

# **Action Research on Community-Based Planning Project**

## **Report on Study Tour to Bolivia and Sao Paulo**

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We hope that this will lead to more contact in the future, fostering the South-South links which are essential to our progress. We look forward to the day when we don't have to get our Bolivian visas from Egypt!

Ian Goldman 24.5.2002

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**The report is available from the community-based planning page at [www.khanya-mrc.co.za](http://www.khanya-mrc.co.za)**

## FURTHER INFORMATION AND CONTACTS

All project documents can be found on the Community-Based Planning Page at [www.khanya-mrc.co.za](http://www.khanya-mrc.co.za). These include: reports on the situation with CBP in each country; reports on visit to India; the core, Ugandan and SA manuals, examples of community-based plans. For further details, please contact the project manager, Ian Goldman ([goldman@khanya-mrc.co.za](mailto:goldman@khanya-mrc.co.za)).

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## **GLOSSARY**

Alcalde	Mayor, agreed by majority parties from elected councillors
AMT	Association of Municipalities of Tarija
Consejo Municipal	Municipal Council comprised of elected councillors
Coparticipacion	Revenue generation by
CV	Comite de Vigilancia – a civil society oversight committee operating at municipal level, with membership based on OTB representatives by distritos
Departamento	Department – the largest regional structure, with national sectoral structures
Distrito	Sub-division of municipality
DUF	Direccion Unica de Fondos – Unified Funding Directorate in Finance, covering all international cooperation funds
EBRP	Bolivian Poverty Reduction Strategy
EDA	Encuentro de Avance – meeting to review progress on POA
EDC	Encuentro de Decisiones Concurrentes – meeting to agree inputs from different levels of government for the POA
EM	Ejecutivo Municipal – the municipal executive
FAM	Federation of (departmental) Associations of Municipalities
FPS	Fund for Productive and Social Investment (managed by DUF)
GOL	Technical advisors posted to municipalities
JCP	Jovenes Contra la Pobreza – young people doing community service after graduating from university
JV	Juntas Vecinales – Neighbourhood Groups, legally recognised as OTBs
LGDP	Local Government Development Programme in Uganda
LPP	Ley de Participacion Popular – Popular Participation Act – enacted in 1994 which established the basic for decentralisation
Mancomunidad	Legally established grouping of municipalities to achieve specific purposes
MG	Municipal governments
Municipio	Local government
MDSP	Ministry of Sustainable Development and Planning
OTB	Organizacion Territorial de Base – community-level legally recognised area-based community structure, either based on legal CBOs established as Indigenous Community, Indigenous Town, Peasant Community or JV
PDD	Plan de Desarrollo Departamental – Departmental development plan
PDES	Plan General de Desarrollo Economico y Social – national development plan, which must be produced by a new incoming government
PDM	Plan de Desarrollo Municipal – 5 year municipal development plan
PNC	National Policy on Compensation
POA	Plan Operativo Annual – annual operational plan (eg of Municipalities)
Provincia	Sub-division of Department
VPEPP	Bolivian ViceMinistry of Strategic Planning and Popular Participation

## **Report on visit from Community-Based Planning Project to Bolivia, 3-13 May 2002-05-25**

### **EXECUTIVE SUMMARY**

#### **1 Introduction**

This is the report of a visit to Bolivia conducted by 3 countries who are partners in an action research project looking at community-based planning - how to link participatory planning with the local government planning system. This is an 18 month project funded by the UK's Department for International Development, with partners from national government, local government and NGOs in Ghana, Zimbabwe, Uganda and South Africa. The project is managed by Khanya-managing rural change.

As part of the project, partners are piloting methodologies for community-based planning. They have visited India, and now Bolivia, to learn from their experience in participatory planning. The visit to Bolivia included 6 people from 3 of the 4 partner countries, and took place between 3 and 13 May 2002. The visit was hosted by the Bolivian Vice Ministry of Strategic Planning and Popular Participation.

#### **2 Structures and systems in Bolivia**

Bolivia covers five very different ecosystems ranging from high altitude drylands (altiplano) to the Amazon. This has resulted in complex agricultural and social systems. There is a strong and enduring traditional structure and systems, rooted in the 50-60% of the population of indigenous descent. Bolivia has had a history of centralised government, and rapid changes of government, with 191 governments since independence. It went through a period of brutal military rule from 1964-1982, but since then has had 18 years of democracy.

A key law, the Law of Popular Participation (LPP), was enacted in 1994 and transformed what was a very centralised country, with national government and only about 20 municipalities, creating a total of 314 municipalities. There are now two levels of government, national (macro) and municipal (lower meso). There is another level, the Department, equivalent to a province (upper meso), which currently is still responsible for many public services, and has a political and administrative component. Other levels are becoming defunct, notably the province.

The LPP created recognised local level structures (OTBs), a system for social control (vigilance committees, CVs), and defined (limited) roles for municipalities. This had major impacts in transferring resources to rural municipalities. In the late 1990s a national dialogue process took the decentralisation process further, defining further the allocation of resources, and the linkage to poverty based on a formula. This also legally enshrined the Bolivian Poverty Reduction Strategy (EBRP).

#### **3 Planning**

A participatory planning system does exist, with lists of priorities produced by OTBs, aggregated at district level, and incorporated in municipal development plans (PDMs) and annual operational plans (POAs). There are also departmental plans (PDDs) and a national plan (PDGES). There is also extensive community involvement in oversight of municipalities through the CVs, and at local level the OTBs.

## **4 Observations**

The project draws from the Sustainable Livelihoods Approach to poverty reduction. In implementing this approach Khanya has developed a set of 6 governance issues to analyse development interventions. These are attached in Annex 4. These issues provide a framework at micro (community), meso (institutional) and macro (policy) level for analysing the findings, and are used here to summarise the findings from the visit (what is needed) and are then followed by a summary of our observations.

### 4.1 Micro (community level)

What is needed for the promotion of sustainable livelihoods is:

- **Poor people active and involved in managing their own development (claiming their rights and exercising their responsibilities);**
- **Responsive, active and accessible network of local service providers (community-based, private sector or government).**

What we saw in Bolivia:

- A good level of social organisation with Neighbourhood Groups, unions, existing at local level;
- It is very positive the way government has recognised existing groups as local representative community structures (OTBs) to represent each area rather than necessarily creating new ones;
- The OTBs are very involved at local level, eg in mobilising people for projects, and in overseeing progress on projects;
- There is good awareness of popular participation amongst the people.

However:

- OTBs are often not representative of women or the poor;
- The OTBs are very active in monitoring and supervision of the municipality and its projects, but the planning system used is very basic, essentially a shopping list, and not very strategic or empowering;
- There is some confusion between different groups on the ground, with a range of power bases – the Sindicato/Union, Traditional Authorities (autoridades originales), the government representative at local level (Corregidor – literally, corrector), the OTB, and a varying power relationship between these;
- There are limited services available at village level, as in Africa.

### 4.2 Lower meso – Municipal level

What is needed:

- **At local government level (lower meso) services facilitated, provided or promoted effectively and responsively, coordinated and held accountable**

What we see:

- Very variable sizes for municipalities ranging, from 200 to 1 million inhabitants. This suggests a lack of clarity as to why municipalities exist, hence their roles, hence the requirements and minimum capacities, and so the minimum size for municipalities to be viable;
- Limited services are provided by municipalities, as in SA, and where they have some responsibility, eg over education and health, there is some confusion on roles because of shared responsibilities;

- Decentralisation of services in La Paz to area offices seemed to be effective and was very interesting;
- The social control role is provided by Vigilance Committees (CVs) established at municipal level by representatives from the OTBs. This role is very interesting, is still somewhat weak, although there is a solid base to build on;
- The form of representation at this level is very different from in the CBP partner countries, as it is based on a few full-time councillors on a party list, rather than area-based councillors. In our case therefore there is already some area-based accountability within the Council structure;
- There is insufficient integration of NGOs with the work of local government;
- Planning is not very strategic, and concentrates on social rather than economic investment.

#### 4.3 Upper meso - Mancomunidad, Provincia, Departamento

What is needed:

- **Province (upper meso) providing support and supervision, and strategic planning:**

What do we see:

- The Mancomunidad is an interesting initiative to promote the voluntary grouping of municipalities to address issues of common concern. However this does not eliminate the need for rationalisation of municipalities, which are often very small, and the two should not be confused;
- The role of the Department is not clear, neither legally nor in practice, and there is a significant loss of resources in the lack of coherence of Department and municipality (which is also true for Ghana and SA);
- There is a lack of supervision and support for municipalities, which should accompany decentralisation – something exists in the Strengthening Unit in VPEPP, the Departmental Association of Municipalities, NGOs, but there is also confusion between these;
- The role of the Departmental Development Plan (PDD) is not very clear as a strategic regional plan, nor the links with municipal plans;

#### 4.4 Centre

What is needed:

- **The centre providing strategic direction, redistribution, coordination and oversight**
- **International level supporting capacity of nations and regions to address poverty**

What do we see:

- There was a strong push after 1994 for decentralisation with the LPP and LDN, resulting in a significant shift in the centralisation which existed previously. This has resulted in a significant transfer of resources to municipalities, notably to rural municipalities, at 25% of government expenditure (compared to 1.5% for SA);
- Holistic and strategic direction is provided by the Bolivian Poverty reduction Strategy (EBRP). This strategic central plan does not exist in SA, but does in Ghana and Uganda;
- The state is developing strategic guidelines, eg for the use of HIPC funds, and there is a poverty-focused formula for allocation;
- The extensive degree of separation of levels of government (local and national) is resulting in little oversight on local government. There is a need for more supervision through information, amalgamation of municipalities so that they are more viable, and greater coherence between different levels of planning;

- A decision needs to be taken centrally about who deals with service delivery, municipalities or departments. Ideally many of these functions should be handed over to municipalities, especially if these are amalgamated and therefore more viable;
- There needs to be considerable speeding up of decision-making, eg by the DUF, which is severely affecting municipalities as transfers can take a long time to come;
- Civil society is not organised effectively at national level, and NGOs do not have an overall coordination structure, but rather a disparate set of networks.

## **5 Overall learnings for the team**

SA has already drawn ideas from a visit to Bolivia in 2000. This has been used in developing its IDP process, its equivalent of the PDM, POA process. In general the following are the main themes that emerged as relevant from this visit:

- The concept of social control, and the CV, although it is not clear quite how to apply it in our situations where we have representative councillors, and a much larger group of councillors, mostly part-time;
- The idea of strengthening the equivalent of the OTBs. These exist already in Uganda (village council, parish development council) and are active, but they are creations of the state. Similar structures have been created but are not active in the other 3 countries;
- The innovative idea of recognition and registering of existing community structures to represent the area, including traditional structures;
- Mancomunidades – the concept of voluntary associations between municipalities for specific purposes. The government through appropriate incentive policies such as concessional co-funding requirements has encouraged federations of municipalities to come together and address common development activities, which cuts across their geographical boundaries. This has had two effects: economies of scales have been realised, and secondly municipalities have been forced to think creatively to identify activities which are cross cutting for the benefit of the majority of their population such as irrigation, environmental management, tourism, common public health services for eradication of endemic diseases, etc.

There wasn't an opportunity to pursue this in any depth, but it would be very interesting to pursue in the future the relationships between traditional and state structures. In this area there may well be many commonalities between Africa and Bolivia.

## **6 Learnings for Bolivia**

The following are some examples of learnings from Ghana, Zimbabwe, SA and Uganda which may be relevant to Bolivia, as well as other of the partner countries:

- The process of amalgamation of municipalities which SA has gone through, reducing the total number from around 840 to around 280 municipalities;
- The handing over of service delivery responsibilities to municipalities. In Ghana service departments are accountable to municipalities. In Uganda all the main public services have been handed over to local governments;
- The capacity-building process for municipalities developed in Uganda (LGDP) and Zimbabwe (Rural District Council Capacity-building Programme);
- The community-based planning methodology developed in this project, which would appear relevant to Bolivia;

- Local revenue raising at the bottom in Uganda and the apportioning of part of this revenue to local structures;
- Greater role for the private sector in SA, and Ghana;
- Forums within each department of the Prefect and Mayors, and also at technical level, to coordinate activities (eg Free State Province, South Africa)

For all of us a major challenge is how to increase the investment and contribution of municipalities in local economic development.

## **PART A INTRODUCTION**

### **1 INTRODUCTION**

#### **1.1 Background to project**

Khanya-managing rural change is project managing a 4 country action-learning project focusing on community-based planning, and how a participatory planning process can be linked systematically to local government planning processes. Partners in the project are from national governments, local governments and NGOs in Ghana, Uganda, Zimbabwe and South Africa, and the project is funded by the UK's Department for International development.

Participatory planning can be proposed for a variety of reasons, including:

- To make plans more relevant to local needs and conditions;
- To increase community involvement in provision of public services;
- In some cases the intention to increase involvement is due to lack of capacity of government agencies, who wish to withdraw;
- To increase people's control over their own lives and livelihoods.

There are important implications for the type of planning. We are assuming it must be all 4 of these. Therefore the CBP project focuses on the question of what sort of community-based planning process and system can be implemented which is holistic, reflecting the complex reality of people's lives, linked to the mainstream planning system (usually local government, but also sectoral), can be empowering, and is realistic within the resource envelopes (human and financial) available within a municipal area.

The project has involved in-country reviews of the status of community-based planning, the development of a common core methodology and manual, piloting of the approaches in the different countries. In addition two visits are programmed to countries implementing related approaches, Madhya Pradesh in India, and Bolivia. The visit to Madhya Pradesh took place in September 2001, and this report is the product of the second visit, to Bolivia.

#### **1.2 Objectives of the visit**

The visit to Bolivia was intended to study the types of local government system in Bolivia, planning systems at community and municipal level, the links between levels of government, and the links between civil society and local government.

