



USAID | **BOLIVIA**
FROM THE AMERICAN PEOPLE

STRENGTHENING DEMOCRATIC INSTITUTIONS

FINAL REPORT

September 28, 2009

This publication was produced for review by the Democracy Strategic Objective Team of the United States Agency for International Development.

STRENGTHENING DEMOCRATIC INSTITUTIONS

FINAL REPORT

September 28, 2009

This publication was produced for review by the Democracy Strategic Objective Team of the United States Agency for International Development. It was prepared by Chemonics International under the Strengthening Democratic Institutions project, Contract No. DFD-I-00-05-00219-00; Task Order No. 03.

CENTRO
MULIERES EMPRENDEDORAS

EL
ALTO



PARA:
PARCHE

PARA:
BILLIS

PARA:
BILLIS

IMPRESA
ASTENAT

CONTENTS

Project Overview and Executive Summary	1
Enhancing Dialogue on Decentralization	7
Improving Management of Departmental Budgetary Resources	13
Promoting Regional Economic Development	21
Reinforcing Citizens' Capacity to Exercise Rights and Responsibilities	29
Improving Institutional Capacity of Civil Society Organizations	37
Reducing Adult Literacy	43
Legislative strengthening	47
Acronyms	53



PROJECT OVERVIEW AND EXECUTIVE SUMMARY

Strategic Approach, Objectives, and National Context

Begun in October 2006, USAID's Strengthening Democratic Institutions (SDI) project was designed to increase confidence in democratic institutions and processes in Bolivia by promoting decentralization and regional development, strengthening civil society, and improving transparent functioning of Bolivia's Congress. From its inception, the objectives of SDI's three-year program aligned closely with the priorities of Bolivia's national development plan (NDP), and the Congress' strategic plan for institutional development. The PDN calls for effective, deconcentrated management at the prefectural and municipal levels, regional economic development, and increased citizen participation in public decision-making. The strategic plan of the Congress seeks to strengthen that body's

institutional capacity by establishing an in-house legislative service center and creating a complete and reliable database of current law.

To address these objectives, SDI established three programmatic components that began working closely with their Bolivian counterparts.

Component I (Decentralization and Regional Development) worked primarily with departmental prefectures to improve dialogue on decentralization; develop analytical tools to better estimate the fiscal, tax, and organizational impact of various decentralization proposals; strengthen management of departmental budgets; and establish productive services platforms (PSPs) at the departmental level to serve as catalysts for regional economic

development. Initially, Component I was designed to strengthen prefectures in Cochabamba, Oruro, Santa Cruz and Potosí. Within a few months, however, its work plan was broadened to include the departments of La Paz, Tarija, and Beni, and, in FY 2009, Chuquisaca. Midway through FY 2008, Component I also assumed responsibility for completing a cadastre project for the municipality of Villa Tunari in the Chapare region begun under USAID's Bolivian Land Titling (BLT) project.

Component 2 (Civil Society) sought to strengthen civil society by improving citizens' capacity to exercise their rights and carry out their responsibilities. Through competitive grants to Bolivian civil-society organizations (CSOs), Component 2 developed and implemented a nation-wide civic education program to teach basic citizenship principles and skills in Bolivia's nine departments. In FY 2008, a literacy element was added by way of a contract with SDI's subcontractor Alfalit International. In the final program year, the component undertook a series of institutional strengthening activities involving 271 CSOs.

Component 3 (Legislative Strengthening) responded to the National Congress to develop a detailed design and budget for a legislative services center to provide assistance with research and bill drafting to members and congressional committees. The component also began work on a database of current law that was

designed to be readily accessible to the public, as well as congressional members and staff.

Project activities were developed in close coordination with SDI counterparts at the national, regional, and local levels and were received with interest.

In November 2006, as the program got underway, SDI invited 20 Bolivian representatives of nongovernmental organizations (NGOs), community groups, prefectural staff, governmental institutions, and the National Congress to participate in developing the project's first work plan. The group also included two ranking staff from the Vice Ministry of Decentralization. Official efforts by SDI staff to work with the Vice Ministry of Decentralization were not readily accepted. Still, the program was able to share information regularly.

SDI's decentralization and regional development component established productive working relationships with all but one of Bolivia's prefectures (Pando did not pursue the project's offer of assistance). Working via specific, written requests from the prefectures, SDI provided technical support and training in areas including deconcentration, financial management and economic development. The component also shared information with other public institutions including the Ministries of Finance, Development Planning, Public Works and the Vice Ministry of Production and Micro-business.

SDI's civil society component, working principally with CSOs, coordinated with Bolivia's Vice Ministry of Social Movements, who headlined two seminars for Component 2, and the Ministry of Education posted SDI's civic education literature on its Web site and certified literacy training conducted by Alfalit International.

Polarization in the Congress and the press of more of urgent national issues, including the adoption of a new Constitution, made it impossible for SDI's legislative strengthening program to obtain the consensus needed to win counterpart funding for the proposed legislative service center and establishment of a multi-partisan congressional committee to oversee the creation of a database of current Bolivian law. Instead, Component 3 focused on developing a database of existing law affecting Bolivia's nine departments. The component also produced a comprehensive program of training and technical assistance for the Congress' *Brigadas Parlamentarias* (departmental legislative caucuses).

Program Highlights and Principal Results

To help public and other institutions analyze the impact of proposals for decentralization, SDI's Component 1 developed three technical "laboratories," or analytical models. One "laboratory" focused on fiscal aspects of decentralization, a second on the relationship of the current tax regime and decentralization, and a final study that analyzes the

distribution of competencies across the different levels of government. Widely disseminated, the models proved useful to decision-makers in deliberations on constitutional and legislative issues involving decentralization and deconcentration.

At the request of prefects in La Paz, Cochabamba, Santa Cruz, Oruro, Beni, and Chuquisaca, Component 1 developed diagnostics to guide departmental deconcentration with the objective of bringing prefectural government and its services closer to the communities where people live and work, encouraging greater citizen participation in departmental decision-making, and making prefectural government more efficient and effective. In the department of Santa Cruz, Component 1 helped the prefecture transfer its 10 percent share of natural resource royalties to a development fund managed exclusively by Santa Cruz indigenous groups. SDI created the administrative and legal framework for the transfer and, in the process, facilitated the first official representation of indigenous peoples in the departmental development council. Later, Component 1 assisted four Santa Cruz indigenous groups in preparing detailed feasibility studies and project proposals for the first activities financed through the new development fund.

To promote transparency in managing public infrastructure projects in Tarija and Chuquisaca, SDI supported development of



information system software tailored to each department's unique project cycle, internal procedures, and newly adopted systems for contracting personnel and purchasing goods and services. In Tarija, the new software standardized, centralized, and made available online information on more than 600 infrastructure investments. This work made the system fully transparent while also improving project management.

In the area of economic development, Component I designed and implemented PSPs to improve prefectural support for area producers and generate regional economic initiatives in the departments of Oruro, Cochabamba, Santa Cruz, Tarija and Chuquisaca. Notable aspects of this activity included creating an innovative, online information

system for producers (SISPRO) and implementing a business plan model through which prefectural and municipal staff can help producers determine what they need to develop successful business ventures. To date, the program has trained 5,425 producers, prefectural and municipal staff, and related allies — including representatives of chambers of commerce, foundations and associations.

SDI also conducted four successful contracting fairs at the departmental and national level to reduce procurement costs for participating governmental entities and create opportunities for local micro, small and medium-sized businesses.

The 19 NGOs working with SDI's civil society component conducted

a nation-wide civic education campaign that communicated basic democratic principles and citizenship skills to more than 140,000 Bolivians. Participants included students and teachers, leaders of indigenous groups, *campesino* organizations, trade unions, miners, and transportation workers.

Component 2 reinforced the training by involving participants in a series of *conversatorios* (roundtable discussions) with public representatives and other interested parties on issues of local, regional and national importance. This enabled recently trained participants to use their new dialogue, deliberation, debate, and collective decision-making skills to promote civic participation and consensus building.

Component 2 also conducted seminars and workshops to strengthen the institutional capacity of 271 Bolivian CSOs. Additionally, through a subcontract with Alfalit International, the project provided literacy training to 15,314 Bolivians in the departments of Cochabamba, La Paz, Oruro, Santa Cruz, Chuquisaca, and Potosí.

Responding to requests from presidents of *Brigadas Parlamentarias*, SDI's legislative strengthening component created a database of existing national legislation affecting Bolivia's nine departments. The project, completed in September 2008,

assists legislators, attorneys, judges, and the general public, and will also serve as an invaluable starting point for creation of a database of current law as part of the Congress' implementation of Bolivia's new constitution.

Component 3 left the Congress detailed blueprints for that project, as well as for the creation of the proposed in-house legislative service center. The component also conducted important legislative studies for congressional caucuses on anticorruption measures and reform of current transit laws. Finally, Component 3 strengthened the capacity of departmental *Brigadas Parlamentarias* by providing technical assistance and training through a series of legislative workshops.

Despite challenges encountered along the way, SDI's technical assistance and training achieved the results expected by USAID in every category and, in the process, provided Bolivian counterparts with invaluable tools to continue facilitating decentralization and regional development. SDI's work increased the capacity of Bolivian citizens to exercise their rights and carry out their responsibilities under the country's new constitution and improved the National Congress' ability to function transparently and effectively — now and in the future.



