prior to submission of the draft report, the team will debrief the USAID/B and DEMOSOT team in order to share orally the team's initial hypothesis and findings, get feedback and re-position field activities if necessary;

4. The team will submit a draft report to the USAID/B DEMOSOT Chair. It will review and synthesize all data gathered during the interviews and discussions conducted during the interview.

### C. FINAL ASSESSMENT REPORT SUBMISSION

The team leader will incorporate written comments from the USAID/B DEMOSOT and other mission members into a draft final report and will dedicate no more than two days maximum to incorporate these comments.

## V. PROCEDURES, SCHEDULES AND LOGISTICS

The target date for completion of this assessment is December 15, 2002. The evaluation team will receive technical guidance on the activities and objectives of the project from the USAID/DEMOSOT Chair. The evaluation team will receive guidance on evaluation methodology and Mission requirements from the USAID/B SOS officer.

Prior to arrival the evaluation team will receive documentation on the DDCP project and any key reports which are deemed to be relevant and essential for the conduct of the evaluation. Upon arrival, the evaluation team will participate in an entry meeting chaired by the DEMO/SOT Chair. The purpose of the meeting is to achieve to consensus on the evaluation schedule and style and to answer any questions the team may have. A proposed methodology, work plan for conducting the evaluation report format will be submitted for USAID/Bolivia's approval within 5 days after arrival of the evaluation team in Bolivia.

While in the field the team will be authorized to work a maximum of a 6 day work week. The contractor will be responsible for arranging travel, in-country transportation, lodging, computers and other equipment. The USAID/B DEMO CTO and DEMOSOT assistants will facilitate meetings, interviews and compile relevant documents for review.

Proposed dates for the team field study and drafting of the final report are as follows:

October 24-29:	Pre-field team preparation; document review, etc.
October 31:	Evaluation team planning meeting all day
November 1:	Briefings with USAID/B staff and all S.O. teams
November 5:	Methodology, workplan and report format for USAID/B approval;
November 6-20:	Field visits (all 20 pilot municipalities and a sampling of others using the MGMP "modelo"); observation of the EDC process, review of the "gender modelo")
November 25:	Complete data collection, draft preliminary findings for discussion;
December 2:	Briefing with Mission to present draft report, discuss/brainstorm about programming of DDCP III
December 6:	Mission and comment period and feedback;
December 15:	Final Submission of report to USAID/Bolivia - DEMOSOT

## **VI. REPORTING AND DISSEMINATION REQUIREMENTS**

The report will document the important findings, conclusions, and recommendations resulting from the evaluation process. The report should adopt the following guidelines but, as a minimum contain the following:

Executive Summary: (approx.) 5 pages

Body of the Report (includes Introduction and Conclusions) (approx.) 30 pages

- Quantitative and qualitative achievements of the DDCP 1995-2002
- Issues for Consideration
- Recommended Priority programming Areas for DDCP III

Appendices: to include all supporting documents

The appendices should include as a minimum:

- Evaluation Scope of Work;
- A description of the methodology used in the evaluation (i.e. the method of investigation such as interviews, document reviews, focus group discussions, etc.)
- A bibliography of documents consulted;
- A list of persons interviewed; and
- As required, documents or details on special topics related to the evaluation

Evaluation Abstract: The contractor shall provide a brief abstract of the evaluation for use by USAID in disseminating information about the evaluation. This abstract shall be a further summary of the same information as the Summary within the space of limitations of one single-spaced page, preferably less. The abstract shall be provided to USAID/Bolivia in hard copy as well as on diskette in Microsoft Word 97.

The first draft of the evaluation must be presented by the contractor in English to USAID/Bolivia prior to completion of the field and wrap-up activities in Bolivia. The draft report should be presented during a final, oral briefing to the Mission's DEMOSOT team. USAID/Bolivia will provide the contractor with its comments on the draft report within 5 work days after receipt of the draft report.

## **VII. BACKGROUND MATERIALS**

The contractor will have access to the following documents to assist in conducting the evaluation:

- All Democracy Value Surveys since 1998 (Seligson);
- All key DDCP reports prepared by Chemonics International;
- All relevant USAID/B project planning documents - i.e. PROAG, project agreements, quarterly reports, work plans, proposals for extensions, etc.;

- All documents and reports prepared by Chemonics such as a detailed description of the Model participativa MGMP, Gender Modelo, EDC reports, workshop reports, report on the results of the 20 DDCP pilot municipalities;

### **VIII. DELIVERABLES**

- 10 hard copies of the report in English and 10 hard copies in Spanish (to be delivered maximum four weeks after the English version); and
- one electronic copy of the report in English and in Spanish on a Microsoft Word 97 file.

