

PDACF 524

SUNY/CID BOLIVIA

**PROGRAM OF ASSISTANCE FOR A REPRESENTATIVE
CONGRESS (PARC)**

IQC # 808

QUARTERLY REPORT XI

JULY - SEPTEMBER 2004

I. BACKGROUND

From October 1st 2003 to August 31st, 2004 SUNY has been operating two programs running simultaneously, PARC I and PARC II. PARC I terminated on August 31st. These two programs were both subsumed under an Emergency Plan requested and approved by USAID/Bolivia in October of 2003 in response to the insurrection that occurred in that month. The close-out activity Report for PARC I was submitted in October. That activity Report included all activities performed under both programs from the inception of PARC I on September 17, 2001 through its three no cost extensions and termination on August 31st, 2004; and from the inception of PARC II on October 1st 2003 through August 31 of 2004.

Since the Close -out Report contained information on activities through August 31st 2004, the present Report is an abbreviated version that includes the activities of the months from July 1st, 2004 through August 31 2004 and adds those through September 30, 2004.

II. SUMMARY OF ACCOMPLISHMENTS

In the past quarter, SUNY concentrated almost exclusively on providing support to the Congress in relation to the items on President Mesa's emergency legislative agenda: the Referendum on Gas Reserves, the Law on Hydrocarbons, and the Constitutional Assembly. The relational mechanisms developed by SUNY and adapted to the emergency program were effectively employed in this effort:

- **Citizens Forums: 18 Forums** were conducted in this quarter:

- **11 Citizen Forums** for uninominal deputies. 4 on the Referendum and 7 on the Constitutional Assembly
 - **5 Forums** in support of the Joint Commission on the Constitution, all on the topic of the Law Convoking the Constitutional Assembly.
 - **2 Forums** in support of Brigades on local Departmental issues.
- **One Public Hearing** by the Chuquisaca Departamental Brigade on the construction of a new airport. Only one hearing was held because from August 6th through September the Brigades, with the exception of Chuquisaca, were engaged in the lengthy and politically difficult task of electing new Brigade Presidents and SUNY's counterpart in the Congress (UAGP) was transitioning to a new executive secretary.
 - **Eight Interactive Radio Programs** by 5 different Uninominal Deputies informing of their activities and treating topics of local interest. Three of these radio programs were conducted by Claudia Paredes, uninominal deputy from the strategic city of El Alto on the same topic, namely the connection of gas lines for home use, as well as on the Constitutional Assembly.
 - **Twenty seven Information Radio Programs** over Radio Fides by 14 different Uninominal Deputies and one each from the Ethics Commission and the Joint Commission on the Constitution. These radio programs are a new mechanism in that they are not interactive, i.e. they do not accept calls from constituents, but are strictly informative in the format of an interview with the radio announcer. An evaluation of their impact will be conducted in November.

Besides this intensive use of the relational mechanisms, SUNY also implemented the following important assistance to the Congress, vital to the success of President Mesa's legislative agenda:

- **Technical Assistance to the Joint Commission on the Constitution**, regarding the drafting of the Law Convoking the Constitutional Assembly. The first draft of the Law (pre-Bill) was completed at the end of July and delivered to the new President and members of the Joint Commission on the Constitution. Given the complexity of the issues contained in the Law, especially concerning mode of election (direct election or group quotas for the indigenous

population), and the number of Assembly members, the Commission decided to review the draft article by article before presenting it for consultation to the citizenry in public hearings, requiring SUNY to extend its assistance by the hiring of 4 new lawyers through the end of December.

- **Technical Assistance to the Joint Commission on Economic Development**, regarding the Hydrocarbon Law. This law is one of the most sensitive and controversial in decades and may well determine the viability of the present government. Through a process of careful consultation with the USAID Mission and the US Ambassador and his staff, with the Presidents of the Joint Commission and through selection based on merits and experience, SUNY hired a total of three experts to provide the most objective and neutral technical analysis possible. SUNY has guaranteed the quality and objectivity of the technical input, although it cannot guarantee the final outcome, where political considerations rather than technical criteria may predominate. The Ambassador fully agreed with SUNY that it is vital to support the democratic process in the Congress despite the risks involved.