Chapter I

ENHANCING DIALOGUE ON DECENTRALIZATION

To bring government closer to the people, encourage greater citizen participation in public decisions, and help structure efficient and effective levels of sub-national government, SDI implemented strategies and activities to deepen and “technify” the debate on decentralization; develop a series of baseline studies of the costs, attributions, and responsibilities of deconcentrating sub-department government; and design and implement a model that gives autonomy to indigenous peoples at the sub-national level.

Laboratory Models

Policy-makers at all levels of government, to objectively evaluate the impact of various models of decentralization on government finances at the national and sub-national levels, must have access to reliable projections that correspond to various decentralization scenarios.

In an effort to contribute to the ongoing debate on decentralization, SDI commissioned the development of technical “laboratories,” or analytical models, to analyze institutional arrangements and propose the most effective and feasible alternatives for incorporation into Bolivia’s new constitution. SDI produced comprehensive studies on the most important aspects of decentralization, including intergovernmental fiscal transfers, tax authority, and territorial organization. The fiscal, tax, and territorial organizational “laboratories” were subsequently simplified into models that interested parties can use to easily estimate the implications of decentralization scenarios.

SDI’s “laboratory” models played an important role in providing the technical tools for objective



decision-making and shaping discourse based on an internationally recognized academic vernacular. SDI's Territorial Organizational Laboratory offered a high-tech foundation for upcoming congressional debates by allowing participants to enter variables into the models to construct and review economically viable alternatives for territorial organization. As a result, the model enriched the debate of the final constitutional text, which defines and allocates prerogative, exclusive, concurrent, and shared areas of authority among different levels of government.

SDI's fiscal laboratory model also had an important impact on the national dialogue. In anticipation of upcoming decentralization and autonomy legislation, the Federation of Municipal Association (FAM) employed SDI's laboratory model to simulate different effects of intergovernmental fiscal transfers for its study Fiscal Pact. The fiscal laboratory served as an excellent tool for the analysis of horizontal and vertical intergovernmental fiscal imbalances during the 2005–2007 period as well as the simulation of potential proposals for public policy oriented toward the development of equity funds to resolve the identified imbalances.

National and international institutions such as the German Development Agency, International Monetary Fund, and the Viceministry of Decentralization, requested the SDI models and corresponding databases. SDI also provided training in the use of

these tools for studies that help shape national public policy on decentralization.

Deconcentration Diagnostics

To reduce aspects of centralism within regional departments as concentration of decision-making authority in urban cities, several prefectures have deconcentrated specific functions to newly created sub-departmental levels. To improve efficiency, increase transparency and accountability, encourage citizen participation, and expand access to traditionally centralized public services, prefects asked SDI to propose models of sub-national government tailored to particular localized needs, characteristics, and cultural identities of the departments of La Paz, Cochabamba, Santa Cruz, Beni, Oruro, and Chuquisaca. SDI identified areas of authority that could deconcentrate to sub-departmental levels and designed a system to transfer financial resources so sub-departmental entities could prioritize public investment based on local needs and participatory planning. SDI then developed solutions that enable prefectures to provide effective services to their populations.

Variations in the implementation of reforms based on deconcentration depend on the political will of actors and the issue's level of priority on departmental agendas. However, all departments showed a marked interest in intensifying deconcentration, primarily because

Cooperating with Other Donors

To avoid duplication of efforts and maximize program impact by taking full advantage of synergies, economies of scale and additional resources, SDI closely coordinated all decentralization activities with the German Technical Assistance Agency, the United Nations Development Program, and the Netherlands Development Organization, among others.



of strong demands from Bolivia's largely rural population.

SDI's activity in this area laid the groundwork for future deconcentration. Impressed by the importance and utility of the studies, the German Development Agency had them published, giving full credit to USAID for funding them and citing "their analytical utility in the current debate, their operational value for concrete application, and their potential to guide de-concentration processes in other Bolivian departments."

Indigenous Autonomy

Treatment and analysis of indigenous autonomy and its impact on decentralization varies markedly among diverse departmental prefectures. Although the population of indigenous peoples in lowland departments is far smaller than in the highlands, the department of Santa Cruz has made a concerted effort to promote development and integration of its five indigenous nations — the Ayoreos, Chiquitanos, Guarayos, Guaranies, and Mojeños.

Real, Productive Citizenship

“Indigenous people are part of the economy and the productive sector of Santa Cruz. A lack of capital may have impeded production among indigenous peoples, but the challenge is to help this sector gain real, productive citizenship... We are now part of the [prefecture’s] institutional structure, a necessary condition for influencing public policy. SDI’s support and organization has allowed us to develop compelling proposals for credit and technical assistance. Before, many officials did not accept us. USAID’s support has helped a lot.”

Prefecture of Santa Cruz

SDI helped the prefecture of Santa Cruz develop of institutional reforms to integrate indigenous populations effectively into departmental governance and the regional economy. SDI proposed including indigenous representatives on the departmental council, restructuring the Indigenous Peoples’ Departmental Development Office (DIDEPIO) and including it in the prefecture’s organizational structure, and allocating significant financial resources to enable DIDEPIO to implement investment projects that the department’s indigenous peoples identified.

SDI provided training and technical assistance to implement these three reforms. Santa Cruz’s Departmental Council Resolution 120/2007 established indigenous peoples’ representation in departmental council sessions, constituted DIDEPIO within the prefecture, and allocated 10 percent of departmental natural

resource royalties to finance indigenous peoples’ development. SDI then provided training and technical assistance to strengthen DIDEPIO’s institutional capacity to manage the new funds. As a result of this important initiative, DIDEPIO executed 68 percent of its budget during its first year of operation.

The Santa Cruz Prefecture described SDI’s support as “opportune and effective in supporting the technical-administrative decentralization process through new distribution of resources from hydrocarbon, mining, and forestry royalties.”

The pioneering reforms in Santa Cruz increased recognition of the cultural contributions of indigenous peoples in the prefecture, made their participation in departmental decision-making possible, and gave them autonomous control over financial resources to enhance their social and economic well-being.



Chapter 2

IMPROVING MANAGEMENT OF DEPARTMENTAL BUDGETARY RESOURCES

Insufficient institutional capacity and high staff rotation at the departmental level hampers the ability of prefectural government to make effective use of limited resources and increases citizens' frustration with sub-national government. To improve financial management within the prefectures, SDI focused on strengthening institutional capacity by designing and implementing information systems to support and facilitate internal budgeting and resource management. SDI also developed training programs to build the capacity of prefectural staff.

SIGMA Improves Financial Management

In 2005, with the objective of increasing transparency and improving development and management of public investment projects in its area of authority,

Bolivia's central government adopted a standardized financial reporting system — *Sistema Integrado de Gestión y Modernización* (SIGMA). Lack of training and frequent rotation of staff prevented several prefectures from using SIGMA effectively. To help regional governments overcome this limitation, SDI provided technical assistance and training for 31 staff from the prefectures of Chuquisaca and Potosi. The SDI team helped improve departmental organizational structures and recommended modifications to administrative procedures, focusing on rotating funds, petty cash, procurement, and contracts. SDI also offered assistance in preparation of financial closeout reports, with emphasis on budget, treasury, purchasing, and personnel modules. This support enabled both prefectures to improve their financial management and reporting, providing the public and

government officials with accurate and current information on revenues and expenditures. Thanks in part to SDI's support, the newspaper *Correo del Sur* reported on March 26, 2008, "Chuquisaca [was] the last department to implement SIGMA and the first to turn in its financial reports."

Managing Departmental Infrastructure Investments

SIGMA was developed primarily for use by the central government, and departmental governments required a second, integrated information system to assist in planning, implementing, monitoring, and evaluating departmental investment projects—primarily public infrastructure. SDI partnered with CHF International to implement an optimized project management system (SGP+) in the departments of La Paz, Santa Cruz, Oruro, Cochabamba, and Potosí. Along with institutionalizing

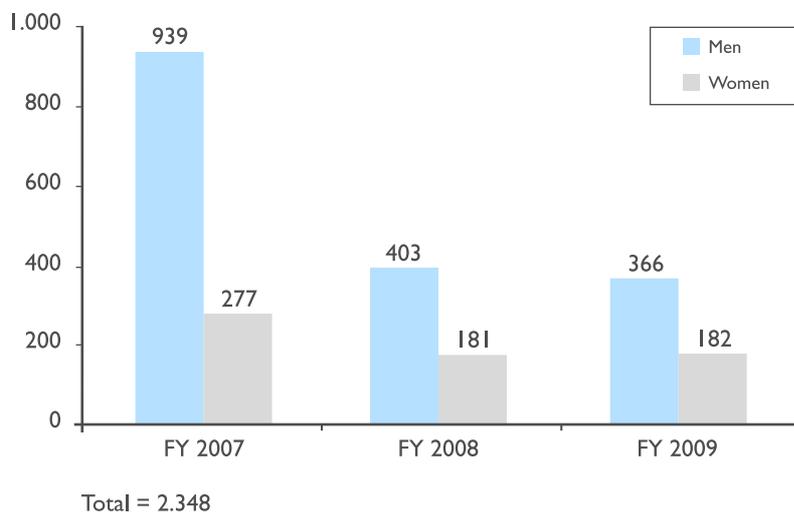
investment management procedures, the system supports generation of reports on project implementation and expenditures so managers can base decisions on current information. Like SIGMA, SGP+ increases transparency by making it easier to share fiscal and financial information with the public.