85

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## ANNEX G

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### FIELD INTERVIEW QUESTIONNAIRE

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1. Name and Position \_\_\_\_\_
2. Name of Mancomunidad, Municipality, etc. \_\_\_\_\_
3. What year was your organization established? \_\_\_\_\_
4. How many habitants live in your area? \_\_\_\_\_
5. When did your organization start working with DDCP? \_\_\_\_\_
6. What activities is DDCP assisting your organization with? \_\_\_\_\_
  
7. In your opinion what has your organization ~~been able~~ to accomplish with the assistance of DDCP? \_\_\_\_\_
8. ~~What have been the types of training courses~~ that the DDCP has provided \_\_\_\_\_
9. What dates \_\_\_\_\_, how many persons trained (men and women) \_\_\_\_\_ of those trained, how many are still working at the Municipality \_\_\_\_\_
10. How many employees work for the Municipality that are salaried? What are their positions \_\_\_\_\_, # men \_\_\_\_\_ # women \_\_\_\_\_
11. How long have they worked for the municipality? \_\_\_\_\_
12. Does your Municipality employ an accountant? How long has he or she been working there \_\_\_\_\_? Is he or she doing a good job?
13. How long has the Mayor ~~been~~ in Office? \_\_\_\_\_ man or woman?
14. How long has the Municipal Council been in office? \_\_\_\_\_ # men \_\_\_\_\_ # women \_\_\_\_\_
15. How many council members have served in earlier Municipal councils?  
Men \_\_\_\_\_, women \_\_\_\_\_
16. In your opinion is the Mayor doing a good job? Yes \_\_\_\_\_, No \_\_\_\_\_ Why? \_\_\_\_\_
17. Are the council members doing a good job? Yes \_\_\_\_\_, NO \_\_\_\_\_
18. How many members are on the Comité de vigilancia? \_\_\_\_\_ Men \_\_\_\_\_, Women \_\_\_\_\_
19. How long have they served? \_\_\_\_\_
20. Is the OTB working well? Are they responsive to citizen's needs?
21. How long has your uni-nominal been in office? \_\_\_\_\_, Man \_\_\_\_\_, Woman \_\_\_\_\_
22. In your opinion does your uni-nominal work hard to represent your interest in Congress \_\_\_\_\_
  
23. In your opinion, what have been the successes that your Municipality, Mancomunidad been able to accomplish with the assistance of the DDCP? \_\_\_\_\_
  
24. In your opinion in the future, what remains to be done with the assistance of the DDCP so that your Municipality will be able to reach complete sustainability? \_\_\_\_\_
  
25. Has your Municipality completed your POA and when? \_\_\_\_\_
26. Was the Budget that was developed completely spent on time and within budget? \_\_\_\_\_
27. Have you completed a PAI? When \_\_\_\_\_
28. Can I see a copy of the POA, Budget, and PAI? \_\_\_\_\_
29. What present services is the Municipality providing to the community? \_\_\_\_\_
30. In the future what other services do you want the Municipality to provide to the community? \_\_\_\_\_