#### **1.3 Programme**

Annex 1 shows the full programme for the visit. The team arrived in Bolivia on 3 May, departing for Sao Paulo on 13<sup>th</sup> May, meeting staff from the City of Sao Paulo on 14 May and then departing for Johannesburg, arriving on 15<sup>th</sup> May. The first 4 days were spent in Tarija Department (equivalent to province), in the South of Bolivia, including visits to municipalities, the Mancomunidad Heroes de la Independencia, the Departmental administration, as well as community groups. In La Paz the team met officials from

national departments in the Ministry of Sustainable Development and Planning, and also Finance, the City of La Paz, the rural municipality of Eucaliptus. On 13<sup>th</sup> May the team fed back their impressions at a workshop with stakeholders, as well as giving information about the situation in each of the partner countries.

Annex 2 summarises some of the people met.

#### **1.4 Structure of the report**

The report is in four parts:

- A background to Bolivia, including relevant policies and structures
- The different case studies visited, including 2 rural and 2 urban municipalities
- The learnings by subject
- Learnings for each country

## **PART B CURRENT SITUATION IN BOLIVIA**

### **2. ADMINISTRATIVE STRUCTURES AND SYSTEMS IN RELATION TO LOCAL GOVERNMENT AND PLANNING**

#### **2.1 Background to Bolivia**

Bolivia is the crossroads of South America, with borders to Chile, Argentina, Brazil and Peru. It has a wide range of climatic and agroecological zones, which has influenced the culture and organisational history of the country.

There are 5 main agroecological zones<sup>1</sup>:

- The altiplano (high plain) which is around 3800 meters, cold and dry, and with its eastern and western borders marked by Andean ridges reaching 6000 metres plus. This areas has some 60% of the population, dominated by Aymara people, with farming systems based on potatoes, llamas, barley;
- Highland valleys south and east of the Altiplano with the most hospitable living conditions in the country and includes Cochabamba, Sucre, Potosi and Tarija, with altitudes varying from 1500m in the valleys to over 3500m on the peaks. These have a varied agriculture based on olives, nuts, wheat, maize and grapes, and Tarija is the main wine-growing area in Bolivia;
- Where the Andes fall away into the Andean basin are the Yungas, a transaition zone between the dry highlands and the humid lowlands. Tropical fruit, coffee, sugar, coca, cacao, vegetables and tobacco are grown;
- The Chaco in the South Eastern part of Bolivia is flat scrubland which continues into Paraguay and Argentina;
- The lowlands, which cover 60% of Bolivia's land area, and are hot, flat and sparsely populated, but forestry, agriculture and mining are developing.

The complexity of the agroecology meant that in order to survive, complex farming systems were developed involving integrated links between the Altiplano with the lower areas.

For 2000 years Bolivia was the centre of the Tihuanaco culture, a powerful religious scientific culture which at its apogee controlled the whole of what is now Peru and Bolivia. In about 1200 the Aymara invaded from what is now Chile. The Aymara were only finally conquered by the Incas some 80 years before the Spanish conquest in 1533. The Incas probably derived from the Tihuanaco culture, and brought in the Quechua language and culture.

While they acknowledged allegiance to the Catholic Church and the King, the native Indian peoples were left in relative peace, with their social organisation and nobility in place and with their land, but having to pay taxes to the Spanish crown. In 1544, soon after the Spanish conquest, silver from the wealthiest mine in South America poured out of Potosi,

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<sup>1</sup> From the Lonely Planet

financing the development of the Spanish empire. The opening of the Potosi mine started the mining tradition which became the mainstay of the economy, initially with gold and silver, later with tin, and now with oil and natural gas.

In the late 18<sup>th</sup> century a modernising Spanish king sought to arrest the decline in Spain and to improve the operation of the Spanish bureaucracy, and the efficiency of its operations in Latin America. This increased the intrusion of Spanish merchants and the ruling class on the Indians. There were revolts around 1780, and then later the Independence movements resulting in Independence in 1825. From that point exploitation of the Indians increased. During the 20<sup>th</sup> century Bolivian farming and mining interests were controlled by tin barons and wealthy landowners, and by 1930 1700 families owned 90% of the land.

In 1951 labour unrest on the mines arising from the appalling conditions resulted in a left wing government coming to power (MNR), a subsequent coup which was overcome and the return of the MNR. There then followed a nationalisation programme (notably of the mines), agrarian and educational reforms. Traditional Indian structures were recognised and formalised as Unions (*sindicatos*), with traditional leaders recognised as the Secretary-Generals of the *Sindicatos*.

From 1964 a series of military juntas intervened and the country only returned to democracy in 1982. During the 1980s and 1990s Bolivia experienced hyperinflation followed by a structural adjustment programme which stabilised the economy. In 1994 a MNR president instituted the *Ley de Participacion Popular* (Law of Popular Participation – LPP), to broaden development away from the urban centres, to decentralise and move away from the extreme centralism of Bolivia, and to increase the accountability of municipalities through a mechanism of social control. This is discussed further in 2.2.1. It also brought private sector investment into state enterprises, as well as share ownership by the public under a programme known as “capitalisation”.

In 1997 the government again changed. Soon after coming into power the government started a National Dialogue to debate its new plan (*Plan General de Desarrollo Economic y Social, PGDES*) and to attract resources for debt relief under the Highly Indebted Poor Countries Initiative (HIPC1). Subsequent to this Bolivia went through a period of considerable hardship and civil unrest and La Paz was actually blockaded for 2 weeks during 2000. In 1999 the international Jubilee 2000 movement to promote debt relief was initiated, which in Bolivia was led by the Catholic Church. This attracted considerable involvement from civil society, and in the process there was consultation at all levels of society.

Meanwhile Bolivia was hoping to attract further resources under HIPC2, which required the development of a poverty reduction strategy, and to include widespread participation in so doing. An Interim poverty reduction strategy (EBRP) was presented in 2000. The government then capitalised on the Jubilee 2000 process, and instituted a new National Dialogue over 3-4 months involving municipalities, central government, political parties and civil society. Summits (*mesas*) were held at municipal, departmental and national levels. The summits were meant to identify priority groups of poor people, priority interventions, inputs for the EBRP, to strengthen social control, and to discuss follow up to the Dialogue. At departmental level the *Mesas* discussed departmental priorities, institutional changes and anticorruption measures, control and follow-up. National summits

looked at the economic and political agendas. The former resulted in an agreement on 10 priority sectors and the latter on citizenship, transparency and democracy.

In February 2001 the first draft was presented a national summit under the National Dialogue, called Government Listens, to improve the draft EBRSP, and also to debate a proposed law to implement the plan, a Law on National Dialogue (LND) (see 2.2.2). The EBRSP was finally approved by the IMF and World Bank in June and the LND was finally approved in August. This meant that HIPC funds could now be released to municipalities.

Overall Bolivia remains the poorest country in Latin America with a GNP per capita of around US\$900. There has been a dependence on mining which has distorted the economy, but indigenous traditions have survived amongst the 50-60% of the population who are from indigenous groups. This provides a rich organisational tradition on which popular participation can be based, but also a suspicion of the state. The centralism of the state was seriously challenged by the LPP, and by recent civil unrest, and the country is in a state of uncertainty as it waits for the imminent elections of June 2002 which seem to be likely to lead to a change of government.

## **2.2 Key policies**

### 2.2.1 Law of Popular Participation (LPP)

The LPP is critical for an understanding of decentralisation in Bolivia and a summary is attached in Annex 3. The LPP recognises, promotes and consolidates the popular participation process relating to indigenous structures and Neighbourhood Committees (Juntas Vecinales) in towns, promoting a more just distribution and better administration of public resources. It aims to strengthen political instruments to improve representative democracy, incorporating citizen participation in a process of participatory democracy. It also established a municipality for each section of a province.

Under article 2 (Reach) the LPP:

- a) ..recognises the legal status of Indigenous Communities, Indigenous Towns, Peasant Communities, and Neighbourhood Committees (Juntas Vecinales)...which are territorial ground-level organisations;
- b) Relates the territorial jurisdiction of a Municipal Government (MGs) to the Section of a Province. It increases competences and resources in favour of MGs, and hands over the physical infrastructure of education, health, sports, local roads, micro-irrigation, with the obligation to administer, maintain and renovate them;
- c) Establishes the principle of equal distribution of resources by inhabitant of the national tax (coparticipation) resources assigned to Departments<sup>2</sup>...aiming to rectify the historic imbalance between rural and urban areas;
- d) Reorders the competences of public organs to fit with the rights and responsibilities recognised in the present Act.

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<sup>2</sup> Regional administrations

Territorial Organisations of the Base (**OTBs**) were given legal status to represent all urban and rural people in a given locality. These can be any of the structures mentioned in (a) above. Under Article 7 (Rights of OTBs), OTBs roles are to:

- (a) Propose, ask for, control and supervise the undertaking of works and delivery of public services in accordance with community needs, in matters of basic sanitation, education, health, sports, local roads, micro-irrigation, rural and urban development;
- (b) Participate and promote actions related to management and conservation of the environment, ...and sustainable development;
- (c) Represent and obtain modifications to actions, decisions, works or services rendered by public organisations, when contrary to community interest;
- (d) Propose the ratification or change of educational or health authorities...
- (e) Have access to information on resources destined for popular participation.

The Responsibilities of OTBs are to:

- (a) Identify, prioritise, and cooperate in the execution and administration of works for the public good, particularly formal and informal education, improvement of livelihoods, care and protection of health, widening of access to sports, and improving production methods
- (b) Participate and cooperate with voluntary labour in the execution of works and administration of public services.
- (c) Assist with the maintenance, protection of public goods, both municipal and community
- (d) Inform and report to communities on the actions which they take forward
- (e) Provide administrative and legal resources to defend the rights recognised in this Law
- (f) Promote equal access of men and women to different levels of representation

Under article 10, **Vigilance Committees (CVs)** were established with the objective of linking OTBs with every municipality in the exercise of rights and responsibilities established in the present law, constituted of one representative of each canton or district elected by the respective OTBs with the following roles:

- (a) Ensure that municipal resources of Popular Participation (PP) are invested in the urban and rural population in an equitable manner.,
- (b) Control and ensure that running costs of the MG do not exceed 10% of the resources under PP
- (c) Make their views known (publically) on the budget for PP, the accounting of expenditure and investments made by the MG

In municipal areas with only one canton, the OTBs will elect 3 citizens to create a CV and the CV will define itself how it will work.

### **Municipal governments**

Under Article 13 (Transfer of physical infrastructure) municipalities were given the property rights on movable and immovable assets and physical infrastructure of public services for education, health, sports, local roads, micro-irrigation, consisting of:

- (a) Secondary and tertiary level hospitals, district hospitals, health centres and health posts;
- (b) Public pre-primary, primary and secondary schools;
- (c) Sports grounds;
- (d) Micro-irrigation schemes and local roads belonging to the state;
- (e) Cultural centres, libraries, museums and others of national government.....

The Executive is given the responsible to develop norms and national policies for education, health, culture, sports, local roads, micro-irrigation; and to manage technical teaching services. All the staff, both administrative and professional, remain the responsibility of National Government who must pay them, so assuring the unity in delivery of these social services. Municipalities can authorize the use of income generated from health services for expenditure in these centres, additional to that provided for in the National Budget.

Under Article 14 (Expansion of Municipal Competences) all municipal competences are expanded into the rural parts of their jurisdiction and the competences were expanded to cover:

- adequate construction, operation and maintenance of the infrastructure for health, basic sanitation, education, culture, local roads and sports (but not the management of these services);
- administering the systems of town and rural planning;
- promoting rural development;
- responding to petitions, representation, requests and social control by OTBs and CVs;
- considering supplementary feeding schemes, including school meals;
- promoting vulnerable groups including women, children and adolescents.

### 2.2.2 Law of National Dialogue (LND)

The LND was promulgated to establish the basic elements for the EPRP, including the modifications to institutional structures and competences to address poverty, define the criteria for the distribution of state resources derived from debt relief to address poverty, determine the procedures for application of the National Policy on Compensation (PNC) The law applies to all organs of government.

### **EBRP**

The state is required to update this at least every 3 years in consulting with stakeholders and to identify priority interventions for the state. It recognises as principal beneficiaries poor people, women, indigenous communities and marginal urban compounds.

### **Organisation of land management**

The government will provide incentives for fusion of small municipalities.

### **Land reform**

Municipal governments are expected to identify priority areas for land tenure reform.

### **From HIPC**

Support for education and health, with:

- 20% of HIPC resources allocated to education, allocated according to school-going age children, for equipment, materials, and incentives for children to go to school;
- 10% to improve public health services, according to population, covering maintenance, equipment, inputs and training;
- 70% to economic and social infrastructure, according to a formula specified in this law, covering roads, irrigation, electrification, tourism, formalisation of property rights, technical assistance for production and small business development, education, health, sanitation, school nutrition programme, security, environmental protection, disaster management

All these should be prioritised in the PDMs

### **Social control**

This covers the right of civil society organisations to be aware of, supervise and evaluate the results and impacts of public policy and participatory decision-making, as well as access to information. The CVs have the additional rights to oversee and control all resources administered by municipalities. A Productive, Economic and Social development Council should be established made up of productive and professional sectors, with the Municipality providing only up to a maximum of 50% of the members provided by the CV.

The Catholic Church is recognised as promoting broad participation and providing permanent support to social control mechanisms.

### 2.2.3 National Compensation Law

This policy has just been implemented and is intended to address issues of poverty reduction and is managed by the Direccion Unica de Fondos (DUF). Access to DUF resources is based on five poverty indicators which take into consideration the quality of house, size of the house, services available in the house such as electricity, water, etc, level of education of the household members, and proximity to a health unit. A scale of -1, 0, 1, 2, and 3 is then applied to the number of person which are categorised as rich (people who are above the poverty level), people on the poverty level; people below the poverty level; indigenous population, and the marginalized respectively. Using this “adjustment” formula for example the real population of Santa Cruz during the census was 708,000 people but after the application of the formula the adjusted population of the city became 148,000 as opposed to one small poor municipality, which has an actual population of 1,500 people but after the formula it was adjusted to 2,800 people. Arising from the census and the application of this formula the DUF secretariat has been able to categorise municipalities into five categories. The table below summarises the categories, the percentage of transfers from central government before and after the application of the formulae.