SDI trained nearly 400 staff, installed the SGP+ system, and then assisted in uploading critical data on all of the departments' investment projects. SGP+ has significantly improved the Prefecture of Santa Cruz's capacity to oversee investments in public infrastructure while increasing accountability for, and the transparency of, project funding and implementation.

Changes in prefectural leadership and other factors impeded successful adoption of SGP+ in La Paz and Cochabamba. At the same time, continuous rotation of staff and changing departmental priorities in Oruro and Potosí made it nearly impossible to maintain the system over time. Some departments also encountered serious mid-level staff resistance to the new system, as many employees did not want to be held accountable for managing investment projects. In each case, SGP+ remains in place and can be reactivated once upper management makes implementing the system a priority.

The department of Tarija contains 65 percent of Bolivian natural gas deposits, and its investment budget is five times larger than those of

Total prefecture and municipal staff receiving training to improve management of resources



all other prefectures combined. Tarija has pioneered the deconcentration of regional government, delegating to sub-prefectures the authority to directly allocate funds and manage local investment projects. With Tarija's unique needs in mind, SDI developed the *Sistema de Información, Gestión y Acompañamiento de Proyectos* (SIGAP) to improve management of more than 600 investment projects in Tarija while increasing transparency and accountability.

SDI developed user manuals for the new system and arranged for a local university to provide logistical support and train 174 prefectural staff involved in the investment project cycle. Participants received academic credit upon completion of training. The system is fully operational and staff continues to use it. Through the prefecture's Web site, managers can access SIGAP to monitor the status of investment projects from initial financing to the completion and authorize payments upon completion of project milestones. Just as important, citizens have unrestricted access to objective information about regional government contracting procedures and project implementation.

The Prefecture of Tarija enthusiastically embraced SIGAP and created a special projects committee to monitor all projects in the system and report project status on a regular basis, helping the prefecture regain control over its project cycle. The prefecture's

commitment to the initiative generated credible expectations for sustained and effective use of SIGAP to improve departmental resource management.

Prior to June 2008, the prefecture of Chuquisaca experienced several changes in leadership, causing the deterioration of departmental management and a dramatic decrease in investment in public infrastructure. SDI helped Chuquisaca make up for lost time by developing an innovative financial programming system (SPF) to determine the status of departmental debt, estimate actual and future expenditures, organize and prioritize the investment portfolio, and secure financing for departmental programs from the central government. SPF provides information on departmental finances and ensures that planned activities have necessary funding based on allocation conditions that consider opportunity, liquidity, implementation periods, and current interest rates. The system has enabled Chuquisaca to manage project investment more efficiently and transparently.

Income Tracking Systems Monitor Commodity Prices and Transactions

More than 90 percent of Bolivia's departmental income originates from hydrocarbon and mining royalties transferred from the central government. Fluctuations in international commodity prices have a significant impact on royalty revenues — and, therefore, on planning and budgeting. Prefectures sought SDI's support to develop a



mechanism to monitor commodity prices, track regulatory modifications to intergovernmental transfers, and project departmental revenues.

SDI designed a hydrocarbon income tracking system (SSIH) and prefectural information system on mining royalties (SIPREMIN) to assist all entities that receive royalty transfers from the central government. The Prefecture of Oruro publicly commented that SSIH and SIPREMIN had, for the first time, made it possible to provide information to

municipalities, public universities, departmental prefectures, and prospective resources.

Integrated Cadastre to Increase Municipal Revenue

Only 10 percent Bolivian municipal governments have reliable information on the property within their jurisdictions. The remaining 90 percent have limited capacity to generate “own-source” income and increasingly depend on national transfer payments. USAID’s BLT program offered a potential solution by using new technology

As a result of the diploma course, staff engineers, economists and agricultural experts have gained the capacity to design public investment projects, which will save the Prefecture thousands of dollars just this year.

Prefecture of Chuquisaca

to begin developing a geo-referenced cadastre for the municipal government of Villa Tunari in the Chapare, the tropical region of the department of Cochabamba.

At USAID's request, SDI assumed responsibility for completing the cadastre — intended to be the prototype for similar cadastrals in the region — when the BLT program ended in April 2008. In late June, however, USAID was asked to leave the Chapare and stop implementing activities — including the cadastre project.

Building Institutional Capacity to Work with New Systems

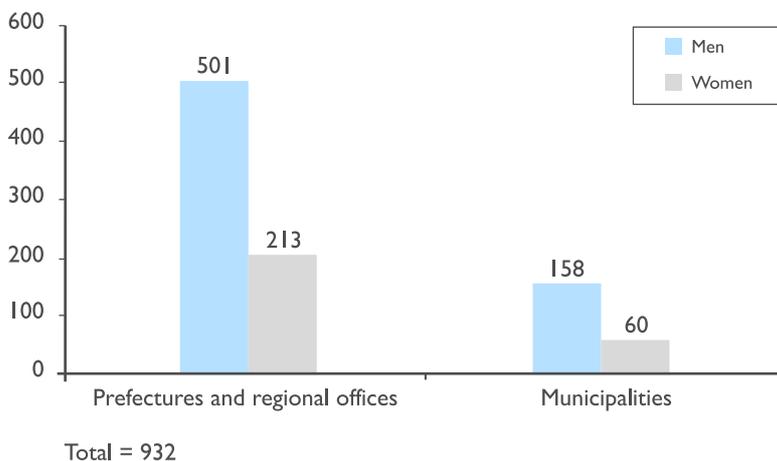
Information systems are important instruments for improving departmental management, but prefectures also require trained personnel. Through a partnership with the DDCP Foundation, SDI

implemented capacity-building programs tailored to the specific needs of the departments of Santa Cruz, La Paz, Cochabamba, Tarija, and Chuquisaca.

Over a two-year period, SDI trained 932 staff of prefectures, sub-prefectures, and municipalities. Training focused on improving financial management and administration. Topics included new contracting regulations and procedures, roles and responsibilities in public administration, and current accounting practices. In addition, 79 prefectural staff from the departments of Santa Cruz, Chuquisaca, and La Paz graduated from a USAID-financed diploma course on project design, evaluation, and management, accredited by the *Universidad Mayor de San Andres*. As a completion requirement, participants developed project designs for future implementation within their departments, a task normally outsourced to consultants because of a lack of institutional capacity among prefectural personnel.

SDI also provided technical assistance to address specific weaknesses identified by the prefectures. For example, the project helped the prefecture of La Paz meet central government requirements for its 2008 financial reports. In addition, SDI assisted the prefecture of Chuquisaca and the municipality of Sucre in developing a framework for co-investment in public infrastructure.

Local and regional government staff participating in capacity-building programs





Rehabilitating Municipal Bank Accounts to Restore Municipal Services

Each year, an average of 200 municipal government accounts are frozen due to noncompliance with regulations and procedures. As a result, a majority of Bolivia's municipal governments cannot implement investment plans and use funds earmarked for their communities. To avoid social conflict and improve municipal administration, SDI developed processes for repairing faulty financial processes and restoring access to municipal accounts. SDI provided information about preparing annual financial reports and monthly budget reconciliations in standard formats.

With the DDCP Foundation, SDI conducted a pilot initiative to release the bank accounts of two municipalities in critical condition, Taraco and Todos Santos. In just two months, SDI's technical assistance and training enabled both municipalities to regain access to their bank accounts and resume management of local resources for public investment in their communities.

In a parallel effort, with the *Contraloría General*, SDI organized workshops for Congressional and Senate decentralization committees to identify key bottlenecks affecting institutionally weak municipalities and proposed policies to reduce freezing of accounts.



Chapter 3

PROMOTING REGIONAL ECONOMIC DEVELOPMENT

Bolivian elected officials, particularly at the municipal and departmental levels, and governmental entities understand the importance of creating jobs and economic opportunities — but they generally lack the means to promote economic development effectively. At the request of prefects, SDI designed and implemented a program to help prefectures and municipal governments become catalysts for regional economic development by providing services that encourage investment in productive projects, disseminate critical information to producers, and foster competition for departmental contracts.

Productive Services Platforms to facilitate economic development

SDI developed the productive services platform (PSP) model to improve prefectural support for

the productive sector and generate regional economic development in the departments of Cochabamba, Santa Cruz, Oruro, Potosi, Tarija, La Paz, and Chuquisaca. Under this initiative, targeted prefectures created and staffed central and regional offices to promote and facilitate economic development. The offices help producers and service providers find mutually productive opportunities for training, financing, transportation logistics, markets, and other services.

Through widespread training and publicity, the concept of providing public services with a business perspective earned the support of an array of public and private institutions working on behalf of productive development. SDI provided training in key economic development services to more than 538 employees of prefectures and municipalities. Numerous

“As producers, we have a common goal of increasing production of farm-raised fish in the tropics. Through the PSP, we received help in developing a feasibility study and business plan to increase the size of our business.”