31. What are the main economic activities in your municipality?
32. What are the men's economic activities? \_\_\_\_\_
33. What are the women's economic activities? \_\_\_\_\_
34. Is the municipality collecting any local taxes to support its operations? Do you know how much? \_\_\_\_\_
35. Has the Mayor or city council talked to the citizens about the possibility of collecting taxes? Yes, \_\_\_\_\_, No \_\_\_\_\_, If the answer is yes, what was the reaction of the citizens? \_\_\_\_\_
36. Are quarterly meetings held for the Mayor and the Council members to provide information on how the municipality's money is being spent? What date was the last time such a meeting was held. \_\_\_\_\_ Who participated? \_\_\_\_\_
37. In your opinion is the Municipality responsive to citizens needs and requests? \_\_\_\_\_
38. Is your municipality associated with or getting assistance from an Association, mancomunidad, or FAM? \_\_\_\_\_
39. If so what are the advantages \_\_\_\_\_
40. Can you give some examples of how the needs of different community groups have been met? (note: initially do not prompt; if necessary, ask about women, ethnic groups, elderly, youth, etc) \_\_\_\_\_
41. Has the infrastructure (water, electricity, garbage collection, improved roads) been improved since starting to work with the DDCP?
42. In your opinion, are the schools providing better education now than in the past? Is the public health system providing better services now than in the past? If so, can you give some examples. \_\_\_\_\_
43. In your opinion, has the level of services provided by the Municipality improved over the past couple of years or since the Municipality has stated working with the DDCP? \_\_\_\_\_
44. Have any new services been provided by the Municipality since starting to work with DDCP? \_\_\_\_\_
45. How is the execution of the priorities of the POA being coordinated with the annual budget? \_\_\_\_\_
46. How are the priorities defined for the POA? \_\_\_\_\_
47. Does the Municipality have a computerized system for accounting and project monitoring purposes? \_\_\_\_\_
48. What are the most important sources of income for the Municipality? \_\_\_\_\_
49. How is the cash flow projected and monitored? \_\_\_\_\_
50. Does the Municipality have any debt? If so what are the conditions? \_\_\_\_\_

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## ANNEX H

### CRITERIA FOR SELECTION

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#### A. CRITERIA FOR SELECTION OF MUNICIPALITIES TO VISIT

- Of the original 20, select three municipalities: one that has been exemplary, one that has been average, and one that has not been successful.
- Of the following 150 Municipalities after the initial phase of 20, select two that have received at least a minimal level of support (one or two training events and technical visits) in the year 2001 or earlier. These two Municipalities must also have prepared and had approved POAs, annual budgets, and have established OTBs and Comités de Vigilancia, a mayor, council members, and a functioning bureaucracy, and regularly receive funds from the Central Treasury.
- Select at least one mancomunidad for review
- Select two or three urban municipalities (for example Cochabamba, Sucre, and/or Chiquitania) that have expressed interest in participating or have begun to collaborate with the DDCP project
- Select one Municipality that is also benefiting from support from both USAID/B's Alternative Development Project and Health Project.

#### B. OTHER SELECTION CRITERIA

- The Municipalities that will be selected to be visited must represent a good geographical cross section of the Country's 9 Departments
- The Municipalities must have a history of collaboration or active interest in participating in the DDCP project
- The Municipalities must be accessible and not require undue and extended periods of travel to and from the municipality.
- Municipalities that can be visited in a sequential manner to avoid long travel times will be given some preference provided that the Municipality meets the defined criteria in "A" above.
- The Municipalities must be willing to receive the evaluation team and be available for interviews (Mayor, City Council, Municipal employees, Comités de Vigilancia, OTBs), make available the annual budgets, POAs, and minutes of the quarterly meetings with the CDCs, etc.
- Cities may be chosen if they have female City council members, or females active in other aspects of the administration and vigilance of the Municipality such as OTBs, Comités de Vigilancia, employees of the Municipality, etc.
- Ideally some of the Municipalities would be working with other donor agencies and have submitted or are in the final stages of preparing funding requests from outside donors.

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## ANNEX I

### BIBLIOGRAPHY

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- DDCP; April to June, 2000, Quarterly Report; Submitted to USAID/B; Chemonics Intl.; La Paz; July 15, 2000.
- DDCP; October to December, 2000, Quarterly Report; Submitted to USAID/B; Chemonics Intl.; La Paz; February 2001.
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- USAID/B; Description/Specification/Work Statement; Phase II to September 2002; La Paz; Undated.

#### **GENDER-RELATED DOCUMENTS**

- Asociación de Concejalas de Bolivia, ACOBOL (organizational description and profile of concejalas)
- Propuesta de Incorporación del Enfoque de Género en el Modelo de Gestión Municipal Participativa, July 2002, DDCP
- Modelo de Gestión Municipal Participativa (popular informational booklet), DDCP
- Estudio de Casos Prácticos y Validados de la Aplicación del Modelo de Gestión Municipal Participativa con Enfoque de Género en los Municipios de Coroico e Irupana, July 2002, DDCP