Other activities not directly related to the emergency plan included:

- **Training: Five Departmental Brigades received training in the analysis and evaluation of public investment in their departments.** This training included not only day long workshops, but also the development of a handbook explaining the system of public investments and the introduction to the computerized data base utilized by the Ministry of Finances and the Departmental Prefectures, with a view to connecting the Brigades to this data base.
- **Women legislators:** activity in this area is awaiting the reorganization of UMPABOL.

III. QUANTITATIVE SUMMARY:

During the last quarter, SUNY carried out sixty one (61) support activities to the Congress:

Since the beginning of this new Congress, SUNY has assisted forty two (42) uninominal deputies in at least one, and in many cases 2-5 activities.

constituting 62% of the total of uninominal deputies who have now employed the instruments developed by SUNY.

During the quarter, it has assisted members of 5 different political parties, MNR, MIR, MAS, MIP, and NFR.

Also during the last quarter, it conducted activities in 8 of the 9 Departments, with the exception of Tarija.

IV. IMPACT

Legislation.

At this moment, the most important activity being carried out by SUNY is its technical assistance to the two congressional commissions, the Joint Commission on the Constitution and the Joint Commission on Economic Development.

SUNY provided technical assistance to the Joint Constitutional Commission for the successful drafting and approval of the Law on Citizens Groups and Indigenous Communities, which broke the monopoly on election candidates by political parties and allows these other entities to compete for elective office on the local and national levels. A very important development in the approval of that law was the introduction of parity (50%) for women candidates, meaning every citizen group or indigenous community must present a female or male/female duplet as candidates in uninominal districts, and 50% women candidates alternating with male candidates in plurinominal lists, both in municipal and national elections.

More important than the demonopolization Law, the outcome of the Hydrocarbon Law and the Law Convoking the Constitutional Assembly presently being drafted by these commissions will undoubtedly determine the future course of economic development and democracy in Bolivia. SUNY is contributing substantive technical assistance which combines solid technical data with expertise and ingenuity in finding creative solutions to the controversial issues involved in both these Laws.

Another important benefit of SUNY's assistance is that it provides the opportunity for other USAID projects, such as the DDCP municipal decentralization project, to discuss concerns

with the SUNY consultants before the commissions make final determinations. Discussions have been conducted between the Municipal Federation (FAM) and the consultants from the Joint Commission on Economic Development concerning the different proposals for distributing the tax revenues collected by the government from the transnational gas industries.

Institutional Strengthening

There is now a full awareness within the Congress and especially among the uninominal deputies concerning the need to be in close contact with their constituents. Those who have participated in the SUNY program understand better their role as representatives of their districts, a role distinct from but closely related to the role of the municipal and departmental authorities. This reality was confirmed by the recent DVS which showed an increase of over 600% in the uninominals who put loyalty to their constituents over loyalty to their party (from 6% in 2002 to 42% in 2004). Most uninominals have either employed or are familiar with the different relational mechanisms available to them. By the end of the calendar year 2004 SUNY expects to have assisted over 75% of uninominals in their use.

This extended awareness has created not only in the congress, but in the citizenry as a whole, the growing trend toward changing the structure of the Congress to include only uninominals, and to eliminate both plurinominals and alternate deputies.

V. PROBLEMS AND DELAYS

Relations between Executive and Legislative Branches.

After the victory of President Mesa in last July's Referendum, the President implemented a series of bold Supreme Decrees which the Congress interpreted as usurping the functions of the Legislature. A serious war of words and discoordination ensued. This conflict had an impact on the PARC program in that President Mesa's Unit (UCAC) designed to coordinate the preparation for the Constitutional Assembly began a series of

activities that duplicated efforts and activities previously carried out by the Congress, the most important of which was a plan by the UCAC to repeat all the consultation with the public that had been done by the Joint Commission on the Constitution. A further complication engendered by the UCAC was the unauthorized use of partial and inaccurate figures that the *Maestrias para el Desarrollo* of the Catholic University had been developing for use by the Commission to produce the first draft of the Law Convoking the Constitutinal Assembly.

Corrective action: SUNY/USAID, together with other members of the Donor Group, arranged a meeting between the President of the Joint Commission, Carlos Sandy (MAS) and the Presidential Delegate of the UCAC, Ricardo Paz, which led to the signing of a agreement to coordinate all activities and avoid duplication. This agreement has been effective to date although compliance by both signers is precarious and will require constant vigilance by SUNY and the other donors.