Fish producer, Cochabamba

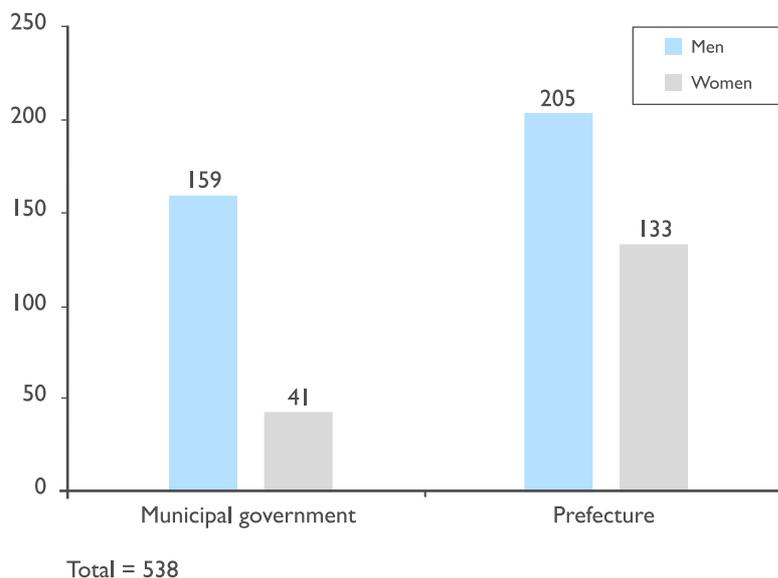
inter-institutional alliances were built around the PSP framework — as evidenced by more than 50 memoranda of understanding with prefectures, municipal associations, universities, NGOs, private enterprises, and chambers of commerce that helped multiply the effect of PSP training. SDI, with the prefectures and local government offices, presented seminars on the PSP for more than 3,600 producers throughout the targeted departments.

The initiative’s central components were the implementation of a business plan model to enable prefectural and municipal staff to help producers develop successful business ventures and the creation and dissemination of an interactive online information system for producers - SISPRO.

Good Business Plans Produce Successful Businesses

SDI helped businesses, cooperatives, associations, local governments and agricultural producers develop dozens of business plans using an SDI-developed model to organize and process information for entrepreneurial initiatives and evaluate their financial viability. One plan, for the municipal government of San Juan in the department of Santa Cruz, introduced a pilot initiative in banana production and exportation. The SDI business plan’s evaluation convinced an international company to donate 2,000 banana seedlings of a variety native to India that can resist the strong winds typical in Santa Cruz. Another secured a \$10,000 loan from the Bolivian productive development bank (BPD) to improve a bee-keeping operation in the same department, while a third helped expand a freshwater fish farm in Cochabamba.

Prefecture and municipal staff



Getting Critical information to Producers

SDI developed a Web-based information system (<http://www.sispro.org.bo>) to provide widespread access to information for Bolivia’s productive sector. Through SISPRO, business entrepreneurs and agricultural producers enjoy increased access to information on agricultural commodity prices and demand, financial credit options, business development opportunities, and training services, and they can participate in a virtual business

“The *Mink’as* are a welcome concept, especially for those of us in rural areas, because the prefecture supports productive initiatives. A lot of this department’s production had trouble making its way to market. Through the *Mink’as*, we have guidance, and things are better.”

Municipal council member,
Pazna, Oruro

networking roundtable. SISPRO benefits all producers, but is especially helpful to those in hard to reach rural areas. As an indigenous producer visiting the prefecture’s regional InfoCenter in the rural town of Aiquile in Cochabamba explained, “now we know how to find loans with low interest, which bank to go to, and which has the lowest interest. SISPRO has been a great help to the people from rural areas and small towns. Before, we didn’t know where to go.”

SIPRO is helping generate business and agricultural in several ways. The Jerusalem Credit Cooperative in Santa Cruz, called SISPRO “the most appropriate instrument to limit errors in creating new businesses.” The system has had a similar impact in the academic arena, where the dean of agricultural sciences at a public university in Cochabamba said SISPRO “...is not only an instrument; it will become part of a new curriculum within the department.”

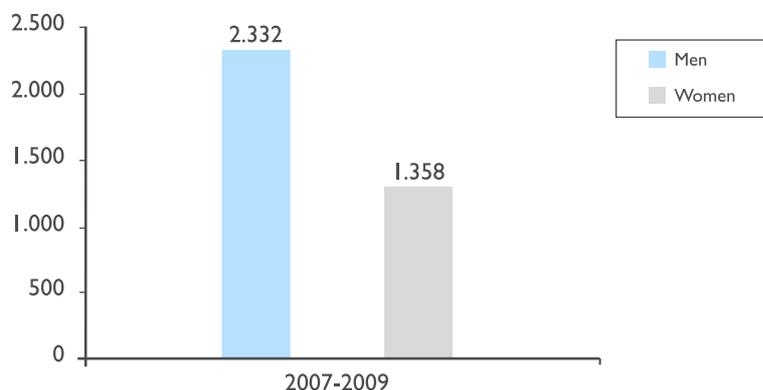
Adapting to Regional Differences to Ensure Sustainability

The secret the PSPs’ success has been the care taken adapt the model to each department’s unique socio-economic, administrative and cultural characteristics. At the request of the Prefecture of Oruro, for example, SDI helped establish regional PSP offices (called *Mink’as*, after the Aymara tradition of community work) in its four historically defined ethnic “nations.” Tailoring PSP models to regional differences has broadly increased local ownership and acceptance.

With their adoption of SDI’s PSP framework, the prefectures discovered an effective mechanism for implementing public policy in support of their productive sectors. As a result, they are better equipped to coordinate services and provide information not only to limited urban industrial sectors but also disadvantaged rural agricultural sectors. SDI helped the prefectures of Santa Cruz, Oruro, Cochabamba, Tarija and Chuquisaca develop strategies and organizational structures based on the particular circumstances and needs of each department. For example, the prefecture of Tarija joined forces with the local branch of *Fundación INFOCAL* to offer in-house PSP technical assistance and training with annually budgeted prefectural resources and counterpart funds through its micro, small, and medium enterprise program.

As a result of working closely with the local communities and

Producers introduced to the PSP framework



Total = 3.690



DEFENSA NACIONAL
COMPRO

WESA 15
WESA 16
WESA 17

FERIA IN
COMPRO

DE PAI

WESA
21

prefectural counterparts, the five departmental PSPs have been able to sustain their operations for the past several months with no additional USAID support.

Preparing Final Design Studies for Productive Investments

Development of the productive services platforms enabled producers and prefectural authorities to identify several development projects necessary to jumpstart productive activity in targeted departments.

Historically, regulatory complications in the implementation of public/private investment projects make projects oriented towards productive development uncommon. To overcome this problem, SDI designed and documented a methodology to systematize

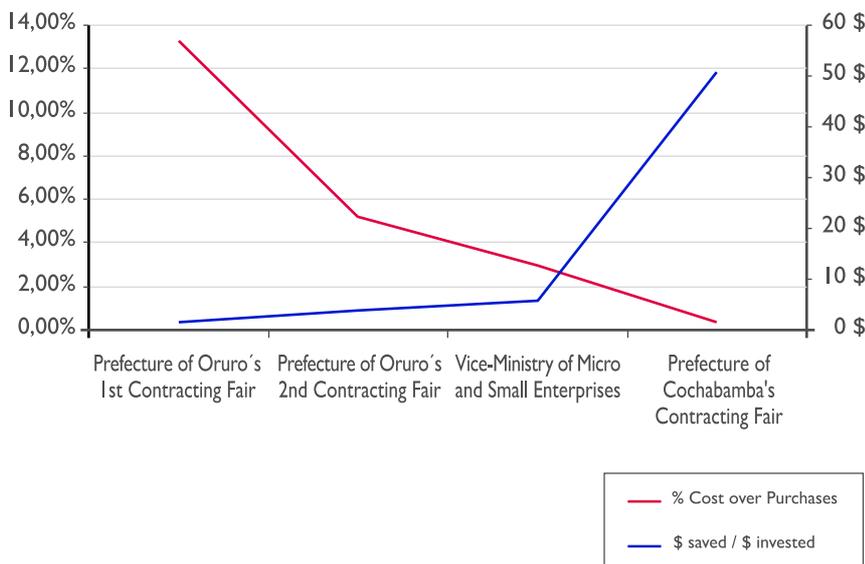
procedures and content for final design studies for public investment based on the normative framework for infrastructure projects. Several additions and exceptions were specifically geared towards the productive sector. SDI developed specific public investment projects to increase the capacity of the prefectures of Cochabamba, Santa Cruz, Tarija, and Oruro to promote productive development initiatives. Final design studies, including those on an economic promotion bill in Oruro and a textile technological center in Cochabamba were developed according to *Vice-Ministerio de Inversión Pública* requirements. The studies were presented to their respective prefectures for implementation as part of their 2009 work plans.

In Santa Cruz, SDI supported DIDEPIO in the formulation of four final design studies for productive development projects for future implementation. Representatives of indigenous peoples used traditional decision-making methods to prioritize projects for sugar cane production, food security, and marketing oil, shampoo, and soap made from *cusi*, a regional fruit.

Contracting Fairs to Create Business Opportunities and Lower Costs

Contracting fairs are a mechanism developed in Bolivia to provide public entities with a relatively quick, transparent alternative procurement process that creates economic opportunities for local businesses and vendors. At the

Savings to government through SDI-funded contracting fairs





same time, they enable micro, small and medium-sized businesses to access the public sector as a potential buyer, often for the first time. Through open and transparent competition, the contracting fairs also lower the purchasing costs of goods and services.

