

**USAID/BOLIVIA
STRATEGIC OBJECTIVE CLOSE OUT REPORT**

SO Name:	Increased Citizen Support for the Bolivian Democratic System	
SO Number:	511-001	
Approval Date:	October 1, 1997	
Strategy Period:	FY 1998 - FY2003	
Geographic Area:	Bolivia	
Total Cost:	\$41,533,000	
<i>USAID:</i>		
DA:		\$19,450,000
INC Plan Colombia:		\$2,000,000
ACI :		\$14,088,000
ESF:		\$5,995,000
Principal Implementing Partners:		
Management Sciences for Development (MSD)		
Chemonics International, Inc.		
International City/County Management Association (ICMA)		
State University of New York (SUNY)		
University of Pittsburgh		

1. Background

When the strategic objective (SO) was first identified in 1997, Bolivia was the second poorest country in the hemisphere with a per capita GNP of about \$870. The statistics reflecting poverty were staggering: 70% of the population below the poverty level; 65% under-employed; and real per capita income 12% below the 1980 level (real per capita income actually dropped 20% for the poorest 25% of the population). Of the 5.2 million Bolivians living in poverty, 88% were members of indigenous groups. On a positive note, the government had held a successful election the previous year, increasing public confidence and providing legitimacy for the electoral process.

For the first time in Bolivian history, single district congressional representatives were elected and took office in 1997. USAID's Democracy and Governance SO, "Increased Citizen Support for the Bolivian Democratic System" aimed to build on these positive developments to support the rule of law, administration of justice and municipal development. USAID sought to use training, technical assistance and policy dialogue to help shape legal reform, and reinforce Bolivia's decentralization process.

Midway through the life of the SO, it became clear that the institutional and cultural changes envisioned would take longer than originally expected. Intense social conflicts that erupted in Bolivia in February and October 2003 put the continuity of the country's democratic constitutional order at risk. The social explosion of October 2003 resulted in the resignation of Bolivia's president, Gonzalo Sanchez de

Lozada. The vice president, Carlos Mesa, assumed the presidency pursuant to constitutional norms and the country has since maintained a fragile stability. The SO was extended one year from its original end date of 2002 to 2003. This SO received its final obligation in 2003.

2. Summary of Overall Impact at SO and IR Level

When describing the newly designed SO, the Democracy Strategy noted that, as a goal, “democracy in Bolivia must stand on two fundamental pillars: 1) the capacity of elected, representative governments to govern with legitimate and generally accepted authority; and 2) the capacity of the governed to participate in government decisions through legitimate and effective channels.”

Six years later, Bolivia has achieved substantial gains both in reforming state and governmental institutions and in empowering citizens and communities in urban as well as traditional rural indigenous communities. Important advances have been made in the area of justice reform, the most of significant of which has been the implementation of the new Code of Criminal Procedures (CCP) which replaced an obsolete inquisitorial system and introduced a modern accusatorial one. In the area of legislative strengthening, activities under this SO have increased the interaction between single-member district representatives in Congress and their constituents.

USAID assistance also helped establish a solid foundation for continuing with a cutting edge decentralization program. USAID created many of the tools to implement the laws passed by the GOB which provide for popular participation. Although the laws had been passed and on the books for several years, they had not been fully implemented. The impact has been significant. For the first time in Bolivia’s history, people from all class levels and ethnic groups have gained access to concrete mechanisms to participate in government decision-making processes. Thus, in measuring impact against the original strategic plan, the program would be judged a success with its principal goals met or exceeded.

Following is a summary of Intermediate Results (IRs) in the SO’s Results Framework.

IR 1: Key elements of rule of law become more transparent efficient, effective, accountable and accessible.

- The new Code of Criminal Procedures (CCP) moved Bolivia to an oral, accusatory criminal justice system that is significantly more transparent, efficient, and participatory than the previous system. This important reform ended the inquisitorial justice system which was highly conducive to corruption and delays. With USAID’s support, trial time has been dramatically reduced, and the courts’ capacity to monitor judicial performance and combat corruption has been improved.
- Under the CCP, the judiciary has become more efficient in processing cases. Where before a typical criminal case averaged 868 days, under the CCP the average has been reduced to 140 days. The cost of processing cases has also been substantially reduced, from an average of \$2,854 per case to \$367 per case.
- The new CCP made an important contribution to the democratization of justice, through the incorporation of citizens into the trial process as citizen judges. Increased citizen awareness was also achieved through an intensive public education campaign.