Municipal Elections

Nation wide municipal elections are scheduled for December 5th, 2004. No political party or group wants to appear soft on forcing the transnational petroleum and gas companies into new contracts more beneficial to the Bolivian state. The result has been a series of radical proposals by political parties and legislators for the new Hydrocarbon Law, which experts claim are equivalent to confiscatory measures and which will generate lawsuits and scare away further foreign investments. All of these proposals claim to be the authentic interpretation of the sovereign will of the Bolivian electorate as manifested in the recent Referendum. This problem is another factor aggravating the relation between the Congress and the President, whose law is somewhat more moderate.

Corrective action: SUNY through its consultants has provided technical assistance that has produced well-balanced technical data. But the outcome depends more on political rather than technical criteria, and it is possible that the more radical political parties want to

produce a law that will force President Mesa into a veto so he will be seen as collaborator with the transnationals.

Institutional Strengthening

The virtually exclusive attention being devoted to the Hydrocarbon Law and the Constitutional Assembly by both public and legislators has been a mixed blessing. On the one hand, this issue has grasped the interest of uninominal deputies and provided them the desire and the opportunity to take greater contact with their constituents, thereby greatly fortifying their representative function and giving them and the public a clearer idea of the true role of the uninominal deputies as national representatives. On the other hand, however, it is accustoming the representatives to deal with only popular and absorbing issues, distracting them from the hard work within the Congress through their committee work, oversight and case work functions, to successfully push through difficult local issues. This could be a factor making it harder for them to return to the more difficult and less attractive day to day work inherent in their representative functions.

Corrective action: SUNY will encourage the linking of the Assembly issues to local issues of importance where that is possible, such as the connection of gas lines to private homes especially in the marginal urban and rural areas.

Strengthening FUNDAPPAC.

One important component of the original PARC II program is to leave behind a strengthened FUNDAPPAC which can provide important legislative services to the Congress. This objective was made virtually impossible by the naming of FUNDAPPAC's executive director as Minister of Government. To date there has been no activity of institutional strengthening with this organization.

Corrective action: The executive director has returned and discussions have begun on the financing of activities

that can gradually lead to a systematic and integral institutional strengthening which will not only enable FUNDAPPAC to gain experience in isolated activities, such law drafting and intern programs, but also lead to a diversification of its funding sources to enable it to become more financially stable.

Women Legislators

Activities in this area have been virtually suspended due to the deñau int the reorganization of UMPABOL leading to the resignation of the consultant in charge of this area.

Corrective action: A search is underway to hire a new consultant who will be hired once UMPABOL designates its new coordinators.

VI. CONCLUSIONS AND RECOMMENDATIONS

- Through its support to the uninominal deputies, the Departmental Brigades and to the two critical congressional commissions on Economic Development and Constitution, the PARC program is helping the Congress to demonstrate greater effectiveness in its functions, thereby keeping the image of the Congress from deteriorating more in public opinion
- The Departmental Brigades are playing an increasingly important role in the decentralization of democratic representation and are serving as the most frequent point of contact between Congress and the citizenry.
- The Forums held on the Constitutional Assembly both by uninominal deputies and Departmental Brigades indicate a strong desire on the part of the citizenry that the Assembly establish and maintain contact with the public in its operations to ensure dialogue and full information to the public. To respond to this citizen demand it will be necessary to adapt the relational mechanisms developed for use by the Congress. Particularly the different sectoral commissions established by the Assembly will have to adopt streamlined versions of

Citizens' Forums and Public Hearings on the regional and national levels.

- An important work for the PARC program in the near future will be to prepare for use by the Assembly commission, studies on the restructuring of the electoral system and the Congress. Issues that will have to be discussed in the Assembly will include such important topics as:
 - The character of the state as either a presidential or parliamentary system of democracy.
 - The definition of the Legislature as either a bi-cameral or unicameral body.
 - The character of the representativity, as either exclusively uninominal or as continuing with plurinominal deputies as well.
 - The usefulness and role of deputy alternates (*suplentes*).
 - The electoral system majoritarian, proportional, mixed, preferential or some other combination..

Both the studies mentioned above and preparation for the Constitutional Assembly should begin in the next quarter or early during the next calendar year.

END