To promote and help institutionalize contracting fairs, SDI grantee *Fundación Sumaj Kawsay* helped the prefecture of Oruro, *Universidad Técnica de Oruro* and the Oruro municipal association organize two successful fairs in a period of about year. The project provided training to 77

prefectural, university, and municipal staff on procurement rules and regulations. To ensure a level playing field for participating businesses, the foundation trained 487 entrepreneurs in bid procedures to prepare them for possible contracts with the organizing entities. The pre-fair training emphasized error-free and timely presentation of bids in the proper format to lessen the number of bids eliminated for procedural reasons.

During the two fairs, the prefecture of Oruro, the university and participating municipalities signed contracts for goods and services worth \$818.241 with area businesses and spent \$161.524 less than had been expected.

Based on that success in Oruro, SDI and the *Fundación Sumaj Kawsay* organized two other fairs at the request of other public institutions. In La Paz, SDI assisted the Vice Ministry of Micro and Small Enterprises in purchasing textiles, leather goods, food products, and other items. 272 businesses were trained and participated in the event, resulting in procurements totaling almost \$2 million and an estimated savings of \$326.188.

In terms of total purchases, the fourth fair, organized for the prefecture of Cochabamba, was the most successful of all. 275 local and regional businesses participated in the activity and the prefecture signed contracts for goods and services totaling \$9.407.044, with savings of more \$1.5 million.

The total cost of staging the four contracting fairs was \$155.608, which consisted of \$75.705 in SDI grants to the foundation and \$79.903 in counterpart contributions by the two Prefectures and Vice Ministry of Micro and Small Businesses. Of this latter amount, \$3.545 was in-kind and \$74.364 was in cash.

The four fairs not only demonstrated to the prefecture and other participating entities the financial and administrative benefits of the mechanism, but, as importantly, they also helped restore public confidence in the contracting process, as all transactions were conducted in complete transparency with sealed bids being opened in the presence of the bidders, department officials and the general public.



EULOGIA

FELISA

Chapter 4

REINFORCING CITIZENS' CAPACITY TO EXERCISE RIGHTS AND RESPONSIBILITIES

A strong social network and level of social interaction that enables and encourages cooperation among citizens and civil society organizations in pursuit of the common good is an essential condition for sustainable development. Bolivia boasts a vibrant civil society — characterized by families, friendship networks, professional associations, women's groups, and social movements

A primary initiative for improving citizens' capacity to exercise their rights and responsibilities was to help support, and reinforce citizenship capabilities among individuals and organizations. To this end, SDI led educational processes to help build a culture of trust through collaborative dialogue; and develop linkages to encourage collective action and growth of an environment in which citizens can reach their full

potential and achieve a better quality of life.

To maximize its impact, SDI launched a competitive grants program dedicated to promoting basic democratic concepts and citizenship skills, and strengthening civil society organizations. Thirty-five organizations presented proposals to implement training, *conversatorios* (roundtable discussions), and large-scale civic education activities. SDI awarded 30 grants — including several in response to unsolicited proposals and follow-on grants to successful partners — to 19 NGOs. Through partnerships with these grantees, the project implemented training more effectively by capitalizing on each organization's grassroots knowledge, regional social networks, and technical expertise. Grantees transmitted knowledge and established additional social networks by signing almost 400

Social capital is defined as “features of social organization, such as trust, norms, and networks that can improve the efficiency of society by facilitating coordinated actions” (Putnam, Robert, *Making Democracy Work*, p. 167) Princeton, New Jersey. Princeton University Press, 1994.



constructive exchanges among participants.

SDI and several beneficiary organizations developed instruments, practices, and methodologies to strengthen individuals' principles, values and attitudes, preparing citizens to take constructive collective action in pursuit of their goals. SDI prepared the primary textbook, *Let's Build a Great Country Together*, which provides easy-to-read and culturally appropriate narratives on leadership, basic democratic concepts, roles of key democratic institutions, and Bolivia's constitution. The Bolivian Ministry of Education recognized the book as a valid social studies text in 2007. Grantee organizations also designed customized educational materials, including textbooks, brochures, flip charts, and videos.

Under SDI's guidance, local NGOs strengthened civil society leadership by promoting transparent and inclusive representation based on such democratic principles and values as tolerance, trust, and norms of reciprocity. The project's innovative entry and exit questionnaire showed that participants increased their knowledge of democratic concepts and principles by an average of 21 percent. The questionnaire measured participants' knowledge of citizen rights and responsibilities in a democracy, techniques of alternative conflict resolution and collective decision-making and other related topics.

memoranda of understanding with indigenous groups, labor unions, and local universities to increase civic participation within their respective areas of work. Beneficiaries included community leaders (approximately 52 percent women) representing diverse social movements, indigenous communities, neighborhood associations, school boards, agricultural producer associations, and youth organizations.

Classroom Training

SDI's 19 grantee organizations and more than 80 expert facilitators enabled more than 140,000 people to deepen their understanding of democratic principles and develop citizenship skills in more than 4,000 interactive classes throughout Bolivia. A civic-social teaching methodology focused on cognitive, affective, and behavioral components to generate



Replicated and Assisted Training

Grantees employed two training extension methodologies to expand USAID’s civic education campaign to the broader population. During the first two rounds of implementation, a training-of-trainers approach deployed instructors to replicate concepts and exercises they had learned from SDI. The trainers reached near 56,000 attendees through sessions that were often held in makeshift classrooms in

town halls, churches, and outdoors. In the final civic education round, SDI encouraged grantees to use an improved methodology that combined the specialization and quality of traditional direct education with the logistical support and efficacy of the replicated approach. Expert grantee facilitators worked with pre-trained community leaders to provide “assisted training” to almost 20,000 Bolivian citizens. This horizontal approach to mass education increased participation

CONVERSATORIO MUNICIPAL



Para debatir y deliberar libremente nuestros desacuerdos y buscar acuerdos y consensos



substantially while boosting confidence in grassroots leadership.

Generating Trust and Linkages for Collective Action

Democracy encourages civic participation, but in practice, many Bolivians lack the information and skills needed to participate effectively in local and regional affairs. SDI grantees organized events at which participants could learn about and practice dialogue, deliberation, debate, and collective decision-making as mechanisms for forming agreements, alliances, and coalitions among diverse groups. SDI's *conversatorios* and democratic conflict resolution workshops enabled participants to learn democratic concepts and citizenship skills while seeking solutions to real collective action problems and local conflicts.

Conversatorios

Over a three-year period, project grantees organized 163 *conversatorios* that stimulated systematic use of democratic skills through discussion of key topics of public interest. In many cases, existing public institutions and procedures did not adequately address these subjects. The events promoted civic participation by bringing together individuals with polarized viewpoints who might not otherwise have interacted with one other. The goal was to share information, identify problems, and build consensus.

This technique foments the development of trust among

individuals and groups to promote informed discussion and decision-making on subjects of mutual local, regional, and national interest. The *conversatorios* were designed to model a democratic system fostering collaborative, open, and inclusive dialogue on such topics as local development in Chulumani and the rights of transportation workers in Santa Cruz. The concept of a plurinational state, civic education curriculum development, and challenges for democracy within the framework of the new Bolivian constitution were other current interest subjects of the *conversatorios*.

In the mining town of Llallagua, an SDI grantee mediated an encounter between cooperative and salaried miners and *palliris* (women whose traditional work is gathering minerals outside the mines). Historically, these groups have been at odds; after training sessions emphasizing principles and values, representatives from each group agreed to take part in a *conversatorio* to address their differences. Although tense at times, the event was an overall success, as participants found common ground in such topics as labor conditions, health insurance and the adverse effects of mining on the environment. Near the end of the *conversatorio*, the different groups agreed to use dialogue as a mechanism for mutual understanding in the future.

Other roundtable discussions led to similar agreements, alliances, and coalitions for collective action. An SDI grantee partnered with the Cochabamba's parliamentary

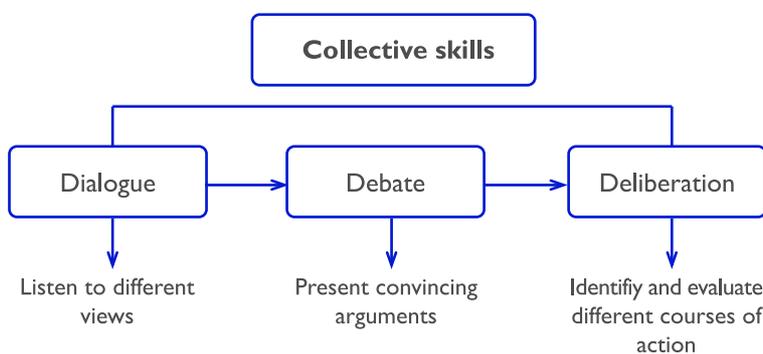
“The revitalization of the Tunari National Park oversight committee is important because it has permitted coordination and articulation between diverse sectors and institutions for collaborative interventions to benefit this protected area, which holds a large percentage of Bolivia's water resources.”

Tunari National Park Official
September 2008



delegation to sponsor an event to help settle a longtime dispute between squatters and landowners in the Tunari National Park. Through collaborative dialogue and inter-institutional coordination, participants agreed to reconstitute an oversight committee to ensure enforcement of existing laws within the park.

