

Bolivia Democratic Development and Citizen Participation Final Report 1996-2003



More than 300 Bolivians from 24 municipalities participate in an
Encuentro de Decisiones Concurrentes with
MAS Congresswoman Isabel Ortega (in front row) in Oruro.

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Chemonics International Inc.

DDCP MISSION STATEMENT

The DDCP Project, as a joint effort of the US Government (USAID) and the Bolivia Government, seeks to deepen Bolivian democracy by supporting increased citizen participation and effective citizenship, through the strengthening of civil society organizations, the development of municipal participatory management, information transparency, and the institutionalization of processes and channels for joint participation and decision making.

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Executive Summary

USAID/Bolivia's Democratic Development and Citizen Participation (DDCP) Project, implemented between 1996 and 2003 by Chemonics International is widely seen, and rightfully so, as a highly successful pioneer initiative to strength municipal governance in a country historically regarded as highly centralized and marked by rampant corruption. The project was borne of USAID's determination and foresight to assist the Government of Bolivia (GoB) in the implementation of its surprising initiative in 1994, the Popular Participation Law (PPL). The initiative sought to transfer significant resources to newly constituted municipal governments while assigning them important responsibilities in the management of services and programs. Indeed, prior to the implementation of the PPL, the Government of Bolivia (GoB) transferred only some \$4 million to municipal governments (MGs) to operate, and, of that, some 86 percent went to the three largest cities of Cochabamba, La Paz, and Santa Cruz. In 2002, as a consequence of the PPL, 314 municipal governments received \$68 million, distributed proportionately on a per capita basis.

This report highlights DDCP's many achievements as well as its participatory methodology, which has resulted in systems and instruments that make sense to municipal officials and citizens with low levels of schooling. DDCP's citizen participation and municipal governance methodologies are collectively known as the Modelo de Gestión Municipal Participativa (Model for Participatory Municipal Governance) or MGMP. The model was developed in Phase I of the DDCP Project (1996-2000) through a participatory and iterative process with municipal government actors and civil society in 20 municipio-escuelas where municipal actors proposed and fine-tuned its components.

Overall DDCP has had three kinds of impact through the implementation of the Model for Participatory Municipal Governance. First, it has enhanced participatory processes by ensuring that they are inclusive and that citizen demands are met, by being included in municipal government annual operations and investment plan. Also it has strengthened the mechanisms and capacities for citizens to participate in oversight of municipal governance, particularly through the ombudsman-style vigilance committees. Secondly, it has improved transparency among municipal actors, which has meant not only public meetings in which the mayor reports on progress and problems as mandated by law, but also transparency between the mayor and both the Municipal Council and the vigilance committee. And third, DDCP has improved the management/administrative capabilities of municipal governments through improved accounting, implementation of policies and administrative procedures congruent with GoB mandates, as well as timely preparation and submission of end-of-year financial reports to the GoB.

USAID's goal was to institutionalize the MGMP in 75 municipalities, but with the assistance of the departmental associations of municipalities, the MGMP is now used to a greater or lesser degree in more than half of Bolivia's 314 municipalities. The MGMP has been adopted by the GoB as its mandatory system for municipal governance and the national-level Federation of Municipal Associations (FAM) as its system for participatory municipal governance.

Those core accomplishments in themselves justify the \$14.78 million implementation contract awarded Chemonics International. But DDCP's accomplishments, in its second phase from 2001 to September 2003, extend to the development of innovative approaches that expand the capacity

of municipal governments to respond to citizen needs. These approaches include the development of methodologies to increase the participation of women and the likelihood of adequate responses from municipal governments to the problem of women's marginalization in municipal government development plans. And DDCP was first in recognizing the challenge in relating the newly created single-district men and women congresspeople to their constituency. In response we created a methodology, known as Encuentro de Decisiones Concurrentes (EDC), which brings together these congresspeople with representatives of their constituents and representatives from the municipal governments to establish a joint work plan and independent monitoring of that work plan. Most recently Chemonics has developed a pilot framework to assist Bolivia's most populous municipalities to decentralize operations to district offices and local citizen groups.

To USAID/Bolivia's credit, municipal development is aggressively treated as a cross-cutting development pillar, whose synergies enhance the impacts of USAID's other strategic objectives. As a consequence in DDCP's second phase, starting in 2001, both USAID Alternative Development and Health Strategic Objective Teams have engaged DDCP in supporting their programs.

With alternative development funds, totaling \$809,000 over two years, DDCP has supported the strengthening of the eight municipal governments in Los Yungas as well as the Mancomunidad de Los Yungas. Our support, beyond the implementation of the MGMP, has included the formation of municipal districts to substitute for the previously inequitable cantons, which legitimize the rights of alternative development families to receive municipal development resources. We have also developed a pilot strategic development plan for the Los Yungas, in a participatory fashion, which reflects now the commitment and vision of yungeños for a future based on diversification away from, rather than expansion of coca.

With USAID health funds totaling \$528,000, we have developed with the Ministry of Health toolkits integrated into the MGMP that allow municipal governments (MGs) and local GoB health staff to jointly implement GoB mandated decentralization of health services and manage in a participatory fashion the rapidly increasing responsibilities assigned by the GoB to municipal governments, in particular to implement the hastily passed Maternal Child Universal Health Program (SUMI).

One of our most important impacts is the associative movement of municipalities. We have supported the creation and growth of all nine Departmental Associations of Municipalities, and their umbrella organization the national association of municipalities (FAM), as well as the national association of municipal councilwomen (ACOBOL), and in our final year the National Federation of Vigilance Committees. FAM and its affiliates as well as ACOBOL are now well known as credible, non-partisan organizations that can articulate their needs and win adjustments in GoB policies and procedures that better reflect the needs and capacities of municipal governments. With our assistance, FAM has been able to articulate several policy reform initiatives and organize a nationwide Municipal Agenda in late 2003 to provide a basis for expanded reform negotiations with the GoB.

USAID adopted for the DDCP Project an independent impact evaluation methodology consisting of a citizen opinion and behavior survey, conducted biannually since 1998. The most recent report, titled Audit of Bolivian Democracy 2002, which documents citizen support for democracy following the mid-2002 presidential elections, found that while Bolivia as a whole ranks about in the middle of Latin American countries in terms of citizen participation, in

DDCP-assisted municipalities, citizen participation equals that found in the most participatory Latin American democracies. This is even more significant in assessing DDCP's impact as the same report found that the DDCP municipalities were initially much poorer and with participation levels very much lower than in Bolivia in general.

This report describes — from Chemonics' perspective — the key reasons for DDCP's success and provides recommendations to support USAID/Bolivia's follow-on strategy for municipal development that emphasizes women's participation, decentralization of urban municipal governments, support of the associative movement, improved participatory implementation of health programming at the local level, and diversification of the Yungas economy based on strengthening the Yungas mancomunidad of municipalities.

Three opportunities exploited by USAID and Chemonics are most significant for explaining DDCP's successes. First, having survived the test of three administrations, the PPL has become the people's law. No political party is seriously considering reversing any of its empowerment or resource assignment features. The PPL created the demand for DDCP and its MGMP. In other words, the MGMP responded to a widely felt need of both municipal governments and civil society to have a standard way to enable citizen participation and transparency in municipal governance. Secondly, the DDCP-assisted creation of municipal associations and FAM have created multi-partisan allies that actively support the enhancement and dissemination of the MGMP and the Encuentro de Decisiones Concurrentes. Finally, USAID has been throughout these eight years very supportive of a program that embodied evolution and adjustment to municipal realities as well as changing GoB support scenarios. USAID/Bolivia has also recognized the importance of functioning municipal governments as a transversal enabling factor for success of many of its programs (alternative development, health, and food security).

In summary, DDCP designed and implemented the only *comprehensive* model for *participatory* municipal management currently at work in Bolivia. The model is essentially a capacity-building mechanism — a process, which, if implemented, brings transparency, accountability, and true participation to municipal governance. This capacity-building process includes all municipal actors, including citizens, their civil society representatives, and their elected officials.

Without a doubt, the actors in the almost 165 municipalities (52 percent) implementing the model see increases in participation, experience more effective municipal management, and are more in tune with the laws governing municipalities. Indeed, USAID's most recent independent impact assessment shows that in municipalities implementing the MGMP, citizen participation in meetings with mayors is significantly higher (25 percent) than participation rates nationally (19 percent). DDCP municipalities also have significantly higher rates of citizen demands on municipal governments (26 percent versus 21 percent nationally) and, even more importantly, there are higher rates of satisfaction with municipal governance (49 percent versus 40 percent nationally). These successes are particularly noteworthy in light of the fact that DDCP is working in the poorer municipalities where participation rates initially were significantly lower. The reasons behind DDCP's success include its choice of counterparts, its willingness to be flexible in the implementation of its model, and the participatory methods used in designing the model.

Despite its success, most municipal governments need continued assistance in three areas: annual training of newly elected territorially based organizations (OTB) leaders to sustain participatory planning and transparency processes, implementation of GoB-mandated computerized

accounting systems when mayors and their administrative staffs change (as occurs frequently in Bolivia), and in the preparation of performance reports to citizens and civil society as well as to the GoB. The MGMP, like democracy itself as the 2002 impact assessment found, has roots now well developed; USAID should build on its strengths and successes, using the MGMP platform to strengthen local governance processes and expanding them to more municipalities and new areas such as education, health, and environmental management.

This final report includes recommendations to strengthen the associative movement, improve the participatory instruments and systems developed, strengthen the synergy between democracy and alternative development in the Yungas and Chapare regions, and extend our pilot work in participatory municipal administration of health and participatory governance in urban municipalities. It is important for USAID to continue the pace of assistance to the Yungas region, where the implementation of the widely accepted Yungas Strategic Development Plan (YSDP) calls for strengthening and diversification of productive activities other than coca. This will require immediate assistance to municipal governments in incorporating production assistance projects in their 2004 annual municipal investment plans and in including in those same plans other projects being implemented by alternative development (alternative development) partners so as to mainstream them rather than having them seen as isolated from municipal development. Further assistance is also needed for the Mancomunidad of Los Yungas to promote, manage, and monitor the implementation of the Yungas Strategic Development Plan.

The most important recommendation to USAID is to assure that technical assistance to municipal governments continue in the fall of 2003, despite the transition to a new contractor, so that 2004 municipal work plans, known as municipal annual operating plans (POAs) are based on citizen inputs, and recognized as such, and that they are feasible. The year 2004, with its expected municipal elections in December, will be a bell weather test of democracy and Bolivia's system of government. Opposition political parties can be expected to run on a platform critical of both current elected officials and current systems, e.g., FPS. If mayors, council members, and most important, OTB leaders in the 125 municipal governments are deprived of technical assistance in the development of the POAs, these are unlikely to be representative and the re-electibility of the mayors and council members will be seriously undermined. Reelection is a test of citizen and candidate acceptance of participatory and transparency mechanisms; if other candidates see that they don't lead to reelection, they are unlikely to continue using them. Chemonics has witnessed instances where citizens have supported mayors in the face of politically motivated criticism from council members, because civil society widely had participated in the development of municipal investment plans and understood from the mayor's face-to-face reporting in town hall-type meetings actions taken and problems encountered. Further, USAID will need to focus strategically on the associative movement in 2004, and prepare contingency plans for a takeover of the departmental associations, and potentially the FAM, by the party that wins most municipal elections.

In conclusion, the Chemonics staff throughout the life of the project has greatly appreciated the opportunity provided by USAID/Bolivia to experiment, develop alliances, and institutionalize the many systems, instruments, and methodologies developed over almost eight years. We feel, as do many of our partners such as FAM and ACOBOL, that DDCP achieved impressive results in its efforts to strengthen Bolivian municipalities and support the Popular Participation Law. Indeed, DDCP has put Bolivia on the map in a positive way as now having the institutional basis for the cultural change needed to support enhanced citizen participation and system support.

A. Introduction

Bolivia is a country of extremes: It is a large country about the size of California and Texas combined with a population of only eight million people; it has a rich and diverse culture but is painfully poor (about \$ 940 per capita GDP).¹ It has experienced some of the world's worst corruption and has a long and tortured history of political instability. Democracy is new to Bolivia having had continuously elected presidents for only 20 years, and many Bolivians still demonstrate relative ambivalence toward the promises and performance of democracy.²

In 1994, Bolivia significantly advanced in the decentralization of its government as a consequence of the passage of the Popular Participation Law, which fundamentally changed the design of Bolivian government, expanding, empowering, and financing local municipal governments as well as establishing a framework for significantly enhanced citizen participation. Bolivians responded to the PPL with enthusiasm and hope, as it provided for the vast majority of Bolivians, the first real opportunity to take an active role in government with a voice to oversee resources for local development. Though Bolivia's PPL represented a ground-breaking design in decentralization, the majority of the newly created 311³ municipalities were far from ready to manage the responsibilities of self-governance alone. What is more, the PPL failed to detail *how* municipalities might implement the many decentralized responsibilities assigned to them, and the GoB had planned next to no technical support for these nascent political units. In response, USAID/Bolivia contracted Chemonics in November 1995 to design and implement the Democratic Development and Citizen Participation Project. DDCP assumed that responsibility, developing, with 20 pilot municipalities, and then refining these methodologies and systems for strengthening local governance and participatory processes as well as replicating them in more than 160 municipalities in eight years.

Given that for most areas of the country the real presence of the Bolivian state is quite new, and the basic set of state-society relationships have not yet been developed, USAID concluded that DDCP should be fundamentally a capacity-building program - building municipal and citizen capacity for a successful transition to functioning, democratic, local governments. To accomplish this, DDCP designed a set of practices, which became a model of participatory municipal management, based on the principles of *transparency*, *accountability*, and *participation*. The impact of that model, which will be explored in this report, was immediate and profound. Over the course of DDCP's eight years of working to strengthen municipal governments, the project achieved impressive results. Municipalities that implemented the model - which, by the project's completion accounted for more than 50 percent of all Bolivian municipalities - demonstrated higher levels of civil society participation, increased levels of citizen satisfaction, and became irrefutably more capable and transparent municipal governments. DDCP also strengthened the voice of municipalities on the national political scene, shepherding the emergence of an associative movement to represent Bolivian municipalities at the departmental and national levels.

¹ World Bank 2001 figure as reported in Seligson (2002) p. 29.

² See Seligson 2002 Study, Chapter 7.

³ Up to the PPL, only about 90 municipalities existed in the departmental and provincial capitals. Their jurisdiction covered only the urban area. The PPL turned the sección de provincia into a municipality charged with attending the entire territory and not only the urban centers.

This report is an all-too-brief summary of the results of the DDCP project. It provides a context in which to understand the creation and implementation of the model, and details its major accomplishments. This document literally represents the tip of the iceberg of reports cataloguing DDCP's scope, impact, and philosophy. Included in Annex I, is a partial list of texts published by, or written about, the DDCP program and decentralization in Bolivia.

Section B describes the context in which the Popular Participation Law was implemented, its scopes, and challenges. It also summarizes the strategic objectives and specific results sought by USAID in its implementation of the DDCP Project to make the PPL effective. And here we describe the design, refinement, and replication of the MGMP from 1996 through 2003.

In Section C we summarize our support in three complementary areas that have been constants throughout the last three years. The first is the application of the MGMP; a second is our development of Encuentro de Decisiones Concurrentes, in which single district congressmen/women (Diputados Uninominales) meet and develop district-wide support plans with citizen leaders and municipal officials. This and the MGMP were the object of independent impact assessments funded by USAID which consistently showed significant impacts by DDCP in terms of enhancing citizen participation. We also describe our support for the nascent associative movement as well as the creation and scope of the Popular Participation Grant Fund (FAP is the Spanish acronym).

In Section D we present some recent promising initiatives to broaden and deepen the participatory processes of municipal governance, specifically the development and pilot testing of the gender components of the MGMP, our pilot activity in urban municipal decentralization and municipal districting as well as strategic regional development plans to stimulate economic development.

Section E describes the synergy sought and achieved between our municipal strengthening efforts and USAID's Alternative Development initiatives in Los Yungas, which include intensive replication of the MGMP in eight municipalities, the strengthening of the Mancomunidad of Los Yungas, and the formulation of a strategic economic development plan for the Mancomunidad of Los Yungas.

Section F describes Chemonics' work to develop, test, and begin the replication of instruments and systems to empower municipal governments to implement the joint health coordinating committee, known in Spanish as DILOS, to organize health centers and small hospitals, to consolidate medicines into a single Municipal Pharmacy, and to implement the GoB's newest health insurance initiative, SUMI.

Section G describes Chemonics' assessment of our reasons for success, and in Section H we conclude with our final recommendations.

B. DDCP's Origins and Objectives

History and Context For DDCP

Popular Participation Law

La presente Ley reconoce, promueve y consolida el proceso de Participación Popular articulando a las comunidades indígenas, campesinas y urbanas, en la vida jurídica, política y económica del país. Procura mejorar la calidad de vida de la mujer y el hombre boliviano, con una más justa distribución y mejor administración de los recursos públicos. Fortalece los instrumentos políticos y económicos necesarios para perfeccionar la democracia representativa facilitando la participación ciudadana y garantizando la igualdad de oportunidades en los niveles de representación a mujeres y hombres⁴.

Bolivia – Centralized Instability Before 1994

To political scientists, economists, and those who study Latin America, Bolivia was long regarded as a classical example of political and economic instability and military coups.⁵ The numbers paint a telling story of Bolivian politics: Between 1880 and 1980, 41 presidents held office – as compared to just 20 in the United States – and in the short period between 1978 and 1982, two constitutionally chosen governments were overthrown and seven military governments came to power. As a consequence of this incredible struggle among political and military elites for power, Bolivia remained (until 1994) an extremely centralized state since its colonial era, with few local authorities outside of the major cities and only departmental capitals had access or power over resources for local development.

While Bolivian government was, until only very recently, conducted exclusively from the center, the country has long suffered from its inability to establish a firm national identity and strong state. Political scientists have described Bolivia as a “weakly integrated territory”⁶ given its dispersed population, many indigenous groups, and high levels of poverty; indeed, many Bolivians still identify more strongly with their regions than with the country, a fact that has important implications for any program seeking to strengthen democratic society and government. Consequently, any earnest attempt to strengthen democracy in Bolivia must take into consideration not only the country’s long history of political instability, but its unique geographic, demographic, and economic characteristics.

In 1982, Bolivia abandoned military leadership for the last time (hopefully) and entered its current era of democratic governance. The transition, however, was not smooth and after a period of hyper-inflation, the first president to come to power in this new era, Hernan Siles Suazo, was forced to call early elections. Since that time, Bolivia has managed to emerge as a shining example of democratic development and a model for macro-economic stabilization – its economy going from “basketcase” to “showcase” and its decentralization plan heralded as Latin America’s “most significant.”⁷ This remarkable transition was accomplished through severe

⁴ Introduction in PPL, 1994.

⁵ Mayorga, René Antonio, "Bolivia's Silent Revolution," *Journal of Democracy* 8.1 (1997) p. 142.

⁶ Vilas, 1997.

⁷ Mayorga, p. 143 and 153.

macro economic adjustment and the emergence of a generally held consensus in favor of democratic development and market-based reforms.

In the past 15 years, Bolivia has experienced a ‘silent revolution’ in its economic and political structures that have fundamentally transformed the country from one characterized by centralized control, personalism, and extreme instability into one where democracy, the market, and, more recently, decentralization are the defining characteristics. On all three counts, Bolivia stands at the forefront of trends taking place across the developing world.⁸

Despite Bolivia’s unlikely emergence as a regional leader in matters political and economic, the country suffers under the weight of extreme poverty, excessive political pluralism, an inexperienced civil society prone toward protest and civil disobedience, and a legacy of ethnic, geographical, and gender-based inequalities. This is the context in which the PPL was promulgated.

The Popular Participation Law of 1994

In April of 1994, Bolivian President Gonzalo Sánchez de Lozada as one of his first initiatives achieved Congressional passage of the Popular Participation Law (PPL), the centerpiece of his “Plan de Todos.” The PPL radically transformed the political landscape in Bolivia, creating, expanding, empowering, and financing 311 municipalities where before the only examples of functioning self-governing municipalities, i.e., those with resources to command, were the departmental and provincial capitals and large cities. Indeed, Bolivia’s nine departmental capitals previously absorbed approximately 93 percent of all funds devolved from the central government. What is more, the three largest cities, La Paz, Cochabamba and Santa Cruz, received an astonishing 86 percent of the total, leaving just 14 percent for Bolivia’s remaining municipalities.

“..Beyond the nine regional capitals (including La Paz) and an additional 25-30 cities, local government existed in Bolivia at best in name, as an honorary and ceremonial institution devoid of administrative capability and starved for funds. And in most of the country it did not exist at all. This, very generally, is the background against which the Bolivian decentralization reform was announced in 1994.”

More important, prior to the 1994 passage of the PPL, rural Bolivians lived in an “encapsulated nation,” existing within the territorial boundaries of the state, but were ineligible to vote for mayors and thus were effectively excluded from meaningful political processes.⁹ Though one can trace the legal standing of Bolivian municipalities back to the mid-1800s as a *sección de*

Box 2.1 Popular Participation Law

- Created 311 municipalities (local governments) covering the entire country.
- Empowered citizens to participate in their local governments.
- Disbursed 20 percent of national budget to municipalities in proportion to population.
- Officially recognized indigenous and community organizations as OTBs
- Created vigilance committees, made up of OTB representatives, to oversee municipal executive.

⁸ Seligson, Mitchell. “The Political Culture of Democracy in Bolivia: 2002.” Prepared for USAID. Democratic Indicators Monitoring Survey, Department of Political Science, University of Pittsburgh, 2002, p. 100.

⁹ USAID. “Democratic Local Governance in Bolivia” CDIE Impact Evaluation, 1997, p. 4

provincia,¹⁰ municipal governments were limited to Bolivia's cities and largest towns, leaving huge swaths of Bolivian territory without any form of officially recognized local representation, democratic or otherwise. Indeed, before 1985 mayors were designated by the president. Without local governments, community organizations were the only semblance of representation for many, especially rural Bolivians. What is more, those territorial organizations were not officially recognized as sources of input and control for local governance by the government until the PPL.

SIDA/Bolivia:

“One of the most obvious weaknesses of the decentralization process is the limited and nascent capacities of newly created municipal governments to assume the increasing responsibilities that come with decentralization.”

After 1994, in each municipality, the PPL expanded the reach of the municipal governments to the entire “sección” by authorizing the participation of rural families in the election of mayors and a municipal council, adding millions of voters in municipal elections. The PPL also officially recognized the indigenous and community organizations, empowering them with “rights” and “duties” to participate in their municipal governments. Symbolically and practically, recognition of these community-wide, all-inclusive, organizations, generically called “Territorial Base Organizations,” or OTBs, was not only important but essential to enhancing citizen participation, and hence ownership, of local governance. Many of these community organizations had existed since the Spanish colonization and in many areas of the country represented “the strongest and most enduring expression of civil society.”¹¹ The PPL effectively recognized, for the first time, a historically marginalized sector of the Bolivian population - the indigenous and rural communities that constitute the vast majority of Bolivia's rural population as well as the urban neighborhood associations (Juntas Vecinales). Each community was allowed to designate its traditional form of organization (ayllu, Junta Vecinal, and so forth) as an OTB, and together OTBs were to elect cantonal representatives to the ombudsman *vigilance committee*, another creation of the PPL. Vigilance committees, for their part, were instructed to monitor the implementation of the *municipal annual operating plan*, or POA, to be formulated with all the OTBs. In all of its aspects, the PPL represented a radical departure from politics as usual, and, if successful, a dramatic step toward strengthening democracy and decentralization in Bolivia.

Popular Participation, which has been called a “best practice” example of decentralized policymaking in Latin America,¹² owes its success to expanded political, *fiscal*, *administrative* and *economic* decentralization as well as its sensitivity to the context in which it was promulgated. The PPL endowed Bolivia's 311 municipalities (later expanded to 314) with 20 percent of the national budget. Whereas previously only 25-30 municipal governments had received funding from the central government, Popular Participation evenly disbursed a fixed portion of the national budget to all municipalities according to their population, at once eliminating the institutionalized inequity between the budgets of rural and urban areas. The

¹⁰ Molina, George Gray. “Popular Participation, Social Service Delivery and Poverty Reduction 1994-2000.” Universidad Católica Boliviana, La Paz, 2000, p.5

¹¹ “Local organizations have a long history in Bolivia. Many were the descendants of precolonial practice among indigenous people and had at their core a territorial concept of community or representation. Their function was primarily that of providing local-level social-control, conflict-resolution, and the regulation of community life and ritual. Others emerged from the agrarian struggle of the 1940s and 1950s and were organized as unions or rural syndicates and were part of the Confederación Sindical de Trabajadores Campesinos de Bolivia (CSUTCB). Their concept of community was functional and sectoral, although in many peasant communities they had emerged as the central organization for governance...” (Grindle, Merilee S, *Audacious Reforms* (Baltimore: Johns Hopkins University Press, 2000), p. 229)

¹² Molina, p.3.

municipalities, suddenly an entirely new political arena, were now the basic unit of local government and were given responsibility for investment, administration, maintenance and upkeep of the infrastructure for health, education, local water supply and sanitation, sports, rural roads, culture, and small irrigation works. Further, the shift to per capita allocation of what came to be known as co participation funds combined with the creation of an overwhelmingly rural orientation in most municipalities had the effect of “countering the concentrating effect of urbanization with a countervailing rural lobby.”¹³

Since implementation of the PPL, transfers to the municipalities have been growing steadily. In 1993, before PPL’s implementation, central government transfers destined to the country’s municipal governments totaled just \$52 million. By 1995, the law’s first full year of application, that sum increased over 160 percent, to \$133 million, and reached over 300 million in 2002 in co-participation funds alone.¹⁴ This new allocation of public resources represented a significant redistribution in favor of Bolivia’s rural regions; only one municipality, La Paz, saw a decrease in funds as a result of the PPL. Transfers to rural municipalities (less than 20,000 inhabitants) skyrocketed from US\$4 million in 1993, prior to the PPL, to US\$68 million in 2002, an increase of more than 1,500 percent.¹⁵

The PPL represented perhaps Bolivia’s most important and far reaching structural change since the agrarian reform of the early 1950s. Despite its inclusion in President Sanchez de Lozada’s platform in general terms, few expected its approval so rapidly or expected such a major change in governance practices. In the year following the passage of the law, opposition parties called it the “ley maldita” and used every opportunity to criticize the mismanagement of co-participation funds by mayors, who frequently used those funds to purchase four wheel drive vehicles and contract friends at exorbitant fees to design and implement haphazardly public works projects.