<b>Municipal category</b>	<b>Characteristic</b>	<b>Numbers of Municipalities</b>	<b>% transfer before DUF</b>	<b>% transfer after DUF</b>	<b>Variance</b>
Category 1	Very Rich	9	39%	12%	-27%
Category 2	Rich	30	23.8%	25%	-1.2%
Category 3	Moderately Rich	60	17.2%	26%	+8.8%
Category 4	Poor	120	16.4%	26%	+9.6%
Category 5	Very Poor	95	3.6%	9%	+5.4%

The change in resource allocation originating in the LPP has contributed to reducing the gap of poverty between the urban and rural communities. In 1992 the level of poverty in the urban area was estimated at 47.6% while that at the rural area was 86.1%. By 2001 the poverty level in the urban area was 31.9%, a reduction of 16.7% from 47.6% while that of the rural area was 76.0% showing a reduction of 9.9% from 86.1%.

Out of the four sources of funding which is available to a municipality, namely the FPS (social fund), FNDR (regional development fund providing credit to the municipalities), HIPC, own revenue, and the popular participation fund the DUF disburse directly to municipal LGs the popular participation fund, which is about 20% of the resources for development based on population. The HIPC and the FPS is distributed based on the National Compensation formula, with the HIPC funds paid directly by the Central Bank into municipalities accounts. While doing this, the DUF also take into consideration and discounts funds which a municipality might have received directly from other sources. However funds, which are not discounted are emergency funds, special programme funds such for reduction of growing of coca, funds received before the July 2001 (i.e before the national dialogue law and which cannot be applied retrospectively), NGO resources, and funds received from Departments to municipalities, which have respected the compensation formula.

The DUF has a sliding co-funding arrangement based on the category of the municipality and the sector of investment. The table below summarises the co-funding requirements.

<b>Municipal category</b>	<b>Characteristic</b>	<b>Productive sector (1)</b>	<b>Social Sector (2)</b>	<b>Other Sectors (3)</b>	<b>Technical Assistance</b>
Category 1	Very Rich	40%	45%	50%	50%
Category 2	Rich	30%	35%	40%	40%
Category 3	Moderately Rich	20%	25%	30%	20%
Category 4	Poor	15%	20%	25%	15%
Category 5	Very Poor	10%	15%	20%	10%

The fund also provides incentives for municipalities, which join to form a mancomunidad. For such municipalities they only pay 75% of the above percentages as their co-funding requirements. If the population of the mancomunidad is less than 5,000 people the mancomunidad only pays 25% of the co-funding percentage in the table above. However the municipalities integrate territorially they pay only 10% of the required level of co-funding. This co-funding policy has been adopted by DUF to counter the current fragmentation of municipalities.

#### 2.2.4 Bolivian Poverty Reduction Strategy (EBRP)

The EBRP focuses on:

- Expansion of employment
- Increase in government capacity, both at local and central government
- Improvement in security
- Promotion of participation, and
- The integration of social societies.

The above strategies are to be executed based on the use of natural resources in a sustainable manner, ensuring gender and equity, and the development of indigenous people.

The objective of the PRSP is to:

- Reduce incident of poverty by one-third from the current level
- Reduce extreme poverty by 50%
- Increase life expectancy from 62 years to 72 years, and
- Increase the number of school enrolment from 51% to 67%.

### **2.3 Different structures and their roles**

This section summarises key roles of different structures in Bolivia, particularly as they relate to local government and popular participation. Tables 2.3.1 and 2 summarise the different levels/geographical areas, the roles of government, municipalities and civil society associated with these.

#### 2.3.1 National government

##### **DUF - Single Funding Directorate, Office of the President**

The DUF is responsible for handling basket funding, which was created after the National Dialogue law. The DUF Secretariat is in the President's office. The fund has a Board, which is composed of nine members of which three are drawn from Municipalities (large, medium, and small), two representatives of the Vigilantes Committees (VCs), one from the civil society representatives, and one each from the Ministries of VPEPP, Planning and the President's office. The CVs representatives and that of the civil society have voice but no voting powers. The DUF is being funded by the GTZ and IDA and has two hundred and twenty two professional staff. The president of the Board is to be elected by two-thirds majority of the National Congress (Parliament). The board is to become effective and the DUF fully operational by end of 2002. The operation is discussed in more detail in 2.2.3.

##### **Ministry of Sustainable Development and Planning**

###### Department of Strategic Planning

This is one of the departments in the Ministry for Sustainable Development. It is also responsible for the development of the country's Poverty Reduction Strategy Paper (PRSP).

Bolivia has been implementing structural reforms for the last sixteen years. Some of the reforms included the enactment of new investment law, popular participation law, decentralisation law, and a number of sector reforms notably in health and education. The result of the country's commitment has been economic stability. The inflation rate and fiscal deficit have been controlled. A higher percentage of the population are involved in deciding how they should be governed. The intention of government is to reduce overall poverty in the country, which currently stands at 59% of the population living below the poverty line with 25% extremely poor. Poverty levels in the rural area reach 90% with 54% extremely poor.

**Table 2.3.1 Geographical areas with associated offices and government roles**

Area	Size (using Tarija as example)	Office	Role
Departamento (established in 1996)	Ave 0.9m people –	Prefect selected by the President. Political representatives are selected by Municipalities, 1 per province, to a Dept Council.	Political and administrative functions, as there is a Council as well as technical departments (7 in Tarija). Some national resources allocated via Dept. Manage national depts of Health/Education etc
Province	6 in Tarija.	Represented by sub-prefect, chosen by Prefect. No elected people.	Province is an administrative level of Dept Can interfere with municipalities. Role declining as LPP becomes effective and becoming more of a geographical area than a meaningful level of government.
Mancomunidad	3 in Tarija	Voluntary association of municipalities	To handle economies of scale where Municipalities have shared concerns
Section of province = Municipal area	11 in Tarija Dept Ave 15 000 people Tarija Town Municipality (Cercado) has 180 000 people.	Mayor, Council elected by direct vote. Plus executive to implement.  Have Vigilance Committee comprised of reps from Districts	Have 54 competences ranging from waste to environment. Also have competence for Health, Education, local roads, sports. Health and Education are shared responsibility. Central government pays salaries and much of capital costs. Other running costs from the Municipality Provide social control over the municipality.
District	6-10 per munic. 22 in Tarija Cercado. Ave 8000 people	Community Association formed of OTB representatives at district. One rep from each district forms the Comite de Vigilancia	Community association meets regularly in some cases, eg at sub-mayor level in La Paz.
Community	Varies	OTB (or Neighbourhood Group) has locally elected committee of 10-15 people	6+ per distrito

**Table 2.3.2 Relationship between civil society, municipal and central government structures at different scales**

Level	Civil society structure	Municipal structure (bottom up)	Central structures	government	Plan
National		Federation of (departmental) Associations of Municipalities (FAM)	National ministries		National development plan (PDGES)
Department		(departmental) Association of Municipalities	National ministry staff. President appoints Prefecto		Dept development plan (PDD) Associations have strategic plan
Province			National ministry staff. Prefecto appoints Suprefecto. Role disappearing		
Grouping of municipalities (Mancomunidad)		Mancomunidad, established voluntarily by 2+ municipalities to achieve common purposes			Strategic plan, and project plans
Section of province	Comite de Vigilancia, with a representative of OTBs from each distrito. Legally established with roles in relation to Municipality	Municipality	National ministry staff, including those in Municipal structures such as health and education		Plan for Munic Development (PDM) – plan for all Munic + 9 plans from Indigenous People. Annual POA.
Canton			Being replaced by districts		
District	Representatives of OTBs form Association Comunitaria				Aggregated and prioritised needs produced at this level for POA and PDM
Community	OTB, either from Indigenous Community, Indigenous Town, Neighbourhood Group, Sindicato. Other Associations.				Needs identified first at this level, then sent to district

The Department of Strategic Planning is therefore mandated to ensure that the macroeconomic framework is not destabilised by the PRSP. Government has reached an agreement with the World Bank and the IMF to ensure this stability. Through the consultative dialogue the Department has been able to identify in concrete terms poverty indicators and has adopted the EBRP as its strategy. All national departmental and municipal plans have to conform to this national strategy and vision.

#### Servicio Dept de Fortalecimiento Municipal y Comunitario

VPEPP has at departmental level a unit to strengthen local government and communities (Servicio Dept de Fortalecimiento Municipal y Comunitario) which was established after the LPP. This trains both municipalities and CVs. The unit in Tarija had 11 professionals, 3 lawyers, 3 economists, 2 agronomists, 1 auditor, 1 IT specialist and 1 social communicator. To give an idea of scale, last year the unit had provided about 10 training workshops for 40 technical staff/managers from municipalities, each of 3-4 days. In addition they provided 2-3 for 33 councillors (3 per municipality), each of 2 days. Previously it was something of a hit squad going into municipalities to see where they were failing and helping them to cope. They now intend moving to a more demand-driven approach. There is also a large World Bank-funded project (Proyecto de Desarrollo Rural y Comunitario – PDCR) which is linked to this unit, and provides support for popular participation. It is now in phase 2 (called Proyecto de Inversion Rural Participativa), and has helped municipalities do their PDMs, focusing on municipalities of 3000-50 000 inhabitants.

#### Department of Land Management

One of its roles is to resolve conflicts between the strategic plan from central government and that of municipalities derived through a popular participatory process. The Department therefore has to negotiate with municipal councils on projects based on the decision of municipal council. The Department is also responsible for ensuring the integration of strategic, sectoral, and territorial plans.

The Department has developed a GIS to map the biodiversity and the socio-economic characteristics of the country. The result of this has been that the Department now has a clear mapping of the agro-ecological zone, categorisation of the country into zones, and determining the vulnerable zones of the country.

Arising from the popular participation law, where by resources are distributed based on population, the department is faced with a number of challenges. Out of the 314 municipalities 46% have boundary conflicts, 45% have technical problems as a result of the fragmentation of the territories, and 9% do not have enough GIS information. It is the responsibility of the Department of Territory ordering to address these challenges.

Because of the fragmentation territories and the challenges associated with, the department is encouraging municipalities to voluntarily federate into mancomunidades with incentives through subsidised co-funding requirements as opposed to an individual municipal project. There is a section responsible for promoting this.

### 2.3.2 Departments/provinces

Departments are regional administrative levels of government and were only established in 1996. Prior to which there was only the national government administration apart from 20 municipalities, plus regional development companies, which have now been dissolved. Departments are headed by a Prefect who is appointed by the President. There is a Departmental Council with Councillors appointed by municipalities. In Tarija there are 9, one each for 3 provinces, 2 each for 3 larger provinces. Therefore it does have both a political and administrative role, despite not being a government.

There are a series of technical directorates which report weekly and monthly to the Prefect. In Tarija these included:

- Productive Development;
- Natural Resources;
- Social Development (including health and education);
- Infrastructure;
- Administration;
- Legal.

In Tarija Department there are about 800 people employed by the Department, of which approximately half are in Tarija town, the remainder in field posts. The Departmental budget is approximately \$8 million (B58m). The largest amount goes to Infrastructure, and about one third of the budget is from international cooperation.

The prefect appoints subprefects to the Provinces. Some of these have technical staff, the largest (Gran Chaco) having perhaps 60-70 staff. These have the power to hire and fire staff but their role is diminishing as the power of municipalities is increasing. In Eucalipus the sub-prefect seemed to have no role.

### 2.3.3 Local government

The Local Government structure consists of a municipality as the main local government. There is a Municipal Council made up of 5-11 full-time councillors. Even La Paz only has 11 councillors. Councillors are on party lists, and are not area-based. Pairs of people are nominated – the substantive and a secundus. Any party getting an overall majority of over 50% automatically provides the Mayor, and the Mayors secundus then becomes a councillor. If no party gets a majority, then parties negotiate to provide the Mayor. In most local governments, the Mayor is also effectively the chief executive. The functions of the Council are:

1. Oversight of community participation
2. Participating in community meeting
3. Participating in District meeting
4. Approving of Municipal Development Plans
5. Approving Municipal budgets
6. Ensuring implementation of plan and budget
7. Enacting of ordinances

The competences of municipalities are covered under the LPP.

Below the municipality is the District. The District is not a service delivery level in Bolivia. It is more of an administrative unit and performs the functions of collecting communities' development priorities through their OTBs and ensuring that these priorities are presented by community representatives (CVs) to the municipal level for discussion, harmonisation and prioritisation. The District also performs monitoring of investments through the CVs and is considered to have very strong influence.