The project had a lasting impact on organizations and communities by increasing their capacity to



“I participated in *Fundación IDEA’s* [civic education training program] out of curiosity, but [learned that] acquiring tools and skills for mediation and reconciliation is essential for community participation.”

Law student
Universidad Mayor de San Andrés

communicate, organize, and coordinate effectively within civil society and with public institutions and providing an alternative channel for civic participation in democratic decision-making.

Democratic Conflict Resolution Workshops

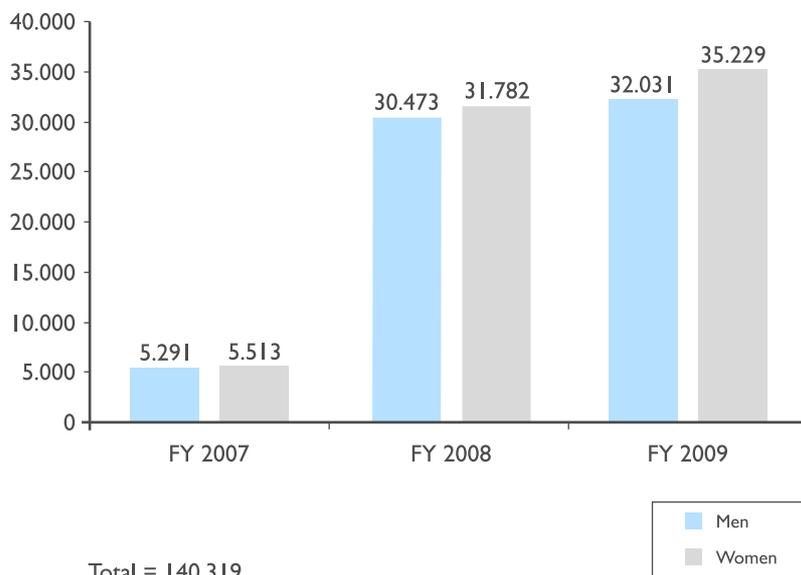
After identifying more than 70 local conflicts, the project coordinated 20 workshops in urban and rural areas of Santa Cruz, La Paz, Cochabamba, Tarija, and Chuquisaca at which the parties could engage in informal discussion and peaceful conflict resolution. These encounters, which gathered 339 area specialists, local and regional government representatives, civil society leaders, and citizens, were designed to encourage application of a key

democratic concept: building consensus.

Discussions addressed often controversial issues that included tension between the La Peñita neighborhood association and the Mayor of the municipality of La Guardia; political party influence in the national educational system; and the lack of basic public services in the municipality of La Paz. Experienced moderators facilitated dialogue, defined controversies, and kept discussions constructive. Subsequent group negotiations were based on the democratic principles of transparency, representation, trust, and social solidarity.

A democratic conflict resolution workshop in the San Luisito neighborhood of Santa Cruz led to successful resolution of a community dilemma: “free riders,” those within the impoverished neighborhood, who refused to pay municipal taxes, taking advantage of the majority of residents who did. After recognizing the potential collective benefits at stake — improvement of basic public services — the residents agreed to register their property and pay their fair share of city taxes. Through SDI’s work in the Yungas region, community members in Chojilla agreed to develop a collective oversight mechanism to hold the local mayor accountable and monitor the delivery of social services. As a result of SDI’s efforts in this area, several Bolivian communities adopted alternative methods for resolving disputes democratically.

Number of citizens receiving civic education training



BIENVENIDOS NIÑAS NIÑOS

2C

Comite Vigilancia

P.O.A.

H. Concejo

Alcalde



Equipo Trabajo



Murillo



AID
DE LOS ESTADOS
DE AMERICA

MIENTO DE
CIONES
CRATICAS



Chapter 5

IMPROVING INSTITUTIONAL CAPACITY OF CIVIL SOCIETY ORGANIZATIONS

Civil society organizations play increasingly important roles in Bolivia's democracy, but most lack the knowledge and skills to act as powerful agents of change and social transformation. Bolivians frequently take part in groups whose interests revolve around common objectives and NGOs, labor unions, cooperatives, and other associations are numerous. But, this high level of social networks does not always translate to effective participation in local affairs and better represent and advocate for constituents, CSOs must strengthen their institutional capacity, improve their credibility and work together more effectively.

During its first program year, SDI identified a number of organizational constraints and weaknesses in NGO grantees, and began to design activities to strengthen and ensure their sustainability and address their

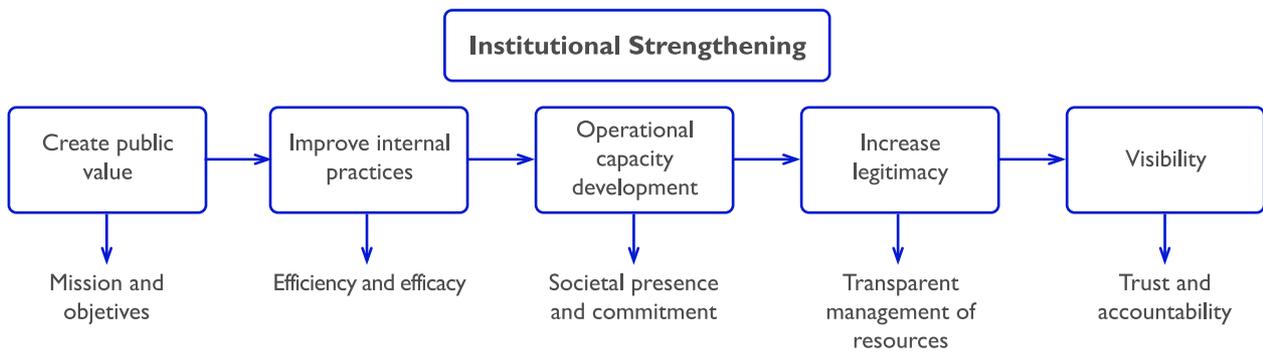
organizational weaknesses. Over time, the program developed a three-pronged approach for institutional strengthening:

1. Hands-on assistance to beneficiary NGOs during grant implementation
2. Coordination and implementation of workshops to improve local organizational management capacity
3. Implementation of strategies to promote continued support beyond the life of the project

These initiatives helped to ensure long-term sustainability and improve institutional effectiveness, efficiency, and transparency.

Hands-On Assistance

SDI's technical assistance and training for CSOs emphasized the development of institutional capacity for representing citizens'



interests at the national level. A secondary objective was improving grantee organizations' administrative and technical performance. After surveying grantee NGOs' administrative capacity, the project provided customized technical assistance to address each organization's particular objectives and weaknesses. During monthly financial reconciliations, SDI helped NGO administrators strengthen documentation processes, develop internal controls, and promote transparent accounting practices. SDI's civil society staff worked with NGO directors to reinforce technical concepts, design strategic operational plans and improve project reporting. The project also provided NGOs with special accounting software and training to eliminate manual accounting practices, improve financial management, and facilitate financial reporting.

During the second year, SDI doubled its institutional strengthening efforts by conducting participatory reviews of the NGOs implementing its civic education program. In more than 20 workshops with 56 NGO

directors, accountants, technical staff, and volunteers, the project helped the CSOs define institutional missions and objectives, identify organizational weaknesses, and develop detailed plans for improvement.

Bolivian CSO tend to have extensive grassroots experience, broad relationships with local communities, and the ability to identify development problems — but they often lack the capacity to develop successful project proposals, communicate strategies, plan and budget program activities, oversee project implementation, and evaluate and report results. In 10 workshops conducted by SDI, CSO grantees received training in monitoring and evaluation, learned best practices in democratic education processes, and provided technical assistance in each of the areas described above. The project also developed a results-oriented template for technical reporting and a PowerPoint template to facilitate improved communication of strategies, activities, results, and impact. As a result, SDI-sponsored CSOs have improved their communication and procedures, as well as their potential to achieve

“The concepts and models presented during the SDI/Centro Boliviano Americano institutional strengthening workshop are extremely relevant for NGOs competing in the development industry. All organizations should learn ways to achieve success within this context.”

NGO Aprendizaje en Acción



long-term sustainability. After implementing three SDI grants, Green Cross Bolivia decided to adopt standard USAID rules, regulations, and procedures in order to become more competitive in the national NGO market.”

In 2009, SDI began publishing an electronic bulletin to better disseminate information on activities and strategies within the CSO community. Four bulletins — “The Importance of Democracy,” “More Education, More Democracy,” “Citizen Empowerment for Democratic Development,” and “We’ve Made Great Advances, But There Is Still Much to Do,” were uploaded to the SDI Web site and circulated across civil society networks. This

initiative is aimed at sharing organizations’ best practices and encouraging NGOs to raise their standards. The bulletins are intended to promote an organizational culture within CSOs that will produce better overall results, facilitated improved management of civil society grants, and help to ensure organizational sustainability.

Institutional Strengthening Workshops

To increase the number of CSOs benefiting from SDI’s institutional strengthening initiative, grantees signed memoranda of understanding more than 30 related grassroots organizations to share information and best practices. SDI and its grantees then

“SDI’s institutional strengthening workshops helped CAMINA align all functional areas of the organization to maximize value and establish strategies for qualitative, financially viable growth.”

SDI grantee organization
CAMINA



“We work in a poor marginalized zone, but now we can achieve our organizational objective of having a nice place where women can dream, think, design their paths to development, and improve their well-being.”