- Participar en la Elaboración de los Planes Municipales—Una responsabilidad de hombres y mujeres que quieren el desarrollo
- Proceso de Elaboración Participativa del POA y Presupuesto Municipales, Guía para facilitadores/as del Proceso, August 2002, DDCP
- Presupuesto Municipal desde el Enfoque de Género, August 2002, DDCP
- Instrumentos para el Proceso de Elaboración Participativa del POA con Enfoque de Género, August 2002, DDCP
- Instrumentos para el Control Social, Modelo de Gestión Municipal Participativa, August 2002, DDCP
- Instrumentos para el Presupuesto Municipal con Enfoque de Género, Modelo de Gestión Municipal Participativa, August 2002, DDCP
- Con Nuestra Participación el Municipio Avanza, DDCP
- Modelo de Gestión Municipal Participativa (powerpoint presentation, includes gender)

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**ANNEX J**  
**LA PAZ INTERVIEW SCHEDULE**

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**DEMOCRATIC DEVELOPMENT AND CITIZEN PARTICIPATION PROJECT**  
**(DDCP - Project No. 511-0634)**  
**Draft Itinerary for the DDCP Evaluation Mission**  
updated on 11/06/02

**A. CONDUCTED BY: DAI & USAID**

**Development Associates, Inc.,**  
1730 North Lynn Street.  
Arlington, VA 22209-2023  
(703) 276-0677  
(703) 276-0432

**Principal Contact:**  
Jack Sullivan,  
Executive Associate,  
(703) 276-0677

**B. TEAM MEMBERS**

James Bell –  
Team Leader  
DAI

Patricia A. Martin  
Gender Specialist  
DAI

Elizabeth Bauch  
Municipal Finance Specialist  
USAID

**LEGEND: TBD - to be determined; TBC – to be confirmed**

**Wednesday, Oct. 23:** Development Associates receives by courier, key documents and reports for pre-field review for evaluation team; James Bell receives documents in Ecuador - USAID/Bolivia to send via DHL

**Thursday, Oct. 24:** Evaluation team - document review

**Friday, Oct. 25:** Evaluation team - document review

**Sunday, Oct. 27:** Evaluation team travels to La Paz

**ETA for James Bell:**

Arr LPZ TA 35Y October 27 - 10:35 P.M.

**ETA for Patricia Martín:**

DEP Miami Monday, November 4  
AA 922 11:25 P.M.

ARR La Paz Tuesday, October Nov. 5 6:10 A.M.

Lodging:

Hotel Europa  
Calle Tiawanaku No. 64  
Entre el Prado y la Federico Zuaso,  
La Paz Tel. 231-5656  
Fax 211-3939  
Email: reservas@hoteleuropa.com.bo

**Monday, Oct. 28:**

- 09h30** USAID/Bolivia  
Casilla 4530, Calle 9 No. 104,  
Zona Obrajes, La Paz
- 10h30** Initial meeting with  
DEMOSOT team  
Chair, Office of Democracy  
1<sup>st</sup> Floor Boardroom (review TORs, issues, policy direction,  
overall mission plan, outputs, etc.)
- Contact:  
Nicole C. Tresch  
Tel. 278-5758 Ext. 3525
- Document Handover for Continuing Review
- 13h30** Meeting with Sergio Rivas (3611)  
Alternative Development Office  
First Floor Conf. Room
- 15h00** Meeting with Jorge Velasco (3305)  
Health Office Acting Chair  
First Floor Conf. Room
- 16h00** Courtesy call  
Ms. Susan Brems, Acting, Mission Director  
USAID/Bolivia  
Team to be accompanied by Todd Sloan\*\*

**Tuesday, Oct. 29:**

- 09h00** Meeting with Chemonics Int'l Inc.  
Tom Reilly, Chief of Party,  
DDCP Project Office  
Av. Hernando Siles #5169 Obrajes  
casilla 5033, La Paz  
Tel. 278-5319/278-7342

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\*\* Evaluation team will spend most of October 29 with DDCP Chief of Party and members of the DDCP project and technical team members

Team will be accompanied by Todd Sloan\*\*

**Wednesday, Oct. 30:**

**11h00** Team reports to USAID/Bolivia - Todd Sloan's office

**11h30** Meeting with Ivan Arias  
Former Vice Minister/Strategic Planning &  
Popular Participation  
(USAID First Floor Conf. Room) – (cel. 715-21024)  
\*\* Team will be accompanied by Todd Sloan