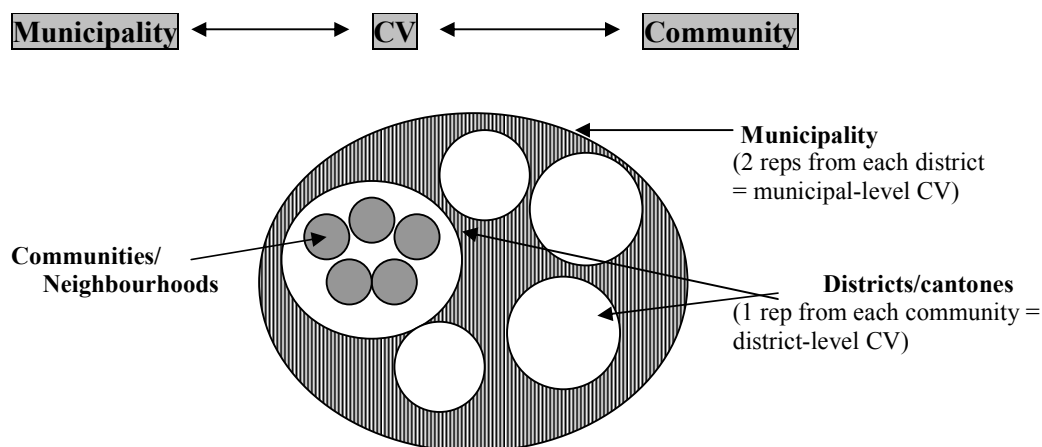
### 2.3.4 Civil society

#### **Organizaciones Territoriales de Base (OTBs) – Base/community organisations**

The concept of OTBs (territorial ground level organisations<sup>3</sup>) was first defined in the LPP in 1994 – although the structures that they refer to are much older. OTBs are local level community structures, which may include indigenous communities, indigenous towns, peasant communities, sindicatos, or neighbourhood committees (juntas vecinales). An important point to note is that the LPP does not require new structures to be formed, rather it encourages the use of existing structures provided they are broadly representative of the community and customs concerned and are able to contribute to the community planning and development process. The functions are described under the LPP.

#### **Comite de Vigilancia (CV) – Vigilance Committee**

The CV is a legal constituted structure that forms the link between communities/civil society and the municipality.



In addition to a number of community based organisations, each community usually has one broadly representative community structure – such as a sindicato (union) or an OTB (territorial organisation of the base). Each community sindicato/ OTB structure selects one representative – together these representatives form a **district/ canton-level CV**.

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<sup>3</sup> Equivalent terms may include grass roots organisations or community based organisations (CBOs)

The members of the district/canton-level CV then select two representatives (a titular and an alternate representative) to stand on the **municipal-level CV**. Only one representative will attend meetings at a time.

The size of the municipal-level CV depends on the number of districts within the municipality. All members of the municipal CV are responsible for selecting office bearers including: president; treasurer; secretary; secretary of health and education; 2 communication officers. CV members serve for a term of 2 years, but may be re-nominated for an indefinite number of terms.

Some interviewees felt that a requirement of CV membership should be basic literacy/ numeracy – although alternative reporting formats could be developed to overcome the problems related to illiteracy. Gender representation on CVs is limited as working hours and travel distances means that members must leave their households for periods of time – this excludes many women from participating in such structures.

### Operations and Role

The legal functions of the CV are shown in 2.2.1. The roles include:

- To link civil society and municipal government;
- To ensure the effective utilisation of municipal resources
- To propose and monitor implementation of community projects and construction activities.

Activities of the CV include:

- general monthly CV meetings;
- visits to community development projects;
- review progress of POAs (annual plan) and PDM (5 yr dev plan)
- undertake shift duties at CV office – to deal with enquiries and reporting;
- assist with the identification and integration community development priorities for each district;
- organising additional community meetings as required – eg to reportback progress, review plan and identify new priorities;
- attend municipal meetings to develop and approve POA/PDM;
- monitors municipal use of resources and community project implementation;
- prepare CV workplans and budgets.

The following reports and documentation are produced by the CV:

- Monthly activity reports;
- 3 monthly reports of joint municipal and CV meetings/discussions;
- 6 monthly CV report to municipality;
- Annual CV report to Department Strengthening Unit;
- Social Fund expense reports detailing monthly expenditure;
- Record of all correspondence.

### Support

Many CV members have limited education and community leadership experience. They are able to access technical support and advice from various sources eg:

- NGOs who focus on building the capacity of community structures;
- Department level government – such as the Strengthening Unit which provides technical assistants to CVs to help with reporting and management requirements;
- Municipal committee volunteers eg Associations of producers; health and ed; professions representatives.

Technical assistant positions are currently funded by contributions from both the Social Fund (15%) and the Department's Strengthening Unit (85%). However, there are plans to phase out this support in favour of volunteer support from (the municipality's productive, economic and social committee)

### Finance

The LPP (1994) makes provision for funding of CV structures in the form of a social control fund. This money comes from the tax revenue generated by the relevant municipality. The amount of money allocated to a CV is determined by municipal population figures. For example:

> 10,000 inhabitants:	1% of tax revenue
10,000 – 25,000:	0.75%
25,000 – 100,000:	0.5%
< 100,000:	0.25%

Strict reporting requirements control how CVs may utilise funding and report on expenditure. Legitimate expenses may include transportation, fuel costs; tickets, hotel expenses; per diems; publicity and stationery. Salaries for CV members are strictly prohibited.

### Relationships with other structures

CVs work with the following structures/organisations:

- OTBs/sindicatos – to identify and integrate community development priorities;
- Municipality – to develop and approve POAs and monitor implementation;
- Councillors – to report on/challenge implementation/financial irregularities;
- NGOs – capacity building support and project planning;
- Department govt – advocacy and capacity building support

### Perceptions

Communities regard CVs as an effective way of getting their community development priorities acknowledged. CVs are also regarded as effective in monitoring municipal performance and resource utilisations as they have the power to have municipal resources frozen in the light of financial/implementation irregularities.

## **Other Community Based Organisations (CBOs)**

These include mothers clubs, parent-teacher bodies, education associations, producers associations, sports clubs as well as traditional organisations. CBOs are usually sectoral as opposed to OTBs, which are more broadly representative of the community.

## **Non Government Organisations (NGOs)**

There are approximately 600 local NGOs and about 40 international NGOs in Bolivia. The international NGOs are mostly European in origin – eg from Spain, Italy or France. The European Union plays an important role in their coordination and funding.

Local and international NGOs tend to work together on an ad hoc basis, although there are a few networks that exist that coordinate NGO activities and projects on a sectoral basis, such as a health network (about 40 health NGOs)

Many local NGOs are struggling to survive and cope with new trends in donor funding that point towards more sector wide approaches. International NGOs remain well funded and resourced in comparison to their local counterparts.

Relationships between different levels of government and NGOs remain weak and ad hoc. Municipalities and departments complain that NGOs tend to have their own agendas and do not work according to department, PDM or POA objectives. On the other hand, NGOs frequently only have access to short term funding tied to certain activities – this precludes them from committing to longer term relationships with government. However, there are some NGOs, such as CARE and IICCA, who do work closely with government institutions on capacity building and strengthening activities.

## **2.4 Planning processes**

### 2.4.1 National planning process (PDGES, HIPC, sectoral plans)

The Ministry of Sustainable Development and Popular Participation is the responsible agency for the General Plan for Economic and Social Development. This plan is Bolivia's equivalent of a Strategic National Development Plan and is drawn for a Five-year period.

The National Planning Vision seeks to encompass the idea of integrated planning by highlighting three components namely, Strategic Planning, Sectoral Planning and Territorial Planning. Strategic Planning refers to what needs to be done. Sectoral Planning refers to who needs to do it and Territorial (spatial) Planning refers to where resources need to be allocated or where the various land potentials lie.

The Sectoral Planning and Co-ordination manifests itself at the project identification and planning levels in a very practical way through the CPPP (Committee for Popular Public Participation). The CPPP is a mechanism that facilitates the meeting of top-down and bottom-up planning.

#### 2.4.2 Departmental planning processes

Departments produce a Plan de Desarrollo Departamental (PDD), a departmental development plan, and are supposed to do this after the PGDES is produced by the incoming government, and so build on the themes of the new government. The PDDs are produced based on *mesas de concertacion* (round tables) where stakeholders including municipalities are brought together to discuss different sectors (eg productive). Stakeholders come with project ideas, which could be from municipal plans (PDMs) or could be from sectoral plans. The Encuentros de Decisiones Concurrentes (EDC, see 2.4.4) or Meetings about Overlapping Decisions are used to align programmes of the different actors.

The PDD develops strategic programmes for the Department, eg a Dutch-supported Programme for the Use of the Soil, or a Programme for Irrigation.

#### 2.4.3 How local government fits with departmental/national planning

In Bolivia the linkage between National Government, Local Government and Communities takes place through the Departmental Administration, the equivalent of a Provincial/Regional level. The National Government prescribes the Vision in the form of a Strategic Plan which forms the basis for Departmental and Municipal Plans.

The Departmental Administration interaction with the Municipal Government and Local Communities in the project/budget allocation process was not clear to the team. The outcome of this process is the establishment of the annual Municipal Operational Plan that is sector defined.

The Department is also responsible for:

- Departmental Planning (5-year Development Plan);
- Departmental road infrastructure;
- Economically productive and environmental projects;
- Rural electrification, and
- Social assistance to and institutional consolidation of Municipalities.

At the Departmental level all the annual operational plans of the Municipalities are discussed between the Institutions of the State, Civil Society and NGOs. But the link with the Departmental Development Plan and distribution of resources to Municipal projects in an annual plan of operation was also not clear to the team. The monitoring of implementation and accounting for resources is also planned.

The sector programmes are linked to the institutions that will fund these programmes. Departmental sector programmes include cross-municipal projects based on Municipal needs and projects required by a number of Municipalities.

The Director General in the office of the Vice-Minister is responsible for planning overall and the National Development Plan.

#### 2.4.4 Local government planning process

##### **(a) Developing the PDM**

This is the process as described by a Technical Advisor to El Puente Municipality.

##### Municipal Meeting 1

This process started around July/August 2001 with a Reunion Municipal (Municipal Meeting). This was attended by some 150 people, around 100 from OTBs, plus the CV, sindicatos, clubs, associations, service providers, NGOs. The meeting covers the following: presentation on type of work needed, role of consultants, how it would be prepared, who involved. The work is planned (by district).

##### Meetings with communities (2 months)

Meetings are then held with each OTB to develop local priorities. This is a 1 day meeting run by the President of the OTB. There is a presentation by the OTB, consultants indicate why they are there, people then identify their needs (capital and technical assistance) and a shopping list is produced. This is discussed with the consultants providing a neutral technical view on these. These are prioritised, and formal minutes signed.

##### Meetings at district (2 weeks to complete)

A one day meeting is held at each district to agree district priorities. There were about 40 people present, including OTBs, CV, associations. The consultant presents the priorities from the different OTBs. Common issues are then drawn out which become district priorities, the others remain community priorities. These are then prioritised, and the minutes are signed.

##### Municipal meeting 2

At this 2 day meeting the first draft is presented, which includes the situation analysis, progress over the last few years, and the proposals. These are then discussed.

##### Revisions to plan

The consultant then revises the plan based on the comments. The budget is prepared (capital) and one page summaries of each project. An implementation plan is also prepared.

##### Municipal meeting 3

The final proposed plan is presented and discussed. If agreed, it is sent to the Council for approval.

##### **(b) Developing the POA**

There is a cycle of participatory management divided into 3 x 4 month periods from Jan-April, May-August, Sept to December. The financial year starts in September. This is based on a series of events called *cumbres* when all actors are brought together to elaborate the Annual Operational Plan, By law there have to be 3 summits which focus on the POA, but also the updating of the PDM. These also help to generate transparency with information exchange, including report backs on what the municipality has done.

Table 2.4.3 shows this cycle. These are drawn from a presentation by AMT and from a VPEPP poster.

**Table 2.4.3 Calendar of Social Participation in Municipal Management<sup>4</sup>**

<b>Months</b>	<b>What is supposed to happen</b>	<b>Who participates</b>
Sept	Prepare and organise the activities for the preparation of the POA for the following year. Revise the PDM to reflect community demand. The municipality (MG) and other stakeholders agree a timetable and also how to provide support.	CV, CODPES and other stakeholders
October	Develop the POA based on the PDM through technical steps including the MG and other stakeholders. Organise consultative workshops to obtain the demands of the population and then synthesise them. Based on this develop the POA including the projects and activities for the next year.	Municipality, state entities, CV, CODPES, OTBs, Community Associations, and functional organisations
November	Public consultation on the POA, before it is sent to the Council for approval, verifying that the agreements between the MG and other stakeholders are respected and included in the POA with their respective budgets. Then the Mayor sends the POA for approval by the CM.	CV, consulting with CODPES and OTBs
Dec/Jan	Publicise the POA in community assemblies, as well as by mass media informing on the activities of the MG during the following year	MG/CV
Jan-March	Evaluate if in the second six months of the year the municipal policies, programmes and projects have been achieved	CV coordinating with the CODPES
May	Evaluate progress with implementing the POA in the first months of the year, based on reports from the MG. Make recommendations to the MG to ensure that work is not delayed	CV consulting with the OTBs and the CODPES
July	Evaluate if in the first six months of the year the municipal policies, programmes and projects have been achieved	CV coordinating with the OTBs and the CODPES
Aug/Sept	With the 4 monthly information in the first half of the year, participate in the reformulation of the POA, making adjustments for delays, so that projects can be achieved in the remaining months. This reformulation of the POA must be done in consultation with other stakeholders	MG, CV, CODPES and OTBs

<sup>4</sup> Translated from a VPEPP poster

### **September Cumbre 1 – starts the process**

This happens in the first week of September and starts the participatory development of the POA. It involves the establishing of commitments, the developing of the workplan, the organising of cross project teams, strengthening of people's capacity in self-analysis, and getting community and sectoral needs. The Municipal strategy is used to identify interests and community needs to elaborate the POA, and information on progress with implementing the plan. This meeting results in the development of the POA and budget, management of CM (Council), management of CV, EM, CM and CV commit to participatory development of the POA. A technical group is established including the CV. The representatives of the OTBs commit and a Convenio de Participación Popular is agreed.

Participants include the OTBs, CV, CM, EM, health and education, NGOs, associations etc. The CV – directs Cumbre 1, presents the agenda, objectives, rules of the event. Reports on management of CV, its social control role, helps leaders of the OTB to identify interests and needs of the community. It also presents and signs the Convenio de Elaboración Participativa del POA. The CM – starts the event, presents a report on Council and its committees, presents the strategy (vision and strategic objectives), helps facilitate the development of the event in its governance role. The EM – presents progress on budget at 8<sup>th</sup> month, proposals for changes, signs the convenio, closes the Cumbre 1.