In summary within the context of recent Bolivian history, the PPL can be seen as the catalyst of a “silent revolution” in the country’s economic and political structure. But the appropriate use of those new resources was far from natural; indeed, as USAID thought through its strategy for democratic development and citizen participation, it seemed that the new municipal governments would replicate national practices of politics and corruption as usual.

Where DDCP Fits

In 1995, USAID and the Government of Bolivia commissioned Chemonics to implement the DDCP program. Initially programmed to be a five-year project, it has through several extensions, been extended to more than seven years, with a total cost to USAID of US\$14.78 million. The goal of the program was to “deepen democratic culture and practices in Bolivia by providing citizens and local governments with the tools and processes necessary to take advantage of this enabling environment.”¹⁶ To do this, DDCP designed in a participatory fashion and systematized a model for municipal governance. The model is based on the principles of accountability, transparency, and participation. Decentralization, scholars have written, must fulfill three conditions in order to result in improved governance. The first two, political and fiscal decentralization, are provided by the PPL. The third is institutional decentralization, defined as

¹³ Ibid, p. 6.

¹⁴ Thévoz, Laurent. “Decentralization in Bolivia: A Model Under Construction” C.E.A.T., year unknown, p. 164

¹⁵ Ibid, p. 169.

¹⁶ USAID/Chemonics contract (511-0634-C-00-6010-00), December 1995, p. 11.

providing “proper channels for accountability [in order to] encourage strong accountability between bureaucrats and elected representatives, and between elected representatives and their electorate”¹⁷; this is the central role of DDCP.

By providing technical assistance to the municipal actors and a systematized process by which citizens can influence the planning process and exert *social control*, DDCP has advanced significantly the decentralization process in participating municipalities. Indeed, the theoretical underpinning of DDCP has been ratified by Mitchell Seligson, professor at the University of Pittsburgh, who notes that de jure decentralization by itself is no guarantee of increased citizen support; instead, the success of decentralization programs depends on the performance of those newly empowered institutions.¹⁸

Project Goals and Objectives

Designed to support democratic development in Bolivia, the *goal* and *purpose* of the DDCP illustrate this commitment:

The **goal** of the project is to improve the effectiveness and accessibility of key democratic institutions and practices. The **purpose** of the project is to strengthen citizen participation in municipal and national government, as well as the ability of municipal governments, national and departmental electoral institutions, and the National Congress to satisfy the demands resulting from strengthened participation.¹⁹

“Popular participation is not a *fait accompli*, but rather a hypothesis in the process of validation...The central objective of DDCP is to support the implementation of the Popular Participation Law.”
- Anthony Cauterucci, first DDCP chief of party

Thus, in its very mandate from USAID, the DDCP embodied the contention that Mitchell Seligson’s research would later bear out: that “local institutions matter” and the success of any decentralization effort hinges on the performance of the newly empowered institutions.²⁰

Phase I - Evolution of DDCP Results Framework

In its first phase, DDCP worked with 20 pilot municipalities, or “*municipios-escuela*.” This phase lasted approximately from 1996 to 2000 and had as its goal the development and validation of a model for participatory municipal governance. Selected for their general representativeness as well as their willingness and capacity to participate in the program, these *municipios-escuelas* were the object of an exploratory study conducted by DDCP in order to verify that the minimum necessary conditions existed to achieve their common objectives. Once complete, DDCP signed cooperative agreements with each of the municipal actors – the vigilance committee, the municipal council and the mayor – which outlined project objectives, expected results, responsibilities and the proposed implementation schedule.

Early activities in the 20 pilot municipalities – which were introduced to the program in three groups over three years – revolved around strengthening DDCP’s three areas of interest. These

¹⁷ World Bank, Agriculture & Natural Resources Department, Dissemination Notes. “Decentralization: A New Strategy for Rural Development,” August 1995, p. 3

¹⁸ Seligson, 2002, p.97

¹⁹ USAID/Chemonics contract, p. 9

²⁰ Seligson, 2002, p. 118.

three areas were broadly categorized as: *Municipal Governance, Effective Citizenship and Representative Congress*. Within each area, as stipulated in Chemonics' contract with USAID, there were clear Expected Results against which progress could be measured (see final results framework for Phase I in Box 2.2.).

Box 2.2 Original "Expected Results" for DDCP Project

Municipal Governance

Municipalities will develop, approve, and implement urban districting plans in collaboration with their citizens. At least one community organization (CO) will be officially recognized and legally constituted per rural and urban territorial unit, and will elect representatives to form a vigilance committee for the municipality. The vigilance committee will collaborate with the municipal government to develop annual municipal operating plans and budgets. Municipal governments will then procure works and services using their annual co-participation budgets. Finally, municipal governments will allow an independent financial review of their co-participation accounts, and make the results public. All this will be demonstrated by:

- 90 percent of project-assisted municipalities (18 of 20) receiving annually assigned GOB co-participation funds.
- Project assisted municipalities implementing at least 50 percent of that part of their annual operating plans funded with co-participation funds within 12 months of receipt of funds.
- 90 percent of vigilance committees (18 of 20) established and carrying out their functions.
- Municipal governance replication packages disseminated and in use in the municipalities.

Effective Citizenship

Local citizen education and voter participation will be promoted through publication and distribution of official voter lists with citizen education annex. Voter leagues will conduct voter registration education drives. They will be demonstrated by:

- 90 percent of eligible voters registered to vote.
- 60 percent of registered voters casting valid votes in June 1997 general elections.
- 55 percent of registered voters casting valid votes in December 1999 municipal elections.
- 70 percent of registered voters casting valid votes in the June 2002 general elections.

Representative Congress

Community organizations and municipal governments will be helped in gaining effective access to congress. This will be demonstrated by:

- Contact with congressional representatives by constituents and/or municipal governments from at least 50 percent of project-assisted municipalities.

To understand the context in which DDCP operated, and appreciate its many successes, it is necessary to note the general characteristics of participating municipalities. Across the board, DDCP municipalities tended to be more rural, poorer, and their populations less well educated.

Table 2.1 characteristics of DDCP municipalities

a) Education (Mean # years completed schooling)

Bolivia overall (1998)	9 years
DDCP (1998)	7 years
DDCP (1999)	8 years

b) Mean monthly income (0 – 7 range)

Bolivia overall (1998)	2.6
DDCP (1998)	2.0
DDCP (1999)	1.9

Even more important, DDCP municipalities also demonstrated starting levels of participation and system support well below the national average. These facts are vitally important to keep in mind throughout this report when assessing the impact of DDCP, for they indicate that the program worked primarily in areas most needing stimulation of citizen participation in local governance.

Since the program's inception, DDCP and USAID have adjusted the DDCP results framework a number of times as the two entities adjusted their goals and results frameworks to reflect current thinking and program developments. The final framework, shown below, consists of four strategic objectives (SOs), each with its respective Contract Completion Criteria (CCC) which themselves were modified with each Contract Modification. The CCC provided a measurable, "results-based" framework with which to judge DDCP's success in supporting the implementation of the PPL.

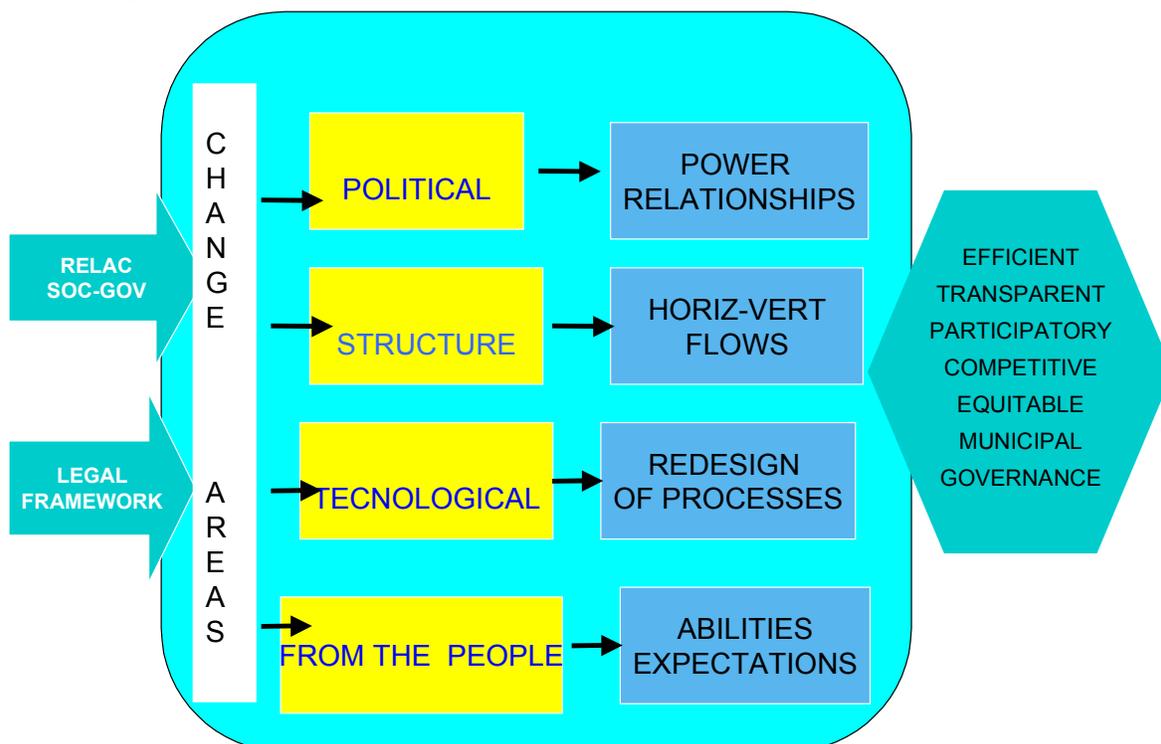
The Evolution of the MGMP

Chemonics' vision, largely a product of the experience of the first chief of party, Anthony Cauterruci, and our director of field operations throughout most of these eight years, Ruben Ardaya, was to develop a participatory methodology that would include systems and instruments which make sense to municipal officials and citizens with low levels of schooling. DDCP's citizen participation and municipal governance methodologies has come to be collectively known as the Model for Participatory Municipal Governance, or MGMP.

Our focus, synthesized in the Figure 2.1 on the next page, was to impact in an integrated fashion in political, institutional, technological, and sociological areas by fostering new power relationships between the citizenry and municipal government officials and institutionalizing information flows that allowed municipal government officials to understand citizen needs and citizens to understand what municipal government officials were in fact doing. That required new processes not only for meeting with citizens but for organizing municipal governments internally to implement efficiently programs and projects as well as to adopt increasingly

complex GoB-mandated management systems. The expected results, as noted above, were, and are, increased citizen abilities to influence municipal government programming and more efficient, transparent, equitable, participatory, and competitive municipal governments.

Fig. 2.1 CHEMONICS' INSTITUTION BUILDING STRATEGY



Activities in this beginning stage of the first phase were grouped in three areas as illustrated in the following:

Municipal Governance

- Workshops and seminars on roles and responsibilities for municipal government and Civil Society (CS).
- Technical assistance (TA) and training for municipal and civil society authorities on the laws and regulations that govern or affect the process of Popular Participation.
- Technical assistance and training in the implementation of administrative and financial control systems
- Training in the use of the Integrated Municipal Accounting System.
- Participatory planning workshops.

Effective Citizenship

- Develop community registry
- Plan and implement voter registration process
- Study obstacles to civil society participation.
- Publicize the popular participation grant fund, the FAP

Representative Congress

- Information campaign to help citizens understand new Congressional representation
- Initiate contact

The pilot municipalities were introduced in three groups of 5-6 municipalities over the first three years of the project. This measured pace, specifically mentioned in the Project's Terms of Reference, allowed Chemonics to work intimately with each of the municipalities, receiving feedback and adjusting the process as it evolved.

In 1998, DDCP approved the third and final group of pilot municipalities, thus completing its contractual obligation to select 20 municipio-escuelas. The three-year cycle of direct DDCP assistance to pilot municipalities officially came to an end in 2001; thereafter DDCP entered into the second phase, the replication phase, of its contract.

DDCP's Two Phases	
Phase I:	
➤	20 pilot municipalities
➤	Focus on civic education, build capacity in municipal actors.
➤	
Phase II:	
➤	Work with Municipal Associations and mancomunidades to replicate the model.
➤	Strengthen ties to donor community, focus on sustainability.

The resulting Model for Participatory Municipal Governance described in Box 2.3 on the next page would eventually represent the only systematized methodology of its kind, and would provide a mechanism by which any number of policy issues could be inserted into the participatory management process.

The developing methodology, as reflected in technical manuals, workshops, capacity building seminars and participatory meetings, represented the beginning of an incremental process to decrease the dependence of the participating municipalities on the DDCP staff. Sustainability was always among the project's highest priorities. In fact, sustainability was one of four "orienting principles" of the 1997 and 1998 work plans, the three others being participation, transparency and replicability.

By late 1999, DDCP's model, consisting of a cycle of activities at the municipal and national levels, was formally systematized, published, and disseminated. The model illustrated in Figures 2.2 and 2.3 on pages 19 and 20 respectively, reflects the combined experience of the 20 pilot municipalities, and more recently some 160 municipal governments implementing the MGMP. And it represents a versatile tool that can be used to integrate a variety of other policy areas into the municipal planning process, such as health (described in Section F), education, and natural resource management.

The bulk of the activities that make up the model are instruments designed to help promote improved municipal governance. These activities are also integrated with efforts to promote more effective citizen participation, as the two areas are inherently linked. These activities include texts

and guides for all three municipal actors (see Annex I), activities to promote accountability and transparency, and participatory processes to help guide municipal planning.

Box 2.3 - Activities of the Model for Participatory Municipal Governance (MGMP)

Cumbre I: (Approximately October) The presidents of each OTB participate in a training workshop to help them diagnose the needs of their communities and prioritize development projects. The training usually is attended by 60-100 OTB presidents. Once the training is finalized, the presidents return to their community (or neighborhood) to conduct a participatory needs assessment and develop a prioritized short list of community needs.

Cumbre II: (Approximately October to November) The information gathered by the OTB representatives is then, in a participatory manner involving all OTB leaders, collated and prioritized by the vigilance committee (VC) and presented to the Municipal Executive to serve as the basis for drafting a Municipal Annual Operating Plan and Budget (POA). This second summit is usually attended by 80-120 OTB representatives, the VC and municipal representatives from the Executive and Municipal Council (MC).

Cumbre III: The mayor presents, in a public hearing attended by OTB leaders, a draft POA to the Municipal Council and vigilance committee, requesting their approval for its content and/or suggestions for modifications. Once negotiations are finalized, the MC and the VC are required to “approve” (MC) and “support” (VC) the POA for the following calendar year.

Encuentro de Decisiones Concurrente 1: The President of the Congress invites mayors, MC members, VC presidents, civil society organization (CSO) representatives, sectoral representatives (health, education), prefectos, sub-prefectos, and others to meet with their single district Congressmen/Woman Diputado Uninominal (DU) to define the interests and demands of constituents as the basis for drafting an annual work plan for the diputado. Generally, 75-125 individuals participate in the event.

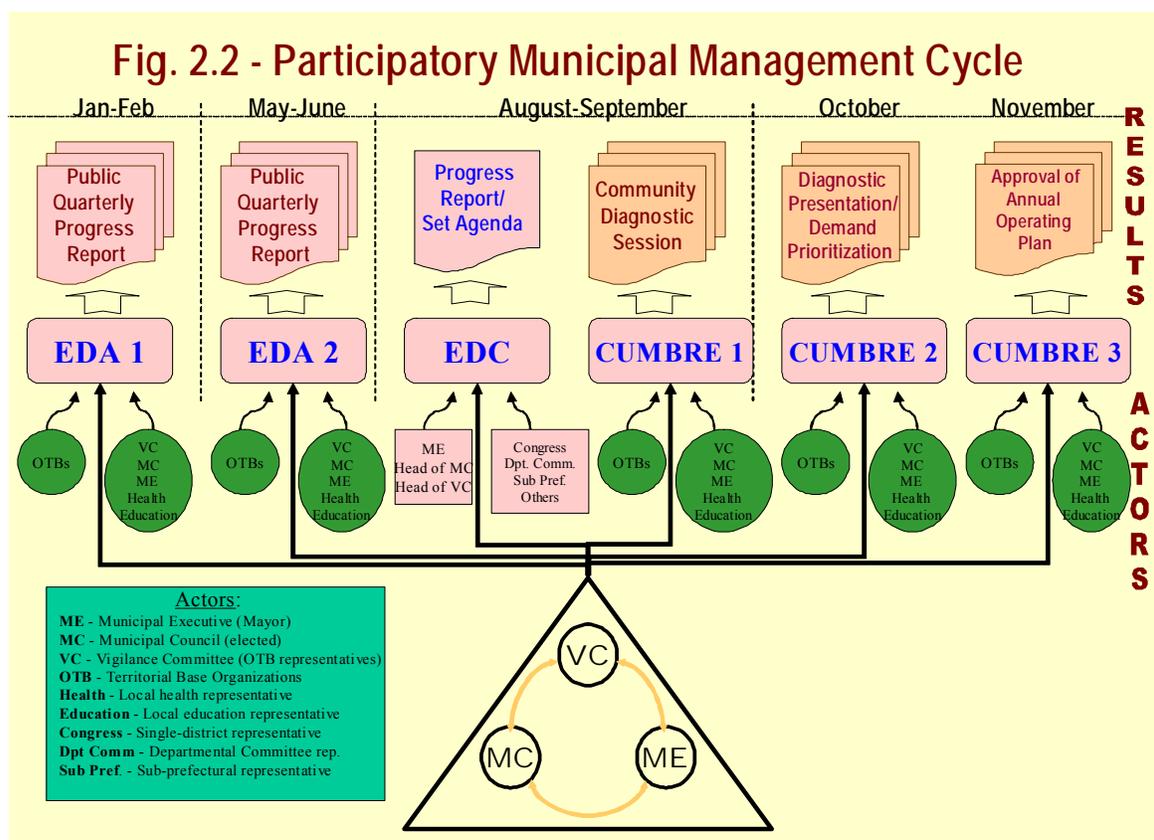
Encuentro de Decisiones Concurrente 2: (Six months later) The DU informs his/her constituents on progress in implementing the annual work plan and updates his/her work plan to take into account new demands. The DU may also request assistance from participants and other governmental entities in implementing the work plan.

EDA: Public hearing in which the mayor reports on his/her progress on implementing/executing the POA. Representatives from the MC, VC, OTBs, CSOs and citizens are invited to attend and to actively question the mayor and his/her team. The EDA is meant to engender accountability in the Municipal Executive and to provide a mechanism for citizens to exercise control over municipal spending decisions. EDAs are held approximately in the 4th and 8th months of each calendar year. Public meetings to explain POA implementation are mandated by the Law of Municipalities.

In addition to the above cyclical elements of the model, the following events occur when necessary, usually at least once a year.

Training of MG staff and updating MC and Municipal Executive Operating Procedures (Reglamentos): Training sessions and workshops for VC, MC, mayors, and staff in which the internal rules of organization and operating procedures are updated for each institution to take into account new GoB mandates and programs, e.g., documenting internal processes and organization. In those cases where the *reglamentos* are officially adopted by a VC, MC, or Executive, it is hoped that citizens will perceive greater transparency and efficiency of operations.

Chemonics and the DDCP staff have always conceptualized and promoted the MGMP as dynamic, calling it a *process* instead of a *product*. This distinction – a systematic emphasis on evolution to meet changing needs – which will be discussed at some length in Section G, is fundamental to the success of DDCP and distinguishes it from other decentralization efforts.



DDCP Graduation of the 20 Original Municipalities

To measure the degree to which the first 20 pilot municipalities internalized DDCP's governance model, USAID approved 15 municipal performance indicators (DEMO L-022/00), weighted by importance, totaling 100 possible points. These performance indicators were designed to ensure that those municipalities would demonstrate:

- Wide citizen participation in the prioritization of demands and municipal investment decisions, including formation of vigilance committees, 90 percent OTBs officially recognized, and active citizen participation in municipal elections;
- A culture of participation and transparent government developed through participatory planning and “rendición de cuentas” carried out in public municipal meetings throughout the year, beginning with the POA/budget preparation in September and ending with a POA/budget that is accessible to the public;
- An efficient municipal administration capable of (a) producing accurate and timely financial information; (b) legally procuring goods and services necessary to implement the participatory POAs; (c) hiring and retaining qualified technical personnel; and (d) capable and willing to establish and apply mechanisms for citizen participation in municipal government;

- Municipal government and citizens with effective access to single district representatives to ensure the resolution of and attention to citizen agendas.
- Municipal governments comply with GoB mandates (timely presentation of end-of-year financial statements and POAs, use of GoB-mandated administrative systems, and implementation of public meetings to describe POA implementation successes and problems).

Figure 2.3 Components of the MGMP



To certify that a municipality had “graduated,” a municipality had to qualify for at least 60 points. All 20 municipalities qualified for graduation by January 2001. The majority of the 20 pilot municipalities graduated with scores above 90 percent, while a few, particularly those who entered the program with limited technical capacity, required an extra year of direct DDCP support to reach levels of institutionalization acceptable to Chemonics. The 15 specific graduation criteria are listed in Annex II

The objectives of Phase II have also evolved from 2001 to 2003 and in synthesis are presented in Box 2.4 on the following page. But in its core, USAID asked Chemonics to extend effective coverage of the MGMP to at least 75 municipalities.

After finalizing the design of its basic model for participatory municipal management, Chemonics and USAID also wanted to use Phase II to broaden the reach of the MGMP into specific policy sectors, namely *gender* and *health* (described in Sections D and F respectively),

integrating these issues into three principal areas of municipal governance: 1) the participatory planning process; 2) the municipal budget; and 3) social control by both the vigilance committee and OTBs. Phase II activities and results are described more fully in the following section.

Box 2.4 – USAID/DDCP Strategic Objectives – Phase II

1. **Civil society participation** in local government and regional institutions is more effective.
2. **Municipal governments are increasingly capable** of professional, effective, and transparent management, as well as sustainable financing.
3. **Municipalities effectively participate** in and influence policy decisions concerning decentralization and citizen participation.
4. **Citizen demands** are effectively channeled to their single-district representative via local authorities and civil society.

C. Core Accomplishments of the DDCP Project

DDCP's core accomplishments, well known within USAID/Bolivia and throughout Bolivia, are directly related to the Strategic Objectives established with USAID (see box 2.3 on page 18). These derive from our MGMP:

- Municipal governments are increasingly capable of professional, effective, and transparent management, as well as sustainable financing.
- Citizen demands are effectively channeled to their single district representative via local authorities and civil society.
- Municipalities effectively participate in and influence policy decisions concerning decentralization and citizen participation.
- Civil society participation in local government and regional institutions is more effective.

In overall terms, by September 2003, DDCP had reached, through its counterparts the Municipal Associations and mancomunidades, 167 municipalities,²¹ a coverage rate of 53 percent, far exceeding its replicability target of 75 municipalities. Specific results for each SO are described in the following sections.

There are two principal ways to measure the impact of DDCP on municipal governance. One is to document the successful *implementation* of the program's capacity-building instruments, as we do in the following sections. The second is to analyze the assessment and satisfaction of the citizenry with the new systems of municipal governance. It is through the latter type of analysis in the last section of this section that the true impact of DDCP becomes apparent.

²¹ Using the number of municipal governments receiving assistance in financial management.

Phase II

The focus on Phase II, starting February 2001, was replication to a minimum of 75 municipalities (roughly 25 percent of Bolivia's 314 municipalities), enrichment of the MGMP, assistance in municipal management, and support of the incipient associative movement.

In the course of that more than two-year period, DDCP worked through mancomunidades and departmental associations of municipal governments. One focus of that work was assistance in preparation of end-of-year financial statements to meet Ministry of Hacienda (MH) standards and timetables. A second was participatory preparation of POAs and their timely submission as mandated by law, with vigilance committee and Municipal Council approval, to the Ministry of Hacienda. Finally, Chemonics through our replication agents, supported municipal governments in the implementation of EDAs. Table 3.1 on the next page shows our results in these areas in the period 2000-2003.

In terms of adequate preparation of end-of-year financial statements, in total 167 municipal governments (53 percent of total) have received DDCP-financed assistance and met MH deadlines. Similarly, 164 municipal governments (52 percent of total) have been assisted by DDCP and our partners to prepare POAs. And 157 (59 percent) municipalities have implemented EDAs with DDCP assistance.

Table 3.1 Summary Accomplishments of the DDCP Project

Departments	2000	2000	2001	2001	2002	2002	2003	2003	Cumulative
	With DDCP	w/o DDCP	DDCP						
Municipalities presenting (prior) End-of-year Financial Statements to Ministry of Hacienda									
Beni			10		18		15		18
Chuquisaca			19		19		19		19
Cochabamba			20		20		10		20
La Paz			0		24		30		34
Oruro			0		13		12		13
Pando			0		14		12		14
Potosí			0		0		5		5
Santa Cruz			16		34		16		34
Tarija			10		10		8		10
TOTALS			75		152		127		167
%			24%		48%		40%		53%
Municipalities presenting MG Annual Work Plans (POAs) to Ministry of Hacienda									
Beni	10		12		13		14		14
Chuquisaca	16		15		23		19		23
Cochabamba	18		20		28		14		28
La Paz	21		23		11		30		30
Oruro	12		11		8		12		12
Pando	7		8		14		12		14
Potosí	0		0		0		5		5
Santa Cruz	26		28		14		16		28
Tarija	10		10		10		8		10
TOTALS	120		127		121		130		164
%	38%		40%		39%		41%		52%
Municipalities holding at least 1 EDA (public meeting to analyze implementation of POA)									
Beni	0		10		12		10		10
Chuquisaca	1		16		14		12		16
Cochabamba	7		15		20		13		20
La Paz	0		8		14		22		22
Oruro	0		15		16		8		16
Pando	0		10		8		12		12
Potosí	0		0		0		5		5
Santa Cruz	46		18		23		10		46
Tarija	10		8		9		5		10
TOTALS	64		100		116		97		157
%	20%		32%		37%		31%		50%

To ensure that participating municipalities carry out a sufficiently broad selection of these activities, Chemonics designed a weighted framework of “replicability practices” (see Box 3.1) against which to measure the progress of the municipalities. The minimum target was four of eight DDCP recommended practices.