IR 2: Single member district representatives are more responsive to constituent demands

- USAID's legislative strengthening program led to improved communication between members of Congress and their constituencies. With technical assistance and support, national representatives began to implement constituent outreach mechanisms, such as public hearings, forums and interactive radio programs, to inform and consult constituents on key issues of local and national interest. Six constituent outreach mechanisms at the disposal of all 157 legislators were established, leading to 145 outreach events in the nine departments of Bolivia. The Bolivian Congress officially recognized the USAID-developed participation mechanisms, which greatly facilitated their widespread implementation.
- The increased use of constituency outreach mechanisms served to improve the amount and quality of constituent relations. This increased communication may help to overcome the distrust many citizens harbor toward governing institutions, and can act to reduce the threat that anti-system misinformation campaigns can lead to further political instability.
- Women's representation in Congress has also improved as the number of seats held by women increased. In addition, a female legislative caucus was organized. Women members of Congress, in coordination with women's NGOs, developed a common legislative agenda to address gender related issues. As a result of this collaboration, two key pieces of legislation were enacted that greatly benefited women throughout Bolivia; the Domestic Workers Law and the Free Rural Registration Law, allowing for civil registration of rural children free of charge.

IR 3: Local governments effectively respond to citizen needs and demands

- In the area of local governance, USAID supported the successful implementation of a participatory management model that has dramatically increased citizen participation in municipal governance. This model has been implemented more than 170 municipalities and has been recognized by other bilateral donors and the GOB as an effective means of promoting citizen participation. This model has helped municipalities adopt more participatory methods of planning, and enables increased citizen oversight over municipal functions.
- Coupled with the rise in importance of municipal associations, Bolivia witnessed an explosion of self-initiated partnerships of municipalities, known as mancomunidades. These partnerships, which are designed to improve economic planning and management, grew from seven in 1998 to 75 by 2003. USAID provided support to 16 mancomunidades, and provided on-going technical assistance to municipalities to address the frequent turnover in municipal leadership and administration.
- Cross cutting results were also achieved through improved service delivery by municipalities at the local level. Decentralized community health care was provided and further access to quality reproductive health services was expanded as a result of decentralization activities.
- Citizen satisfaction for USAID assisted municipalities was high in comparison with the average municipality according to the 2002 Democracy Values Survey. The data demonstrated differences in terms of satisfaction with municipal responses, citizen demands on local governments, and public participation in budget meetings.

3. Significant changes in the Results Framework during the life of the SO

This SO was approved in 1997 with the title, “Social Base of Democracy Broadened and Governance Strengthened.” After two years, however, the SO statement was changed to, “Increased Citizen Support for the Bolivian Democratic System” in an update of the results framework. It was felt that the original title was too broad and made it difficult to accurately reflect the results that USAID/Bolivia was trying to achieve.

4. Summary of Activities Used to Achieve the SO and Their Major Outputs

Activities to support the SO were carried out under three related IRs.

IR 1 Activities: Key elements of rule of law become more transparent efficient, effective, accountable and accessible.

In order to promote a well functioning legal system and rule of law within a democratic framework, USAID’s administration of justice program supported the development and implementation of laws, policies and institutions. In the area of legal reform, USAID provided technical assistance and support in legislative drafting and design. Activities were also undertaken to stimulate technical discussions in Congress on proposed legislation, and generate consensus among members of Congress and constituencies.

As a result of these activities, a number of new laws were implemented. Most significant of these was the Code of Criminal Procedures (CCP) which instituted oral, public trials for the first time. Other important pieces of legislation that were passed included the Public Ministry Law, Sentence Execution Law, and the Ley de Responsabilidad para Altos Funcionarios del Estado. Draft laws developed included the Organic Law of the Judiciary, the Organic Law of the Police, the Community Justice Law and the Money Laundering Law.

USAID also undertook a number of activities to strengthen justice sector institutions, including the judiciary, the Public Ministry, the Public Defense, and Criminal Investigative Police, with a particular emphasis on helping them adapt to the new Criminal Procedures Code. Technical assistance and training helped these institutions begin the process of adjusting their internal regulations, policies, and operating guidelines in order to effectively perform their functions within the new criminal justice system. In addition, training was provided to justice sector operators, including judges, prosecutors, public defenders and investigators, to increase knowledge of the CCP and encourage better coordination among them.

As part of these institutional strengthening activities, USAID financed an electronic case tracking and jurisprudence search system. The case tracking system, implemented initially at the Supreme Court and now in the process of being extended throughout the country, has played an important role in helping to reduce trial times and increase transparency.