### **Beginning of October Cumbre 2 – prioritise demand and support available**

This is the second event where one knows the communities demands and sectoral requirements, as well as support available. Participants define priorities and evaluate the communities' requests, concluding in a summary to be considered in the POA. There are also presentations on what the Municipality is offering, sectoral requirements, criteria for prioritisation, prioritization, report on activities of Departmental Council and Diputado (member of parliament). At the end of this participants know the support that is available, the requests from each OTB and the sectors (notably health and education which are given as municipal competences), and a consensus has been developed.

Similar participants to cumbre 1 are involved. The CV – directs the summit, presents the agenda, objectives, rules, reports on management of CV, define criteria. The CM – reports on management of Council and committees, helps development of the summit in their governance roles, closes Cumbre 2. The EM – inaugurates, presents support available, receives the prioritised demands of communities. There may be technical assistance, eg from the Association of Municipalities to help in preparation of the event.

### **20-30<sup>th</sup> October. Cumbre 3 Finalising the POA**

This finalises the process where the PIA is presented and the budget is agreed. Alcaldes have to present their final budget by 15 November.

### **Feb/March EDA – Encuentro de Avance - follow-up on progress (M&E)**

This is supposed to happen within the first 4 months of the year, ideally Feb or March (EDA1), around the time of Cumbre 1, and reports on physical and financial progress are presented by all actors. It is facilitated by the CV (supported by the Association in the first instance). These are informational meetings, with people presenting progress to the citizens.

### **EDC – Encuentro de Decisiones Concurrentes – meeting about overlaps**

This meeting is open to other actors, and focuses on where actions require support from other levels of government, and these need to be organised. This isn't a fixed event or date. It does have power over those involved, as it sets up a Secretariat to follow up on the agenda.

#### 2.4.5 Theory of planning system involving communities

For both the PDM and the POA the planning process consists of a one-day workshop at OTB level, basically listing needs and prioritising them. These are then aggregated at district level, where overall priorities are identified and made district priorities. In other words it is a simple system of needs-based planning, which reaches to all OTBs. There is apparently a problem that it is community leaders, men which dominate these events so there may be a problem as to how far what is being proposed represents the views of poor people. The CV is responsible for handling the planning, and the CV monitors the plans once underway, in many cases appearing to meet at least weekly to do so.

#### 2.4.6 Funding flows and how they relate to planning

Section 2.2.3 discuss the national framework.

#### **Flow of funds**

Municipalities have four sources of funding:

- Own revenue
- Popular participation fund
- HIPC, and
- FPS

The popular participation fund is transferred directly to the municipality. However the FPS and the HIPC fund are being managed through DUF. The municipality makes its contribution to DUF as counter part funding. The DUF fund is not transferred directly to a municipality but payments are effected directly to contractors who are implementing approved projects by the DUF secretariat within that municipality.

#### **Relationship of planning to budget**

The five-year development plan is related to the budget through the POA. The POA contains both the investments to be implemented during that ensuing financial year and the budget for that year. The investment activities are derived from the five-year development plan.

#### **Funds sources and degree of freedom in allocation**

Out of the four sources of funds, namely: own revenue, Popular participation fund, HIPC fund, and the FPS, the municipality has only freedom in allocation over its own revenue and the popular participation fund. The HIPC and the FPS are controlled by DUF. Although municipalities have the freedom to allocate the fund, sometimes their decision are overridden by the DUF secretariat. For the FPS the money must be invested only in the sectors of health, education, basic services, roads, rural development, rural energy, environment and institutional development (Technical Assistance). In summary DUF

defines the investment sector, indicators, and the benchmark to be achieved. For HIPC 10% of funding received should be invested in health, 20% for education and 70% for infrastructure.

Currently 25% of the Coparticipation allocation can be spent on running costs including salaries. Until a year ago, this was only 15%.

**The result of this relationship**

There is still some substantial control by central government, through DUF, in the allocation and utilisation of resources by municipalities. This control is understandable given the weak capacities of municipalities as a result of the balkanisation of municipalities. The relationship as transitional arrangement is justifiable but care should be taken not to make it a permanent feature since it might undermine the whole principle of decentralisation and devolution of powers and responsibilities to sub-national governments, in this case municipalities.

### **3. CASE STUDIES**

#### **3.1 Rural municipalities in Tarija**

##### 3.1.1 Introduction

Tarija is a Department in the south of Bolivia bordering Argentina to the south and Paraguay to the east. It covers a wide range of ecological zones from the Chaco in the east to areas of altiplano and valley. It is an important agricultural area and is the main wine-producing area in the country. The team visited San Lorenzo Municipality, and also interviewed people from El Puente Municipality, both falling within the Mancomunidad Heroes de la Independencia. The Mancomunidad covers two provincias, named after independence heroes, Mendes and Aviles. These cover 4 municipalities: San Lorenzo, El Puente, Yunchara and Uriondo with a total population of 51 000. This case study covers these 3 units.

San Lorenzo is a Municipality with a population of 22000. It has 10 Districts and 75 OTBs and 10 CVs. The Municipality has a Mayor, a speaker, 4 full time councillors and a total of 28 employees. It is approximately 60km north south and east west, but due to the mountainous terrain it can take 2.5 hours to cross.

The municipality owns education facilities but the staff are paid by central government. Education, roads, health serviced provision seems to have been decentralised but the municipality seems to not have the requisite staffing to take full responsibility to plan, provide and manage these services on its own.

El Puente has a population of only 10600, with an annual budget of approximately \$600 000. It covers 6 distritos and a total of 63 OTBs. It has 11 employees.

The Mancomunidad has a full-time Director (Carlos Aramayo) plus a part-time administrator with 7 technical staff on project-related contracts.

##### 3.1.2 Roles

The services provided by San Lorenzo **Municipality** included extension services in health and nutrition where there are six technical staff being funded by the Department, cultural activities with one staff; and production services (one officer). The director of production is responsible for the coordination of the health and education sectors. All public works are contracted because the law does not allow council to implement works under “force account”. There are 15 health centres and 82 schools in the municipal area.

The **Mancomunidad** was essentially established to address the productive sector, as only 2% of the POA was addressing economic development. Its objectives are to improve the living conditions, both social and physical; promote cultural and civic traditions; preserve and maintain environmental health and the ecosystem. It develops projects to assist the Municipalities and works with producer associations including beekeepers, fruitgrowers, craftspeople. The municipalities are not able to fund the private sector directly, but the Mancomunidad is able to do so.

The municipalities are supported on management issues by a departmental **Association of Municipalities** of Tarija (AMT). AMT has 5 technical staff assisting with legal, financial and other management issues. The staff include 1 lawyer, 2 auditors an agronomist and a social worker. They also support the municipalities to develop their POAs. Their funding comes primarily from international aid (60%), contributions from municipalities (30%) and from projects (10%).

### 3.1.3 Overall planning process in practice

The planning process in San Lorenzo municipality is based on the process where the communities through their community forum decides on their priority lists. This is then represented by the elected community representatives (OTBs) to the CVs for presentation to a stakeholder forum where the community demands, sectoral requirements and institutional offers are known. The participants, which consist of VCs, OTBs, councillors, municipal executive, and sector representatives, define the criteria and priority of the communities, and the selection criteria of the projects. The result of this second stakeholder meeting is that the participants get to know what:

- The mayor and the institutions are offering;
- The OTBs demands are and the gaps;
- The sector requirements.

This consultative process enables the stakeholders to arrive at a consensus. The municipal technical staff then prepares a draft POA which is then presented back to the same stakeholder meeting for approval and implementation.

The linkage between the municipality and the department in terms of planning is that the municipality sometimes solicit technical support from the departments. However, in terms of planning, the municipality is autonomous.

### 3.1.4 Participatory planning process

#### **(a) Developing the PDM in El Puente**

The first PDM was in 1995. People didn't believe the state would help them and they came up with ideas around productive but social projects like football pitches, community centres. This was particularly true for rural areas where there were no municipalities prior to 1994. Because of such deficiencies it was then reformulated in 1997 (1997-2001). As people started believing in the process, from 2000 new proposals started to come in, including for productive activities such as irrigation. It was decided not to revise the plan, but to prepare for a new one for the period 2002-6. A local consultant was contracted to assist with the PDM, over a period of 6 months (in this case a local NGO, IICA). The cycle described for El Puente is in 2.4.4.

#### **(b) Developing the POA**

Work on the POA started in October, in parallel to the PDM, so there could be interactive work on this and PDM.

### 3.1.5 Detail of the community-based planning process

Both the PDM and POA processes involve participation from the OTBs and districts, and they appear to have a similar content. The main consultation process is a one day meeting at OTB level where community demands are presented and prioritised. These are then amalgamated at district level and common priorities identified. These meetings are facilitated by a consultant for the PDM, and by the CV for the POA.

### 3.1.6 Funding flows and how they relate to planning

Section 2.4.6 describes this process. The municipality falls into an area supported under the Poverty Alleviation Fund, a temporary structure to provide HIPC-type funds supported by Dutch and UK aid, until DUF mechanisms became operational. SNV has been contracted to facilitate this process. Projects must be less than \$50 000, and able to be completed in a short space of time, as the programme finishes in March 2002.

### 3.1.7 Relationship of community structures and civil society to CBP

The team interviewed two community structures operating in rural areas: a farmers union (sindicato) in San Lorenzo (a rural municipality) and IICCA (Instituto de Investigacion y Capacitacion Campesina), a local NGO.

In San Lorenzo each community has a sindicato that plays the role of an OTB at local level – representing the interests of community members, communicating demands to CV representatives and dealing with local development and land issues. Sindicatos tend to focus on agricultural and land issues. Although other CBOs exist, such as mothers clubs, education associations and sports clubs, the sindicatos are regarded as the strongest and most influential of the CBOs.

In the San Lorenzo municipal area the sindicatos have grouped themselves into sub-central areas or districts, with up to 6 sindicatos in each district. Each sub-central grouping then selects 1 member to stand on the municipal CV. Although this member comes from the sindicato, he (members are usually men) represents all sectors in the district, such as health, education and agriculture.

Each sub-central area/district also identifies a nucleus area or village where services and infrastructure are concentrated. This is used as the central organising point for the sub-centre and is the area from which the CV representatives are chosen.

### **Involvement of community structures in municipal and other planning processes**

In rural areas, such as San Lorenzo, the CV representative of the sub-central area/district calls a general meeting in September/October to agree priorities and projects for the district. This meeting usually lasts a day and is attended by members of the sindicatos and other CBOs. Each district identifies three priorities. These priorities are sent to the CV who presents a combined list to the municipality. In October, when the CV meets the municipality, one development priority is selected for each district – forming the basis of the POA. The POA is implemented between Jan – September the following year. Examples of POA projects conducted in sub central areas of San Lorenzo include,

improvement of a district road to assist marketing of agricultural produce and transportation in the area; a bee keeping/income generating project and the provision of drinking water in all communities in San Lorenzo Municipality.

All CV representatives, whether urban or rural, were able to explain their roles and responsibilities clearly. These include driving the community planning process, visiting and monitoring projects in their area, reporting on progress to their sub-central area or the wider CV as well as oversight over the use of the municipality's budget. CV members work voluntarily, although their travel and accommodation costs are covered by a small budget allocated to the CV.

### **NGOs**

IICA is a local NGO with 20 staff - including agronomists, economists, irrigation engineers and adult educators. Most of IICCA's funding comes from the European Community – Netherlands, Austria and the Flemish. According to IICCA and sindicatos, most NGOs tend to work directly with communities and do not go through the municipality. Thus their projects are not usually aligned with POA objectives. However, some NGOs are working closely with local municipalities, such as IICCA.

IICA is involved in working with the mancomunidad, Heroes de la Independencia, facilitating the development of the mancomunidad's strategic plan, PDM and POAs and helps with capacity building, strengthening links with other municipalities, and provides education in citizen rights and paralegal training. It also co-manages a micro credit programme and village bank account for farmers in the mancomunidad and works with farmers to develop effective water harvesting and soil management methods.

### **Implications of this relationship**

The community planning process tends to be needs-based – focused on social services rather than economic investment - rather than being more strategic and enabling social justice and livelihood security issues to be addressed.

Sindicato members prefer to use these structures to represent their communities. They generally regard the concept of OTBs as imposed by government as a result of the LPP. Due to the sindicatos' strength and historical influence, many communities have not formed OTBs – but continue to use these existing community structures from which to draw representatives.

Sindicatos usually cover their costs through small contributions made by members. In poorer areas sindicatos are not able to generate much funding, as a result members are unable to afford the travel costs to attend district meetings and may not be able to raise development issues for consideration.

Women are seldom selected as CV representatives. The long working hours and travel distances means that members must be away from their households for periods of time. This is not generally tolerated and thus women are excluded from participating in rural CVs. The gender balance of members in urban areas, such as the Tarija CV, is more equitable.

However, despite these difficulties, smaller CBOs have become more active as a result of the LPP, as members do make an effort to attend key community meetings and get involved in planning processes.

Sindicatos and CVs would prefer funding to be allocated directly to district CVs. Members feel that an insufficient proportion of money actually gets to community level and that despite the participatory planning process, the municipality has far too much control over decision making and resource allocation. They also feel that too much money is spent on consultant fees and feasibility studies and that too little finance is left over for project implementation.

As municipalities do not have the mandate or staff to undertake construction activities they are obliged to use private companies. Communities complain that these companies do not hire local labour or equipment and that the only benefit they derive from the project is the finished infrastructure. They would prefer construction companies to involve them more in the design and construction of projects. Mancomunidades are trying to address this issue, especially by encouraging the use of local labour.