From this perspective, 75 municipalities in the period September 2002 to September 2003, implemented all elements of the MGMP at least once. An additional 12 municipalities implemented at least six components, and the remaining 40 municipalities implemented at least four core MGMP practices. In other words, all 127 municipalities directly assisted by Chemonics’ partner replicators in the first eight months of 2003 to implement the MGMP surpassed the minimum replicability target of at least four of eight MGMP components, despite the fact that participatory planning starts after the close of the Chemonics contract. An additional 100+ municipalities were only included in the 2003 Encuentro de Decisiones Concurrente implementation program.

It is important to note that the limiting factor in the last 12-month period was the funding availability for Encuentro de Decisiones Concurrentes. The target, agreed upon with USAID, was 15 Encuentro de Decisiones Concurrentes, including urban, departmental capitals, which are not members of FAM and therefore not assisted in terms of the MGMP.

Box 3.1 - DDCP’s Weighted Replication Framework

At least 75 Municipal governments adopt 50 percent at least four of eight core DDCP replicability practices:

- 1) EDAs (ideally 2 per year)
- 2) EDCs (ideally 2 per year)
- 3) Municipal participatory planning summits/*cumbres* (ideally 3 per year)
- 4) Vigilance committee by-laws
- 5) Municipal Council by-laws
- 6) GoB-mandated Municipal administration policies and procedures
- 7) Timely presentation of previous year financial statements to the Ministry of Hacienda
- 8) Timely presentation of current year Plans and Budgets to the Ministry of Hacienda

Strategic Objective: Municipal governments are increasingly capable of professional, effective, and transparent management, as well as sustainable financing.

The reason for a municipality’s failure to fully enter into the cycle, or to choose to avoid the model altogether can be varied and complex. Sometimes a municipality simply needs more time to build the internal capacity necessary to carry out the model’s many instruments. Other times mayors and/or municipal councils are wary of the model because of its promise to bring administrative transparency. As one Departmental Association of Municipalities (MA) technician noted, executives who reject the idea of working with the model are generally those who have something to hide. Instead of opening the books and holding participatory meetings, the technician noted, the mayor informs the community “only about what he wants - about what is convenient to him.”²²

Chemonics’ focus here has been on three areas: financial management, financial disclosure, and internal policies and procedures, in addition to preparation of end-of-year statements as shown in Table 3.1 on the previous page.

²² Personal interview, Ramiro Vocal, technician, AMDECO, 11/13/02.

Due to continual rotation of both mayors and even more important municipal finance staff, municipal governments need repeated assistance to understand and use the GoB-mandated computerized accounting package, SINCOM (discussed below). Starting in 2003, the GoB has begun applying disciplinary measures to municipal governments that fail to present before the deadline their end-of-year statements; thus, responding to member municipal government requests, Departmental Associations, with FAP²³ funding, have in Phase II, assisted municipal governments in this area. The importance of this assistance is reflected in the 2003 data, where as a result of DDCP-supported assistance, by early May 2003, after the deadline for presentation to the Ministry of Hacienda, almost 80 DDCP-assisted municipal governments in eight departments had presented their 2002 financial statements; this represented more than 48 percent of the municipal governments meeting this requirement.

Historically, the first Sanchez de Lozada government, shortly after passing the PPL, approved the SAFCO Law to control rampant financial mismanagement and corruption, which through its subsequent implementation codes, mandates that all governmental organizations adopt a series of management systems and procedures in purchasing, contracting, cash flow, human resource management, integration of budgets with cash management, results-based management, among others. The early GoB efforts in this area included the pilot development of Unix-based software that integrated accounting with budget and cash management. Subsequent software improvements allowed that system to be adapted to personal computers and for municipal governments (now called SINCOM). Several DDCP staffers participated in the early GoB software development and from DDCP assisted the GoB to improve the software design for municipal governments.

Additionally DDCP identified with the Ministry of Hacienda the need to assist municipal governments in updating SAFCO systems, to conform to continual refinements mandated by the GoB. In 2003, our technical assistance plan, defined with FAM and the departmental associations, included updating municipal government internal policy and procedures manuals.

DDCP helped some 170 municipal governments in the period 2001-2003 update seven policy/procedures manuals:

- System for Programming Operations
- Integrated Accounting System
- Budgeting System
- Administrative Organization System
- Cash Management System
- Public Credit System
- Personnel Administration

The first four systems listed above are based on models previously approved by the Ministry of Hacienda, developed largely with DDCP as part of our close working alliance with the Unidad de Normas in the Ministry of Hacienda in which we have helped them develop viable systems for municipal administration, consistent with the SAFCO Law. The final three systems are being

²³ DDCP grant fund discussed later in this section.

developed based on models presented to the Ministry of Hacienda and the Superintendencia de Personal for approval, which is pending.

We had additionally expected to assist municipal governments in 2003 to update their policies and procedures for obtaining goods and services in 2003, but the current GoB administration is still struggling with the focus to be applied, so that GoB guidelines in this area have not been formulated, and the Departmental Associations were not able to assist any municipal government in this area in 2003. We did, however, assist the relevant unit within the Ministry of Hacienda to prepare a SABS procedure code for subsequent application in the smallest municipalities (Categories A and B).

One of those procedures manuals of importance to municipal governments concerns the internal functioning of the Municipal Council. The Departmental Associations are using for this purpose a model developed and approved by the Ministry of Sustainable Development, under the Banzer government; that model has been updated to incorporate the new responsibilities assigned to Municipal Councils as a result of the GoB's implementation of the Maternal-Child Universal Health Insurance (SUMI). By August 30, 81 Municipal Councils had reformed their internal procedures manual in 2003 with DDCP assistance.

In 2002, the DDCP was invited to participate in a GoB task force led by the Ministry of Hacienda to assist municipal governments to prepare financial statements and prepare financial reports for Mayors, the Municipal Council and the vigilance committees. In early 2003, DDCP designed a two-day course and implemented it throughout the country with a target of training 75 people including both municipal government staff and technical assistance personnel in the Departmental Associations. By July 2003, DDCP had trained 102 of these potential replicators as well as 65 people from GoB support organizations, such as the Contraloria.

Technical assistance and training in financial management and disclosure will continue to be required as long as there are high rates of rotation of mayors and their administrative staffs, and given the certainty of annual GoB tinkering with mandated financial management and contracting systems.

MGMP – Can USAID Walk Away From It?

After more than seven years of development and replication and its trial in more than half of Bolivia's municipalities, it is appropriate for USAID to ask if USAID needs to further support the dissemination of the MGMP? Or its refinement?

From Chemonics' perspective, and after discussions with our replication partners, FAM, ACOBOL, and the departmental associations of municipalities, the MGMP needs to be consolidated and expanded as it provides a platform for transparency, accountability, and enhanced citizen participation in addressing other municipal development issues such as education, environment and natural resource management, and economic development. The MGMP is well institutionalized in terms of POA negotiations with OTBs and EDA implementation.

The MGMP is far from institutionalized in terms of OTB demand preparation, financial reporting, Encuentro de Decisiones Concurrentes (discussed below), and in the use of its recently

developed gender and health components (discussed in subsequent sections). In terms of municipal financial management, there are three factors blocking institutionalization. First, rotation of mayors, voluntarily or not, has meant changes in both technical and administrative personnel, necessitating repeated training and technical assistance in transparency and accountability practices, in light of their lack of transparency and accountability. Indeed, in general terms, the following are problem areas affecting most municipalities in Bolivia, including those where DDCP has focused its efforts:

- Inadequate accounting systems, and poorly trained administrative personnel, in particular paucity of computerized accounting
- Inability to formulate and obtain approval for FPS projects (which permits approximately 4-to-1 leveraging of municipal government resources)
- Lack of training in municipal administration, project preparation, and monitoring
- Limited participation of women in participatory planning, and few projects targeted at women's issues
- Accountability is focused on process-level information, such as municipal budget execution, rather than developmental indicators

In municipalities where DDCP has not reached at all or for only a year, the following is also generally the case:

- Vigilance committee often perceives that planning processes were not as participatory as the law mandated (and as the mayor announced)
- Vigilance committee is dissatisfied with access to information from mayor (and some distrust of the mayor's management of municipal government finances)
- Lack of up-to-date policies and procedures congruent with current GoB laws
- Less effective, if any systematic, process to share information of municipal government finances and POA implementation, i.e., limited transparency

A second factor inhibiting institutionalization of the MGMP is that at the OTB level, new boards are elected annually and few skills to elicit and prioritize community and district needs, are passed on systematically. And third, the GoB is continually passing legislation or imposing administrative systems and reporting requirements which require adjustments in municipal management systems, and often in linkages with the citizenry as in the recent implementation of the universal maternal child health insurance discussed in Section F.

Particularly for the less populated municipalities Chemonics has focused on, the implications are that those municipal governments and citizens will require further technical assistance and training to institutionalize the accountability, transparency, and citizen responsibility practices advocated under the MGMP. As will be reiterated in a following section, the departmental associations, ACOBOL, and FAM understand the problem and have the capacity to cost-effectively assist municipal governments and OTBs to further institutionalize the practices that comprise the MGMP.

What are the risks for USAID if it were to suspend assistance to municipal governments in implementing the MGMP? In the short run, the risks are high that current mayors will lose credibility if they are not able to acceptably incorporate citizen demands in their POAs, or worse present the POA and/or the end-of-year financial statements to the Ministry of Hacienda within the GoB-mandated deadlines. The latter will most likely cause a delay in accessing co-participation funds and hence the implementation of the POA. Most important, those “failures” on the part of the current mayor and municipal councils will be used as political fodder against them in their reelection campaigns, and they will be used most likely by anti-system political parties to attack the credibility of the Bolivian system of governance. In the long run, the risks are even higher that practices to implement accountability and transparency become *sui generis* reflecting the inclinations of the current mayor and staff. The inclusiveness of those practices may become a latent political issue as mayors argue that they have heard the people and some sectors express their doubts. In that scenario, the apolitical institutionalization of accountability and transparency practices is undermined and subordinated to mayoral capriciousness.

In summary, given the macro-political Bolivian scene and the need to assure that transparency and accountability practices as well as mechanisms for citizen participation be not subject to the vagaries of elected officials or municipal government staff, USAID would be well advised to support further institutionalization of the MGMP practices related to citizen participation in planning and improved financial reporting to citizens (EDAs), vigilance committees, and Municipal Councils, even expanding them to new areas such as education and economic development.

Encuentros de Decisiones Concurrentes (EDC)

One of the newest additions to DDCP’s model is the EDC, or *Encuentro de Decisiones Concurrentes*. The Encuentro de Decisiones Concurrente was designed to produce a similar form of accountability between municipalities and their single-district representatives as the *Cumbres* and EDAs do between citizens and their elected municipal officials. In 1997, the manner in which Bolivians elected their congressional representatives changed from a pure party-list system for an entire department to one in which approximately 50 percent of the representatives would be directly elected within congressional districts while the remainder would continue be elected according to party lists. For the first time there existed a direct link between some representatives and a specific constituency, which allowed for increased accountability at the national level.

In 1999, following the election of the first single-district congressmen/women (Diputados Uninominales – DUs), DDCP staff detected widespread citizen desire to meet and develop work plans with their congressmen/women. In response, DDCP staff developed a methodology to convene, concert, and provide follow-up to these meetings – the Encuentro de Decisiones Concurrente.²⁴ In the period 1999-2003, DDCP initially by itself and more recently in coordination with PARC-SUNY and the Congress’ Unidad de Apoyo a la Gestión Parlamentaria (UAGP) implemented Encuentro de Decisiones Concurrentes in 50 percent of the country’s 68 congressional districts, as shown in Table 3.2 on the following page.

²⁴ Key training materials produced to support EDCs are listed in Annex I.

Table 3.2. Cumulative Coverage of Encuentro de Decisiones Concurrentes, 1999-2003

Department	Districts with no EDCs	Districts with one EDC	Districts with two EDCs	Districts with three or more EDCs	No. Districts with at least one EDC
Beni	3	1	-	1	2 (40%)
Chuquisaca	3	1	-	2	3 (50%)
Cochabamba	5	2	2	-	4 (44%)
La Paz	10	3	3	-	6 (38%)
Oruro	3	1	-	1	2 (40%)
Pando	-	1	1	1	3 (100%)
Potosí	5	1	-	2	3 (38%)
Santa Cruz	3	-	6	2	8 (73%)
Tarija	3	1	-	2	3 (50%)
TOTALS	34	11	11	11	34
% Districts	50%	16%	18%	16%	50%

Though introduced in 2000, the Encuentro de Decisiones Concurrentes have proved to be extremely successful. Within two years of integrating them into the MGMP cycle of events, DDCCP had carried out 56 Encuentro de Decisiones Concurrentes with more than 200 municipalities (see Table 3.3 below), involving more than 5,000 participants, approximately 21 percent of whom were women. Perhaps more important to the future of Encuentro de Decisiones Concurrentes as a mechanism for promoting accountability between representatives and their constituencies, however, is the accomplishment that in May 2001, the Bolivian House of Representatives passed a resolution declaring Encuentro de Decisiones Concurrentes as official “state policy”²⁵ and in 2003 mandated its Unidad de Apoyo a la Gestion Parlamentaria to provide technical assistance and limited financial support for Encuentro de Decisiones Concurrentes. We have also institutionalized the practice that the relevant Departmental Association of Municipalities (MAs) be the host for Encuentro de Decisiones Concurrentes.

Table 3.3. Municipalities participating in EDCs, 2000-2003.

Department	2000	2001	2002	2003	Cumulative # Municipalities Participating In Edcs	% Of All Municipalities In Each Department
Beni		7	7	8	8	42%
Chuquisaca	10	11	18	11	18	64%
Cochabamba	7	23	10	1	24	55%
La Paz		19	52	1	53	71%
Oruro	24	2	2	26	26	76%
Pando		10	15	8	15	100%
Potosí		10	19	4	19	50%
Santa Cruz	11	37	38	15	31	62%
Tarija	6	7	7	7	10	91%
TOTALS	58	126	168	81	204	65%
% of all municipalities	19%	41%	53%	26%	65%	

²⁵ Honorable Cámara de Diputados, Resolución No. 000185/00-01, La Paz, 02 May 2, 2001.

Of the 68 single-member districts, 30 encompass portions of the departmental capitals and El Alto; of these, DDCP has implemented Encuentro de Decisiones Concurrentes in 13 (43 percent), while DDCP has implemented Encuentro de Decisiones Concurrentes in 21 (55 percent) of the 38 congressional districts encompassing people from basically rural municipalities. Table 3.4 provides additional information on the coverage of Encuentro de Decisiones Concurrentes by political party and gender.

Table 3.4. Congressmen/women Participating in Encuentro de Decisiones Concurrentes by Political Party and Sex, 2000-2003

Political Party	Men	Women	Total	%
ADN	7	-	7	16
CONDEPA	4	-	4	9
FSB	1	-	1	2
IU	1	-	1	2
MAS	1	1	2	4
MBL	2	-	2	4
MIP	-	-	-	0
MIR	7	1	8	18
MNR	10	2	12	27
NFR	3	-	3	7
PS	1	-	1	2
UCS	3	1	4	9
TOTAL	40	5	45	100
%	89%	11%	100%	

At the end of our contact, Chemonics distributed an interactive CD to assist interested parties (Congressmen/women, Departmental Association of Municipalities, departmental Parliamentary Brigades, and civil society organizations) to understand in detail how to implement and follow-up on the results of Encuentro de Decisiones Concurrentes. Further in 2003, DDCP trained Unidad de Apoyo a la Gestion Parlamentaria, PARC-SUNY staff and the departmental-level Departmental Association of Municipalities and Secretarios Técnicos de Brigada in Encuentro de Decisiones Concurrente implementation and facilitation. Our last 2003 Encuentro de Decisiones Concurrente was implemented solely by the Tarija MA, without direct support from DDCP, Unidad de Apoyo a la Gestion Parlamentaria, or PARC-SUNY staff.

We also recruited the Foro Político de Mujeres to increase the presence and demands of women to their Congressmen/women. The Foro mobilized its departmental and local affiliates to get women to seven Encuentro de Decisiones Concurrentes in 2003 and to develop in preparatory meetings women's demands for the respective DU's Encuentro de Decisiones Concurrente work plan. The Foro with the Unión de Mujeres Parlamentarias (National Association of Congresswomen) has also formally assumed a role in the follow-up on DU's Work Plans. And we supported the hiring of promoters by the host MAs to increase overall attendance at the Encuentro de Decisiones Concurrentes. All these efforts bore fruit. For example, in 2003, an increasing number of Diputados Uninominales from other districts attended DDCP-sponsored Encuentro de Decisiones Concurrentes; indeed in Chuquisaca, the Brigada Parlamentaria, composed of all departmental Congressmen and women, whether DU or not, formally held its July session as part of the Encuentro de Decisiones Concurrente there.

As a result of these Encuentro de Decisiones Concurrentes, which affected perhaps 30 percent of Bolivia's population, Seligson reports that, by late 2002, approximately 14 percent of the population is aware of Encuentro de Decisiones Concurrentes. The Encuentro de Decisiones Concurrentes, by providing a means to formulate a feasible agenda for Congressmen and women and communicating results as well as problems, provide what citizens and Congressmen/women desire: a periodic means of maintaining substantive contact between each other. The endorsement by the Congress has made the Encuentro de Decisiones Concurrente a necessity for Diputados Uninominales. And now several entities (Unidad de Apoyo a la Gestion Parlamentaria, Departmental Association of Municipalities, and Secretarios Técnicos de Brigada) have the training to implement Encuentro de Decisiones Concurrentes in the future, with the support of PARC-SUNY.

Encuentro de Decisiones Concurrentes: Future Challenges

As the 2002 Seligson report found, the Bolivian Congress is widely held seen as ineffective, disinterested in solving Bolivia's problems, overpaid, and prone to corruption.²⁶

That said, Seligson found that Bolivians have high expectations for their single-district congressmen/women, because they have in effect a contract to represent a specific constituency. From Chemonic's perception there are five factors that limit the effectiveness and/or sustainability of Encuentro de Decisiones Concurrentes.

First, Encuentro de Decisiones Concurrentes to date make manifest primarily representational demands, while theoretically, constituents can request three types of assistance from their congressmen/women: i) to enact needed legislation, ii) to investigate and monitor use of funds by the Executive Branch, Prefectos, or mayors, or, iii) to represent them and present their demands to implementing agencies at the national, departmental, or municipal level. From our extensive experience with Encuentro de Decisiones Concurrentes, single-district congressmen/women are besieged primarily with requests to assist in obtaining funding for public works, and to a lesser extent, to find support for productive projects. For a congressperson to be effective in this area, it is important to have good relationships with the Prefecto and often the mayor (especially for urban districts); in practice this happens most often when both are from the same political party. In only two of the 13 urban Encuentro de Decisiones Concurrentes held were the mayors themselves present, and in an additional 46 percent of these urban Encuentro de Decisiones Concurrentes mayors assigned technical staff to attend. Similarly, of the 21 multi-municipality Encuentro de Decisiones Concurrentes, in only two (9 percent) were the Prefectos themselves present, while in 13 (62 percent) were their technical staff present. In other words, in about a third of the Encuentro de Decisiones Concurrentes, mayors and our Prefectos were not present – by choice, motivated mostly by political differences. Part of the problem here is that Diputados Uninominales don't tout their legislative activity and rarely even mention the departmental consensus on a legislative work plan (Agenda Regional Minima).

Second, participation by women remains low (about 20 percent of participants with few substantive "women's" demands presented. DDCP pilot tested in 2003 the use of low cost promoters and an alliance with the Foro Político de Mujeres, to promote attendance in general and of women in particular. Both initiatives proved effective. The representatives of the Foro, at the national and departmental level, collaborated to get local women leaders to meet and prepare

²⁶ See Seligson 2002, Chapter 6.

their demands for inclusion in the congressman's/woman's work plan. This type of assistance will be needed for some time to come if Encuentro de Decisiones Concurrentes are to articulate the needs of a representative cross-section of a congressman's/woman's constituency.

A third related problem is the 10-12 hour length of Encuentro de Decisiones Concurrentes which results in considerable attrition in urban areas. The dynamics of an Encuentro de Decisiones Concurrente require a day-long meeting, including small group meetings and then plenary sessions in which citizen demands are spelled out (what's needed, what's the problem, who should be responsible, and expected date of task completion). In urban-based Encuentro de Decisiones Concurrentes, this presents a problem as attendance falls drastically after mid-day, and especially after the lunch meal is served, so that at the end of the day perhaps only 25 percent of the attendees may be present. And it is this group in general that elects the follow-up committee, denominated in Spanish, the Secretaría Pro-Temporare (SPTs).

A fourth area is SPT effectiveness. Chemonics was unable to support significantly the SPTs; we met with them before and after Encuentro de Decisiones Concurrentes to orient them in their duties; in some cases, we developed support relationships with the respective Departmental Association of Municipalities, which included use of office space. In 2003, with the assistance of the Foro Politico de Mujeres, a Foro representative was included in most SPTs formed. SPTs to be more effective need small donations to cover letterhead stationery. They also need technical assistance from Departmental Association of Municipalities to obtain information from Diputados Uninominales and to arrange meetings, at least bi-monthly, with Diputados Uninominales, so that they are able to report back to their constituency on the Congressman's/woman's efforts and obstacles encountered.

Finally, Encuentro de Decisiones Concurrentes are relatively expensive, requiring not only printing of informational materials and wall posters, logistical support (meeting room, snacks, and rental of a data show) but often travel expenses for attendees from outlying municipalities. Chemonics estimates that average total costs are about \$2,000; this includes the direct costs of the Departmental Association of Municipalities, except personnel, which host the Encuentro de Decisiones Concurrentes. DDCP staff is recommending two Encuentro de Decisiones Concurrentes yearly per congressman/woman, to keep voters current on his/her activities. Thus the annual cost of a support program, exclusive of staff costs is approximately \$250,000 if all 68 single-district congressmen/women were to participate. These costs must be brought down, but that responsibility that will fall to SUNY and the Unidad de Apoyo a la Gestion Parlamentaria, after the end of DDCP II. In late 2003, the Congress proposed a \$3+ million assistance package to mount legislative offices for Diputados Uninominales in departmental capitals and at the Congressional District level, exclusive of direct Encuentro de Decisiones Concurrentes implementation costs. There were no GoB/Congressional offers to support this apparatus once established.

In summary, while Encuentro de Decisiones Concurrentes are widely esteemed, there is a pervasive feeling that support institutions such as DDCP, Unidad de Apoyo a la Gestion Parlamentaria and soon PARC-SUNY should carry most of the financial and organizational burden.

The Associative Movement And Replication

Starting in 2001 (Phase II), Chemonics focused on replication of the *Modelo de Gestión Municipal Participativa* (see Box 3.2). As early as 1997, DDCP began strengthening ties with Bolivia's newly forming *mancomunidades*²⁷ and departmental associations of municipal governments (Departmental Association of Municipalities). By 1999, when it came time to begin defining a concrete strategy for replication, DDCP focused on these associations.

The choice of municipal associations over government agencies as DDCP's primary counterpart in replicating the model in 2003 was a practical one, based on political, financial, and social factors which will be discussed in the next section. With the entrance of the Banzer government, GoB support for Popular Participation proved unreliable and highly politicized. As an internal DDCP report explained: "Given the relatively tepid support which the 1997 national administration gave to decentralization of the State, and the institutional conflicts which made it difficult to replicate the successes of '*municipio escuela*', in late 1999 DDCP and USAID agreed to modify the DDCP replicability strategy. This revised strategy built upon the demonstrated success of associative organizations in channeling technical assistance and training to municipal governments and vigilance committees."²⁸ GoB's Vice Ministry of Popular Participation was to have an advocacy and monitoring role.

Box 3.2 - DDCP's Principal Counterparts

Departmental Municipal Associations:

AMDEOR - Oruro
 AMDEPAZ - La Paz
 AMDECO - Cochabamba
 AMDECH - Chuquisaca
 AMDEPO - Potosí
 AMT - Tarija
 AMDECRUZ - Santa Cruz
 AMDEPANDO - Pando
 AMDEBENI - Beni

Mancomunidades:

Mancomunidad of the Municipalities of La Cuenca del Caine
 Mancomunidad of Los Yungas of La Paz
 Mancomunidad of the Municipalities of the Cono Sur
 Mancomunidad of the Municipalities of the Valle Alto
 Metropolitan Mancomunidad of Santa Cruz
 Mancomunidad of the Municipalities of the Gran Chiquitania
 Mancomunidad of the Municipalities of Chuquisaca Centro

National Organizations:

ACOBOL - Association of Councilwomen of Bolivia
 FAM - Federation of Municipal Associations of Bolivia

The decision to work with municipal associations proved critical in the success of DDCP's second phase. Beginning in 1999, DDCP financed and provided technical assistance in the formation of all nine Departmental municipal associations, a national-level Federation of Municipal Associations (FAM), the Association of Councilwomen of Bolivia (ACOBOL), a host of *mancomunidades*, and most recently in 2003 the National Federation of Vigilance Committees (FACOVOL).

The *associative movement* within Bolivian municipalities may prove to be one of the most lasting indirect impacts of decentralization for the country. Within just a few years of their creation, Bolivian municipalities began looking for ways to strengthen their position in the now-expanded political arena. A powerful associative movement, Chemonics and USAID recognized, was clearly something that could significantly aid in the process of strengthening municipalities

²⁷ A *Mancomunidad* is an association of municipalities which come together around a shared interest, be it economic, social, political, or geographic. *Mancomunidades* tend to include somewhere between 5 -10 municipalities.

²⁸ DDCP Quarterly Report. October 1, 2000 - December 31, 2000, p. 13.

at the local level and increase their representation at the national level, both of which were goals of the program.

DDCP then helped fund (see Table 3.5 on page 36) and train technicians from these organizations in its model and switched to a primarily oversight role as the new associations took over the day-to-day replication of the model. In this way, the Departmental Association of Municipalities and *mancomunidades* became DDCP's primary partners after 2000 as the program moved into its second phase.