USAID also supported civil society activities aimed to promote greater awareness and understanding of the CCP throughout Bolivian society. Building public support and ownership of the reforms is important to their long term sustainability. Activities included a major public education campaign, outreach activities specifically targeted through NGOs that work with women, the poor, and indigenous populations, and the creation of an NGO network to promote increased understanding of the CCP.

IR 2 Activities: *Single member district representatives are more responsive to constituent demands*

Two sets of activities were carried out under the second Intermediate Result, “single member district representatives are more responsive to constituent demands”, during the 1997-2003 period. A legislative strengthening project implemented by SUNY began under an earlier SO. This project funded institutional strengthening activities aimed to strengthen the technical functions of Congress, including budget analysis and legislative drafting. This project was completed in 1998, early in the life of the SO.

This IR was reassessed in when the office was revising its results framework. The turbulent political situation and high turn over rate within the Congress had limited the impact of these activities. After some consultation with the Congress, it was decided that the IR should be maintained, although with a new focus on improving the quality of representation rather than trying to strengthen an ever-changing legislature. In 2001, after a two year hiatus, activities were reinitiated under IR 2, with a focus on strengthening constituent outreach.

The legislative strengthening activities launched in 2001 sought to improve the representative function of Congress, and encourage greater constituency outreach by national representatives. With USAID support, several important constituent outreach mechanisms were developed, tested and implemented. These outreach mechanisms helped to promote mutual understanding among antagonistic groups through dialogue and joint problem-solving.

Constituent outreach mechanisms implemented included meetings of single district representatives with local authorities and civil society, public hearings, interactive radio sessions, and other forums. Approximately 145 outreach events have been implemented in all nine departments. USAID has also helped Congress carry out public hearings in all nine departments. Constituent outreach mechanisms were also designed for the regional caucuses, which led to the development of participatory Minimal Regional Agendas in eight out of nine departments. The implementation of the Minimal Regional Agendas was formally agreed upon by members of each caucus with their constituents. Assistance was provided to the caucuses in monitoring the implementation of these agendas.

The program also undertook activities designed to encourage greater representation of women in Congress. Women candidates were provided USAID-sponsored training in leadership as well in the use of outreach mechanisms. The number of congressional seats held by women during the 2002-2007 legislature rose by almost 30% compared to the 1997-2002 legislature, from 48 to 61 members and alternate members. USAID also assisted in the development of a gender focused legislative agenda by the women legislators’ caucus and the successful passage of two laws on their agenda: the Domestic Workers Law and the Free Rural Registration Law.

The 2002 Congressional elections led to the arrival of new actors in the political arena, and the number of women and indigenous representatives elected to Congress rose considerably. However, the leadership of Congress, represented by traditional parties, has found it difficult to work with this more pluralistic Congress. Moreover, the high turnover in Congress made progress toward institutional strengthening more difficult. These mixed outcomes illustrate the difficulties in showing consistent, positive results in relation to the second IR.

IR3 Activities: *Local governments effectively respond to citizen needs and demands*

A key achievement of the USAID decentralization program was the development of a practical model that enables municipalities and other entities to implement the mandates of Bolivia's 1994 Popular Participation Law (PPL). Participation has been enhanced through budget meetings and the establishment of other decision-making forums.

USAID provided technical assistance and training to four departmental municipal associations; which are now generating revenues that account for an estimated 20% and 40% of their operating budgets. USAID continues to strengthen the Federation of Municipal Associations of Bolivia to better represent the interests of its members and to develop a strong multi-year strategic plan. USAID has also supported a municipal government transparency program that helped 108 municipalities generate current and accurate financial statements, budget projections and annual operating plans. Municipalities' access to the internet has been enhanced, and 37 municipal websites were created. Technical assistance was also provided to help municipal governments adopt electronic procurement systems.

The program included a number of complementary activities at the national level to further support the decentralization process. Beginning in 1998, the program provided inputs that contributed to the discussions surrounding the Organic Law of Municipalities, that with the Popular Participation Law, laid the foundation for a more open and transparent local government. USAID has also worked with the Ministry of Sustainable Development in the 'Ley del Dialogo', which addresses municipal resource transfers, and 'Ley de Reforma a la Constitucion Politica de Bolivia' as of 2000.

Technical assistance and support was also provided to the Ministry of Hacienda in the development of 109 of their 314 annual municipal-level plans and budgets. Similarly, USAID provided support to the Ministry of Hacienda and the Vice Ministry of Popular Participation in the implementation of an accounting system, known as SINCOM, to promote greater transparency in management.

With seven out of ten Bolivians now residing in urban areas, USAID began implementation of an urban decentralization model in four large Bolivian municipalities, which will decentralize services and decision making within urban areas. These activities continue under the new SO.