CVs are regarded by communities as an important link with the municipality as they are the only body that can lobby and pressure local government to meet their demands. Through their budgetary oversight role CVs can monitor project implementation and expenditure and are even able to have municipal accounts frozen if financial or implementation irregularities are suspected. However, others feel that the CVs are too weak, poorly briefed and trained or lack sufficient resources to make an impact on municipal planning and implementation processes. Despite these differences, most agree that power is concentrated in the hands of the mayor and councillors – who are perceived to have the ultimate decision making power.

At present NGOs tend to work outside the influence of local government plans and procedures. Municipalities and CVs should exert pressure on NGOs to support PDM and POA objectives.

## **3.2 Eucalyptus Municipality (small rural, Altiplano)**

### 3.2.1 Introduction

Eucalyptus is a small rural municipality in Bolivia located in the Tomas Baron province of Oruro Department, on the altiplano south of La Paz. It is at 3770m, has a rainfall of only 350mm per annum, and 120 frost days. People grow potatoes, quinoa, and fodder crops for cattle, and they also have sheep and donkeys. The municipal centre is some 12km off the main tar road, although the road is good as it leads to a gold mine. The area was badly affected by an oilspill last year, and has been receiving compensation from the oil company, Transredes.

Eucalyptus Municipality has a population of 5200 inhabitants, and there has been significant outmigration. As a small rural municipality it has only one district, that is the Canton Amachuma. The municipality has jurisdiction over six (6) communities with twelve (12) OTBs and one CV. The CV has a membership of five people elected by the OTBs and these are the President, the Vice President, Secretary and two others. For

purposes of non-interference in the work of the CVs the municipality has not made any provision for office accommodation for them. They however meet once a week to consider any emerging issues. On account of this the organisational chart of the municipality has no placement for the CV.

The municipality has a Council of five (5) full time personnel who are paid an amount of 930 Bolivianos a month. They also meet once a week to consider issues affecting the municipality.

The annual budgetary allocation for the municipality was about US\$140,000 in the year 2001. This amount was increased very slightly for the current year, 2002. Although these monies are allocated to the municipality their releases are not reliable.

For the efficient management of the municipal area, the municipality the following structure:

- The Council
- The Mayor (tech) with a Secretariat
- The Head of Technical Department ( the civil engineer)
- An intendent ( a commercial supervisor)
- An Agent (a Liaison person for the communities)
- An Accountant and a Treasurer
- A Driver

Eucalyptus Municipality falls within a province with four (4) other municipalities. The municipality is a member of a Mancomunidad of three municipalities which seeks to protect a river which transcends the boundaries of the three municipalities. The Mancomunidad in this case is only meant to address the environmental and sanitation issues arising in the three municipalities.

### 3.2.2 Roles

The services provided by the Eucalyptus Municipality include technical advisory services to the OTBs in the identification of their priority needs and the packaging of the list of priority activities of all the OTBs into a technical document—the POA. The municipality also provides the effective link between the OTBs and the national government in terms of flow of resources for the implementation of their projects. For the Eucalyptus Municipality funding of the POA comes mostly from central government, although this is not so reliable.

### 3.2.3 Overall Planning Process in Practice

The Municipality is autonomous in terms of plan preparation. There is no influence from the National, Departmental or the provincial levels. Both the PDM and POA are based solely on the priority needs of the Municipality and the OTBs and therefore has nothing to do with the national or the departmental priorities.

In practice the Municipal POA is submitted to the Department and this is incorporated into the Departmental POA. Information obtained indicated that the PDM is only a broad

framework which sets the agenda for the municipality for a period of five (5) years. The PDM is however prepared on instruction from the National level but this has nothing to do with the content of the PDM. Since 1999 when the PDM was prepared it has been modified only once. The POA is prepared on an annual basis based on the priority needs of the OTBs.

#### 3.2.4 The Participatory Planning Process

No information was obtained on the PDM process in Eucaliptus. In terms of the POA in October each year letters are sent to OTBs informing them to start identifying their priority needs for the ensuing year. The list is submitted to the CVs for approval and latter forwarded to the Mayor's office. A one day workshop is organised involving 3 to 4 members from each OTB. Before the workshop a guide is circulated to OTBs on what their expectations are regarding the treasury, external resources and own resources.

The workshop discusses the POA and the outcome is a first draft of the POA. On occasions where there is disagreement of an OTB's priority needs the Mayor invites the two parties to a meeting where the problem is resolved before the POA is subjected to a second workshop.

Before December 15 the same year a workshop is held again to finally agree on the priority needs of the communities. This produces the final POA for the CV to approve. After approval a copy is submitted to the Prefecto.

Projects undertaken in the village last year include the renovation of the canton office and health post.

#### 3.2.5 Funding flows and how they relate to planning

As for Tarija, the municipality falls into an area supported under the Poverty Alleviation Fund, a temporary structure to provide HIPC-type funds supported by Dutch and UK aid, until DUF mechanisms became operational. CARE has been contracted to facilitate this process, and 8 projects have been funded. The Municipality complained of the slowness of the FPS funding, and how the PAF funding was much faster.

#### 3.2.6 Relationship of community structures and civil society to CBP, including traditional authorities

##### **Types of social groups, CBOs and civil society**

The sindicato in Eucaliptus has 160 member households. The organisation is run lead by a general secretary, minutes secretary, sports secretary and a communications officer and meets every two weeks. It deals with local community issues relating to agricultural production and works with NGOs operating in the area, such as CARE Bolivia.

##### **Involvement of community structures in municipal and other planning processes**

Sindicato members regard the sindicato as the lead organisation in the village. When the sindicato meets, other authorities are also involved, such as the Corrector, who is a government representative, but who is also regarded as the head of the village. Sindicato meetings are chaired by both the Corrector and the sindicato general secretary.

There is also a traditional organisation, Ilacata, which operates in the village. Ilacata has gained strength since the LPP was passed – as the law states that traditional organisations must be recognised and included in community development activities.

The sindicato is separate from the OTB. The OTB was formed in 1996 and is regarded as the link between the municipality and the community and is responsible for raising community issues during the planning process. The sindicato and corrector attend community meetings that help to gather information for inclusion in the POA. The OTB meets every two weeks and is responsible for reviewing the previous POA, formulating the new POA and monitoring the implementation of community projects by the municipality.

### **Implications of this relationship**

There is confusion between the roles of the different community structures, such as the sindicato, OTB, traditional structures, municipality and the mayor. It is not clear who is responsible for what and why some organisations exist – as well as how they work together to address poverty issues.

The confusions appears to be conducive for corruption to flourish and lines of accountability are not clear/used effectively. Sindicato members do not feel that sufficient resources get down to community level and suspect the municipality of financial irregularities.

### 3.2.7 Involvement of stakeholders

The involvement of the private sector is minimal as this is a rural municipality with 5000 inhabitants, although associations are probably involved in the PDMs and POAs. The involvement with Oruro Department is confusing, with undefined roles. National and departmental plans are involved with the municipality playing a co-ordinating and supervisory role. The sub-prefect participated in the meeting with the municipality.

CARE-Bolivia has cooperated with the Municipality and OTBs through their facilitation of the PAF fund in the department. It appears to be the only NGO active in the area.

### 3.2.8 Following up the plan – community management

One of the national road construction projects visited had involved a number of OTBs in the identification of labour and the CV was also involved in the monitoring and supervision of the project. The technical aspect of the project had been contracted to a private enterprise by the national government.

The CV appeared to be active and met every week to monitor progress. The team saw written invitations to meetings being circulated.

### **3.3 Tarija Cercado Municipality (large town, Tarija)**

#### 3.3.1 Introduction

Tarija Cercado is the municipality surrounding Tarija, the main town of Tarija Department. It has a population of about 180 000.

#### 3.3.2 Overall planning process in practice

In theory the municipality is supposed to have a five-year development plan with an annual operational plan (POA). The five-year development plan is to be revised every two to three years. However the current Municipal Development Plan (PDM), which was developed in 2000 by a consultant, is out of date because it did not take into consideration the demand of the communities, resource availability, and the level of indebtedness of the municipality.

The mayor of Tarija Municipality currently has a lot of pressure from the communities since the current five-year development plan was developed in a non-participatory process. The municipal account was frozen because of the high level of indebtedness, (about US \$ 9 million) which to repay would require the municipality to be closed for two and half years. As a result the Municipality has lost credibility and could not afford to pay for salaries, extension services, etc. Currently the Coparticipation fund is being disbursed from the central government with conditionalities signed between the Municipal Council and the Treasury regarding its use and the debt repayment, which the Municipality is finding difficulties to repay. In the same vein they are finding it difficult to implement what is proposed in the PDM and are in the process of reviewing it.

To avoid the past mistakes the Municipality intends to adopt a pragmatic approach to the development of its development plan and linking it with available resources. It is therefore the intention of the Municipality to use its directorate of planning to facilitate the OTBs and the CVs in the identification and prioritisation of the community needs. The Planning Director is supposed to inform the planning meetings of amounts available for investments and the demands from all the neighbourhoods (communities) are presented in a stakeholder meeting facilitated by the mayor and the municipal technical staff.

The planning figure is the residual balance after netting off administrative, maintenance, and debt repayment. The twenty-two Districts of the municipality all share the balance for investment. Given the small amount per district, the districts are federating to realise economies of scale and finance common projects such as school that can serve the interest of their joint communities. Currently the money is being equally divided between the twenty-two districts. The problem has been that the districts do not have the same numbers of OTBs.

Once the CVs agree on the projects to be implemented the proposals go to the POA. The budget and the POA are prepared the technical staff, which avails the draft POA to the CVs. Once the CV agrees with the budget/POA then it is forwarded to the municipal council for approval.

## **B) Relationship between the Department and the Municipal council**

At the departmental level, the prefecto is the central government representative. The relationship between the department and the municipality is yet not clear since most competencies are with the municipality. The view of the Mayor is that the prefecto should be responsible for main roads and security matters. For the moment the responsibilities for health and education are being shared between the municipality and the departments, which is causing confusion.

In Tarija Department, efforts have been made to integrate environmental projects identified by communities through the PROMETA community project. In 1992 the project started to work with communities and it identified environmental issues such as soil erosion, decrease in grazing land, pollution from oil spillage in the river etc. The conservation issues identified through this project have been integrated in the Municipal development plan and are being fully funded through the municipal budget.

### 3.3.3 Funding flows and how they relate to planning (Martin)

Section 2.4.6 describes the standard funding system. Tarija has a residual impact of a major debt accrued under the previous Mayor, the freezing of its accounts, and the contractual undertaking with the Treasury as to how the available resources should be utilised including the strategy for the debt repayment. This means that from the four sources of funds, the Municipality of Tarija does not have much freedom in its allocation as after paying off part of its debt, there is hardly any balance left for new municipal investments.

The relationship regarding financial management between Tarija Municipality and the centre is a special one. In a way the Municipality has lost control in allocation of resources as a result of the bad financial management by the past administration.

### 3.3.4 Relationship of community structures and civil society to CBP

#### **Types of social groups, CBOs and civil society**

In urban areas, such as Tarija, the CV is structured slightly differently. Tarija has one third rural and two thirds urban districts. Each district selects a president. Together these presidents nominate the office bearers of the municipal CV. The Tarija CV has a president (urban); vice president (rural), secretary, treasurer and 2 commissions - one for education and health and another for administration and finance.

#### **Involvement of community structures in municipal and other planning processes**

The district presidents call and facilitate district community meetings in Sept/October to identify two key development priorities. Meetings are usually held on Saturday afternoons as most inhabitants work during the week and are not available to attend meetings. The municipal CV meets once a week at this time to monitor progress of the meetings.

The CV has experienced several problems recently - projects were not implemented the previous year as the municipality was struggling to repay its debt and did not allocate any funding to community development. In addition to this the CV has not been able to

access its own operating budget as the former members had not completed the required reports. Currently, the president is trying to finalise these reports so that the new CV can open a bank account and get access to funds. Another problem relates to the rural districts of Tarija who are unhappy about being included within the boundaries of an urban area. They have been slow to nominate representatives – as they would rather belong to the neighbouring rural area aligned to the rural sindicatos, who they feel can better represent their interests.

Despite, these issues, the CV has identified projects for this year including repaving local roads in each neighbourhood; buying equipment/furniture for the local hospital and 2 schools. They have also received leadership and capacity building training to assist them to fulfil their roles and responsibilities more effectively. This training was conducted by a private consultant and arranged through the Vice Ministry of Strategic Planning and Popular Participation.

### 3.3.8 Involvement of stakeholders

There was minimal if any involvement by the private sector in the planning of the municipality. The departments through the involvement and co-ordination with Mancomunidades, the Association of Municipalities of Tarija (AMT), seemed to have had a better working relationship with the municipality. Facilitation of planning by the OTBs and CVs as well as capacity building of the municipality had taken place through these structures.

The relationship with the MOT is voluntary and project based –with 3 other municipalities with a common interest co-operating. The AMT is also a new voluntary structure with a much broader mandate of capacitation of municipalities as part of the decentralisation program.

### 3.3.9 Following up the plan – community management

The OTBs through the CVs are the community structure for monitoring and supervision.

## **3.4 La Paz (city)**

### 3.4.1 Introduction

The City of La Paz is the administrative capital of Bolivia, with approximately a million inhabitants. Approximately 200 000 of the people who work in La Paz stay outside of the city (mostly in neighbouring El Alto) and commute daily.

The Municipality has 23 districts, of which two are rural and the rest urban, with 560 OTBs. The Municipality has the maximum permitted in the legislation of 11 councillors, with a Mayor, Speaker, and 10 further fulltime councillors. Sub-Mayors are in the process of being appointed by the Mayor for supervision and service monitoring at the submunicipal level. The total staff compliment is 1500, from 3000 two years ago, with the administration headed by an Executive Secretary (equivalent of City Manager). The annual budget of the Municipality is approximately \$100m. The city has gone through major crises with the 5 previous mayors being jailed for corruption. The new mayor is

determined to stamp this out but has to cope with the heritage of the previous administration including inheriting a \$141 million debt. The debt has severely constrained the number and type of community development projects that the city can finance.