Chemonics chose to adopt a negotiated MGMP outreach strategy with participating Departmental Association of Municipalities and Mancomunidades. Each MA was asked to develop a baseline assessment of its member municipalities, a work plan and budget, within tight guidelines, to reach the replicability objectives, formulated previously between Chemonics and USAID DEMOSOT, in a minimum number of municipalities.

As a final move toward sustainability and cost-effectiveness, in 2002 DDCP moved away from working with mancomunidades in order to focus its energy on municipal associations and national organizations such as ACOBOL and FAM as well as to take advantage of the larger economies of scale offered by Departmental Association of Municipalities and because not all municipalities form part of a mancomunidad.

Capacity for Sustainability

Chemonics has been concerned with sustainability of its associative grantees since the inception of DDCP financial assistance to our replication partners in 1999. DDCP was created to design a model of municipal governance and citizen participation and to set the stage for its dissemination nationally without representing a heavy burden for USAID. In many respects, this is precisely what has occurred. Consequently, the sustainability of the replication mechanisms by the Departmental Association of Municipalities is paramount. It is the solvency of the Departmental Association of Municipalities, and in particular their capacity to co-fund their services to their members, that is most important to the sustainability of the model as it is currently designed.

Therefore, each MA was required to provide counterpart funding as part of its grant agreement. Further, each was required to raise part of their counterpart revenues from the sale of services to municipal governments or other donors, this latter sustainability requirement, as defined with USAID, was initially five percent of recurrent costs and for partner organizations in their second year of assistance, 20 percent. However, Chemonics established with these associative partners higher sustainability requirements (20 percent and 40 percent respectively). As Table 3.5 on the next page shows, on average, associative partners raised about 40 percent counterpart funding and 37 percent of recurrent costs (detailed figures not shown). Only two felt short of the minimum 20 percent counterpart, and these were notably both mancomunidades. Two of DDCP associative partners have long-term problems related to their capacity to derive income from members. ACOBOL depends on personal contributions rather than institutional dues as in the departmental associations; indeed ACOBOL receives only 30 percent of member dues, with the remainder going to its departmental affiliates. Historically dues payment rates have been so low that ACOBOL is unable to sustain its small staff without donor support (ACOBOOL is currently housed free-of-charge in the FAM offices). FAM, for its part, has no formal dues structure from either its departmental affiliates or the municipal governments themselves; therefore FAM depends wholly on the sale of services, which may compete with its departmental affiliates, and on donor support.

In general terms, Chemonics has been very pleased with the capacities demonstrated by its associative partners to co-fund MGMP implementation assistance. Overall, as noted above, the associative partners have generated more than 40 percent counterpart in the last three years of the DDCP project. However, little of the departmental associations income from other sources remains as a reserve, and the core technical assistance staff are essentially dependent on DDCP funding.

Chemonics, as noted below, in Phase I worked with NGOs and citizen groups to support MGMP development and implementation. Overall we found that strategy more expensive and unable to sustain itself through sale of services to municipal governments. Support to departmental associations has two important advantages for sustaining democratic development and citizen participation: 1) direct links with municipal governments to refine systems and assure that assistance is well targeted; and 2) lower outreach costs.

Table 3.5. Popular Participation Grant Fund (FAP) Donations and Counterpart Contributions from Associative Partners**2001-2003**

	Years of Grant Activity	Total Executed All Grants	Counterpart Expended Life Of Project	% Counterpart
NATIONAL-LEVEL ASSOCIATIONS				
FAM-BOLIVIA	4	\$183,932	\$159,327	84.3%
ACOBOL	5	\$121,876	\$72,121	37.4%
SUBTOTALS		\$305,809		
DEPARTMENTAL ASSOCIATIONS				
AMDEBENI	5	\$94,211	\$30,996	33.2%
AMDECH	4	\$137,223	\$32,122	33.1%
AMDECO	3	\$79,195	\$22,859	28.9%
AMDEPANDO	3	\$67,427	\$24,224	35.9%
AMDEPO	2	\$17,117	\$10,228	48.8%
AMT	5	\$116,416	\$42,731	36.7%
AMDECRUZ	5	\$130,502	\$45,337	34.7%
AMDEOR	3	\$64,279	\$22,763	35.4%
AMDEPAZ	3	\$103,704	\$39,657	38.2%
SUBTOTALS		\$810,084	\$270,917	35.1%
MANCOMUNIDADES				
YUNGAS	3	\$104,664	\$16,063	15.1%
CHUQUISACA CENTRO	2	\$22,260	\$8,583	38.6%
GRAN CHIQUITANIA STA CRUZ	4	\$93,853	\$47,316	50.4%
VALLES CRUCEÑOS	1	\$19,706	\$9,000	45.7%
VALLEGRANDE	2	\$26,913	\$8,548	33.1%
METROPLITAN SANTA CRUZ	2	\$28,908	\$5,420	18.7%
CUENCA DEL CAINE	3	\$46,791	\$16,064	34.3%
CONO SUR – CBB	2	\$31,316	\$10,512	33.6%
VALLE ALTO – CBB	2	\$32,549	\$11,192	34.4%
ALTIPLANO Y VALLE CENTRO – LA PAZ	1	\$11,324		
SUBTOTALS		\$418,285	\$132,698	31.7%
TOTALS ASSOCIATIVE MOVEMENT		\$1,534,178	\$635,064	40.4%

Even more important were the Departmental Association of Municipalities widely successful attempts to surpass the targets established with DDCP. For example, in 2003, DDCP established targets with USAID to strengthen 75 municipalities in the following areas: preparation of 2002 end-of-year financial statements, presentation of 2003 POAs, formulation or updating a series of administrative systems, formulation or updating the Municipal Council's operational procedures code, and implementation of at least one Encuentro de Avance. In total the Departmental Association of Municipalities assisted 125 municipalities in these areas, in other words they surpassed USAID's expectations by 67 percent.

In summary, DDCP implementation contracts with the departmental associations have created within those organizations results-oriented systems and cultures as well as a focus on continually raising more funds from services and membership dues. At the local level, their technical assistance and training has resulted in an institutionalization of a culture for municipal governance focused on responsible management and cooperation with civil society as represented by both the vigilance committees and the OTBs.

For the future, four challenges loom for municipal governments and their associative movement. First the Voto Constructivo de Censura, established to allow Municipal Councils to oust ineffective mayors has been used to institutionalize a rotation of the mayoralty among council members with a resulting deterioration in credibility and system support, as Seligson (2002) found. Second, Departmental Association of Municipalities can promote cost-effective services to municipal governments, but mayors often find it politically difficult to balance those savings with the loss of control over contracting friendly consultants. Third, as mayors change, so do administrative staff, requiring repeated training; this could be reduced if municipal staff belonged to a civil service regime or if municipal staff needed certification in SINCOM, for example. Finally the most significant limitation to municipal government effectiveness is their inability to satisfactorily access FPS funds (FPS staff reported to FAM a seven percent disbursement rate in 2002) given the widespread inclusion of FSP projects in POAs, which undermines credibility in municipal governance.

Strategic Objective: Municipalities effectively participate in and influence policy decisions concerning decentralization and citizen participation.

Bolivian municipalities are still in their infancy. Despite their relative youth, however, they have progressed impressively in the eight years since their creation. In terms of their capacity to govern, their legitimacy before the citizenry, and their relative power on the national political landscape, municipalities have advanced considerably. By combining to form departmental municipal associations and *mancomunidades*, Bolivian municipalities have significantly strengthened their position, forming a true municipal-lobby that, though just a couple of years old in most cases, has proved itself a powerful ally at the national level.

To assist the associative movement in strengthening its position in the political/policy arena, DDCP aided national organizations such as FAM and ACOBOL in formulating and presenting national-level policy position papers. The impact of these papers is detailed in DDCP's contract completion criteria report to USAID, entitled "The Participation and Impact of the Bolivian Federation of Municipal Associations." As illustrated in Box 3.3 on the following page, the FAM, in its opposition to the National Dialogue Law, proved itself as a powerful political organization representing the interest of municipalities.

Box 3.3 - Associative Movement and the FAM

Soon after its creation, the FAM, which represented all nine municipal associations as well as ACOBOL, faced its first important political test. In 2000 Bolivia was in the process of carrying out its National Dialogue. The most salient issue in the 2000 National Dialogue was the allocation of \$664 million dollars in HIPC debt-relief for Bolivia. FAM came out against a GoB proposal, arguing that its provisions for the further decentralization of health and education services were heavily flawed and therefore unacceptable. Over a series of weeks and months, FAM put its institutional weight against the law and finally, using the threat of civil disobedience and a nation-wide municipal strike, succeeded in getting the controversial articles of the law removed by President Banzer. Thus, within a just a year of its inception, FAM had placed itself, and the associative movement in general, on the national political scene.

In 2003, again with important assistance from DDCP, FAM has designed and begun to implement a Municipal Agenda, to develop publicly a consensus about changes needed to consolidate and further empowerment of municipalities, as a prelude to an expected National Dialogue in late 2003.

In addition to its undeniable influence in stripping a number of undesirable clauses from the *Ley de Diálogo*, FAM and ACOBOL have thrown their organizational weight behind a number of other issues, including the Citizens' Council for the Reform of the Political Constitution, the formulation of the *Ley de Gastos Municipales*, and elimination of the Voto Constructivo de Censura, which, as Seligson discovered in his 2002 assessment, significantly undermined citizen support for democracy. Among FAM's successes, not only were portions of FAM's proposed text transferred verbatim into the draft Constitution, but also FAM positioned itself as the Council's primary authority on municipal issues as did ACOBOL with respect to gender-related reforms.

FAM participated substantially in the formulation of the *Ley de Gastos Municipales*, which raised from 15 percent to 25 percent the portion of a municipality's budget that it may legally spend on operating expenditures. During the process of formulating this law, FAM provided input on drafts provided by the Ministry of Sustainable Development and planning and participated in a critical meeting with ex-President Gonzalo Sanchez de Lozado. Unlike the process of debating the *Ley de Diálogo*, which the FAM opposed, the Ministry and FAM were largely in agreement on the focus of the *Ley de Gastos Municipales*.

A Final Assessment of Our Associative Partners

There are some important characteristics of the current organization and functioning of our associative partners which should be considered in the implementation of DDCP III, which includes strengthening of the associative movement.

First, much of current MA assistance is directed toward meeting GoB mandates in management. While this is important, mayors, Municipal Councils, vigilance committees, and particularly citizens need to see palpable improvements in the quality of life. This will necessitate more results-oriented management by municipal governments and a correspondingly complementary technical assistance and training from the Departmental Association of Municipalities and ACOBOL.

Second, the capacity to generate funds varies considerably among our partners. FAM has so many sources of income that DDCP's portion represents barely a third of FAM income. At the other extreme, ACOBOL is virtually 100 percent dependent on donor funding, and for the next

calendar year has no other donor committed to supporting either its national office or its departmental affiliates. The recently created National Federation of Vigilance Committees has barely started to submit proposals for donor funding; they may well form an alliance with the Fundacion DDCP²⁹ in which the latter will provide technical assistance and training as part of a package presented to possible donors. For the foreseeable future, we would doubt the willingness of vigilance committees to use their meager resources to finance the departmental or national association.

The departmental associations also vary considerably in their capacity to generate revenues from membership dues and sale of services. As part of their 2003 financing agreement with DDCP, each MA prepared a strategic business and service plan to guide future activities, which include in most cases more aggressive systems to collect dues in a timely fashion. The more successful in this sense are the associations in Cochabamba, Pando and Beni. A common thread in those business/service plans is to support municipal governments in improving their management systems, using a core of business administration generalists, with advanced training in SINCOM. As municipal governments adopt computerized accounting systems and as municipal government staff are trained in SINCOM, Departmental Association of Municipalities may be able to reduce the intensity of their support in financial management although this will remain very intensive in the first 3-4 months of each year. Departmental Association of Municipalities need to be more assertive in attempting to recover technical assistance costs from municipal governments; currently the cost average monthly cost of DDCP assistance is about \$200, which includes salaries, travel, per diem (very low rates), and office expenses; Departmental Association of Municipalities could reduce costs by holding biweekly problem resolution conferences combined with focused training in departmental capitals, or use virtual training networks, to reduce travel and staff costs, while still providing answers to specific questions; this would also build inter-municipal government support networks which could gradually supplant Departmental Association of Municipalities paid technical assistance staff.

ACOBOL is in a particularly precarious situation as currently its membership dues derive from individuals (present and past councilwomen). Further revenues are collected by departmental affiliates with a small portion passed on to the national-level organization. In the future, ACOBOL will for the foreseeable future will be project-focused and thus have to better balance member core needs with its capacity to maintain a core staff and then provide complementary programming, principally training for councilwomen, with its capacity to attract donor funding.

Finally, Departmental Association of Municipalities, ACOBOL, and FAM all use a 100 percent rotation of board members every two years, which does not bode well for program and staff continuity. We would suggest a system in which municipal members (mayor, council and vigilance committee members) elect board members biannually on a staggered basis, and the board annually elects its officers.

Popular Participation Fund (FAP)

One important element of DDCP's work that has yet to be described is its Popular Participation Fund, known by its Spanish acronym, FAP (Fondo de Apoyo a la Participación). The fund, which totaled US\$3.1 million by the end of the DDCP Project, was established to aid in the sustainability and replicability of the project by supporting the work of NGOs and community

²⁹ Formed by DDCP staff to continue support of MGMP implementation and refinement.

organizations implementing projects assisting in the implementation of the Popular Participation Law. The FAP strategy in Phase I to leverage NGO resources with small grants (no more than \$25,000) expanded the reach of DDCP well beyond the 20 pilot municipalities and into areas in which it lacked technical experience; it also helped to support the development and refinement of the MGMP components, notably transparency and citizen participation in municipal planning. Through its assistance to ACOBOL and women's organizations, DDCP refined and tested its gender-specific methodologies. Finally, FAP's results-based grants in Phase II were the funding mechanism which DDCP used to assist in the establishment and strengthening of mancomunidades, municipal associations, as well as FAM and the aforementioned ACOBOL; these organizations in turn became DDCP's replication agents working with 130 municipalities in 2003.

In its five years of operation, the FAP supported two national-level organizations (FAM and ACOBOL), all nine departmental associations of municipalities and 10 mancomunidades as well as engaged some 50 grassroots organizations and 54 NGOs in support of participatory processes. We also negotiated assistance from 54 undergraduate thesis candidates to support DDCP. Those thesis projects on issues related to popular participation and local governance contributed to the formation of a new cadre of local governance and decentralization specialists. The funding provided yearly and in total by type of organization is shown in Table 3.6; in total Chemonics provided \$3.1 million, including \$1.15 million (37 percent) in grant funding to the associative movement.

Table 3.6. Annual and Total Use of DDCP Grants Funds by Type of Organization, 1996-2003

	1,997	1,998	1,999	2,000	2,001	2,002	2,003	Total Executed	%
National - Level Organizations (2)	0	0	10,850	97,123	85,986	29,886	81,963	305,809	9.8%
Departmental Associations (9)	0	0	76,953	113,224	159,613	244,652	215,642	810,084	26.1%
Mancomunidades (10)	0	0	34,200	71,101	161,500	117,534	33,951	418,285	13.5%
Grassroots Organizations (50+)	3,692	15,323	11,756	2,617	0	0	0	33,388	1.1%
NGOs (54)	66,420	500,205	635,560	210,654	14,981	44,221	23,842	1,495,883	48.1%
Thesis Candidates (54)	0	2,918	33,876	7,748	0	0	0	44,541	1.4%
TOTALES	70,112	518,446	803,195	512,540	411,832	436,293	331,555	3,107,990	100.0%

In addition to our work with Departmental Association of Municipalities and mancomunidades, DDCP has forged ties with the government ministries responsible for implementing and supporting the PPL, most notably the Vice Ministry of Popular Participation,³⁰ the Ministry of Sustainable Development and Planning, the Ministry of Health, Ministry of Hacienda, Ministry of Economic Development, and the Vice President's Office. These ties were strengthened all the more when former DDCP Director of Municipal Governance Ruben Ardaya became Vice Minister of Decentralization in the newly created (2002) Ministry of Municipal Development.

³⁰ Briefly elevated to a Ministry level in late 2002 through March 2003, and again recently in August 2003.

DDCP has signed a variety of *convenios* with various entities of the Bolivian government. These *convenios*, which illustrate the remarkable success and attractiveness of DDCP's methodology, certify that certain elements of the DDCP model - even the model itself - have been declared official policy of the Bolivian government. To date, DDCP has signed four major *convenios* with Bolivian government ministries:

- 1) Ministry of Sustainable Development and Planning (MDSP) - *Modelo de Gestión Municipal Participativa*
- 2) MDSP - *Modelo de Gestión Municipal Participativa con Enfoque de Género*
- 3) Ministry of Health - *Modelo de Gestión Municipal Participativa de Salud*
- 4) House of Representatives (Congress) - *Encuentro de Decisiones Concurrentes (EDC)*

Also DDCP worked with the Corte Nacional Electoral to promote citizen participation in the 1997 national and 1999 municipal elections.

Impact of DDCP

We now turn to the impacts of the DDCP project, as demonstrated by indicators of citizen satisfaction, levels of participation, and attitudes toward various levels of government, to name a few. Mitchell Seligson, professor of Political Science at the University of Pittsburgh, conducted for USAID/Bolivia a series of annual studies that, among other objectives, studied the impact of the DDCP methodology in participating municipalities. His research, summarized here, clearly demonstrates the success, even within a year of implementation, of the model.

Strategic Objective: Civil society participation in local government and regional institutions is more effective.

Participation

DDCP was created in order to support the Law of Popular Participation. Consequently, promoting effective citizen participation is arguably the most important element of DDCP's work.

The primary purpose of the MGMP, it could be said, is to strengthen the ties of civil society to its representatives in municipal government and to enable, in turn, those elected officials to respond more effectively to civil society. DDCP's influence on citizen participation levels in participating municipalities has been one of its most remarkable – and hopefully lasting – impacts. Before we analyze the impact of DDCP in bolstering participation levels, it is important to make a number of observations about Bolivia in general and about DDCP municipalities in particular. First, Bolivia has relatively low national levels of citizen participation as compared to other Latin American counties.³¹

Second, DDCP municipalities on the whole began with significantly lower levels of participation and system support, an extremely important characteristic to note when attempting to assess

³¹ Seligson, Mitchell. "The Political Culture of Democracy in Bolivia: 1998." Prepared for USAID. Democratic Indicators Monitoring Survey, Department of Political Science, University of Pittsburgh, 1998, p. 139.

DDCP's impact over time (see Table 2.1 on page 15).³² Finally, there is an apparent glass ceiling for participation levels in Latin America, as no country has achieved participation levels in municipal meetings in excess of 29 percent. As we shall see, DDCP's achievements in increasing popular participation become quite impressive when those three factors are taken into consideration.

As Figure 3.2 on the next page illustrates, citizen attendance levels in DDCP municipalities are significantly higher than for Bolivia as a whole (24.6 percent vs 19.3 percent). This finding can be analyzed from a number of angles. First, DDCP has increased citizen attendance in participating municipalities to levels approaching the highest recorded in Latin America – this in a country known for its low level of system support and far below-average participation. Second, DDCP has achieved this in areas of the country that, on average, had low initial levels of participation, satisfaction with municipal government and other general indicators of system support (see Table 3.7). Finally, participation levels in DDCP municipalities continued increasing even when national levels of participation were decreasing (not shown). These three facts further heighten the positive impact of DDCP.

Not only are citizens in DDCP municipalities attending municipal meetings in greater numbers, but they are making more demands on their municipal government than the national average. In the 2002 Seligson study, DDCP municipalities had a rate of demand-making 27 percent higher than the national base when controlled for urbanization, income and education (See Table 3.7 below). Not only, therefore, are citizens in DDCP municipalities more prone to attend municipal meetings, but they are much more likely to actively participate as well.

Table 3.7. Impact of DDCP versus Bolivia Overall (controlled for urbanization, income, and education)

a) Demand making on Local Government (% adults)

Bolivia Overall:	20.5%
DDCP:	26.1%

b) Participation in Municipal meetings (% adults)

Bolivia overall:	19.3%
DDCP:	24.6%

c) Satisfaction with treatment by Municipal Government (% adults)

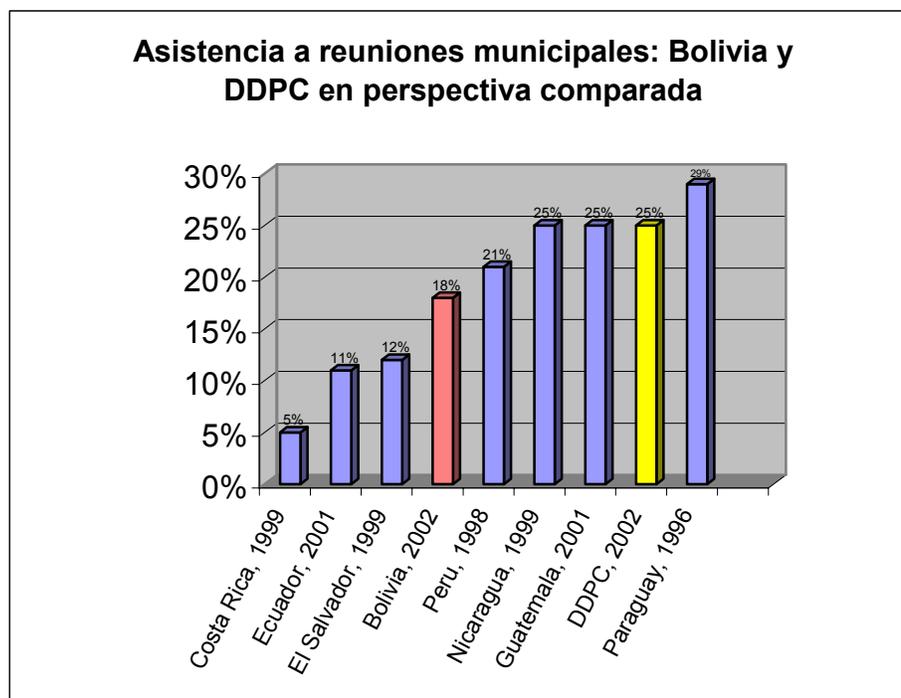
Bolivia Overall:	48.7%
DDCP:	53.6%

c) Satisfaction with Municipal Response (% adults)

Bolivia Overall:	39.8%
DDCP:	48.8%

³² “Mancomunidades not being assisted have much higher participation than do the areas of the country without Mancomunidades or those that have them and that USAID is working in to strengthen. This is a very important finding, one that USAID and the DDCP program need to consider very carefully. These results suggest that the areas in which USAID is working start off at a level of participation substantially below the mancomunidad areas in which they are not working and are even marginally lower than the remainder of the country.” Seligson, Mitchell. “Democracy Audit: Bolivia 2001.” Prepared for USAID. Democratic Indicators Monitoring Survey, Department of Political Science, University of Pittsburgh, 2001, p. 2.

Figure 3.2 Attendance in Municipal Meetings: Comparative Statistics for Latin American Countries and DDCP



It is important to note the numbers displayed in Box 3.4 below validate DDCP's decision to work with the associative movement in disseminating its model. How is this? The figures for 1998 indicate the success of DDCP's work with a group of pilot municipalities while the 2002 numbers are the results of a sample of municipalities that received assistance in implementing the model via a municipal association or mancomunidad. Whereas the municipalities in the 1998 sample had worked with the model for 2-3 years, the 2002 data demonstrates the results of the model, as implemented by a municipal association or mancomunidad, after just one year of operation. This finding not only validates DDCP's decision to work with the associative movement, but proves that its model can be surprisingly effective within just one year of implementation.

Participation in local governance, of course, is more than just attending municipal meetings. Civil society is also involved via its participation in each OTB. To ensure that OTBs are themselves representative and democratic, DDCP requires that all OTBs submit lists with the names of all members attending their meetings. Over 30,000 people have participated/been trained in DDCP's model since the program began its second phase in early 2000, the vast majority of those participants being members/representatives of OTBs, or civil society.

Box 3.4. - Attendance Municipal Meetings

- DDCP Baseline - 18.2%
- National '98 - 17.7%
- National '02 - 19.3%
- DDCP '99 - 24.3%
- DDCP '02 - 24.6%
- * Estimated in 2001

Satisfaction with Municipal Performance

Put simply, citizens who participate in DDCP-assisted municipal governments are far more satisfied than Bolivians in municipalities without the model. Insofar as citizen satisfaction functions as a proxy variable for the performance of a municipal government, this data proves the undeniable effectiveness of the DDCP methodology.

In this arena, DDCP municipalities demonstrate significant gains over the national average. As Mitchell Seligson observes, “those [municipalities] in the DDCP program have learned how to respond to citizen demands far better than other [municipalities] in Bolivia.”³³ The rate of satisfaction with municipal response to citizen demands in DDCP municipalities shows sharp differences from the national average (see Table 3.7 on page 42). The same is true for levels of perceived responsiveness on the part of the municipality; for those who participated in a municipal meeting, DDCP scores over 48 percent while the national average is just under 40 percent. These statistics, controlled for such factors as urbanization, income, and education, are significant, especially in areas of Bolivia initially more predisposed to low levels of satisfaction and system support.

In summary, across the board, satisfaction levels in DDCP municipalities - be they in regard to treatment by municipality, satisfaction with municipal services, or perceived responsiveness - is far higher than national averages. Additionally, DDCP has raised satisfaction levels over a period in which the rate of satisfaction with municipalities has been falling nationwide. Despite all of this, it must be noted that these high levels of satisfaction exist primarily among those who have actually participated in the municipal governance process. While this serves to validate the effectiveness of the DDCP model for those who participate in it, it suggests that municipal governments need to reach out to involve more of the community, as the sense of benefit apparently does not reach the non-participating members of the community.

Conclusion

In conclusion, DDCP has achieved impressive results, both quantitatively and qualitatively. In addition to fulfilling all of its contractual obligations, often by impressive margins, DDCP has demonstrated its considerable value in promoting effective popular participation and in helping municipal governments improve across all areas of their operation. With the help of the research conducted by Mitchell Seligson, DDCP has documented its significant positive qualitative impact on levels of citizen participation, satisfaction, system support, among other issues.

While quantitative data is often criticized for its inability to assess the true impact of the programs it measures, the numbers supporting DDCP’s success in imparting its model of participatory municipal management are conclusive and significant. Where the MGMP has not been implemented, the extent and nature of citizen participation as well as of municipal accountability and transparency are limited to the capriciousness of the mayors, and in general are much less, as Seligson repeatedly found. Seligson’s unequivocal demonstration of the impact of the model is thus all the more impressive.