*Central Agraria de Mujeres
Bartolina Sisa*

organized six leadership training workshops for more than 150 representatives of Bolivian CSOs, including the Women’s Organization of Montero, the Youth Municipal Council of Caranavi, the National Federation of Neighborhood Associations. The workshops presented key concepts and tools presented in SDI’s CSO Institutional strengthening guide, communications manual, and legal assistance.

In addition, over a four month period, SDI grantee CAMINA conducted 37 seminars on institutional strengthening for 187 CSOs working in marginalized sectors of El Alto, La Paz, Sorata, Patacamaya, and Oruro. In all, the seminars brought 738 directors and members of these groups together to learn how to improve the managerial, administrative, technical, and communication capacities of their respective CSOs.



CAMINA also provided training on fundraising, project design and implementation. Over half of participants in the seminars were women.

Sustainability Strategies

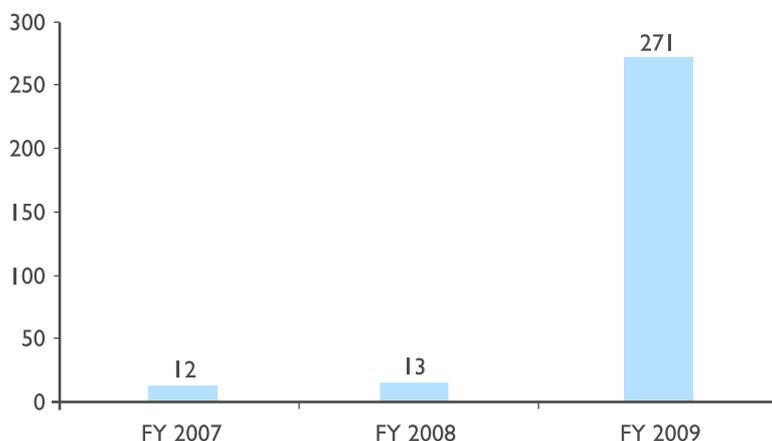
To help ensure the sustainability of its institutional strengthening initiatives, SDI developed several mechanisms to transfer technical expertise and materials. During four *conversatorios*, leaders of local organizations discussed common challenges, such as lack of funding and divergent interests within social organizations, and proposed ways to overcome them. Useful practices for improvement also were discussed. More than 150 local social and productive organizations have developed agendas for generating more representative, accountable, and

efficient practices. With SDI's encouragement, some 200 organizations joined the Co-Action Network, a group that shares information and promotes cooperation among Bolivian social organizations.

In addition, CAMINA developed the *Portal Ciudadano* Web site to link member organizations www.portalc Ciudadano.org.bo. The site provides institutional development tools, including manuals, management guides, communication systems, a co-action calendar, and a marketing tool for organizations to disseminate important initiatives. The Co-Action Network and its portal provide a vehicle for long-term collaboration and continuous capacity development at the grassroots level.

SDI also helped create three community centers to provide physical space for CSOs to meet and hold workshops. The *Central Agraria de Mujeres Bartolina Sisa* in rural Sorata (La Paz), the Handicapped Association in Oruro, and the Agricultural Producers Association in Patacamaya (La Paz), were selected to host the centers based on their organizational capacity, location, and commitment to CSO coordination and community development. With USAID's support SDI provided furniture and educational materials for use by the host organizations and other Co-Action Network members.

Number of CSOs receiving SDI assistance to strengthen their institutional capacity



Total = 296



Mama ama a papa
Lala ama a papa
Papa ama a mama

Mama tupa la lala
Papa tupa la lala
Lala tupa la lala

Papa mama la papa
Mama mama la papa
Lala mama la papa



Chapter 6

REDUCING ADULT ILLITERACY

Democratic Constitutions grant freedom and equality to all citizens. But unfortunately, not all citizens, especially those in developing countries, enjoy the same educational opportunities because of poverty, child labor, gender discrimination, poor infrastructure and other adverse factors in rural areas. Until relatively recently, thousands of Bolivian adults still lacked the basic reading and writing skills necessary to exercise true citizenship. Women — particularly in rural areas and indigenous communities — comprise the largest segment of Bolivia's functionally illiterate population.

Literacy is invaluable in realizing an informed citizenry and essential for effective democratic participation. In FY 2008, SDI subcontracted Alfalit International to launch a three-semester program to address adult illiteracy in 20 municipalities within six

Bolivian departments. The goal was to promote a more equitable and an inclusive society and build effective citizenship capability among members of Bolivia's most marginalized populations.

An experienced local affiliate of an international faith-based organization dedicated to fostering literacy in the developing world, Alfalit's long history of success in Bolivia helped ensure acceptance and participation in the literacy program, as well as support from the Ministry of Education and municipal governments. Its approach viewed literacy training as enabling more effective and informed participation in civil society and the public decision-making that affects daily lives.

Alfalit's innovative implementation strategy relied on a decentralized approach in which four supervisors, 26 coordinators, and



some 400 teachers trained 15,314 individuals in 461 communities in six of Bolivia's nine departments. Over seventy percent of the participants were women.

Many who could not travel to classes in distant educational centers attended the tri-weekly classes that Alfalit taught in makeshift classrooms closer to their homes. Thousands of men and women sacrificed work opportunities, rest, and time with their families to invest in a better future. The lack of appropriate infrastructure in many communities did not deter learning. In rural Cochabamba, for example, many students learned basic reading, writing, and mathematics in a vacant field subject to inclement weather.

Large rocks in this open-air learning space served as tables and chairs.

Participating communities assumed a key role in increasing the USAID-funded literacy program's effectiveness by supporting its objectives and methodology and offering whatever facilities they could. The project maintained close communication with local governments, many of which made financial or in-kind contributions and encouraged citizens to participate. Visiting an Alfalit class, a councilperson from Puerto Villarroel in Cochabamba commented that "Education is very important for the development of our community and our families. It is essential to acquire new

knowledge to assume any type of position in a union or other organizations. I...encourage you to continue studying with USAID's program. I also attended classes, and I learned that it was not wasted time."

The SDI-funded Alfalit program was primarily implemented in small communities, where classes often included students of varying levels. This actually worked to the advantage of entry-level students, as the more advanced helped beginners while continuing to perfect their own skills.

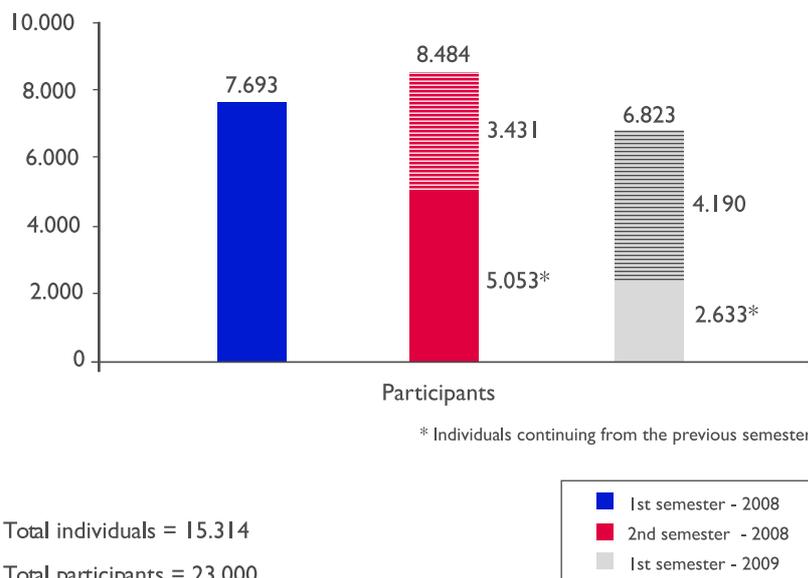
Participants at the second- to sixth-grade levels improved their reading and writing and acquired basic math skills — addition, subtraction, multiplication, and division. Many women participants from poor urban centers such as El Alto work as market vendors. Interestingly, although they often had great

difficulty learning to read and write, they had already mastered many math skills through practical experience. Seventh- and eighth-grade participants improved their language skills by writing stories describing their communities and personal testimonies about how literacy improved their quality of life and increased their participation in civic activities.

The program was designed as an alternative education option allowing students to start or continue their education within an academic framework comprising eight modules. Alfalit used a flexible teaching and learning model based on pedagogical materials appropriate for undereducated adults. More than 123,000 textbooks reflecting local culture and the curriculum were distributed to participants. Students who complete the program within approximately four years receive a certificate of completion of primary school. Close coordination with the Bolivian Ministry of Education resulted in USAID's literacy program receiving national certification as an alternative path to public school programs leading to a high school diploma.

In addition to providing literacy training to over 15,000 program participants, it is important to note that Alfalit prides itself on delivering first-quality literacy training often using experienced volunteers who have participated in the program for many years. That, perhaps, is one of the reasons it is able to keep the total cost of this program to a low \$14 per student per semester.

SDI-funded Alfalit literacy program



Total individuals = 15,314

Total participants = 23,000



Chapter 7

LEGISLATIVE STRENGTHENING

Designed to increase the capacity of the Bolivian Congress to function effectively and transparently, SDI's legislative strengthening component encountered difficulties in winning the attention from congressional leaders who were preoccupied with other higher priority legislative and political issues, including adoption of Bolivia's new Constitution.