La Paz is no longer the largest city in Bolivia and is losing investment to other centres, such as Santa Cruz and Cochabamba. The municipality must work much harder at attracting businesses and investment to the city to ensure continued economic growth – or face the prospect of large scale job losses and further urban decline.

Last year some projects were initiated, despite the debt. These were mostly physical works projects, such as road rehabilitation, drinking water systems and sanitation. During the coming year the CV would like to establish economic development centres in each district. These would help to expand economic activities within each area by marketing local handicrafts, food and other produce.

#### 3.4.2 Roles

The services provided by La Paz **Municipality** included health, education, sanitation, roads, water and other social services. For effective co-ordination, 7 regional offices have been demarcated into service provision submunicipal areas headed by a Sub-Mayor with service departments sub-units. The central subalcalde has 22 staff including 19 professionals (engineers, architects, economists, social workers). There are 3 main units, Works, Urban Management, and Human Development. He is responsible for all works in the area, of which 90% are contracted out. He also collects revenue from licences. The human development section covers education, sports, public protection/social welfare. There is also a 24 hour freephone complaint line. The central directors now only provide norms and oversight.

The **Comite de Vigilancia** has 23 members, 2 of whom are rural and appears to be very active, meeting every Wednesday as a CV. It frequently has assemblies on a Saturday/Sunday so that working members can attend.

La Paz has a **Mancomunidad** with El Alto, whose main purpose is to look at transport between the two municipalities which form one conurbation.

#### 3.4.3 Overall planning process in practice

Overall the planning process seem to be in line with the guidelines of the Popular Participation Law.

#### 3.4.4 Participatory planning process

##### **(a) Developing the PDM in La Paz**

The inherited debt burden of the municipality has led to the PDM developed previously to be under serious review, with the normal consultative process starting. The intention is to organise the municipal area into manageable districts that will enable extensive participation and consultation. The intention is to involve the broader community as well as key stakeholders like the business sector.

**(b) Developing the POA**

Work on the POA started in October, in parallel to the PDM, so there could be interactive work on this and PDM.

The POA is a comprehensive document (4 large volumes), covering the overall strategy, a detailed budget, profiles of all projects, and even includes the minutes of district meetings where projects were agreed.

Both the PDM and POA processes involve participation from the OTBs and districts, and they appear to have a similar content. The main consultation process is a one day meeting at OTB level where community demands are presented and prioritised. These are then amalgamated at district level and common priorities identified.

There does not seem to be any training at the local OTB level enhancing effective participation. The POA is facilitated by the CVs at the local level with the assistance of technical staff from the Municipality. Training and capacity building for the CVs also seems not to be a priority nor part of the planning agenda.

The overall view is that there is insufficient involvement of the OTBs at the local level, due to lack of capacity and resources for engagement. The OTBs are also not always representative as some are based on customs, uses and traditional groupings that are not applicable in an urban setting. The fact that the Catholic church is the recognised leader of civic society has led to a local church parish electing the OTBs and CV members without community wide participation.

Many of the communities list job opportunities and income generation as top priorities and these demands are starting to be reflected more overtly in POAs, representing a shift from social to economic.

3.4.5 Funding flows and how they relate to planning

The current council inherited a debt of approximately \$ 141m that has put it into serious financial distress, with close on 30% of its annual budget going towards debt servicing. The city derives its revenue from national taxes and the relevant national funds (HIPC, DUF) and also own revenue from local taxes (vehicle licencing and real estate). Previously it was very difficult to guide planning through providing information of available resources. But it seems that La Paz because of its capacity to manage resources as well as the financial distress it experienced, the POA seems to be guided by budgetary constraints.

The information on the HIPC, DUF, and popular participation funds that would be available over the coming 15 years, as well as anticipated own revenue seems to provide a better guide for planning, in contrast to funding flows from national government which is still a problem.

The annual budget for 2002 is \$100 million, of which 65% is capital, running costs 21%, "usos" 13.4%. Income is 18% from capital, current income 65.7%, and other sources 16.1%. The current income includes taxes (46%), transfers (30%), sale of services (18%),

interest (1%), other 5%. Personnel costs take up 65.7% of the budget, debt payments 18.5%, non-personal services 11.15% and materials 3%.

The view is that the municipality has been assigned mandates that are not commensurate with the allocations from national government. The result is that the city is trying to find ways of attracting investments and reducing overheads as a way of expanding local revenue base.

#### 3.4.6 Relationship of community structures and civil society to CBP

In La Paz the OTBs are usually Juntas Vecinales (neighbourhood groups). The Catholic Church is the dominant religious grouping, and has been assigned the responsibility of co-ordinating civil society. At the local level there does not seem to be any other civil society (i.e. NGOs) that are involved.

The community in terms of OTBs are aware of their rights and exercise this through the CVs, but it is not clear in view of the problems of organising OTBs as to the awareness of ordinary people about their rights. Apparently in poorer areas there are much higher levels of participation. There are also active Community Associations in the districts, and in the central district these are meeting 3 times a week, twice with the subcalde. It is apparent that the involvement of community structures in municipal and other planning processes is only through the OTBs and CVs, but these do seem to be active. The CV has a range of committees covering technical, environment etc.

La Paz has only two rural districts which have a very low population. There has been considerable in-migration from the La Paz Department and the east (although there is now a net outmigration to the east). Much of the population is Aymara with very strong social ties and customs, and many migrants move to areas with people from their home areas. Apparently therefore some traditional structures have been retained in the city. No more is known of these and their application in relation to planning in the city.

#### **Types of social groups, CBOs and civil society**

The La Paz CV was formed in 1996. It is the largest in the country, with 23 members. Although the term of office is 2 years, most of the members, eg the president, have been in office since the CV was established. The CV also has its own premises separate from the municipality and three additional full time staff - a secretary, office assistant and a professional administrator. In addition to the La Paz office, the CV has smaller offices in seven districts surrounding the city.

CV office bearers include: president, vice president, general secretary, public relations officer and three technical commissions (for education/health; environment and economic issues). Meetings are held every Wednesday evening as most members are in full time employment. The CV also produces its own newspaper twice a year in which it publishes news about events and CV activities.

#### **Involvement of community structures in municipal and other planning processes**

Starting in October, the district representatives meet with their neighbourhood councils and OTBs to review demands and draw up a list of issues to present to the CV. Meetings take place on Saturdays evenings as most residents work during the week. There are 30 –

40 neighbourhood councils per district, including sports clubs, mothers clubs and other sectoral CBOs. Some sectors, such as water, basic services and income generating groups, are more active than others. Poorer areas are most active than wealthier areas – although some very poor, remote communities are also not active.

The CV then participates in meetings with the municipality to draw up a POA for the coming year based on community needs. The CV is also responsible for observing and monitoring the implementation of plans; ensuring financial controls are used correctly and that funding is spent according to plans and the agreed budget.

Recently, La Paz has suffered from a great deal of corruption within the municipality. This has resulted in credibility problems for both the municipality and the CV – thus the two have worked together on a media campaign to change the image of the city and to try to gain access to external sources of funding, through pushing for greater accountability and demonstrating transparency.

Last year the projects were mostly physical works projects, such as road rehabilitation, drinking water systems and sanitation. During the coming year the CV would like to establish economic development centres in each district.

#### **Implications of this relationship**

The topography is as diverse as the types of communities within La Paz. Poorer areas located in inaccessible areas on steep slopes are often excluded from the planning process – as they are too difficult/costly to develop; or too small and remote.

The CV is concerned about the decline of La Paz in relation to other cities in Bolivia, and wishes to increase employment opportunities and use local resources more effectively. Many of the communities it represents are listing job opportunities and income generation as their top priorities and these demands are starting to be reflected in the POAs.

CV members find that the districts that they represent are very big. Because of the large scale of the city, it is difficult for them to ensure broad participation at meetings, to visit projects regularly and to do an effective job of monitoring progress against the POA. They feel that other mechanisms need to be developed to help them fulfil their social control functions effectively, eg more members, more full time staff or smaller districts etc.

#### **3.4.7 Involvement of stakeholders**

It is apparent that the involvement of other stakeholders, i.e. private sector, Government departments, might be more feasible in La Paz, in view of it being the administrative capital. It was not evident as to how this takes place. However, the City's intention is to involve business with a view to attracting investment.

It seems like at the municipal level involvement and interaction is limited to structures recognised by the LPP. Engagement of other stakeholders has taken place under the National Dialogue, but it is not clear if this is still taking place.

#### 3.4.8 Following up the plan – community management

In poorer parts of the city communities provide in-kind contributions to projects, with the city providing materials. In the centre, the subcalde prefers to have no contribution to avoid any conflicts of interest. The OTBs and the CVs at the district level are used for monitoring and supervision. The CVs rely on OTBs for project monitoring and supervision, and these have to approve projects before the municipality will pay contractors. The Community Associations and CVs interact with the municipality twice a week on progress and review, and should there be any serious issues that the Municipality did not address or remedy, the CVS have the right to go to the department / & or national for intervention, including freezing of funds.

## **PART C LEARNINGS AND GAPS**

### **4. PLANNING PROCESS IN PRACTICE**

#### **4.1 How the planning system operates in practice**

Section 2 has described the theoretical systems for planning and section 4 what was observed in the different case studies. The system seems to work more-or-less as planned. At national level it is not clear whether the EBRP has replaced the national PGDES. The EBRP covers both services and investment.

The regional Departmental plans (PDD) are supposedly based on the national plans although this could not be verified in practice. What is clear is that there seems to be little relationship between the PDD and the municipal PDMs. Municipal planning focuses heavily on capital, and both the PDM and POA concentrate on capital investment rather than how services are delivered.

The plans involve a wide range of stakeholders, both in preparing the PDMs and the POAs. They are not really strategic plans, and although there may be a vision expressed there did not seem to be a genuinely vision-based planning system operating at municipal level, although there was evidence of this happening in the planning of Mancomunidades such as Heroes de la Independencia.

In Eucalyptus Municipality it was found that instead of the PDM influencing the POA, on many occasions the POAs had no relationships to the PDM and as a result the PDM has to be adjusted frequently to fit with what the communities want to be included in the POA.

#### **4.2 Involvement of stakeholders in planning**

##### 4.2.1 Private sector

The private sector at the local municipal level seems not to be involved in the planning process, except in the participation of producer associations. It was also unclear as to the existence of organised private sector groupings within even a big City like La Paz. The Mayor indicated that as part of their economic development strategies they were in the process of considering investment incentives—but it was not clear as to whether the private sector was in any way involved in these discussions.

##### 4.2.2 Government departments

Due to the confusing role played by departments, at the municipal planning level of the POA and PDM, there seems to be minimal involvement in the process. Municipal involvement at the departmental level is also non-existent but the PDM is incorporated into the departmental plan. Any meaningful participation of the Municipal at the national level is only through the National Dialogue process, or through representation via the national association of municipalities (FAM).

#### 4.2.3 Other

Other local structures like sindicatos, clubs, associations, service providers and NGOs are involved to varying degrees depending on the profile of the Municipality. In El Puente Municipality and Tarija, these stakeholders seemed to have been involved in the preparation of the PDM.

#### 4.2.4 The linkages and how they work

The participation law places a greater emphasis at municipal planning level on local community structures represented by OTBs and CVs. In Eucalyptus Municipality the presence of CARE Bolivia has led to some partnership between the local community, the municipality and the NGO. The confusing role of the departments has led to fairly ad-hoc and project driven interaction with the local municipalities. There does not seem to be any formal linkage between Mayors and the Prefectura or sub-Prefectura.

#### 4.2.5 Learning and gaps

There is a need to clarify the role of the different government structures so that appropriate and effective linkages can be formed. The confusing roles and lack of interaction as well as co-ordination of planning and activities, leads to a fragmented approach that lessens the potential developmental impact as well as wastage of resources. A forum at the departmental level of the Prefectura and Mayors (Premier-Mayors Forum, as happens in Free State Province, South Africa) as well as a kind of meeting of technical and political staff from the Department and local governments might also be a useful forum for sharing technical and political views on the developmental programs of the different structures so that planning can also be well informed.

### **4.3 Detail of the community-based planning process**

#### 4.3.1 How participatory planning operates in practice

A standard participatory process is described in section 2 and this largely seems to be operating, both for the PDM and the POA, based on a one day workshop in each OTB on an annual basis which elicits and the prioritises a list of needs/demands, and an aggregation of these at district level. When these demands are included in the PDM, they usually exceed the initial allocation and are cut back, and then are often cut back further later, but without reverting back to communities to indicate what has happened and why. Several issues emerge from this process.

#### 4.3.2 Strengths and weaknesses of the system

The **strengths** of the system would appear to be that is is:

- simple;
- easy to train people to operate;
- can be run by the CV;
- reaches to all OTBs;
- responds to a community which has many unmet demands for support from the state.

The **weaknesses** of the system would appear to be:

- the simplicity means that a shopping list is produced;
- this is unstrategic and implies a demand for large external resources which are not available, leading to frustration;
- the planning process does not lead people into analysing their situation in any depth, and so is not really empowering in terms of understanding.

The system is clearly a major advance on the centralised systems which preceded it, and it is being carried out right through the whole country. However, the balance needs to be weighed between a system which goes to every OTB, but is unstrategic and not very empowering, versus a system which plans at a higher level such as the district, but in a more strategic and empowering way, with representatives from the OTBs.

The planning process could be strengthened if it could become more empowering and deepened in terms of communities are encouraged to look internally as to what they can do with their internal resources: human, material, and financial, and what are the opportunities they have in order to improve their livelihoods. The feed back mechanism also needs to be improved.

Because planning is needs based, it can be dealing with symptoms and not causes, and so result in superficial changes to community conditions. For example many of the current projects focus on health and education infrastructure improvements and do not enable a more strategic focus on increasing livelihood security or challenge social justice issues.