³³ Seligson, 2002. p. 77.

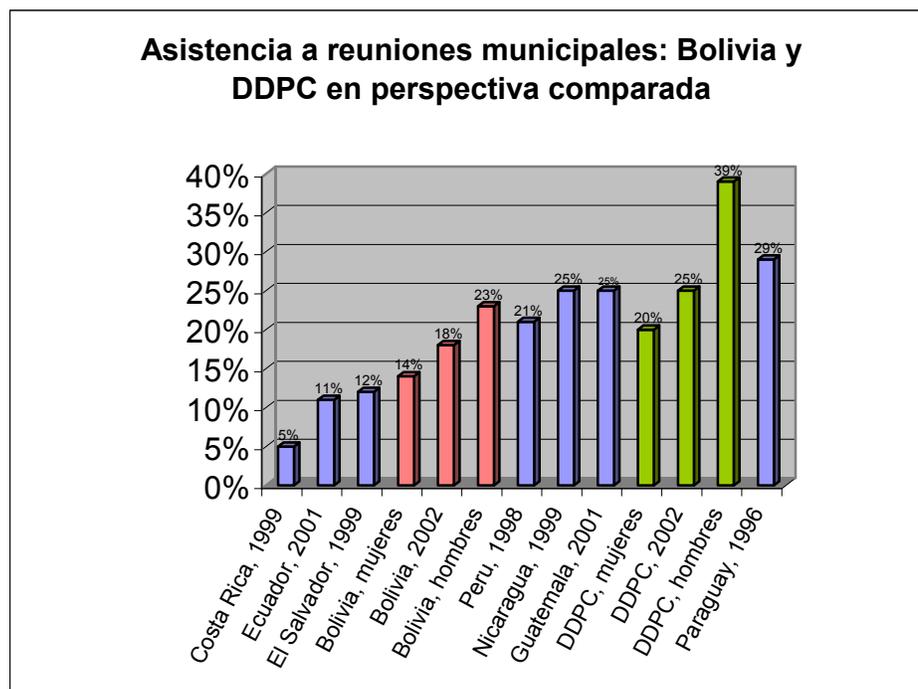
D. Latest Initiatives

In 2002 and 2003, Chemonics, with USAID assent, has directed DDCP into new areas that offer potential to broaden and deepen participatory processes. Four of those pilot initiatives will be described in this section: 1) the development and pilot testing of the gender components of the MGMP, 2) municipal districting, 3) our pilot activity in urban municipal decentralization, and 4) strategic development planning at the region (mancomunidad) level.

Increasing Women's Participation

While the Chemonics-led DDCP achieved clear results in advancing levels of citizen participation, it recognized an undisputable and persistent gender gap within those results. Mostly, this is the result of the Law of Popular Participation itself and its impact on participation levels. In many cases, the PPL actually widened the participation gender gap in Bolivian municipalities, as overwhelmingly it was men who were elected to the newly created government positions and assumed responsibility for the newly empowered OTBs. DDCP sought to correct these imbalances, and, though its performance in this area is not as visible as in other areas of the participatory process, it surely had an impact.

Figure 4.1. Attendance in Municipal Meetings: Comparative Statistics for Latin American Countries and DDCP, by Sex.



Though Seligson's 2002 data shows that in DDCP municipalities the rate of participation by women as compared to men is much lower (39 percent as compared to 20 percent, see Figure 4.1 above), this gap is more the product of DDCP's phenomenal impact on the rate of male participation than it is its lack of impact on increasing female participation, as in DDCP municipalities levels of female participation are also much higher than the national average for

woman (20 percent vs 14 percent). Similarly, Seligson found that both nationally and in DDCP municipalities, women participated to a significantly less degree in neighborhood (OYB) meetings. Consequently, as Seligson demonstrated, in DDCP municipalities as for the nation as a whole, the level of perceived influence of women in their municipal governments is quite low.³⁴

In an effort to help promote the active and effective participation of women in the process of municipal governance, DDCP began designing in 2001 the *Modelo de Gestión Municipal Participativa con Enfoque de Género* (MGMP/G), a gender-sensitive version of the original *Modelo*. This initiative was part of the Phase II emphasis to increase civil society participation in local governance.

Instead of publishing a set of gender-sensitive planning materials to accompany the original model, DDCP incorporated them into its existing model, fully integrating gender-sensitive planning into its already widely disseminated and proven model. To assist in the implementation of the newly enlarged model, DDCP trained over 300 technical staff and political representatives in the implementation of its gender-sensitive, participatory municipal planning, budgeting, and social control methodology.

This illustrates a lack of effective participation on the part of women, something that the gender-sensitive planning model was specifically designed to combat. It is too early to tell what the results of the implementation of the new model will be, but the preliminary results from the pilot municipalities are very favorable.

Barriers to Women's Participation and Success in Municipal Governance

Working with women's leaders and councilwomen, focus groups as well as gender experts, DDCP was able to identify the following problems:

- Women are less educated and have less information on politics and municipal government than men;
- There is real discrimination against women's participation that women see and feel;
- Municipal officials and participatory processes are not widely seen as credible means for addressing women's issues;
- Women's demands don't manifest themselves spontaneously; all parties need to first understand the important differences between men and women and women need the backing of policies and procedures to assure that their needs will be heard and recognized;
- Women's ability to effectively negotiate responses to their needs is undermined by their organizational weaknesses; and
- Municipal governments provide little implementation information, and virtually never sex-disaggregated, which would allow effective monitoring of equity initiatives.

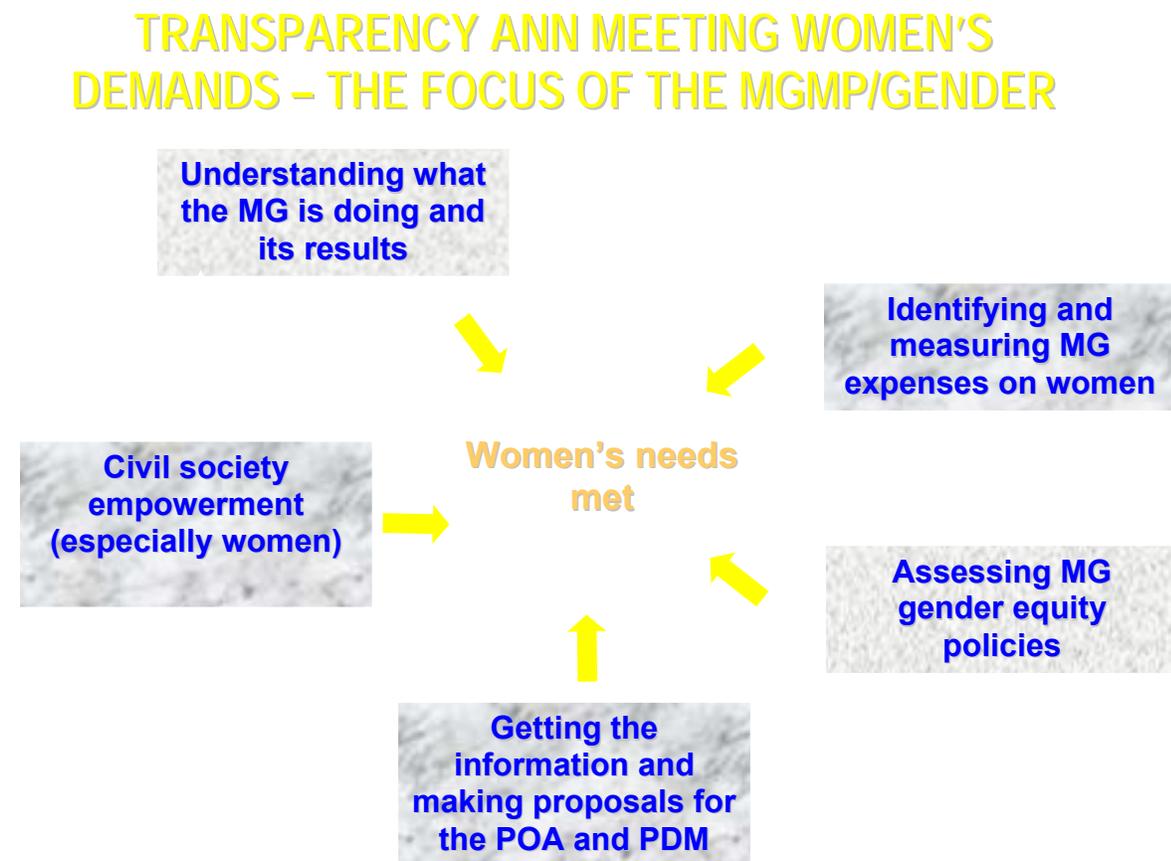
The MGMP/G was designed to resolve these barriers to women's active and effective participation in municipal governance.

³⁴ See Seligson (2002), pp. 100-105.

The MGMP/G Proposal

The MGMP/G provides the institutional basis for incorporating gender consideration in municipal governance oriented toward a sustainable human development with equity, in ways that strengthen the inclusiveness of the polity and social capital as well as the development of active citizenship. The MGMP/G proposal is focused on four areas: 1) the definition and implementation of mechanisms which promote and institutionalize the participation in the formulation of demands on municipal governments and in the social control of municipal governance; 2) development of competencies of both municipal government officials and citizens to visualize and attack systematically women's needs so as to change their situation of inequality; 3) objectively verifiable indicators for municipal governance with equity so as to make transparent municipal government initiatives; and 4) policies which support gender equity in municipal governance (see Figure 4.2).

Figure 4.2 MGMP/Gender



Please note that rather than develop a women's model, Chemonics adopted a cross-cutting approach to enhance women's active and effective participation through integrating the procedures and instruments developed to stimulate and assure gender equity into those recommended in the MGMP for planning, organization, implementation, and social control of municipal governance. The MGMP/G specifically encompasses methods and systems for strengthening women's participation in municipal planning, the capacities of municipal

government to report on its equity-enhancing initiatives, and for women's participation in social control of municipal governance.

In terms of citizen participation in municipal planning, use of the MGMP/G, as demonstrated through the pilot experiences in some 90 municipalities, not only increases the participation of women in the identification, prioritization, and negotiation of demands; it also increases the awareness and capacity of municipal government officials about women's situations and issues. Councilwomen become important leaders in these processes. And more important, women are able to use these experiences as training to strengthen their capacities as politicians to define their agendas and enlist community support to meet their needs.

The transparency tools and systems of the MGMP/G allow citizens to easily identify and evaluate the level of resources assigned to gender equity issues and specific projects. And in terms of citizen monitoring, the MGMP/G has demonstrated its ability to increase women's capacities and participation in social control, particularly with respect to the quality and efficiency of municipal public services. Even more important, the MGMP/G has improved the information flow from municipal government to citizens in terms of quality and quality so that civil society in general, and women in particular, can better analyze their strategies to influence and participate in municipal governance.

In summary, the MGMP/G tools and procedures will stimulate more people-oriented municipal government plans and change behaviors with municipal governments and of citizens, both men and women, as well as the relationships among men and women and their organizations.

The new model was validated in two pilot municipalities (Coroico and Irupana). Subsequent to its validation, the Minister of Sustainable Development issued a *Resolución Ministerial*, making DDCP's MGMP/G governmental policy, promoting the adoption of the model throughout Bolivia's 314 municipalities. And the FAM in 2003 also adopted the MGMP/G as its official policy for incorporating women and women's issues. Unquestionably, this is a huge success for DDCP.

To facilitate its implementation and dissemination, Chemonics has trained more than 600 people in the MGMP/G (250 Jóvenes Contra la Pobreza, 80 municipal staffers from 63 municipalities, 12 persons from the Oruro and Chuquisaca Prefectural offices for Municipal Strengthening, 285 councilwomen, and 43 staffers from departmental associations and ACOBOL). We have also assisted its trial in 89 municipalities in eight all departments except Potosí with the respective departmental associations and the Council women trained by DDCP. In 35 municipalities in La Paz, Cochabamba, Chuquisaca, and Oruro, women's oriented projects were included in the 2003 POA and pro-women's policies were adopted by the respective municipal governments. We have also prepared a manual to assist municipal governments and citizens in its application as well as a guide for trainers, which focuses explicitly on councilwomen and municipal government staffers.

Follow-up Recommendations

Chemonics has learned from the participatory development of the MGMP/G that, unlike the core MGMP, there is no widespread consensus on the need to increase women's participation; rather both municipal governments and traditional organizations are fearful of the impact of these types of initiatives on their abilities to control demands and resources. Even more important, efforts to

enhance women's active and effective participation require changing women's behaviors and attitudes as well as municipal government institutional and organizational cultures.

Consequently, further implementation of the MGMP/G requires organizational development support, in terms of policies, systems, and attitudes. Perhaps the most important factor for successfully increasing women's participation is the visible leadership and support of mayors and council members, particularly through an enabling policy environment. Chemonics has also found that enhancing women's participation has significant team building impacts within both municipal governments and support organizations, such as the departmental associations, where it leads to more integrated and strategic thinking.

Additionally, enhancing women's participation will require a comprehensive training and technical assistance program, including community promoters, to focus on community organizations (women's and mixed). The training should include information on and how to exercise citizen rights, participatory municipal governance, and leadership training, including current and prospective councilwomen. A mass communication program that supports the need to focus explicitly on women's problems and enrich municipal governance with women's participation is necessary to complement the training/technical assistance initiatives. Municipal officials and staffers will need assistance in analyzing women's problems, designing effective programs to meet women's needs, and managing development with equity in the forefront. Finally, DDCP III and the Ministry of Popular Participation will need to support increased inclusion of women in the vigilance committees, the boards of OTBs, and in producer associations.

Municipal Districting

Before the passage in 1994 Popular Participation Law, municipalities consisted of an urban center and several cantons. The cantons were the result of historical processes of growth and factionalism resulting in periodic subdivisions of cantons, a process which mirrored the historical development of municipalities. In the 1990s and continuing today, cantons encompass widely disparate populations, some with more than five times the population of the least populated cantons; in many municipalities, new cantons have been organized extra-officially, but have not been legally recognized. Previous to the PPL, each canton was assigned a corregidor to represent the mayor, and subsequent to the PPL, each canton was assigned one position on the Municipal Vigilance Committee. Because cantons did not represent approximately equal population groups, they were not used explicitly in the participatory processes to develop the annual municipal investment plan (POA). And often farmers' associations ignored cantonal boundaries, in establishing de facto representational areas for the vigilance committee.

The PPL which gave rise to DDCP also allowed municipal governments to replace cantons with districts of approximately equal populations, with a right/opportunity to capture approximately equal (per/capita) allotments of co-participation funds. The opening to create districts was seen by DDCP as an opportunity to help municipal governments and the citizenry move away from small, public works projects and seek synergies in developmental areas, such as health, education, roads, and employment. Specifically, we wanted to encourage the citizenry, through their OTBs, to hold district level meetings to identify and prioritize district-wide projects to be included in the POAs. Further, we saw, as others have seen, that GoB health and education services are provided using "districts" which are not developed with citizen participation, and are not themselves congruent with intra-municipal jurisdictions. Therefore, municipal government

districts if adequately formulated could also become the basis for GoB health and school districts.

With this vision in mind, and the support of the USAID alternative development program, DDCP initiated in mid-2002 a six-month pilot project to assist municipal governments and citizen groups to establish districts and eliminate cantons in the municipalities that were members of the Los Yungas Mancomunidad (MMY). This work was largely carried by Fernando Vilaseca, a pioneer in municipal districting.

Unlikely other DDCP interventions neither municipal governments nor citizens readily saw the benefits of districting. Nevertheless in approximately six months, districts were formally established in five municipalities with the approval of the municipal council (Chulumani, Irupana, Yanacachi, Coroico, and Cajauta), and in two of these municipalities (Chulumani and Coroico) districts were used as a basis for preparing the 2003 POA. Municipal districts had been established in Palos Blancos by the same Fernando Vilaseca in 1996. The DDCP consultant also prepared draft municipal resolutions to make school and health districts compatible with the new municipal districts; further discussions are required to gain the acceptance of the education and health officials.

Lessons Learned: Follow-on Recommendations

There are several obstacles to districting. First, as noted above, the benefits of districting are not obvious to all concerned. Further, the creation of districts leaves some communities better off in terms of representation of the vigilance committee and others not as significantly represented. Secondly, most leaders of farmer organizations have a knee-jerk reaction against change, especially that imposed by the central government. Only when districts are organized in ways that make sense to them in terms of equality between farmer groups are they willing to support it, and then enthusiastically. Third, one important implication of districts is a more equal per capita distribution of resources throughout the municipality; this directly reduces the capacity of mayors to be more arbitrary and to manipulate municipal-wide cumbres to assign resources to projects they see as priority for development or political reasons. Further, mayors are often overly attuned to the complaints of the losers from districting, which delays the formal implementation of districts.

Perhaps the most important implementation problem is the citizen question (and dispute) over which community will be the district center. Current Bolivian law does not provide any guidance in this matter. Nevertheless, it is popularly thought that the creation of a district mandates the designation of a district center, and that that center be the center for district health and education services, in other words, that it have the main school and the best health center. DDCP chose to sidestep that problem and encourage municipal governments in subsequent negotiations with GoB health and education authorities to seek compatibility and an efficient within-district design of services.

In summary the establishment of municipal districts is an intensive process requiring skilled negotiators/communicators to develop district boundaries with communities and farmer associations and to engage municipal government staff and elected officials to endorse, support, and officialize the process. When a block of municipalities, previously expressing interest, is the focus of technical assistance, Chemonics estimates an average of one month technical assistance per municipality. Our consultant held 12 meetings in Coroico, six in Coripata, four in Irupana,

and only one in Yanacachi and Cajuata to define municipal districts; those differences among municipalities reflect the degree of prior consensus and knowledge about districting.

In Los Yungas we were only able to form districts; follow-on assistance is required to reorganize the vigilance committee, to assist municipal governments and citizen groups use the districts as the basis of municipal annual and multi-year planning, and to work with municipal and departmental health and education authorities to give more functional meaning to the municipal districts. District-level planning meetings are more manageable, and initially more likely to come to quick consensus about priorities and envision district-wide programs. In Chulumani for the 2003 POAs, water availability and quality were the underlying issues addressed within and among districts. An important contribution of DDCP III, especially in coordination with PARC-SUNY, in the future would be to assist in developing the regulatory framework for the implementation and compatibility of municipal districts with health and school districts.

For Chemonics this level of cost (six months technical assistance at about \$3,000 per person-month for six municipalities) represents an important investment, in assuring an equitable distribution within municipalities of municipal resources; even more important it elevates the currently very atomized focus on community (village) projects, which are almost always small infrastructure projects, to district-level projects which impact in larger numbers of people and incorporate synergies among participating communities. Also larger projects are more likely to be eligible for co-funding, e.g., FPS, and to include technical assistance to assure quality implementation. Chemonics estimates that only some 100 municipalities have appropriately “equitable” districts, another approximately 100 municipalities continue to use cantons, and another 100 have districts established which are not sufficiently equitable to withstand citizen scrutiny.

Urban Inroads

As the vast majority of Bolivian municipalities are rural in character, DDCP’s program has largely focused on rural municipalities. Because the majority of Bolivians live in urban areas, however, starting in Phase II, DDCP also worked on formulating and testing methodologies to fit the needs of urban municipalities. This presented a unique challenge to the program, as the patterns of participation in urban municipalities are far different from those in rural areas where participation rates tend to be higher, the sense of community stronger, neighborhoods more homogeneous sociologically, and the populace is often better informed about the Popular Participation Law.

DDCP made significant inroads into working with urban municipalities. To begin the process, DDCP researched and designed methodologies for participatory planning specifically for urban municipalities. Conceptually the model recognized that currently citizens and many municipal government officials in most urban municipalities would characterize municipal administration as centralized, bureaucratic, compartmentalized, and patronage-oriented. A new framework for devolution to citizens and district mayors of municipal government functions was then developed in 2002 with *Grupos Impulsoras* - comprised of municipal officials, technical staff and civil society representatives in 15 districts in three predominantly urban municipalities (District 2 of Sucre, District 10 of Santa Cruz, and all 13 districts of the Municipality of Cochabamba). The summary vision, called *Gestión Urbana Desconcentrada*, or GUD, is shown in Table 4.1 on the next page.

Table 4.1 Before and after Urban Devolution of Responsibilities (GUD)

Current situation	Desired outcomes of devolution of urban MG functions
Slowness in decision-making Noticeable lack of initiative, innovation, and creativity in solving citizen problems individually and in groups Technological obsolescence Bureaucratic procedures MG not service-oriented Threats to legitimacy of MG initiatives High rate of personnel rotation Compartmentalized management	Deputy mayors empowered and committed to quality service and open to citizens Effective internal communications Effective team work Modern technologies Reduced response time to citizen demands

In 2003, with the final extension of DDCP II, Chemonics evaluated the commitment of those three cities and the municipal government of La Paz, to begin implementation of an urban devolution (GUD) process. Given the changes in mayor twice in Cochabamba and the unwillingness of the Santa Cruz mayor to commit to implementation, Chemonics chose Sucre and La Paz as the pilot cities to flesh out in 2003 a GUD process appropriate for each city with the active participation of the mayor, key technical staff, and the municipal council.

At the end of the project, in August 2003, in Sucre, IPTK, the NGO facilitating the development of a work plan to implement GUD, had developed an organizational restructuring plan, including job descriptions and redesigned procedures for the deputy mayor in District No. 2. IPTK also developed with municipal government technical and administrative personnel the guidelines to redesign the operations, budgeting, personnel, cash and information management of the municipal government as a whole. The work plan further included a tentative budget for the pilot district and guidebooks for the participatory formulation of district development plans, community projects, and citizen/municipal government monitoring and evaluation of district governance. One of the innovative contributions of IPTK with the Sucre municipal government was to form a district-level advisory council, called Consejo Distrital de Participación y Acción Social – CODIPAS, which developed a base line assessment of community participation and oversight of district governance. IPTK and the municipal government also developed the complementary organizational by-laws for the CODIPAS.

In La Paz, with direct assistance from DDCP staff, in particular Freddy Aliendre, DDCP GUD coordinator, the municipal government had formed work groups to review internal procedures, established an alliance with the municipal council which included a draft municipal ordinance to implement GUD, and the began involving citizen groups in refining the GUD implementation strategy.

Among DDCP's most important contributions in 2003 to the pilot municipal governments were our assistance in developing strategies to overcome resistance to change; these strategies included building political, municipal government-community, and intra-municipal government team alliances.

The model Chemonics recommends builds on a phased implementation involving structural, technological, personnel, and political dimensions. Based upon these pilot experiences, for Chemonics the most viable process to implement GUD first hinges on a serious and widely visible commitment by the mayor and municipal council to change the mechanisms of municipal

governance by significantly empowering citizens and district offices (subalcaldías) to take on responsibilities previously the exclusive domain of municipal government central offices. Then an organizational reengineering proposal which encompasses power relationships, horizontal and vertical information flows, redesign of procedures to respond to citizen demands, and staff training has to be developed. A management unit needs to be assigned the overall responsibility to implement GUD; this unit then needs to work with all involved technical and administrative units to assure that all understand the problems to be resolved and share the vision of the solution (see Table 4.1 on the previous page). This coordinating unit then needs to involve all other units in gathering input and feedback from citizens, individually and from their organizations, as well as in refining the proposals for devolving authority to districts and citizen groups. The final proposal needs to be formalized in a municipal ordinance and the appropriate M&E systems designed and implemented.

Mayors and/or municipal councils most likely to implement GUD are those which wish to focus on one or more of the following:

- Enhanced integration among social groups
- Increased equity in municipal government programs and service delivery
- Improved access to higher quality and lower cost municipal government goods and services
- Better environmental management, particularly with regard to solid wastes, green areas, and disaster control
- Creation/strengthening of opportunities and mechanisms for increased citizen participation
- Improved mechanisms for political consensus building

When skillfully implemented, GUD can lead to improved relationships between municipal governments and their component districts, more effective channels of communication within municipal government offices, and improved and more participatory systems for monitoring and evaluation municipal government programs. The fundamental contribution of Chemonics to improved urban municipal governance lies in its use of urban districts as the basic unit for “decentralized management,” planning and participation. DDCP’s experience in this field will undoubtedly prove invaluable if the model is ever truly implemented on a national scale.

Strategic Regional Development Plans

USAID in its DDCP III strategy is seeking to help municipal governments focus on its economic development problems, an area which has received little attention in the past. Indeed, past efforts focused on municipalities as growth centers, e.g., “municipio productivo,” have not had significant success. In 2003, with the assistance of alternative development strategic objective team funding, Chemonics implemented a pilot program to develop a regional, i.e., mancomunidad-based, economic development plan for the Yungas region.

Our assessment of similar past initiatives showed that their acceptance and implementation had been very limited for several reasons. First, most strategic development plans had normally been put together by specialized consultants with limited institutional involvement by the citizens of the region; they were often limited in scope and coverage, rather than integrated visions of regional development. Worse, they were generally unknown by the intended beneficiaries and therefore did not enjoy widespread support, nor were they adopted by citizens and their

organizations as their own (thus their success depended fundamentally on the support of the very politicized prefecturas, which changed with each presidential election, or as prefectos themselves where changed). Further, they were not incorporated into municipal, departmental, or national sectoral planning strategies nor considered by international donors in their regional support strategies. Most important, they lacked the accompanying mechanisms and instrumentation, with the associated institutional capacity, which would allow the intended beneficiaries themselves, to periodically update, revise and re-validate the plans.

The Yungas Strategic Development Plan (YSDP) is discussed more fully in the following section, which describes the activities and impacts attributable to alternative development funding. Here we wish to emphasize the scope of the Yungas effort with respect to the shape of similar efforts that USAID might want to consider in the future for DDCP III. We also want to share lessons learned and an assessment of risks implicit in the replication of this initiative in other parts of the country.

The Yungas Strategic Development Plan looked at key facets of the region that the consultant team felt appropriate for its purpose, acknowledged from the outset, of focusing efforts on economic diversification, e.g., away from the growth of coca in Los Yungas. As such, it focused on areas important to developing new economic activities, strengthening existing licit activities, and linking producers with markets. Key components of the Yungas Strategic Development Plan are: roads, human resource development, public services, and new economic activities (agroecological-based production and tourism). To complement this, and assure the local institutionalization of the Yungas Strategic Development Plan, the consultant team recommended improvement in the legal framework within which the Mancomunidad, our principal counterpart organization, had been organized to facilitate promotion, management, and monitoring the implementation of the strategic development plan. DDCP also developed program/project assessment and monitoring systems to allow the Mancomunidad to become owners of the Yungas Strategic Development Plan.