**12h40** work-lunch with Orietta Sacre  
1998-2002 USAID's DDCP CTO

**14h30** Meeting with Diego Ayo (706-12862)  
Former Vice Minister/Strategic Planning &  
Popular Participation  
Colon y Comercio 1er Piso/Ex Banco Minero  
Comisión de Descentralización del Parlamento  
\*\* Team will be accompanied by Liz Bauch

**THURSDAY, OCT. 31:**

**09h00** Meeting with Luis Luna – SUNY COP  
calle 13 esq. Ballivián No.7971 – Telf. 279-4901  
\*\* Team will be accompanied by Liz Bauch

**11h00** Meeting with Minister Hernán Paredes,  
Minister of Municipal Strengthening  
Av. 20 de Octubre esq. Fernando Guachalla  
Piso 3 Telf. 211-3613/242- 1860  
Team will be accompanied by Todd Sloan\*\*

**12h30** Working lunch with Gunter Meiner – Telf. 23 10039-3210827 -  
Director, GTZ (German Aid Agency)  
Vienna Restaurant – c. Federico Zuaso esq. Batallon Colorados  
Team will be accompanied by Todd Sloan

**14h00 – 15h00** Meeting with Lyndon Cruz  
President of FAM  
Edif. Gunlach Torre Oeste Piso 20  
Telf.231-3161

**16h00 - 17h00** Meeting with Yesko Quiroga, ILDIS  
6 de agosto entre Pinilla y Gozalvez  
Pasaje Pascoe No. 3 - Tel. No.243-1083  
Team will be accompanied by Todd Sloan\*\*

95

**Friday, Nov. 1:**

**09h30** Meeting with Alfonso Ferrufino  
(former Deputy and in depth knowledge of CICON)  
current Assistant to the Vice-President of Bolivia  
c. Ayacucho esq. Mercado (ex Banco del Estado)  
Team will be accompanied by Todd Sloan \*\*

**11h00** Meeting with Maria Victoria Pascual  
ICMA COP for Bolivia (Enlared Municipal)  
USAID 1<sup>st</sup>. Floor conf. Room  
Tel. No. 241-0020  
Team will be accompanied by Liz Bauch \*\*

**14h30** Meeting with Marcelo Rengel –  
Former Technical Staffer to Minister of  
Sustainable Development cel. 772-93399  
USAID 1<sup>st</sup>. Floor Conf. Room

**16:00** Meeting with Ruben Ardaya  
Viceminister of Fortalecimiento Municipal  
20 de octubre esq. Fdo. Guachalla  
cel. 725-06317

**Saturday, Nov. 2**

Evaluation Team Methodology/Workplan Preparations

For selected Field Visits, Todd Sloan will accompany  
the evaluation team - (TBD) \*\*

**Sunday, Nov. 3**

No scheduled activities

**Monday, Nov. 4**

**08h00** Reports-in to Demosot

**09h00** Mtg. with DDCP – Yungas Team at Chemonics

**11h00** Mtg. with Juana Pinnel (MAS)  
at DDCP's office) Presidenta de Alcaldes de los Yungas  
Presidenta del Concejo de Coroico  
(Modelo de género, modelo de gestión participativa, Development  
Alternative)

**16h00** Meeting with Directores de Mancomunidad de los Yungas

**Tuesday, Nov. 5**

Meetings with Asociaciones de Municipios arranged by DDCP

**Week of Nov. 18**

Meeting with Mario Cossio  
Former President of the Federation  
of Municipal Associations  
Team will be accompanied by Todd Sloan\*\*

**Nov. 19 at 9h00**

Meeting with Walter Guevara  
Former DDCP CTO and DDCP designer  
Plaza España Edif. Maria Cristina Piso 2  
Telf. 2418192 – 2418111

TBC Meeting with Vladimir Ameller Terrazas - 772-95250  
Former Technical Staffer to Minister of  
Sustainable Development – cel.  
Team will be accompanied by Liz Bauch\*\*

TBC Meeting with Fernando Medina,  
Technical Advisor, Danish Cooperation  
Address:                      Tel No.  
Team will be accompanied by Todd Sloan\*\*

Meeting with Yesko Quiroga, ILDIS  
6 de agosto entre Pinilla y Gozalvez  
Pasaje Pascoe No. 3 - Tel. No.243-1083  
Team will be accompanied by Todd Sloan\*\*

Meeting with Ruben Ardaya  
Viceministro de Fortalecimiento Democratico  
Av. 20 de Octubre esq. Fdo. Guachalla