Building on the previous USAID legislative strengthening program implemented by the State University of New York, the component's original intention was to implement two key provisions of the Congress' 2006 *Strategic Plan for Institutional Development*, which called for the creation of the Center for Legislative Services (CESEL) and a "complete and reliable" database of current law. Developing the database necessitated the prior step of

compiling and researching a database of existing law.

Institutionalizing and sustaining CESEL required a matching contribution from Congress and its commitment to budget for the salaries of a small group of legislative research and drafting experts, trained by SDI. Despite frequent communication with the leaders of both chambers, support for a bill to incorporate CESEL into the congressional structure and pass a supplemental budget resolution for staff funding did not materialize.

The proposal to create a comprehensive database of current law met a different fate. USAID agreed to fully fund this database, but the project required a multi-partisan committee of deputies and senators to oversee the process and recommend the deputation, or rescission, of laws



determined to be obsolete or in conflict with current legislation. Political polarization in both Chambers made it impossible to meet this requirement. The Senate passed a bill establishing the committee and calling for project implementation, but the House did not followed suit.

With USAID backing, SDI found a partial solution to the impasse by responding to requests from the presidents of the *Brigadas Parlamentarias Departamentales* for help in creating an accessible database of existing national legislation affecting Bolivia's nine departments. SDI also agreed to support presidents with technical assistance and training to strengthen the Departmental

Caucuses Coordination Committee (DCCC) and help the *Brigadas* prepare regional legislative agendas, update their annual work plans, and organize issue forums.

In spite of the earlier difficulties, SDI's legislative strengthening staff worked with legislative interns recruited from Bolivian universities and surpassed the performance targets originally established for the component, creating a database of 40.323 existing laws, decrees, and resolutions, and training more than 600 members of Congress and staffers in legislative and administrative procedures.

Nonetheless, by mutual agreement, USAID and SDI did not extend legislative strengthening activities

into the optional third program year.

Technical Support Services to Congress Improved

Though development of the proposed Center for Legislative Services was cancelled for lack of a congressional counterpart contribution, SDI left the Congress a detailed blueprint and budget for its creation. This information can be put to good use when Congress is able to turn its attention to the body's institutional needs. The blueprint is a "how-to" for creating a cadre of legislative specialists to assist members and congressional committees in researching national issues and drafting effective legislation.

Legal Framework Improved

Because compiling an accessible database of existing law affecting the nine departments did not require depuration or rescission of Bolivian law, there was no need for Congressional involvement. In nine months, 27 SDI legislative interns, working with experienced mentors, researched and organized a comprehensive database of 6.676 laws, 12.179 supreme decrees, 20.301 resolutions, and 1.250 other legislative initiatives. The database includes legislation approved by the Congress from 1825 to the present. Users can sort laws by department.

This database was provided to each departmental delegation in print and CD formats. Copies of both were provided to the

departmental Prefectures, local libraries, and the National Library of Congress. The database is accessible through via the Bolivian Congress' Web site.

SDI's legislative interns also developed two comprehensive legislative studies for the Bolivian Congress. One examines corruption in the public sector and recommends preventive measures, and the other presents proposed reforms of Bolivia's national transit law.

In preparing the database of existing law and the two studies, SDI interns contributed to improving Bolivia's legal framework, gained insights into the country's legislative process, and deepened their understanding of Bolivian law. This experience will serve them in their legal careers, contributing to the formation of human capital in Bolivia in a critically important field.

The database of existing law provides an excellent foundation for the continuation of this project, which, following the approval of Bolivia's new Constitution is more important than ever. To take the next steps, SDI documented the processes required to create a database of current law within the Congress.

Departmental Parliamentary Caucuses Strengthened

In December 2007, at the request of its co-chairs — the second vice

"During my internship, I began to understand the depth of the legislation of my county as well as the individual laws pertaining to my department. I had the opportunity to develop and utilize my research abilities by reviewing each law and then properly classifying it."

Political science student
San Andrés University, La Paz



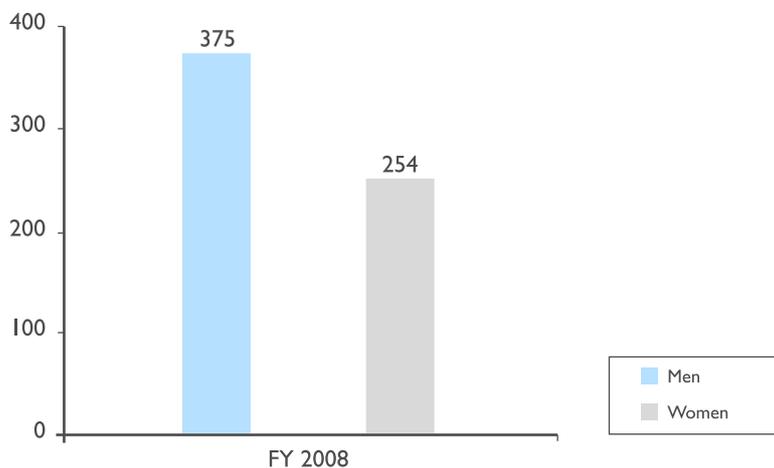
president of each chamber of Congress — SDI began providing technical assistance and training to the Departmental Caucuses Coordinating Committee (DCCC). As part of this support, Component 3 recommended modifications to the DDCC's internal rules of order. These included changes in the composition of its executive committee and mechanisms for oversight of local and regional governance. With SDI's assistance, the DDCC also formulated and approved an annual work plan for 2008 that enabled *Brigadas Parlamentarias Departamentales* to begin implementing their regional legislative agendas (also developed with SDI support). Component 3 also provided training and technical assistance to the DDCC and *Brigadas* in administration, organization, logistics, and financing of their departmental offices. Specialized training for technical

secretaries in requesting and liquidating funds, required by Bolivia's *Ley de Administración y Control Gubernamental*, helped reduce the number of 'observations' on liquidation reports and accelerated disbursements. As a result, five *Brigada* bank accounts that the Ministry of Finance had frozen because of noncompliance with national regulations were subsequently rehabilitated.

SDI's success with the DDCC led to requests from the presidents of *Brigadas Parlamentarias* for technical support in developing their regional legislative agendas (RLAs), a process that involved regional authorities and many different civil society organizations. RLAs identify departmental needs and priorities that require national legislation and/or national funding. Once adopted, all senators and deputies from a given department work together to advance these priorities in the coming year.

Component 3 aided in forming RLAs in the departments of Tarija, Oruro, Potosí, Pando, La Paz, Cochabamba, and Beni by training technical secretaries and support staff. As a result, the *Brigadas* gained the ability to prepare future RLAs in compliance with congressional regulations — and with the participation of citizens. After receiving SDI training and a guide for the elaboration of regional legislative agendas prepared by the project, the *Brigadas* of Santa Cruz and Cochabamba demonstrated their capacity by developing successful participatory RLAs with minimal SDI supervision.

Departmental parliamentary caucus members and staff receiving SDI training and technical assistance



“The RLAs established the basis for our legislative work. Thanks to them, we made advances that had not occurred in previous legislative periods. The support was definitely important.”

Congressional Caucus
Department of Oruro

Component 3 worked closely with the Brigadas to train staff and develop 2009 work plans. The component provided similar assistance to the Bolivian chapter of the International Women’s Parliamentary Union in the development of a five-year women’s legislative agenda for the country.

Constitutional Assembly Deliberative Processes Supported

USAID invited SDI to join organizations from Germany, Holland, and Spain in co-funding the *Centro de Informacion Especializada de Apoyo a la Deliberacion de la Asamblea Constituyente’s* (CIEDAC) continued provision of technical assistance and training to the Constitutional Assembly.

CIEDAC was able to make an immediate impact on the

Assembly’s members and staff. With SDI support, 169 Assembly participants attended seminars on key constitutional issues, and 80 members and 51 staff completed a six-week course, “Continuing Education on Constitutional Issues and the Projection of a New State,” organized by the University of San Francisco Xavier Center for Postgraduate Studies and Research.

CIEDAC also provided a computer center and training for the Constitutional Assembly and supported members and staff through assistance in report writing, budgeting, and research. CIEDAC also made an extensive library available to the Assembly. These services made members and their advisors better informed and better able to present their positions on key issues, thus improving the overall quality of the Assembly’s work.

ACRONYMS

BLT	Bolivia Land Titling Program
BPD	Productive Development Bank
CESEL	Center for Legislative Services
CIEDAC	Centro de Información Especializado de Apoyo a la Deliberación de la Asamblea Constituyente
CSO	Civil Society Organization
DCCC	Departmental Caucuses Coordination Committee
DIDEPIO	Indigenous Peoples' Departmental Development Office
FAM	Federación de Asociaciones Municipales
FY	Fiscal Year
GTZ	German Development Agency
NGO	Non-Governmental Organization
RLA	Regional Legislative Agenda
SDI	Strengthening Democratic Institutions Project
PDN	Plan de Desarrollo Nacional
PSP	Plataforma de Servicios Productivos
SIGMA	Sistema Integrado de Gestión y Modernización

SIGAP	Sistema de Información, Gestión y Acompañamiento de Proyectos
SGP+	Optimized Project Management System
SISPRO	Information System for Producers
SPF	Financial Programming System
SIPREMIN	Sistema de Información Prefectural sobre Regalías Mineras
SSIH	Seguimiento de Ingresos por Hidrocarburos
UMPABOL	Bolivia Women's Parliamentary Union