Chemonics feels that the keys to the success of regional (multi-country) economic development are an integrated approach, including public goods and services, wide spread participation including the private sector, a long-term perspective (no quick fixes are likely to be found) and explicit focus on follow up by municipal governments, GoB agencies, and other international donors as well as the coordinating body, here the Yungas Mancomunidad. The most significant limitation is the cost; this Yungas effort cost some \$100,000 up through September 2003 and additional funding is required to assure municipal government POAs start to use the Yungas Strategic Development Plan to guide their development plans.

E. DDCP Synergies with Alternative Development Programming in Los Yungas

In over all terms, DDCP has sought to have three kinds of impact. First, to enhance participatory processes, by ensuring that they are inclusive and that citizen demands are met, by being included in municipal government POAs. Secondly to improve transparency among municipal actors, which has meant public meetings in which the mayor reports on progress and problems, but also transparency between the mayor and both the municipal council and the vigilance committee. Third, DDCP has sought to improve the management/administrative capabilities of municipal governments, through improved accounting, implementation of policies and procures

congruent with GoB mandates, and timely preparation of end-of-year financial reports to the GoB.

The effective implementation of the DDCP program in Yungas municipalities has three strategic impacts, important for the success of alternative development activities. First, by assuring the inclusiveness of participatory processes, DDCP assists in institutionalizing the legitimacy of alternative development-supported families and communities to have a space where they can articulate their needs and be assured a positive response, within the context of the resources available to municipal governments. Secondly, when alternative development projects and programs are incorporated into POAs, municipal governments implicitly assume an ownership and sponsorship of the development of new, alternative, and licit activities. Third, when municipal districts are used as the basis for the assignation of municipal (co-participation) resources, alternative development families and communities not only receive their fair share of those resources, but their development activities are linked to those of other communities, reducing the isolation of USAID alternative development beneficiaries.

The DDCP program in Los Yungas began in October of 2001, and through the subsequent two years, in addition to DEMOSOT funding, received \$809,000 from the alternative development SO Team. DDCP's support program in the Yungas has had three strategic objectives: 1) enhanced capacity of municipal governments to formulate and implement development programs; 2) strengthened participatory processes in municipal planning and oversight; and 3) empowering the leadership and management capabilities of the Yungas Mancomunidad of Municipalities (MMY). It is particularly important to emphasize that alternative development resources as well as those from the Health Strategic Objective Team (described in the following section) have permitted the development of pilot methodologies in Los Yungas which can have a widespread impact on municipal governance if replicated under DDCP III or other donor-sponsored initiatives; these include the MGMP/Gender and the MGMP/Health, municipal districting, and regional economic development planning.

Municipal Planning and Implementation Capacities Enhanced

During the extension period, our focus has been on the replication and implementation of the *Modelo de Gestión Municipal Participativa*, including, starting in June 2002, its gender-sensitive components. As a result of this work, in addition to the presentation of the 2003 Annual Operating Plan by eight of eight Yungas municipal governments, the same eight municipal governments have presented their 2002 Financial Statements to the Ministry of Hacienda. For USAID in Yungas the degree of citizen and civil society participation in municipal government planning and oversight is particularly important, as it includes explicit inclusion of alternative development beneficiaries. In Yungas USAID and Chemonics established as a target for the 2003 POAs, that at least 70 percent of the formally recognized community-wide citizen groups, known as *organizaciones territoriales de base*, participate in the three planning meetings in late 2002; this goal was met for all eight Yungas municipalities. In the last of these meetings, seven mayors³⁵ provided OTB representatives of a summary of the 2003 POA so that civil society in general, not just the vigilance committees, know budgets and anticipated project start dates.

³⁵ Excepting Palos Blancos where the legitimacy of the mayor was in question during some six months of 2003.

To increase citizen participation, in 2003 we hired 24 municipal promoters at about \$100 per person per month, to support the eight municipal governments and their vigilance committees in planning and oversight; these promoters trained 427 people (30 percent women) in 105 communities in a three-month period on their rights and duties under the law, particularly the PPL, as well as how the MGMP works and what their participation means.

We also supported the implementation of public meetings, known progress report meetings, or EDAs, in which mayors informed the OTB representatives and other civil society organization of POA implementation progress and bottlenecks. In 2003, seven municipalities implemented an EDA (excepting Irupana), and one (Coroico) implemented two EDAs. Finally as part of the MGMP we assisted the Yungas Mancomunidad of Municipalities to hold a meeting with the single-district congressman and municipal government representatives in 2002; at USAID's request we did not support an EDA in 2003.

Our technical assistance program for Yungas also included implementation of computerized accounting systems and updated policy and procedures codes as per continually revised and expanded GoB standards.

Finally, expanding on pioneer initiatives of one of consultants in Palos Blancos in 1996, Chemonics supported five municipal governments with their farmer associations in converting cantons, created in an ad hoc fashion over many decades, to districts that encompass roughly equal populations. Districts are important³⁶ as they can be used to assign municipal government resources in yearly investment plans and can lead to more viable projects designed at a district level versus the plethora of community-focused projects, many of which become unused white elephants as in the many never-used health posts in Coroico. Through participatory, iterative processes the new municipal districts were defined and adopted formally in a Municipal Ordinance. Table 5.1. shows the result to September 30 in the Yungas region in municipal strengthening.

Table 5.1. Summary of impact of DDCP assistance in Los Yungas region in 2003

MUNICIPALITY	Computerized accounting	MG procedures updated (2003)	EDAs (2003)	Munic. Council by-laws updated (2003)	Vigilance Committee by-laws updated (2003)	Re-Districting
Cajuata		X	1	X	X	X
Coripata	X	X	1	X	X	
Coroico	X	X	2	X	X	X
Chulumani	X	X	1	X	X	X
Irupana	X	X	1	X	X	X
La Asunta		X	1	X	X	
Palos Blancos		X	1	X	X	*
Yanacachi	X	X	1	X	X	X
MG TOTALS	5	8	9	8	8	6

* Municipal districts were established in Palos Blancos in 1996

³⁶ The benefits and challenges of municipal districts as opposed to cantons are more fully described in Section D.

Strengthening the Planning and Management Capacity of the Mancomunidad de Los Yungas

With FAP assistance (described more fully Section 3 Chemonics provided grants, starting in 2001, to Yungas Mancomunidad of Municipalities to open offices in La Paz and Chulumani and hire now four staffers and a secretary. The FAP grants between 2001 and 2003 totaled \$104,664. We also used alternative development funds to purchase two four wheel drive station wagons used exclusively to support Yungas Mancomunidad of Municipalities and DDCP activities in the Yungas region. The Mancomunidad for its part, committed itself to raise counterpart funding through membership dues and sale of services, such as training, to the affiliated municipal governments. By the end of the two-year period of assistance, the Yungas Mancomunidad of Municipalities had raised more than \$16,000 (or 15 percent). DDCP activities in this two-year period were closely coordinated with the Yungas Mancomunidad of Municipalities.

The most important results of DDCP's assistance to the Yungas Mancomunidad of Municipalities include: election and training of Yungas Mancomunidad of Municipalities Board of Directors, review of Yungas Mancomunidad of Municipalities by-laws to accommodate its expanded role in promotion and implementation of the Yungas Mancomunidad of Municipalities Strategic Development Plan (discussed below), leadership in implementing an Encuentro de Decisiones Concurrente in 2002, and leadership in assisting municipal governments to improve municipal government-GoB coordination in health (and especially SUMI implementation – discussed in more detail in Section F. The Yungas Mancomunidad of Municipalities Board and staff has also signed and begun implementation of cooperative agreements with a series of state, NGO, and private sector organizations, such as the La Paz Prefecture, universities, FAM, and the La Paz Mayor's office. As a result of the much improved capacity of the Yungas Mancomunidad of Municipalities to capture and use external funding, the membership assembly, composed of mayors, councilmen/women, and vigilance committee presidents, is considering changing the composition of the board of directors in its fall 2003 elections to include only mayors.

Inter-Municipal Concerted Action for Economic Development

As described in our extension period proposal, over the years the Yungas has been the object of numerous sectoral and strategic development plans. These plans have normally been put together by specialized consultants with limited institutional involvement by the citizens of the Yungas and, as a result, share several weaknesses; in particular, past plans:

- Were generally unknown by the intended beneficiaries and therefore have not enjoyed widespread support, nor were they appropriated by citizens and their organizations as their own;
- Were not incorporated into municipal, departmental, or national sectoral planning strategies nor considered by international donors in their Yungas support strategies;
- Lacked the accompanying mechanisms and instrumentation which would allow the intended beneficiaries themselves, to periodically update, revise and re-validate the plans;
- Were limited in scope and coverage, rather than integrated visions of regional development.

Starting in February 2003, DDCP began preparing and validating with a variety of local actors a regional development strategy to coordinate the design of future projects in the region. The focus of the plan is on the public sector investments, at the program and sub-program level, needed to

diversify the economic base of the region. These include water, waste disposal, road, education and health projects, as well as projects that will facilitate productive activities such as training and credit. The Strategic Development Plan for the Mancomunidad of the Yungas (MMY) includes:

- Strategy for Territorial Organization, including identification of future growth centers
- Strategy for Economic Development
- Strategy for Human Resource Development
- Strategy for Sustainable Management of Natural Resources and the Environment

The Yungas Strategic Development Plan (YSDP) sets forth a vision for the Yungas future that is based on diversifying the economy away from coca, but not eliminating coca production (allowed by law in the Yungas region). It includes strategic objectives for agriculture, microenterprise development, road infrastructure, natural resource management, health, and education. To strengthen Yungas Mancomunidad's capacity to promote, monitor, and evaluate the implementation of the Strategic Plan, Chemonics developed and transferred to the Mancomunidad a computerized Management Information System to assess potential projects in terms of their strategic importance and to help donors fit their potential support into the regional development scenario. Equally as important the Yungas Strategic Development Plan incorporates a series of program recommendations to strengthen the organizational structure of the Mancomunidad de the Yungas. The Yungas Strategic Development Plan was formulated with extensive participation of the Yungas private sector, which took the lead in presenting it to the Yungas Mancomunidad of Municipalities General Assembly. The Yungas Strategic Development Plan has been approved by Mancomunidad Assembly in an extraordinary session in July 2003, and has been presented to the La Paz Prefecture, the ViceMinistry of Alternative Development, the DDCP III contractor - ICMA, and USAID.

To assure that the Strategic Plan does not become a paper exercise, immediate action is needed to assist municipal governments develop 2004 POAs and multi-year development plans consistent with the Yungas Strategic Development Plan. Municipal governments also need assistance in incorporating activities of other alternative development partners in their POAs which broadens support for alternative development by mainstreaming alternative development assistance, rather than having it appear as a divide-and-conquer strategy. And, Yungas municipal governments need assistance in reorganizing their vigilance committee to reflect the new districting and to use those districts as the basis for their 2004 POAs. For its part, the Mancomunidad needs financial assistance and specialized staff to promote the Strategic Plan with the many potential donors identified by the Chemonics consultant team. To assist USAID in developing an immediate assistance plan, a proposal for six-months bridge funding, including specialized consultants from the outgoing DDCP staff, has been presented to USAID.

DDCP in Chapare

DDCP began in 2001 to assist municipal governments implement the MGMP through intermediary organizations (mancomunidades and departmental associations of municipalities). In 2002, the Cochabamba association's (AMDECO) assistance program included two Chapare municipalities (Chimore and Puerto Villarroel) as well as the SubAlcaldía de Sinahota in the Municipality of Tiraque. In 2003, AMDECO chose to continue support of the MGMP in the municipalities of Tiraque and Chimore.

In early 2003 (as the current AMDECO assistance program was beginning), at the request of the USAID director, DDCP sent a staffer to sound out the Chapare municipal governments about their interest in receiving further DDCP support. The DDCP staffer made those visits with the president and a staffer of AMDECO. In the visits to the four Chapare municipal governments, the initial response was virtually identical: Would DDCP-USAID assistance be conditioned on coca eradication? When told, following DDCP policy, that it would not be conditioned, the overall response was positive. Indeed two municipal governments (those expecting to receive AMDECO assistance, i.e., Chimore, and Tiraque) were very enthusiastic. The municipal government of Villa Tunari was lukewarm, and Puerto Villarroel dominated by the MAS party, was openly hostile. In the end, all four expressed needs AMDECO felt it could satisfy. The principal governance problems detected were:

- Vigilance committee dissatisfaction with access to information from mayor (and some distrust of mayor's management of municipal government finances);
- Vigilance committee perception that planning processes were not as participatory as the law mandated (and as mayor announced)
- Lack of up-to-date policies and procedures congruent with current GoB laws
- Less effective, if any systematic, process to share information of municipal government finances and POA implementation, i.e., limited transparency
- Inadequate accounting systems, and poorly trained administrative personnel, in particular paucity of computerized accounting
- Inability to formulate and obtain approval for FPS projects (which permits approximately 4-to-1 leveraging of municipal government resources)
- Lack of training in several areas related to municipal administration, project preparation, and monitoring

In addition to this general list, which continues today to be needs which DDCP III can, and we feel should, address, we would add three additional issues: 1) needed assistance to municipal governments to manage property data bases arising from the USAID-assisted INRA rapid titling program, 2) reorganization and training of vigilance committees to become more inclusive and more effective in monitoring municipal government performance, and 3) replacement of cantons for municipal districts.

DDCP was permitted to allow AMDECO to proceed, but no further DDCP activity was contemplated in 2003. At the close of our contract, we were asked to assist USAID to assess the opportunities and risks for DDCP assistance in the Chapare. To summarize our response, we felt and continue to feel, that the benefits far out weigh the risks. On the benefit side, by assuring inclusiveness in participatory processes and the access to municipal resources (projects) alternative development beneficiaries and their rights to make demands become institutionalized. Further, when municipal governments have to provide counterpart for alternative development projects, such as road maintenance organizations, these projects must by law be incorporated into the respective POA. Even if no counterpart is required, their incorporation into the POA mainstreams them and reduces the image that alternative development is operating on a divide-and-conquer principle; it also makes municipal governments tacit partners of these projects. Finally, as noted earlier, when districts are formed, the alternative development families are

assured access to resources, and their needs can be more easily integrated into programs that benefit all families, so that alternative development beneficiaries are not seen as heretics.

Nevertheless, it is important to recognize the real risks of “sleeping with the enemy.” First, when projects are incorporated into POAs, both the vigilance committee and the municipal governments have some rights to information. In the past, so few non municipal government-financed projects have been incorporated into POAs that there are no precedents for how open the implementing agency must be, but this is an area of potential risk, as a hostile inquisitor can use information to damage the credibility of the implementing agency and/or USAID – e.g., by publicizing how much of project/program funding goes to overhead, salaries, or institutions outside the Chapare or Yungas.

Secondly, a rogue municipality could easily ignore the demands of alternative development beneficiaries when preparing its POA. Similarly, it could make commitments to co-fund projects, which would tie up USAID resources, and then drag its feet in making effective those counterpart contributions, which could force USAID to proceed without required counterpart, and thereby create the expectation that counterpart is not really needed, or have USAID halt activities until counterpart were contributed, despite municipal government claims that delays are justified. Either scenario does not bode well for USAID to meet its commitments to beneficiaries and maintain program integrity.

Third, while the law “requires” that all projects be incorporated into the POA, the reality of most alternative development projects is that they are developed continually throughout the year, not in the last four months of the year, so that new projects, especially those requiring municipal government counterpart contributions, may require reformulation of POAs, a process not necessarily difficult but time consuming.

Two additional scenarios present risks that are important to consider. One is related to the inevitable, if not subtle, relationship between municipal strengthening and the expected reduction in coca production; municipal governments will ask whether DDCP assistance is or will be conditioned, and even suspect, that a “no” answer may become a “yes” in the near future. This expectation may affect the way municipal governments respond to assistance from DDCP or other alternative development partners. A particularly dire scenario is a massive MAS victory in the 2004 municipal elections that would lead to their dominance in either AMDECO or worse, FAM. From that power base, they would be in a much stronger position to negotiate the scope and implementation arrangements for continued DDCP assistance, and might even engage in defamation of USAID democratic development assistance, despite its real benefits.

Follow-up Recommendations

DDCP in August 2003 submitted to USAID a plan for immediate assistance to the Yungas Mancomunidad of Municipalities so as to assure that past initiatives were not detoured or forgotten in the transition to DDCP III. That plan reflects our recommendations for the support needed to enhance participatory processes, assure transparency of mayoral actions, and to improve municipal government capacity to fulfill its mandated responsibilities. The areas of continued DDCP support for municipalities include: participatory planning; incorporation of Yungas Strategic Development Plan in POAs and municipal strategic development plans; incorporating alternative development projects into municipal POAs; improved capacities in computerized accounting; improving municipal government capacities in health planning and oversight; reorganization of vigilance committees to reflect recently approved municipal

districts; and formulating multi-municipal projects for funding as part of the implementation of the Yungas Strategic Development Plan. Further it is important to continue to strengthen the Mancomunidad de Los Yungas in its capacity to advocate and seek support for economic diversification through the implementation of the Yungas Strategic Development Plan.

F. MGMP/Health

For USAID, municipal development is a cross-cutting area of concern that affects many USAID Strategic Objectives, one of which is health. In this sense, USAID Health SO Team sought the assistance of DDCP to strengthen municipal administration of, and citizen participation in decentralized healthcare networks, in coordination with its PROSIN (*Proyecto de Salud Integral/Integrated Health Project*), the MOH project supported under the Health Sector SOAG. Specifically Chemonics was to develop, validate, and lay the bases for dissemination of the DDCP *Modelo de Gestión Municipal en Salud* (MGMP/Health). Our work in health started in July 2001, at a cost through September 30, 2003 to USAID Health of Strategic Objective Team of \$528,294.

At the request of the USAID Health SO Team we focused our energies on developing pilot systems and instruments, compatible with MGMP, in the Departments of Pando and Beni, where as part of our efforts we worked with and through the respective Departmental Associations to strengthen their capacities to provide follow-up support to the different municipal actors with whom we worked. Further in the development of these systems and instruments, and in the training of the municipal, Ministry of Health, and local health staff, as well as others we worked in close coordination with a number of PVOs, NGOs, and GoB agencies; in particular we recognize and commend the collaboration received from Management Sciences for Health, John Snow Deliver, and FAM in developing the MGMP/Health. We also worked with and through PROSIN and SEDES in Pando and Beni in both departments to implement the MGMP/Health. Finally, the following organizations formally adopted via Memorandums of Understanding the MGMP/Health: Care, EngenderHealth, Plan Internacional Bolivia, Consejo de Salud Rural Andino, Medicus Mundi, and the ever present and proactive FAM.

To understand our results in creating and strengthening municipal health systems, it is important to understand that under current law, the coordinating mechanism between municipal authorities and GoB health personnel is the DILOS, a joint health coordinating committee composed of the mayor, the senior GoB health official in the municipality, and the president of the vigilance committee. Further, increasing a trend established in the PPL, current law requires that municipal governments provide many maternal-child services free-of-cost to the beneficiaries and subsequently seek reimbursement for services and medicines through submission to GoB of service reports, using MOH pre-established costs. This system, while established in broad form by the current Bolivian government in late 2002 was not accompanied by detailed implementation information or appropriate training for either MOH or municipal authorities. Finally, while there has been a trend toward obligating municipal governments to increasingly assume the costs of basic health services, the central government continues to maintain control over personnel decisions and uses a districting system that often ignores municipal jurisdictional realities.

Most of our health program was focused on formulating, compiling, and piloting training activity to develop a system which met GoB mandates and worked from the perspectives of all concerned, including in particular, local staff, often poorly trained and underpaid, as well as

central government policy makers. The results of our activities are broadly characterized as the MGMP/Health³⁷ model; they include the following:

- Institutionalization of periodic channels in which municipal government authorities, including the mayor, meet with GoB health officials, and the president of the vigilance committee to assess the municipal health situation and plan joint activities. These meetings, called Acciones Compartidas en Salud (ACS), provide the mayor with the background information and a jointly developed plan of action that s/he can then present in public town-hall type meetings (EDAs and Cumbres).
- Design and refinement of an administrative subsystem for municipal government management of 1st and 2nd level health facilities (basic hospitals and health centers/posts) with its complementary materials and financial management system for medicines and medicinal supplies, both of which have been formally incorporated by the Ministry of Health into its official system for the municipal administration of health called Sistema De Administración Municipal de Establecimientos de Salud, or SAMES.
- Organization manuals for GoB health personnel assigned to health posts, health centers, and basic hospitals and for supplementary municipal government personnel financed with municipal resources, generically comprising the Municipal Health Unit; this includes as well as a Policy and Procedures Manual for health personnel and for the DILOS itself.

In the period 2001-2002 we assisted in the organization of 32 COMUSAs, the Municipal Health Committees mandated by the Banzer government (18 in Beni, 10 in Pando, and four in Los Yungas) and more recently in the organization of 34 DILOS (mandated by the current government (15 in Pando and 19 in Beni). We also organized municipal-level meetings on health (Mesas Municipales de Salud) in Pando in 2002, and departmental-level health Congresses in Pando and Beni in 2003.

We have worked in 2003 with FAM and its affiliates in the departments of Pando and Beni to test and refine the MGMP/Health. In five municipalities in each of these two departments, DDCP trained target municipal and mancomunidad staff in:

- Participatory Municipal Planning involving Health Sector Representatives
- Social Control within the DILOS
- Laws and regulations relating to Municipal Health
- Organization of Municipal Health Administration, e.g., implementation of a standardized job position/description manual for 1st and 2nd level health facilities and for municipal government health personnel
- Internal Organizational and Operating Structure of DILOS and for Health Personnel (Reglamento Interno)
- Municipal Health Administration for Health Units, following MOH Sistema De Administración Municipal de Establecimientos de Salud SAMES, which includes the subsystems developed by DDCP (with the MOH Dirección Nacional de Medicamentos):
 - Sub-system for the Logistical Administration of Medicines and supplies (SALMI)
 - Sub-system for the Administrative Control of Health Units (SCES)

³⁷ The current Ministry of Health is considering calling the system and instruments developed with DDCP the Modelo de Gestión Compartida con Participación Popular en Salud.

As a result of DDCP training and technical assistance, the MGMP/Health was adopted in 20 municipalities (nine in Beni, eight in Pando, and three in Los Yungas) as shown in the following Table 6.1.

Table 6.1. Implementation of MGMP/Health Components in 2003

Instrumentos				
	Beni	Manual de Puestos y Funciones 1er nivel, Reglamento Interno Establecimiento de Salud	Subsistema de Control de Establecimientos de Salud	Farmacia Institucional Municipal – FIM en el marco del Subsistema de Administración Logística de Medicamentos e Insumos
1	Guayaramerín	X	X	R
2	Riberalta	X	X	O – R
3	San Javier	X	X	O
4	San Andrés	X	X	O
5	Trinidad	Centro de Salud Trinidad Central		
6	Santa Ana	Previously existed	X	O – R
7	San Borja	X	X	O
8	Rurrenabaque	X	X	O
9	Reyes	X	X	O – R
	Pando			
1	Cobija	Centro de Salud Mapajo	X	O – R
2	Porvenir	X	X	O – R
3	Puerto Rico	X	X	O – R
4	Bella Flor	X		O
5	Gonzalo Moreno	X	X	O
6	San Lorenzo		X	
7	Santa Rosa del Abuná		X	
8	Santos Mercado		X	
	Yungas			
1	Coripata	X	X	O – A
2	Chulumani	X	X	
3	Irupana	X	X	
20				

O= Municipal Pharmacy organized

R= Municipal Pharmacy ratified by a Municipal Ordinance

In each department capital we worked in only one health center

The SO Health support targeted at the departments of Beni and Pando also permitted DDCP to further strengthen the services of the respective departmental associations, in the areas described in Section D (preparation of end-of-year financial statements, POAs, implementation of EDAs and Encuentro de Decisiones Concurrentes, adoption of updated policy and procedures codes.) These associations used DDCP assistance to prepare business/service plans to increase revenues. In 2003, the Beni association distinguished itself in the implementation of two Encuentro de Decisiones Concurrentes; the Pando association implemented one Encuentro de Decisiones

Concurrente and had no first round observation from DDCP's auditors. Both organizations surpassed their counterpart requirements in 2003.

In its July 2003 Board meeting, FAM formally adopted the MGMP/Health as its preferred way for municipal government management of health. The MOH in the Banzer government approved the MGMP/Health jointly with the Ministry of Sustainable Development via a Joint Ministerial Resolution.

Additionally DDCP supported improvements in the policy environment through several initiatives. Most important we assisted the current government in making the transition from the Banzer government's maternal-child health initiative called Basic Health Insurance (Seguro Basico de Salud, SBS) to the current government's SUMI (Universal Mother-Child Insurance). As part of that support, we participated in the development of the Ministerial Resolution closing and liquidating the prior SBS with its respective implementation procedures. We also participated in the drafting of a Presidential Decree that specifies procedures for hiring health personnel by municipal governments and use of health-generated revenues by municipal governments. And we assisted MOH staff in designing training materials to assist MOH and municipal personnel in implementing SUMI. Similarly we have participated in a MOH task force to develop the policies and procedures to govern SUMI implementation, bringing to this initiative our knowledge of what can work at the municipal level. Finally, we worked with the Ministry of Health and the Ministry of Sustainable Development in the development of a Joint Ministerial Resolution which mandates the formation of a single municipal account to manage SUMI funds and which establishes a National Solidarity Fund.