Cross Cutting Activities

In 1998, USAID sponsored the first nationwide Democratic Values Survey which provided a baseline against which to measure changes in citizen attitudes towards democracy and support for democratic institutions. The Democratic Values Survey was implemented again in 2000 and 2002, and has generated useful data to measure progress toward results.

5. Prospects for Long-term Sustainability of Impact

USAID's democracy programs have made significant progress in helping to reform state institutions and increase citizen participation in decision making. The sustainability of some of these impacts may be affected in part by future political developments, such as the proposed Constituent Assembly. In 2003, President Mesa called for the creation of a Constituent Assembly to reform the Bolivian Constitution. Bolivia has no historical precedent for such a process, and the impact and scope of reforms to be addressed by this Assembly cannot be anticipated at this time. The Assembly is intended to enhance national integration through a process of dialogue and consensus on a new Constitution. Such an Assembly, however, may create expectations that it cannot fulfill, or it may embark on debates that unleash deep-seated social, regional, political, economic and ethnic conflicts.

At a minimum, the Assembly may redefine the institutions and rules that currently shape the legislative arena. While the hope is that the Assembly will lay the foundation for a broad consensus for democracy in Bolivia, it also introduces the risk that a new model may emerge that will be less democratic, accountable or workable. Given the prevalence of political intolerance and authoritarianism, and belief in simplistic solutions to complex socioeconomic problems among broad swaths of the population, this is a very real risk. In light of the Assembly's authority to change the rules of the game and the structure of democratic institutions in the country, USAID will offer technical assistance based on the model developed in this SO throughout the Assembly as to constitutional, judicial, legislative and municipal considerations.

The follow on SO will build on the successes of this program and seek to deepen the reforms in the judicial, legislative and municipal arenas. In the area of judicial reform, the program has had positive impact in assisting in the establishment of a new accusatorial criminal justice system. However, problems remain in the commercial law arena, including the continuing lack of adequate security for contracts, trade, and investment. The next generation of justice reforms in Bolivia will address commercial, civil and administrative law reform. These reforms are critical to increasing citizen confidence in democratic institutions, and to Bolivia's ability to attract the foreign and domestic private investment needed to increase income and employment. The sustainability of the judicial reform process achieved to date will also require an ongoing commitment from government counterparts to fully fund the newly reformed judicial institutions and to continue to provide training to judicial operators through the Judiciary and Public Ministry training institutes.

In the area of legislative strengthening, some key challenges remain. The low credibility of traditional political parties has affected public trust in Congress. In the 2002 presidential elections, two parties that participated in the presidential elections for the first time (NFR and MAS) obtained 41.85 percent of the votes, while the traditional MNR received 22.46 percent. Three traditional parties (ADN, UCS, and CONDEPA) together received only 9.27 percent of the votes. These results show a clear disillusionment with traditional political parties, and highlight an urgent need to restore confidence in parties as legitimate vehicles for democratic participation.

The work accomplished under USAID's local government program demonstrated notable impact in the over 170 municipalities that use the municipal management model developed under USAID's DDCP project. Municipal governments are the principal delivery mechanism for public health and education services under the PPL and are critical to creating an environment appropriate for investment. The ability of local governments to deliver these services and encourage economic growth is crucial to the national government's ability to design and carry out a Poverty Reduction Strategy (PRS) Action Plan. USAID/Bolivia will continue to focus on strengthening the ability of local governments to provide basic services and encourage economic growth in order to help alleviate poverty in Bolivia.

USAID/Bolivia will continue to expand the success of its program through innovative new partnerships. The follow-on phase of the municipal government capacity building program (DDCP III), in close coordination with the Alternative Development SO Team, will continue to expand its activities in the Yungas region, and will begin activities in the Chapare. The thrust of the program in these regions is to bring these municipalities in coca-producing regions into the national mainstream by focusing on their roles as mechanisms for peaceful and productive citizen participation in the political process and as conduits for provision of basic public services sought by their communities.

Relationship to Follow on SO

For the new Democracy SO in the FY 2004-09 strategy period, USAID proposes four intermediate results (IR). The first three build on previous and current USAID activities, while the fourth is new and focuses on anti-corruption.