To assure that DDCP systems and instruments are not lost in the transition to DDCP III, under which no support for municipal management in health is contemplated, DDCP has trained in 2003 some 470 persons in these systems; Table 7.1 on the next page summarizes the training and the types of participants in 2003. As a consequence, both the FAM and its affiliates have the technical capacity to assume greater responsibility for supporting municipalities in health administration. We have also published (with supplemental funding from USAID Health SO Team) the following publications:

- A compendium of the current laws and Ministerial Resolutions, and GoB mandated policies and procedures governing municipal administration of health services
- MGMP/Health implementation guidelines
- Organizational manuals as cited above for both health establishments and municipal health units, including the DILOS
- MOH-mandated management systems for primary and secondary level health establishments (SCES)
- MOH-mandated administrative and financial systems for managing medicines and medical supplies (SALMI), including the operation and management of the consolidated municipal pharmacy

Conclusions and Recommendations

DDCP's assistance in structuring and improving municipal capacity to manage health services was clearly important both for municipal governments as well as the MOH. Further design assistance will be needed as the MOH is still grappling with the details of its policies and procedures to guide local health management. Also the MOH will need to see the MGMP/Health

as a system that needs to evolve to respond to local capacities. As policies and procedures are refined, further training will also be required.

Table 7.1. DDCP Training in MGMP/health, 2003

Date	Event	Participants	# trained
30 January	Capacitación en el Modelo de Gestión Municipal Participativa en Salud	Personal de Salud municipio de Montero	21
15 February	Capacitación SUMI y Posesión DILOS	GM, CV, SEDES, REDES	74
25 February	Revisión de Instrumentos de Organización de la Gestión de Salud "Manual de Funciones y Puestos para 1er y 2do nivel de atención"	Ministerio de Salud y Deportes SEDES Establecimientos de Salud Cooperación Internacional , OPS	12
27 February	Taller de Reforzamiento – Actualización del MGMP	Asociaciones	34
21 March	Presentación y Análisis del Subsistema de Control de Establecimientos de Salud	Ministerio de Salud y Deportes SEDES La Paz, MSH, JSD, SNIS	18
1 April	Difusión Modelo de Gestión Municipal Participativa en Salud Cochabamba	Ministerio de Salud y Deportes Unidad de Medicamentos SEDES La Paz, Chuquisaca y Beni UNFPA Caja Nacional de Salud (Cochabamba)	14
8 de mayo	Taller Presentación Modelo de Gestión Municipal Participativa en Salud y normativa actual de salud en Montero – Santa Cruz	Alcalde Sector Salud DILOS	18
21 de mayo	Taller Presentación Modelo de Gestión Municipal Participativa en Salud y normativa actual de salud Mancomunidad de los Yungas	Técnicos Mancomunidad de los Yungas Concejales de la Asunta y Yanacachi	7
11 de junio	Presentación Modelo de II versión del Modelo de Gestión Municipal Participativa en Salud en Asamblea de la FAM – Trinidad	Presidentes de Asociaciones Concejales	23
11 y 16 de junio	Presentación del Modelo de Gestión Municipal Participativa en Salud a Dirección de Redes de Protección Social	DDCP, Viceministerio de Descentralización Administrativa y Desarrollo Municipal	4
5 de agosto	Presentación del Modelo de Gestión Municipal Participativa en Salud a Seguridad Alimentaria de USAID	Seguridad Alimentaria de USAID ADRA, Save The Children, CARE	8
		TOTAL	233

That said, the Ministry of Health is clearly pleased with the assistance of the DDCP project in formulating feasible policies and procedures required for improving the performance of both its own personnel as well as that of municipal governments in health, particularly with respect to its hastily established SUMI. These systems and instruments have been pilot tested and widely disseminated in both Beni and Pando with Ministry of Health participation. But the Ministry of Health thinks appropriately in terms of national programs, and clearly would like assistance in replicating and institutionalizing the MGMP/Health nationally. We have recommended to the USAID Health SO Team a replication strategy that builds on the cadre of staff trained in the FAM departmental affiliates as well as FAM's enthusiastic support of the MGMP/Health.

If DDCP III were to continue to support the hiring of generalist extension staff in departmental associations, some of whom would be focused on administrative and financial management issues, these staffers could also support member municipal governments in implementing the

MGMP/Health, and in providing follow-up to the MOH's expected push to formulate 2004 municipal government-MOH work plans to be incorporated into the municipal government annual work plan. Then FAM with an annual budget of some \$130,000 could provide support to these departmental trainers and technical assistance providers, which would be a cost-effective strategy and support the capacity of departmental associations to provide technical assistance/training assistance to member municipalities. Further, it would position FAM even closer to GoB ministries, in this case the Ministry of Health, in the development and refinement of GoB decentralization systems, and this would increase the likelihood that those systems are responsive to local human resource and financial capacities.

Under this type of arrangement, we with FAM estimate that FAM could implement the MGMP/Health in some 150-200 municipalities in 2004-2005, with the following results:

- Organization of the DILOS, with its internal policies and procedures following MH standards
- Training of DILOS members and support municipal health staff in development of a draft health POA, administration of locally generated health revenues, and reporting for municipal government (mayors, Council and vigilance committee members)
- Implementation of *Acciones Compartidas de Salud*
- GoB local health staff trained in:
 - Administrative implementation of SUMI
 - Management of the consolidated Municipal Institutional Pharmacy (FIM)
 - Implementation of the system to administer local GoB health establishments (SAMES, which includes both SALMI and SCES)
 - Organizational and personnel manuals for local health establishments

Also where municipal governments have implemented districts (some 100 municipalities), FAM through the Association staff can assist municipal governments to use districts as a unit of analysis and action for attacking local health problems; one important expected consequence of the use of districts (discussed at more length in Section E is the reduction in demands for health posts in every village, for which the GoB is unable to provide staff, and a consequent development of service delivery strategies which establish and build upon inter-village synergies. FAM can also assist districted municipalities to work with GoB health authorities to make GoB health service networks more compatible with municipal districts, which will facilitate the co-management sought by the MOH. A final potential contribution from FAM assistance and leadership in extending the MGMP/Health is to change the tone and focus of MG-GoB health discussions from service delivery mechanisms and statistics to a more results-based joint management directly focused on the reduction of key indicators of morbidity and mortality.

G. Reasons For Success

This section describes several strengths and opportunities which have permitted the many successes observed to date and reported here in advancing USAID's democratic development and citizen participation objectives.

Three opportunities are most significant. First, the PPL has survived the test of three administrations; indeed, because it has become the people's law; no political party is seriously considering reversing any of its empowerment or resource assignment features. Secondly, the

DDCP-assisted creation of Departmental Association of Municipalities and FAM has created multi-partisan allies which actively support the enhancement and dissemination of the MGMP and Encuentro de Decisiones Concurrentes. Finally, USAID has been throughout these eight years very supportive of a program which embodied evolution and adjustment to municipal realities as well as changing GoB support scenarios; USAID/Bolivia has also recognized the importance of functioning municipal governments as a transversal enabling factor for success of many of its programs (alternative development, health, and food security).

Even more important, our success in establishing a new system - and culture -of local governance derive from the strengths in Chemonics' design and implementation practices. These are described in more detail in the following pages.

Opportunity - Law of Popular Participation

In a country with as tumultuous a political history as Bolivia's, and where, prior to the PPL, nine departmental capitals and El Alto received more than 90 percent of the total amount disbursed by the central government to support municipal governance, it is clear that drastic reform was necessary; indeed, any governmental reorganization plan promising increased stability would be initially attractive. The PPL and the accompanying Law of Municipalities provided the legal stable platform for ongoing municipal reform.

The PPL is perhaps DDCP's biggest asset, and not just because the latter is a direct result of the former's failure to detail *how* the decentralization process might actually unfold at the municipal level and to provide a comprehensive support mechanism for municipal actors. Unlike decentralization efforts in other countries, in which newly created political entities were often given political power and administrative responsibilities but not the necessary resources, the PPL gave Bolivian municipalities financial resources as well as administrative and political responsibilities.

Further, by virtue of its inclusion of OTBs, and its explicit focus on citizen participation and social control, the PPL has become an extremely popular law. As mentioned in Section B the OTBs are traditional organizations that represent in many cases the most enduring expression of civil society since the arrival of the Spanish. Recognizing OTBs was essentially akin to recognizing the marginalized indigenous population, and as a result, "the PPL enjoys a degree of social support without precedence in the history of the Bolivian legislature."³⁸ By institutionalizing this relationship between civil society and the state, the LPP has converted itself into the "people's law." As one author observed, "the civilian population's exceptional acceptance and support of [the PPL] makes it...irreversible."³⁹

Through the PPL, the Bolivian population is now experiencing a more democratic brand of government, especially at the local level. This has meant for DDCP a widespread demand by civil society as well as municipal officials to find acceptable, transparent systems and procedures to make the PPL work.

³⁸ Thévoz, p. 180.

³⁹ Ibid, p. 171.

Opportunity – Burgeoning Associative Movement

As was noted earlier, sustainability has been on DDCP’s agenda since the program began in early 1996. The most important opportunity seized regarding the sustainability and replicability of our proposed municipal governance systems to foment and cement transparency and accountability was undoubtedly the decision to work with municipal associations, mancomunidades, FAM, and ACOBOL in the second, replication phase of the project. The reason why this choice has proved so important has political and practical foundations. In practical terms, it allows municipal governments through their own agencies to respond to the widespread demand for assistance in implementing the MGMP, and it has resulted in much reduced costs for dissemination (about \$2,400 annualized per municipality in 2003). Politically, DDCP’s focus on capacity-building at the local level, with the direct assistance of the departmental municipal associations, provides administrative and political stability by keeping the focus of replication efforts on local needs and the municipal agenda so that the municipal actors can act in accordance to the political and development issues that they are faced with.

With the Municipal Associations and Mancomunidades now doing the vast majority of the day-to-day implementation of the model, Chemonics has thus inserted yet another level of flexibility and dynamism into the project. By devolving the responsibility of the actual implementation of the model to the departmental associations, DDCP has achieved a degree of representativeness, flexibility, and accountability that would be impossible for a centralized office, such as the Ministry of Popular Participation with hundreds of participating municipalities. Additionally, Chemonics has allowed Departmental Association of Municipalities to improvise, as necessary and within reasonable bounds, on the model’s design. This flexibility has been much appreciated by the associations’ management and staff, who see DDCP’s “never-ending capacity-building” as one of the foremost reasons for its continued success and relevance. In this manner, DDCP achieves an otherwise unattainable degree of flexibility and credibility in the implementation of a systematized model. This significant accomplishment, an evolutionary and flexible methodology, through regional partners, and in coordination with FAM has allowed Chemonics to accomplish on a large scale what generally is possible only in smaller programs with fewer participants, by tailoring technical assistance to local conditions.

In addition to avoiding the potential political instability inherent in working closely with the central government discussed below, DDCP’s choice of departmental Departmental Association of Municipalities as counterparts allowed it to have unprecedented access to virtually all of Bolivia’s 314 municipalities. With the Departmental Association of Municipalities now implementing the model, Chemonics was able to shift its efforts to expanding the model’s scope, and forging new ties with government and donor organizations.

Opportunity – USAID Flexibility and Support

USAID recognized in its initial RFP, and throughout the almost eight years of implementation through its DEMOSOT leaders and respective CTOs, that the process of creating effective municipal governments and institutionalizing citizen participation mechanisms needs to be gradual and that it would need to be able to respond to changing GoB program and policy initiatives consistent with the dynamic political landscape and multi-party alliances required for central government stability in Bolivia. That recognition has translated into manageable result-oriented contract modifications that stipulated a series of illustrative activities and few, but

concrete and well targeted, Contract Completion Criteria. Further, the active organization of synergy with other SO Teams, particularly alternative development and health, has allowed pilot development of refinements in the MGMP (gender, health, districting, and regional strategic planning).

Design and Implementation Strengths

In the following sections, we expand on our several strengths, which include:

- Participatory design based on needs assessments, joint experimentation, and systematic reflection on lessons learned
- Focus on process not products
- Extensive distribution of support and reference materials
- Emphasis on sustainability through capacity building of Departmental Association of Municipalities and FAM
- Permanent focus on cost-effectiveness
- Bolivianization
- Alliance building with GoB but not subordination

Evolutionary Design and Implementation

Chemonics understood from the outset that:

“...The fact that decentralization is a process which develops gradually in the hands of the national actors means that outside support must be flexible, must be able to respond on request and must take immediate advantage of any opportunity to advance the process...”⁴⁰

From the beginning, DDCP has never been static. That it would be a project capable of evolution and change has always been understood and supported by USAID. Indeed, DDCP’s first activities and goals reflected that attitude. The process of working with pilot municipalities to design a model that truly reflected the needs and wants of the participants themselves was the first and most important step in designing a program that reflected and responded to the context for which it was designed. In this way, DDCP’s operational strategies and organizational culture followed the same reasoning inherent in the model that it would later produce.

Even the method of introducing the pilot municipalities to the program - in three tiers over three years - reflected Chemonics’ desire to implement a program based on *experience* and *input* instead of simply handing down a model based on “best practices” garnered from disparate and often unrelated decentralization experiences. The incremental introduction of pilot municipalities allowed DDCP to tailor and adjust its approach according to experience and observed results. Communicating exhaustively with participating municipal actors, Chemonics was able to design a model that incorporated extensive feedback from the first phase municipalities.

⁴⁰ Rey, Michael. "Technical Support for Decentralization." Prepared for World Bank Institute and Swiss Development Cooperation Closed Expert Workshop: *Federalism and Development*, December 1999, p. 7.

"The good thing about DDCP is that its staff is always in contact [with us] and in a process of constant adjustment of the instruments and events of the model and is transmitting that information to the technicians in all the Associations... We are replicating it, and making further adjustments...."

- Ramiro Vocal, Technician, AMDECO,
13 November 2003

Just as DDCP's model was engineered and implemented as part of a process that valued feedback, the program had to adjust likewise to changes in the political and social context in Bolivia. Over the course of the project, there have been three presidential administrations and three cycles of municipal governments, changes that altered the political environment at both the national and local levels. Chemonics' ability to

adjust DDCP to its environment by forging political ties, seeking non-governmental and association counterparts, allowing flexibility and seeking improvements in the implementation of its model, and taking into account subsequent GoB refinements and modifications such as SUMI, has made the program resilient and effective. The president of the Municipal Association of Cochabamba praised the DDCP for its constant attention to the political and legal variables affecting the municipalities: "DDCP is always up to date with all of the mechanisms, instruments and laws that the government issues so that we can have that information at our disposal in an efficient manner."⁴¹

Another important element of the model's flexibility is its versatility. As mentioned in previous sections, DDCP has adjusted its model to encompass a variety of policy arenas, including health and gender. The model's versatility as a template for inserting virtually any type of policy planning into the process of citizen consultation and transparent municipal management makes it an incredibly useful tool for almost any sector. The model has great potential, for example, to expand to include education, alternative development, or environmental planning at the municipal level. The reach of the program, as disseminated by municipal associations and supported by governmental resolutions, makes it all the more attractive as a potential instrument for participatory planning in a variety of arenas.

⁴¹ Personal interview, Cesar Padilla, President, AMDECO, 11/13/02.

Comprehensive Process, Not Specific Product

As all DDCP and MA staff can attest, DDCP’s model “is based on a cycle of practices and processes,” and is not a specific product. Though the model includes many activities, its principal benefits derive from the process of carrying out those activities, a cycle that promotes *accountability*, *transparency*, and democratic *representation* while encouraging citizens to realize that as members of a community they have *responsibilities* as well as *rights*. DDCP’s success will not, in the end, be measured by counting the number of *cumbres* that are held, or the simple number of municipalities it has worked in. Instead, as Mitchell Seligson’s research demonstrates, it will be measured by indicators of satisfaction, stability, and transparency (see Section C for a discussion of the results of DDCP).

In contrast, in a 2002 report prepared for SIDA/Bolivia by the National Working Group for Participation (GNT-P), it was observed that too many programs focus too much effort in what they described as a “very technical definition of the decentralization process” which provided quantifiable process-level results that can assure little in terms of qualitative success. Instead, the group recommended projects that offered a “committed, systematic effort to create and

"There are any models out there...but none of them have everything well laid out in terms of instruments and systems, none of them have everything documented. It might be that DDCP's model has thousands of errors, but now that it is written you can correct it. In contrast, the other models aren't comprehensive, and are not being 'socialized'."⁴²
- Dr. Dunia Esprella, Manager, AMDECO

strengthen the practice of democratic citizenship.” GNT-P subsequently praised DDCP as producing “better results” than other projects in supporting municipalization.

More important, when assessing the DDCP Project, it is pivotal that one see the MGMP and other contributions not as just

a process. Instead, it must be recognized that by integrating complementary processes to support accountability, transparency, and democratic representation the MGMP is a *systematized* process that it is.

In summary, Chemonics designed and implemented the only comprehensive model for participatory municipal management currently in use in Bolivia. Instead of producing products, as described above, DDCP fostered a process of democracy-building at the local level. By providing transparent mechanisms with which civil society can observe, participate, and assume a role in local government, DDCP addresses not only the capacity of the municipal government to effectively carry out its responsibilities, but the capacity of civil society to effectively participate. “Our role,” notes AMDECO manager Dunia Esprella, is “to be facilitators of a stability-building process; facilitators of a process that helps civil society understand its rights so that it doesn’t impede the rights of others.”⁴³ In this way, DDCP has balanced development of municipal government management systems with innovations that build the capacity of civil society and citizens to complement the institutional strengthening process.

Bolivian Staff

Unlike many programs sponsored by the international donor community, DDCP does not suffer from what some critics have dubbed the “enclave approach”; that is, it is a program staffed almost entirely by Bolivians. Not only does this lend DDCP an air of credibility among its

⁴² Personal interview, Dr. Dunia Esprella, AMDECO, 11/12/2002.

⁴³ Personal interview, Dr. Dunia Esprella.

counterparts, but it adds to its ability to work effectively within the Bolivian context. The professionals who make up the DDCP staff have extensive experience working in decentralization and municipalization. Some are former municipal officials or staffers themselves, while others worked for Bolivian ministries to strengthen decentralization. Many studied municipalization/decentralization and all possess an innate understanding of the Bolivian context.

Also in the course of almost eight years, Chemonics used few expatriate consultants, and they were largely Bolivians living in the United States who thus understood Bolivia well.

Further, Chemonics chose to support Bolivian institutionalization from the outset, by NOT attaching our name, even in hyphenated fashion, to the project. Most municipal and GoB actors were unaware of Chemonics' identity until the recent DDCP III competition.

Equally as important, DDCP has close ties with many GoB agencies, mayors, and pro-decentralization and empowerment NGOs, such as IPTK in Sucre.

Finally Chemonics has supported the institutionalization of the MGMP process and philosophy in the newly created Fundación DDCP, which is comprised of most current DDCP staffers.

Widely Disseminated Support Documentation

DDCP supported municipal government implementation efforts through many publications, listed in Annex I.⁴⁴

Cost Effectiveness

In Years 2 and 3 Chemonics understood separate cost-effectiveness analyses to better orient the design of the MGMP, in terms of sustainability. DDCP also owes a great deal of its success in the second phase of the project to its cost effectiveness. As Chemonics always had in mind the replication of the DDCP models on a national level, beyond the 20 pilot municipalities, cost effectiveness was always an important issue. Indeed, cost effectiveness becomes all the more crucial when envisioning a sustainability scheme in which the municipal associations or Bolivian government - both very short on resources - would assume full financial responsibility for the program. Though neither of these entities is ready to assume such a responsibility at present, the fact that DDCP's models are astoundingly inexpensive to replicate on a mass scale certainly is a step in the right direction.

Based on internal data, Chemonics projects that the model can be replicated on a national scale for approximately \$2,400 annualized per municipality⁴⁵ - which would bring the total annual cost of disseminating the model to all of Bolivia's 314 municipalities to approximately U.S. \$750,000.

⁴⁴ The value of a systematized process standardized in widely available texts has been recognized by any actors promoting decentralization, including the World Bank: "Standardized tender documents help streamline procurement," World Bank, Agriculture and Natural Resources Department, Dissemination Notes and "Decentralization Can Work: Experience from Colombia," August 1995, p. 3.

⁴⁵ In 2003 DDCP provided FAP eight month grants totaling \$215,642 which allowed the nine Departmental Associations to work in 125 municipalities, for an average cost of \$1,725.

Alliances With GOB Central Agencies, But Not Subordination

While DDCP maintained relations with the appropriate government institutions, it strategically avoided overdependence on, and subordination to, the central government.

The decision to work with Departmental Association of Municipalities was also a conscious decision *not* to make the central government our primary counterpart. Though DDCP has worked diligently to forge and maintain relationships with the various government entities responsible for implementing and supporting Bolivia's municipalities, it has avoided an overdependence on the vagaries of central government support. Our reasoning has been validated by the experience of other donors as support from the central government for decentralization, predictably, varied across the three administrations and at times was extremely weak. Indeed, the learning curve is steep, and expensive, as GoB agencies come to understand that centralization is increasingly less functional, and that rather, "technical assistance," as one decentralization report reads, "should in each case be tailored to local conditions."⁴⁶ DDCP's direct relationship with its 20 pilot municipalities in the first phase, and its indirect relationship with all municipal governments nationally via the Departmental Association of Municipalities and the FAM in the second phase, assured the program a certain degree of insulation from program vacillation and political interference.

SIDA/Bolivia's recent assessment of decentralization in Bolivia emphasized this aspect of the DDCP, concluding: "The strategy of working outside of the central government agencies seems to have provided better results in terms of being better able to work directly with municipalities and to actually implement designed programs."⁴⁷ The most important short-sightedness GoB agencies and Prefecturas share, is that they focus only on municipal government management systems (accounting, POA reporting, among others), and fail to recognize, through effective programming, that building the capacity of civil society and citizens to complement the institutional strengthening process is equally important in strengthening democratic local governance.

Experience from other Latin American countries has also demonstrated the potential dangers of relying heavily on central government support. In a paper analyzing its role in helping decentralization efforts in Mexico, the World Bank concluded the following: "Federally run programs for strengthening subnational administrative capacity...have had limited impact."⁴⁸

Though a sustainable, national-level application of the MGMP in all of Bolivia's 314 municipalities will surely only happen with the active support of the Bolivian government, DDCP's success to date has undoubtedly been due, in part, to its choice of counterparts.

⁴⁶ SIDA, Bolivia. "Participatory Assessment of Key Issues for Bolivia's Decentralization Process and Strategy Recommendations," p. i.

⁴⁷ Ibid., p. 37

⁴⁸ World Bank. *Fiscal Decentralization: Lessons from Mexico*. Eds Marcelo Giugale, Vihn Nguyen, Fernando Rojas, and Steven B. Webb, June 2000, p. 5.

Conclusions

Without a doubt, the actors in the almost 200 municipalities implementing the model see increases in participation, experience more effective municipal management, and are more in tune with the laws governing municipalities. This section has attempted to shed light on the underlying reasons behind DDCP's success. Through its choice of counterparts, its willingness to be flexible in the implementation of its model, the participatory methods used in designing the model itself, and a host of other factors, DDCP achieved impressive results in its efforts to strengthen Bolivian municipalities and support the Popular Participation Law.

H. Final Conclusions and Recommendations

Decentralization has emerged in the last decade as a crucial component of international aid, often seen as a necessary first step, or concomitant measure, to promoting growth. Advocates of decentralization argue that it holds “great potential to stimulate growth of civil society organizations...; prevent widespread disillusionment with new policies from turning into a rejection of the entire process...; and boost legitimacy by making government more responsive to citizen needs.”⁴⁹ Indeed, there is a growing recognition that central governments cannot do it all, and that the active involvement of both communities and representative local governments is required for successful local development. In effect, decentralization holds much promise.

Given the country's turbulent political history, Bolivia's steady and successful transition to an increasingly democratic and participatory form of government is nothing short of remarkable. Though scholars believed Bolivia lacked the “traditions [and] institutions of democracy”⁵⁰ necessary for a successful transition, Bolivia has proved itself stubborn in its pursuit of better governance. The Popular Participation Law is one of the most recent, and most successful, steps in that direction. However, as USAID/Bolivia recognized, the adoption of the PPL was no guarantee of its success. Indeed, the move toward decentralization by municipalization has been called a “fundamental gamble” in that it handed off immense political and fiscal responsibilities to entities with little or no history of self-governance.⁵¹ The importance of the DDCP in bolstering the PPL, consequently, cannot be underestimated.

The promise of political stability, increased system support, and even economic development, however, comes with an important caveat; the ultimate success of any decentralization effort depends on the performance of the newly empowered sectors of society. “Decentralization by itself is no guarantee of increased citizen support,” writes University of Pittsburgh professor Mitchell Seligson. “Rather, the performance of local institutions becomes a crucial determinant of the reaction that citizens have to decentralization and, therefore, a potentially important element in levels of support for the political system.”⁵² There are three conditions, according to the World Bank, that are necessary if decentralization is to lead to improved governance: political, fiscal and institutional decentralization. The PPL provides the first two but cannot guarantee the third. “Institutional decentralization” is defined as “proper channels for

⁴⁹ Diamond, Larry. *Developing Democracy: Toward Consolidation* (Baltimore, MD: Johns Hopkins University Press, 1999).

⁵⁰ Development Associates. “Strategic Assessment of Bolivian Democracy”. Prepared for USAID (La Paz-Bolivia, 1997), p.10.

⁵¹ Thévoz, p. 180.

⁵² Seligson, 2002, p. 97

accountability” that “encourage strong accountability between bureaucrats and elected representatives, and between elected representatives and their electorate.”⁵³

Under this framework, DDCP’s impact is clear: DDCP provided mechanisms, methodologies, and systems for institutional decentralization that delivered the improved performance that is so crucial to the ultimate success of any decentralization effort. Indeed, the model is essentially a capacity-building mechanism - a process, which, if implemented, brings transparency, accountability, and true participation to municipal governance. It is important to note that this capacity-building process includes all municipal actors, including citizens, their civil society representatives, and their elected officials. As the preceding sections demonstrated, DDCP’s greatest advantage came from Chemonics’ ability to work effectively, and with a great deal of cultural and political sensitivity, within the Bolivian context.

Given DDCP’s many accomplishments, and before presenting our final recommendations to further replicate and consolidate those accomplishments, it is necessary to review some threats to sustainability of both the methodologies and systems developed as well the sustainability of our principal partners, the associative movement of Bolivian municipalities.

Threats to Sustainability

The 2002 Seligson Audit of Bolivian democracy, showed quite clearly that support for democracy is still tenuous in Bolivia; in particular, he found that half the adult Bolivian population would support a coup d’etat if employment and incomes worsened or corruption were to become rampant. He also found that where the voto constuctivo de censura, discussed in Section C, had been implemented for political, not performance reasons, citizens found their municipal governments less credible. As USAID/Bolivia moves into a municipal election year, the campaigns to elect new actors over the bodies of the previously ineffective mayors and councils will offer up images that democracy doesn’t work – unless the right, new people are in place. Indeed, it can be expected that the MAS will use the 2004 municipal elections to bash “the system” in general. In this section we briefly review a series of factors and forces that threaten the credibility of municipal governments and their capacity to continue using the systems and methodologies developed under DDCP I and II.

Debilitating Support Programs (FPS)

The World Bank- and IDB-funded FPS offers mayors and citizens a chance to leverage some four times municipal government resources to implement a variety of infrastructure and productive programs. Most mayors include at least half of their co-participation resources in their annual work plans to access these funds and implement extensive public works. However, the reality of FPS funding is minimal compared to the high expectations it has generated. While space limitations prevent us from undertaking an extensive analysis of FPS, the reasons for frustrations are found both in FPS’ internal procedures and systems as well as in municipal governments’ limited capacity to formulate complex projects and to oversee very detailed bidding processes dictated by the two multilateral organizations. The result, however, is one of disheartenment and imputed incompetence of municipal officials. DDCP staff have witnessed countless times mayors having to apologize for very little implementation of POAs due to failure to accede to FPS funding.

⁵³ World Bank, "Promoting Good Local Governance Through Social Funds and Decentralization," p. 3.

Politicized Prefecturas

All prefecturas include a municipal strengthening unit, but regardless of the level of funding their support decisions are biased towards municipal governments with mayors from the prefect's own political party. Worse, they see the Departmental Association of Municipalities as competitors for resources and detractors of their primacy on the departmental scene. The prefecturas have lost an opportunity to supplant the Departmental Association of Municipalities but they can, out of contrariness, advocate alternate systems for transparency and accountability.

Exclusion of Capital Cities from FAM

Only two departmental capitals, Cobija and Trinidad, are full dues-paying members of their respective Departmental Association of Municipalities; the cities of La Paz, Oruro, and Potosi are “members” challenging the dues structure. This limited adhesion of the big cities has two important negative effects. First it limits the respective Departmental Association of Municipalities from achieving financial self-sustainability. And second, it closes a big door on the dissemination of the MGMP.

Limited capacity of Departmental Association of Municipalities to raise counterpart

Despite the low per municipality cost of technical assistance and training to implement DDCP's participatory planning processes as well as accountability mechanisms such as EDAs, the capacity of the Departmental Association of Municipalities to take on larger DDCP-type leveraged grants is limited by their capacity to meet counterpart requirements. Chemonics had proposed for DDCP III, as we expect ICMA will have, new services that could increase MA net incomes. But until Departmental Association of Municipalities – and municipal governments – increasingly assume the cost of these support services, the cultural and behavioral changes which sustain more participatory processes will need to be funded significantly by international donors.

The Absence of Continuity in Support Personnel in Municipal Governments

As mayors leave, voluntarily or not, so change the technical and administrative staff who have been the principal recipients of the training so painstakingly implemented by Departmental Association of Municipalities with DDCP support, increasing subsequent training costs and preventing Departmental Association of Municipalities from graduating municipal governments.

Weak Impact Assessment Systems

Chemonics' focus has been principally on the interface between organized civil society, in particular OTBs and vigilance committees, on the one hand, and elected officials (mayors and single-district congressmen/women) on the other. In the future, more attention needs to be given to the nature and extent of citizen participation within OTBs, within participatory planning processes, and in overseeing – and supporting - the performance of the vigilance committee. Seligson to date has only focused on the gross level of participation in public meetings. Also the different GoB Popular Participation entities, the Departmental Association of Municipalities, FAM, ACOBOL, and the newly created FACOVOL, have not had the resources or expertise to systematically assess success factors and lessons learned.

In summary, while the PPL has permitted the many changes developed under DDCP and it has many admirers, its legacy and sustainability will depend on the extent to which the implementation of mechanisms which offer accountability and transparency are not subject to vagaries in DDCP support or to the capriciousness of mayors or other political actors. Bolivians, like many Latin Americans, while valuing their democracy, often look favorably upon strong-handed or even dictatorial styles of leadership. The “irreversibility” of the PPL, therefore, depends on the continuity of efforts of the Bolivian government and the supporting cast of the international donor community to support development and adoption of systems that further accountability, transparency, and democratic representativeness.

Final Recommendations

While aware that USAID intends to move into new program areas in DDCP, we offer these final recommendations in the hopes that the work of DDCP I and II is not seen as concluded.

- 1) The MGMP is especially effective among those who participate, but it has been observed that many are unaware of the model/process, or, worse, are unaware of Popular Participation at all. This reality demands two types of responses: (1) A civic education campaign to accompany the model to educate citizens about the law, and their rights and responsibilities; and (2) a complementary DDCP-specific education campaign, which educates the citizens about the methodologies and systems proposed to institutionalize accountability, transparency, and democratic representation.
- 2) A systematic campaign to communicate the successes of the DDCP, both to technicians and to participating municipalities, which would include comparative data on the effectiveness of DDCP in prioritizing and allocating the municipal budget as well as enhancing participation and re-electability of mayors and council members. We include this suggestion because many of the participants, even (surprisingly) the municipal government and MA technicians, are unaware of the significant accomplishments of DDCP outside of their municipalities.
- 3) USAID, if not the DDCP III contractor, should carry out a comprehensive comparative study of the impact of the program on municipal budgets and spending. This would flesh out the true qualitative/quantitative impact of the program and would allow for a better analysis of the potential of the model to promote good governance as well as help identify needed refinements. This information could also be used for a comparative study about the impact of decentralization on the distribution/type of municipal government investments made in Bolivia. This would allow USAID to design assistance to help DDCP municipalities prioritize “cement” over “non-works” projects that clearly need to become a larger priority for Bolivian municipalities. This would also provide a good comparison/baseline from which to begin further research into municipal spending. The biannual surveys of DDCP impact should be more attuned to programmatic matters, such as barriers to the participation of women and indigenous peoples as well as relating satisfaction with municipal governance to specific performance and impact indicators.
- 4) In this late stage of replication, DDCP should concentrate its efforts on securing the sustainability of its principal counterparts, be they Departmental Association of Municipalities or newly revived prefectural municipal strengthening units. If DDCP assistance to Departmental Association of Municipalities were to disappear at this moment, municipal governments would

have trouble meeting their transparency and accountability mandates. In addition, DDCP should help Departmental Association of Municipalities (by direct grants or through technical assistance in fundraising) increase their revenues and become more cost-effective (see discussion above on alternative training delivery scenarios); in many case MA technicians say they are on the point of leaving the program due to their low salaries.

5) DDCP's most recent initiatives shouldn't be lost in the transition to DDCP III. Both the MGMP/health and MGMP/gender need further support for replication and potentially further refinement. Also municipal governments need assistance to district appropriately. And DDCP's advances in urban decentralization needed to be shared and in both La Paz and Sucre, the respective mayor's office will need further assistance in implementing the model developed there. It is important to note that organization like FAN in Santa Cruz are interested in extending the MGMP's transparency and accountability systems to natural resource management, another PPL-mandated municipal government area of responsibility.

6) Two important policy/legislative reform issues are priority: elimination of the Voto Constructivo de Censura and reform of FPS policies and procedures.

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Personal interview, Thomas K. Reilly, Director, DDCP, 12/5/02

Personal interview, Mayor of Santivañez, 11/14/2002.

ANNEX I

DDCP PUBLICATIONS LIST

(Includes a list of all DDCP publications, as well as quarterly reports and annual work plans)

N°	Volumen / Tomo	Documento	Observaciones
1.	VOLUMEN 1	Procesos de Gestión Municipal Participativa	
	VOLUMEN 2		
		Ciclo de Gestión Municipal Participativa	
2.	Tomo 1	Guía para el Facilitador	
3.	Tomo 2	Instrumentos e Instructivos	
	VOLUMEN 3	Actores de la Gestión Municipal Participativa	
4.	Tomo 1	Organizaciones Territoriales de Base	
5.	Tomo 2	Comité de Vigilancia	
6.	Tomo 3	Concejo Municipal	
7.	Tomo 4a	Ejecutivo Municipal – Organización Administrativa	
8.	Tomo 4b	Ejecutivo Municipal – Programación de Operaciones y Presupuesto	
9.	Tomo 4c	Ejecutivo Municipal – Administración de Bienes y Servicios	
10.	Anexos 4c	Modelo de Reglamento SPO, SP, SCI	
11.	Anexos 4c	Modelo de Reglamento SOA	
12.	Anexos 4c	Modelo de Reglamento SABS	
13.	Tomo 4d-1	Ejecutivo Municipal – Contabilidad Integrada	No publicado
14.	Tomo 4d-2	Ejecutivo Municipal – Contabilidad Integrada (Cierre de Gestión)	
15.	Tomo 4e	Ejecutivo Municipal – Tesorería y Crédito Público	No publicado
16.	Tomo 4f	Ejecutivo Municipal – Control Interno	
	VOLUMEN 4	Gestión Municipal Participativa en Salud	
17.	Tomo 1	Marco Legal para la Gestión Municipal Participativa en Salud	
18.	Tomo 2	Modelo de Gestión Municipal Participativa en Salud	
19.	Tomo 3	Planificación y Control de la Gestión Municipal en Salud	No publicado
20.	Tomo 4	Organización de la Gestión Municipal en Salud	No publicado
21.	Tomo 5	Subsistema de Administración Logística en Medicamentos e Insumos	No publicado
22.	Tomo 6	Subsistema de Control de Establecimientos de Salud	No publicado
	VOLUMEN 5	Participación Ciudadana	
23.	Tomo 1	Ciudadanía en la Participación Popular (primera versión)	
	VOLUMEN 6	Congreso Representativo	
24.	Tomo 1	Encuentro de Decisiones Concurrentes	
25.	Tomo 2	Guía para la realización de Encuentros de Decisiones Concurrentes – EDCs	

Otros

26.	Modelo de Gestión Municipal Participativa – Cartilla	
27.	Memoria EDCs 2001 – 2002	
28.	Vídeo Encuentro de Decisiones Concurrentes	
29.	CD Interactivo Encuentro de Decisiones Concurrentes	
30.	Calendario de Gestión Municipal Participativa	
31.	Memoria DDCP	
32.	Normas Fundamentales para la Gestión Municipal Participativa (Compendio)	
33.	Cartilla de Legislación Municipal	
34.	¿Quién gana con la democracia? CD	
35.	¿Quién gana con la democracia? Cassete	
36.	Afiches de Participación Ciudadana (5 diferentes)	
37.	Boletines EDCs (para cada evento)	

ANNEX II. Phase I Municipal Graduation Criteria

Criteria 1 *La Sociedad Civil se ha organizado para establecer vínculos con su diputado uninominal para promover el encuentro entre los distintos niveles de la organización del Estado y para organizar actividades de promoción electoral y educación cívica/ciudadana.*

Weight:

No. municipalities meeting criteria: 10

Criteria 2 La Sociedad Civil organizada ha elaborado, a nivel municipal, una “Agenda Ciudadana” y la ha presentado y concertado con su diputado.

Weight:

No. municipalities meeting criteria: 6

Criteria 3 Electores y actores municipales tienen contactos oficiales/encuentros con su diputado uninominal para discutir temas de la “Agenda Ciudadana”.

Weight:

No. municipalities meeting criteria: 0

Criteria 4 El Gobierno Municipal prepara un “Portafolio Municipal” con información básica del municipio

Weight:

No. municipalities meeting criteria: 20

Criteria 5 Unidades territoriales del municipio (urbanas y rurales) se han constituido legalmente/han sido reconocidos por el Gobierno Municipal como OTBs

Weight:

No. municipalities meeting criteria: 19

Criteria 6 Los CVs se han organizado conforme a la PPL y se han establecido mecanismos para asegurar que las OTBs reconocidos por el GM participen en la priorización/planificación de demandas a ser incluidas en los Planes Operativos Anuales (POAs) y Presupuestos del Municipio. Específicamente (1) 70 percent de las OTBs con Personalidad Jurídica en el Municipio DDCP participan en las “cumbres” municipales donde se identifican y priorizan las demandas y la orientación de los gastos municipales; y (2) Reglamento del CV establece un procedimiento escrito para el desarrollo de “cumbres de planificación participativa de POAs”.

Weight:

No. municipalities meeting criteria: 19 met both criteria

Criteria 7 El Comité de Vigilancia (CV) cumple con sus atribuciones de control social del uso de los recursos de coparticipación (Art. 10 de la LPP) y se pronuncia sobre el presupuesto y la rendición de cuentas de gastos e inversiones efectuada por el Gobierno Municipal. Específicamente, (1) Pronunciamiento favorable del CV sobre el POA/Presupuesto hecho público; y (2) Reglamento del CV establece que el pronunciamiento debe ser público.

Weight:

No. municipalities meeting criteria: 20

Criteria 8 El Ejecutivo Municipal entrega periódicamente al Comité de Vigilancia la programación física/financiera que permite el CV ejercer un control social del uso de los fondos de coparticipación.

Weight:

No. municipalities meeting criteria: 20

Criteria 9 55 percent de los votantes inscritos elegibles emiten votos válidos en las elecciones municipales de 1999.

Weight:

No. municipalities meeting criteria: 4 (9 more had voter turnout of 50-54 percent)

Criteria 10 El Concejo Municipal aprueba el POA/Presupuesto, el estado de ejecución presupuestaria y normas relacionadas con la Ley SAFCO presentados por el Ejecutivo Municipal (Art. 23 of LLP).

Weight:

No. municipalities meeting criteria: 17

Criteria 11 El Ejecutivo Municipal prepara su presupuesto anual en base a un Plan Anual Operativo que ha recogido la demanda ciudadana mediante procesos de planificación participativa. Asimismo, ha efectuado procesos también participativos de reformulación de POA/Presupuestos.

Weight:

No. municipalities meeting criteria: 17

Criteria 12 El Ejecutivo Municipal rinde cuentas de la ejecución presupuestaria anual al Ministerio de Hacienda, Concejo Municipal, Comité de Vigilancia y la Sociedad Civil

Weight:

No. municipalities meeting criteria: 19

Criteria 13 El Gobierno Municipal demuestra la capacidad para ejecutar el presupuesto e implementar los proyectos y servicios demandados por la comunidad.

Weight:

No. municipalities meeting criteria: 20, executed on average 98 percent of POAs

Criteria 14 *El Gobierno Municipal da cumplimiento a las normas de los Sistemas de Administración y Control establecidos por la Ley 1178 (SAFCO) mediante la implementación de los sistemas de (1) Sistema de Programación de Operaciones; (2) Sistema de Presupuesto; (3) Sistema de Administración de Bienes y Servicios, (4) Sistema de Contabilidad Integrada y (5) Sistema de Control Interno*

Weight:

No. municipalities meeting criteria: 19

Criteria 15 *El Gobierno Municipal tiene por lo menos una auditoria externa y há hecho públicas los resultados.*

Weight:

No. municipalities meeting criteria: 19

ANNEX III. DDCP PERSONNEL: 1996-2003

Nombre	Apellido	Cargo
Gloria	Aguilar	Especialista en Género
Lutgardo	Aliaga	Especialista en Gobernabilidad Municipal
Freddy	Aliendre E.	Especialista en Gobernabilidad Municipal
Hugo	Apaza	Especialista en Gobernabilidad Municipal
Fernando	Araujo	Especialista en Gobernabilidad Municipal
Rubén	Ardaya S.	Director de Operaciones de Campo
Fabiola	Arraya	Recepcionista
Juan Carlos	Barbery	Especialista en Gobernabilidad Municipal
Beto	Brunn	Director (2003)
Anthony J.	Cauterucci	Director (1996-1998)
Yalile	Chalan	Administradora
Lenny	Cuestas	Especialista en Gobernabilidad Municipal
Luis	Cuevas	Contador
Cecilia	de Bonadona	Directora FAP
Paula	Dorakis	Jefe de Equipo Salud
Raúl	Eid	Especialista en Evaluación y Monitoreo
Jorge	Fernández	Especialista en Gobernabilidad Municipal
Nancy	Ferreira	Asistente Administrativa
Patricia	Figueredo	Recepcionista
León	Galindo	Especialista en Gobernabilidad Municipal
Juan Carlos	Gamarra	Jefe de Equipo
Gonzalo	García	Especialista en Gobernabilidad Municipal
Ana María	Ibargüen	Secretaria Ejecutiva
Ivo Josip	Kraljevic	Supervisor del Proyecto (1996-2003)
Marcela	Lara	Asistente Administrativa
Carlos	Laserna	Especialista en Educación Cívica y Comunicación
Melvy	Lemuz	Jefe de Equipo Yungas
Juan Carlos	Munguía	Especialista en Gobernabilidad Municipal
Juan José	Munguía	Administrador FAP
Fernando	Negrón	Asistente Evaluación y Monitoreo
Orlando	Ortega	Especialista en Gobernabilidad Municipal
Charles	Patterson	Director (SID)
Mariano	Paucara	Chofer – Mensajero
Hugo	Quintana	Especialista en Comunicación
Manuel Jesús	Quinteros	Mensajero – Chofer
Jesús	Quinteros	Mensajero – Chofer
Alejandra	Quiroz	Recepcionista
Thomas K.	Reilly	Director (1998-2003)
Rosario	Romero	Secretaria
Ramiro	Salazar	Chofer – Mensajero
María Elena	Sánchez	Especialista en Gobernabilidad Municipal
José Luis	Scotto	Especialista en Gobernabilidad Municipal
Augusto	Soliz	Especialista Electoral
Félix	Tintaya	Sereno
Enrique	Tórrez	Especialista en Gobernabilidad Municipal
Ludwig	Valverde	Jefe de Equipo EDCs
María Eugenia	Vera	Jefe de Equipo
Aníbal	Yana	Especialista en Evaluación y Monitoreo

ANNEX IV. DDCP COMPLETION CRITERIA 2001-2003

Completion Criterion	Measure	Submission Date of Reports
Modification 13 (February 15, 2001)		
<p>1. Methodology for promoting increased citizen participation, and citizen oversight of, municipal government adapted for implementation in urban municipalities</p>	<p>A methodology for promoting increased citizen participation in municipal planning and budgeting and oversight of municipal government will be developed and distributed via a user's manual. In addition, the methodology will be tested in at least 2 urban districts.</p> <p>Document: Published User's Manual</p>	<p>Completion report submitted on November 27, 2002.</p>
<p>2. Gender adjusted participatory planning methodologies promoting the participation of women in the municipal planning and budgeting process developed</p>	<p>At least two case studies focusing on evaluating the replicability of at least two different and exiting models to increase gender participation at the municipal level, resulting in the publication of the User's Manual</p> <p>Document: Case studies/User's Manual</p>	<p>1) Submitted "Instrumentos" on August 22, 2002. 2) Submitted completion report in February 2003.</p>
<p>3. Community groups, program municipalities, circunscripciones and associative organizations establish a mechanism for prioritizing their demands to their single district reps, as well as a mechanism for holding their reps accountable. There must be increased participation of civil society organizations (CSOs) in associative orgs (mancomunidades, departmental municipal associations).</p>	<p>At least 75 DDCP program municipalities participate in last one EDC and/or two EDAs in which CSOs comprises on average, 20% representation by CSOs (both must be met). CSOs are defined as NGO reps, including vigilance committees, functional orgs, NGOs, etc. As part of the background analysis for this indicator, DDCP will note the quality of the interactions. This is the measurement as modified in Mod 14)</p>	<p>Completion report submitted on August 16, 2002.</p>

<p>4. Municipal governments implementing the DDCP Modelo de Gestión Municipal</p>	<p>At least 75 municipalities adopt any combination of DDCP replicability practices totaling at least 50 points. Replicability practices, and their relative weighting, are defined as two MGMP EDAs (25 points); one EDC (25 points); two MGMP municipal summits (25 points); Modelo de Comité de Vigilancia (10 points); Modelo del Consejo Municipal (15 points); Modelo del Ejecutivo Municipal (25 points)</p> <p>(This is the measurement as modified in Mod 14)</p>	<p>Completion report submitted on August 20, 2002.</p>
<p>5. Associative organizations are institutionally strengthened and financially more sustainable</p>	<p>2nd year replicability partners AMT AMDECH; AMDECRUZ; Chiquitania, Caine, Valles meet 20% of recurring costs necessary for financial sustainability by PACD;</p> <p>2 1st year replicability partners meet 10% of recurring costs necessary for financial sustainability by PACD</p> <p>Recurring costs identified as monies necessary for continuing operations, based upon the costs of a director, two technical staff, communications, rent, electricity, water, maintenance and work materials</p>	<p>Completion report submitted on August 20, 2002.</p>

<p>6. Municipal governments contribute to the design of a national decentralization policy</p>	<p>At least three national-level policy position papers developed by FAM and/or ACOBOL are vetted w/affected municipalities and officially presented to the National Congress, relevant Ministry(s), or other relevant institutions or international donor organizations.</p>	<p>Completion report submitted on July 19, 2002.</p>
<p>Modification 15, CLIN 5 (Aug. 15, 2001)</p>		
<p>1. (CLIN 5) Municipal governments implementing the DDCP Modelo de Gestión Municipal</p>	<p>At least 75% of the target municipalities have adopted any combination of DDCP replicability practices totaling at least 50 points. Replicability practices, and their relative weighting, are defined as two MGMP EDAs (25 points); one EDC (25 points); two MGMP municipal summits (25 points); Modelo del comité de Vigilancia (10 points); Modelo del Condejo Municipal (15 points); Modelo del Ejecutivo Municipal (25 points).</p> <p><i>Document: Municipal resolutions/Acts</i></p>	<p>Completion report submitted August 20, 2003.</p>
<p>2. (CLIN 5) Legally recognized OTBS actively participating in the preparation and prioritization of Municipal Operating Plans and Budgets</p>	<p>70% of the recognized OTBs in at least 75% of the selected municipalities participate in the second municipal planning session (Cumbre II) where municipal spending priorities are identified and prioritized.</p> <p><i>Document: Matriz de Prioritación</i></p>	<p>Completion report submitted August 20, 2003.</p>
<p>3. (CLIN 5) The Municipal Executive annually prepares the “Programación Física-Financiera” to be shared with the Vigilance Committee</p>	<p>“Programación Física-Financiera” elaborated annually in at least 75% of the selected municipalities</p> <p><i>Document: “Programación Física-Financiera”</i></p>	<p>Completion report submitted August 20, 2003.</p>

Modification 15, CLIN 6 (Aug. 15, 2001)

<p>1. (CLIN 6) The institutional capacity of municipal governments to administer health services improved</p>	<p>Model, methodology and materials for strengthening municipal health administration developed and validated by PACD.</p> <p>Document: A Manual of Municipal Administration in Health (Manual de Gestión Social en Salud) elaborated and validated.</p>	<p>Completion Report submitted on December 20, 2002.</p>
<p>2. (CLIN 6) The capacity of social actors to control the quality and administration of provided health services strengthened</p>	<p>Model, methodology and materials for strengthening social control over municipal health administration and the quality of provided health services developed and validated.</p> <p>Document: A Manual of Social Control in Health (Manual de Gestión Social en Salud) elaborated and validated.</p>	<p>Completion Report submitted on December 20, 2002.</p>
<p>3. (CLIN 6) The capacity of social actors to control the quality and administration of provided health services strengthened</p>	<p>Training and educational materials disseminated and at least 30 technical staff of associative organizations trained in the use of the materials by July 31, 2002</p>	<p>Completion Report submitted on December 20, 2002.</p>

Modification 18 (September 20, 2002)

<p>7. DDCP accompanies the incoming administration in defining a decentralization policy and transition plan</p>	<p>The DDCP project undertakes a concerted campaign to educate and train governmental representatives in the use of the Modelo de Gestión Municipal Participativa con Enfoque de Género and the existing resources of the DDCP project. Train Jóvenes Contra la Pobreza; Equipos GOL; Technical Staff of the Viceministerios de Género y Planificación Estratégica y Participación Popular; and the World Bank's Decentralization Project, PDCR II.</p> <p>Schedule a series of intensive briefings for the institutional contractor selected to implement the DDCP follow-on project, as well as those SOTs of strategic importance to USAID, which have expressed interest in receiving DDCP training, such as Food Security and Health.</p>	<p>Completion report submitted on March 15, 2003.</p>
<p>8. Dissemination of the MGMP/S through training of interested Governmental and NGOs</p>	<p>A concerted campaign to educate and train governmental and NGO staff in the use of the Modelo de Gestión Municipal en Salud and the existing resources of the project. Train Ministry staff, technical teams from the FAM and Departmental Municipal Associations; regional health staff, and other interested parties in the DDCP MGMP/S.</p> <p>A further 40 technical staff trained in the use and implementation of the DDCP MGMP/S.</p>	<p>Completion report submitted on March 15, 2003.</p>

Modification 20 (January 31, 2003)		
1. Municipal governments are more capable of professional, effective and transparent management and sustainable financing	DDCP will (1) train 75 or more replicators (FAM, municipal technical staff, SDFM, PDCR II, etc.) in “cierre contable”; (2) ensure that at least 75 municipalities successfully finalize and submit their Annual Operating Plans and Budgets to the Ministerio de Hacienda; (3) train at least 75 municipal representatives in the MGMP/Gender	Completion Report/Memoria submitted on September 8th, 2003.
2. Citizens demands are effectively channeled to their congressional representatives by means of their local (governmental) and civil society representatives	At least 15 EDCs (including at least one urban EDC) are held	Completion report submitted September 8th, 2003.
3. Contractor coordinates actions with all USAID/Bolivia Strategic Objective Teams and Food Security Unit.	6 of 8 Yungas municipalities successfully prepare their <i>estados financieros</i> and <i>informe de cierre de gestión</i> .	Completion report submitted on August 25, 2003.
Modification 21 (effective March 1, 2003)		
1. DDCP MGMP/Health modified to conform to the new policies of the Ministry of Health	DDCP MGMP/H and instruments modified and revalidated through technical approval by the Ministry of Health	Completion report submitted on September 10, 2003.
2. At least 15 DILOS successfully established and operating in DDCP target municipalities	DILOS successfully established in at least 15 target municipalities	Completion report submitted on August 20, 2003.

<p>3. Institutional capacity of the FAM to administer the MGMP/Health strengthened through training of at least 20 replicators in the application of the MGMP/S</p>	<p>At least 20 associative partner technical staff trained in the application of the DDCP MGMP/Health</p>	<p>Completion report submitted on September 8, 2003.</p>
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