- First, while Bolivia has taken important steps in criminal justice reform, the justice system still does not provide adequate security for contracts, trade, and investment. The next generation of justice reforms will include commercial, civil and administrative law reform.
- Second, the Democracy SO's legislative strengthening efforts have introduced a focus on political parties, in recognition of the importance of political parties to a democracy. USAID will assess the results from initial activities in deciding whether and how to continue support for the parties. Activities will also continue to support improvements in the quality of representation and dialogue between legislators and their constituents.
- Third, USAID will continue its support for municipal development by adapting its model of participatory municipal governance to urban areas where the majority of the population lives. At the same time, it will strengthen municipal associations to obtain new sources of financing and implement regional projects with greater economic impact. Using an Internet portal already in place, it will increase transparency in operations and contacts with the private sector, and strengthen the municipal association movement to become self-sustaining.
- Fourth, the Democracy SO will introduce a new IR focusing on anti-corruption efforts aimed at increasing government transparency and effectiveness. USAID's strategy is to create an integrated capacity to recognize, denounce and successfully prosecute corruption in government, balanced by improved capacity in civil society to provide oversight of government functions.

6. Lessons Learned

A number of critical lessons have been learned in the implementation of this SO. A significant challenge facing Bolivia is its inability to manage political conflict productively and efficiently. Rather than resolving conflict, Bolivia passes inconclusively through regular crises that weaken respect for the state. Breaking this cycle requires greater capacity on the part of political institutions, and greater public confidence and use of those institutions to resolve issues.

In such a context, it is important to focus both on institutional reform as well as building citizen support and confidence in those reforms. For example, although Bolivia has made enormous strides in judicial reform, considerable work is needed to convince the public that the rule of law is a reality. Intensive public education and awareness raising efforts must be implemented alongside institutional reform efforts. Deep rooted institutional reforms require not only changes in laws and institutional processes, but also require citizen understanding and support for the reforms. As such, it needs to be recognized that sustaining institutional reforms requires long term commitment, as well as long term funding.

The sustainability of program impact is also heightened when government actors at all levels are brought into the program. In the case of the local government program, impact was enhanced by working not only at the local level with individual municipalities, but also at the national level on legislative and other

issues. In addition, actors at the departmental level, such as prefects and municipal associations, are important stakeholders in the decentralization process and need to be considered.

Another important lesson is the need for the program to remain flexible to respond to new challenges in Bolivia's volatile context. The legislative strengthening component of the program, for example, shifted its primary focus from institutional strengthening to constituency outreach after the high turnover in the 2002 Congressional elections which weakened the sustainability of the institutional strengthening activities. The Democracy Team has worked to develop its follow-on strategy in such a way to retain flexibility to new GOB initiatives, such as the Constituent Assembly, or other changes in the political context.

In addition to the changing conditions in the short term, it is also important to recognize and address the long term trends, such as the demographic change underway in Bolivia. The Bolivian population is rapidly concentrating into twenty urban centers, and thus the GOB must adapt its decentralization mechanisms (perhaps Bolivia's greatest democratic achievement in recent years) to the urban context.

It is also important to recognize and address the role of corruption in destabilizing democratic institutions, which cannot be overstated. Bolivian party politics are driven by clientelism, characterized as politics defined by competition for state jobs and other resources, rather than ideology or social interests. This drives much of the problem of corruption that diminishes public confidence in democracy.

Finally, the need to enhance the participation of women and indigenous Bolivians in the political process and access to justice remains a priority despite important progress in the municipal and legislative areas. Increasing the participation of women and indigenous Bolivians is not only inherently just, it is essential to achieving democratic consolidation. Despite legal quotas for women's participation, the extent and quality of their participation in government remains severely limited. Meanwhile, the exclusion of indigenous Bolivians from the country's democratic processes has caused persistent tensions that have sparked and may again ignite explosive social conflicts.

7. Performance Indicators

- SO Indicator 1:** *Key justice sector institutions adapt their Annual Operative Plans to the new legal reform*
- SO Indicator 2:** *Improved quality of contacts between "uninominales" and their constituencies in DDCP electoral districts*
- SO Indicator 3:** *Increased female participation in DDCP municipal meetings including Annual Operating Plan preparation.*
- IR Indicator 1:** *Number of institutions strengthened.*
- IR Indicator 2:** *Percentage of agreed-upon actions completed by "uninominales" in 15 districts*

IR Indicator 3: *Percentage of women participating in municipal budget meetings*

Overall, the indicators were very effective in helping track the results and progress of the SO. They underwent a revision midway after the second year of the strategy period to better capture the results that were being sought.

8. Evaluations and special studies

Democratic Values Survey (national and special samples) 1998, 1999, 2000, 2001, and 2002

USAID Reports

R4 Reports: 1998, 1999, 2000, 2001 and 2002, 2003 and 2004 Annual Reports and CBJs

Partner Evaluation

Chemonics Progress Reports 1998-2002

MSD Progress Reports 1998-2003

Chemonics Closeout Report 2002

ICMA Closeout Report 2003

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