## 5 FUNDING FLOWS AND HOW THEY RELATE TO PLANNING (MARTIN)

Apart from local revenue, the only reliable transfer from central government is the popular participation fund. This fund is transferred to municipalities based on population every month on an automatic basis.

The DUF resource is highly centralised. It is never transferred directly to LGs. Payments are made by the DUF secretariat directly to service providers. Despite the high number of professional staff the DUF has, there is wide spread delays because of the requirement of the secretariat to review and approve projects submitted by municipalities. For example Tarija municipality had made its submission in January 2002 but by May approvals had not yet been made.

Unnecessary delays in transfers from central government usually have devastating impact on implementation of LGs plans and hence planning. This was found to be the case in Tarija Municipality. With such delays and uncertainty there was apathy in planning in the Municipality.

*“There is no meaning of planning for us because we do not have the resources. The DUF does not transfer the money to the municipality. We only see contractors and the contract papers and contract value to sign.”*

*Financial controller, Tarija MC, May 7, 2002.*

### 5.1 Relationship of planning to budget

Municipalities are required to draw a five-year development plan, which should be linked to the POA. The POA ideally should draw its annual activities from the plan. However in reality this may not be the case. In Tarija the five-year development plan was drawn by a consultant and had therefore very little, if not none of the activities which the communities wanted to be implemented as their priorities.

In Eucalyptus Municipality it was found that instead of the PDM influencing the POA, on many occasions the POAs had no relationships to the PDM and as a result the PDM has to be adjusted frequently to fit with what the communities want to be included in the POA.

*“In this municipality sometimes annual operational programmes (POAs) have nothing to do with the Municipal Development Plan (PDM) as such the PDM have to be revised on many occasions based on the POA. It is a situation of “the tail wags the dog”.*

*Fran Boeren, CARE Bolivia, Eucalyptus Municipality, May 10, 2002.*

### 5.2 How funds are held and funding decisions made

Out of the four sources of funding, municipalities have controls only on locally generated revenues and the popular participation fund. The popular participation fund is transferred directly on a monthly basis to the accounts of municipalities from central government based on population.

The municipalities have no direct control over funds under the DUF, that is the resources from the HIPC and the FPS (social fund). The involvement of municipalities for the utilisation is very limited in terms of direct access to the fund and control of the same. They are required to identify their investment priorities, submit the same to DUF secretariat for review and approval/referral. The contractor is identified by DUF secretariat, contract document prepared by the DUF secretariat and the municipalities are required to counter sign and supervise the contractor. Payments to contractors are done by DUF secretariat.

### **5.3 The result of this relationship**

The current arrangement regarding financial flows and management of financial resources by municipalities seems to be weakening the capacities of municipal local governments. Arguments have been made by the DUF secretariat that the arrangement was a transitional one. However, it seems within the fund or in government, very little effort is being made to build the capacities of municipalities for full devolution of certain powers and responsibilities. Of course there will be mistakes made, but that is the cost of learning to be non-subordinate.

Municipalities seem not to have well defined mandates; there is more visibility of the political arm but less visibility of the technical staff; and the current funds flow seems to undermine municipal planning and autonomy by making them become implementing agencies of central government decisions and programmes.

### **5.4 The learnings and gaps**

The popular participation law and the law of national dialogue have greatly influenced decentralisation and the community-based planning process in Bolivia. The two laws are very important pieces of legislation as far as decentralisation policy and the deepening of the process is concern.

However, there are three major gaps, which might undermine the decentralisation process as far as flows of funds and how it relates to planning. These gaps are as a result of lack of clarity regarding the roles of municipalities, lack of national systems for financial control, management, and monitoring; and frequency of revising (rolling) the development plans.

#### **Municipal roles**

It is not very clear as to why municipalities are created and their roles. At the moment there are 314 municipalities and some are very small with a population of two hundred people only. This raises the fundamental questions as to the viabilities of such a municipality; what types of services or mandates it should have; and what types, both in terms of quantity and quality of technical staff it should employ? The answers to these questions have implications as to what types of resources and plan a municipality can and should have. This lack of clarity regarding the roles and mandate of municipality was identified as one of the biggest gap.

### **Systems for compliance supervision**

Decentralisation does not mean the disappearance of central governments, or the abdication of responsibilities by central government to local governments. To the contrary it requires a “strong central government” but with a different role. While the policy would mean transfer of a number of governance responsibilities from central to local governments, it requires central government to develop the necessary systems for ensuring standards and the delivery of quality services to the population. Decentralisation does not mean “*laissez faire*”.

There is a lack of a national compliance check list, which municipal LGs have to comply with as indicators or proxy of good governance. Although a national municipal financial system has been developed and is in use by the municipalities, there seems to be a gap in the reporting arrangements regarding the types of key reports and the frequency the central government should be receiving from municipalities. Because of this systemic gap many municipalities have run into financial indebtedness without the central government knowing in time. For decentralisation to be sustainable, the central government should have a system of strong compliance and support supervision (not control) for quality assurance and standardisation with incentives and sanctions for good and poor performing LGs respectively. This is still lacking in Bolivia. The result has been that some municipalities, e.g. Tarija, are highly indebted, such that total resource inflows are not enough to meet recurrent expenditures and debt servicing with a balance for planning for service delivery.

### **Rolling of the development plan**

The municipal development plan (PDM) is a five-year development plan. The POA, which is the annual budget and plan of activities for the ensuing year should ideally be drawn from the PDM. Currently the PDM is being revised or rolled after every two to three years. This seems to be a long time duration for revising a municipal development plan given the fact that we are living in a global economy where a country may have very little or no control over international events which have direct impact on the local economy. Perhaps this explains why there is very little linkage between the PDM and the POA, because the POA takes into consideration the current factors, which affect communities’ investment decisions.

The disconnect between the POA and the PDM could be addressed by ensuring that the PDM is revised on an annual basis. This would allow the municipalities to throw out projects, which have already been implemented, those taken over by events and bring in new investment priorities. Such annual revision would ensure the linkage between the development plan and the budget while at the same time keeping a four-year visionary horizon as to where the municipality would want to be.

The problems in Tarija and La Paz point to the fact that the centre needs to develop an appropriate monitoring system where by it shall be in a position to monitor on a timely basis municipal excesses in terms of compliance in order to avoid similar incidences.

## **6 RELATIONSHIP OF COMMUNITY STRUCTURES AND CIVIL SOCIETY TO CBP**

### **6.1 Social groups, CBPs and civil society and their awareness of their rights**

The CV structure with its social control/municipal oversight function appears to be effective. CVs have clear legal powers, eg ability to freeze municipal bank accounts. The use of existing community structures is innovative – rather than insisting that new structures be formed. This ensures that existing structures and leadership capacity is consolidated and strengthened; and doesn't lead to redundancy/ dependency.

The danger with the use of traditional structures is they can further entrench social inequalities and power differences. Gender and poverty representation do appear limited. Many structures, especially in rural areas are dominated by men (who tend to be literate, resource owners).

CVs are regarded as the legitimate link to the municipality/local government. They appear to be well trained and have access to (limited) resources and adequate training and support at different levels, eg. departmental strengthening units, technical officers and the Vice Ministry of Strategic Planning and Popular Participation's support. CVs interviewed all appeared to be structured uniformly and to facilitate the community planning process in a uniform manner – indicating a high degree of common understanding and commitment to the process. Despite this high level of support, community structures and CVs need external (or NGO) support to ensure more of a rights based orientation to their activities.

Structures under the CVs varied greatly in strength, organisation and influence – including OTBs, sindicatos and traditional juntas etc. There appeared to be confusion regarding the roles and responsibilities of each – confusion that has intensified as a result of the 1994 LPP legislation.

### **6.2 The involvement of other community structures in CBP processes**

There is a high level of participation of different community based structures in CBP process. However, limited attention is paid to the specific participation of women and poorer groups within the community. Meetings appear to be short and involve the general community. The assumption is that communities are homogenous and that broad community meetings will be representative and sufficient to ensure adequate participation. However, this is not the case in reality – the voices of women and other marginalized sectors of the community remain unheard.

The number and roles of the various community based structures is not clear – eg the differences between the functions and participation of the OTBs, sindicatos and the traditional structures, such as juntas, resulting in confusion and duplication of functions at community level.

NGOs get involved in CBP on an ad hoc basis. There appears to be a weak relationship between NGO activities and the municipalities' POA/PDMs as NGOs work directly with

communities, rather than going through municipalities. However, some NGOs, such as CARE and IICCA are working with local government productively. Due to short funding timeframes and the restricted nature of much funding, NGOs find it difficult to participate in or commit to medium term municipal plans;

NGOs should make more of the opportunity to demonstrate alternative participatory/strategic planning methods with communities and to document and disseminate these experiences more widely to stimulate the debate about effective approaches to community development/poverty eradication.

More time was required to investigate the nature and roles of traditional structures within the CBP process. The team did not have an opportunity to meet with these structures. A potential area of conflict between the traditional and more democratic community based structures was alluded to in one interview, but the team was not able to pursue this topic with other groups.

### **6.3 The implications of this relationship**

Current political power dynamics and gender relations are maintained rather than challenged by the CBP process – as a result the status of women and marginal groups in society remains unchanged. The depth of the impact of POAs and PDMs is limited – although many development issues facing communities require long term strategies, current projects are not aimed at influencing key poverty indicators and local economic development.

NGOs do not appear to be networked at a national level. Sectoral networks are ad hoc and short term. This reduces the ability of NGOs to collaborate more effectively and to build on each other's experiences or lobby/engage government on social justice and rights issues.

### **6.4 Following up the plan – community management**

#### 6.4.1 Community management roles

The CV and OTB seem to be playing a monitoring role in the implementation of projects. The role of the CV is a very important and powerful one as it has the ability to request the freezing of municipal finances for non-resolution on non-compliance on certain substantive issues. The OTBs are involved in the identification of local labour for implementation of local projects-with close monitoring of performance as agreed by all those employed.

#### 6.4.2 The structuring of community management

The OTBs are the units of local community management with CV members playing a co-ordinating role. The OTBs and CVs offer an innovative way of local community management in particular as regards employment of local labour, compliance with project specifications in terms of quality, and ability to demand performance from the local municipality. The learnings and gaps from this experience include:

- Need for support and supervision from higher levels of government and commitment and active participation from local government in order to ensure the CBP process is implemented effectively;
- Greater understanding of mutual roles and responsibilities of stakeholders required in order for different sectors (state, private and civil society) to work together effectively and eradicate poverty;
- Centralised, bureaucratic systems and overtly party-political leadership stifles participation and community decision making;
- Effective collaboration needs to be initiated amongst government, NGOs and communities to ensure people can exercise their rights and take control over the improvement of their lives;
- NGOs should play more active role in developing and documenting alternative CBP methods and approaches;
- Legislated roles and responsibilities can assist in reinforcing legitimacy and power of civil society structures eg CVs ability to freeze municipal accounts in the light of financial irregularities.

## **7 IMPLICATIONS OF THE BOLIVIAN EXPERIENCE FOR THE CBP PARTNERS**

This section summarises the learnings for the different countries, which can be used to inform debate in partner countries. These are preceded by some generic learnings. Annex 5 has a table comparing structures and roles at different levels to facilitate comparisons.

### **7.1 Overall learnings for the team**

SA has already drawn ideas from a visit to Bolivia in 2000. This has been used in developing its IDP process, its equivalent of the PDM, POA process. In general the following are the main themes that emerged as relevant:

- The concept of social control, and the CV, although it is not clear quite how to apply it in our situations where we have representative councillors, and a much larger group of councillors, mostly part-time;
- The idea of strengthening the equivalent of the OTBs, which exist already in Uganda but are creations of the state, but are not active in the other 3 countries;
- The innovative idea of recognition and registering of existing community structures to represent the area, including traditional structures;
- Mancomunidades – the concept of voluntary associations between municipalities for specific purposes. The government through appropriate incentive policies such as concessional co-funding requirements has encouraged federations of municipalities to come together and address common development activities, which cuts across their geographical boundaries. This has had two effects: economies of scales have been realised, and secondly municipalities have been forced to think creatively to identify activities which are cross cutting for the benefit of the majority of their population such as irrigation, environmental management, tourism, common public health services for eradication of endemic diseases, etc.

There wasn't an opportunity to pursue this in any depth, but it would be very interesting to pursue in the future the relationships between traditional and state structures. In this area there may well be many commonalities between Africa and Bolivia.

### **7.2 Uganda**

There are three major implications of the Bolivian experiences to Uganda. These are the mancomunidad, the DUF, and the Committee Vigilantes (CVs).

#### **Mancomunidad**

The concept of mancomunidad is a very innovative one. It is important for Uganda to explore this possibility for a number of reasons. One the Local Governments Act, 1997 allows local governments to federate. However, over the years there has rather been a proliferation of local governments for a number of reasons. It is therefore important for government to design appropriate incentive mechanisms, which will encourage MGs to pool their resources and expertise together to achieve economies of scale and harmonisation of service delivery activities for the betterment of the population.

## **DUF**

This is a special fund for service delivery. Although it is highly centralised, which is one of its biggest weakness, it has in-built poverty attributes, which is very relevant for Uganda. DUF is allocated to MGs based on poverty considerations. The level of poverty in a MG is determined by the number of people who have access to basic services such as housing, education, health services, clean water, etc. Secondly, the co-funding under DUF has a sliding scale taking into consideration the poverty level of a MG and its ability to co-finance.

Over the years Uganda has been concerned as to how best the grants being transferred from central government to MGs should be allocated based on poverty criteria. In February 2002 the Local Government Development Programme (LGDP) was reviewed and one of its recommendation was that the successor programme, LGDP II, should take into consideration the issue of poverty and make sure that its allocation is poverty focussed. It is therefore an opportune time for government to review the DUF allocation and co-funding criteria for the design of the current proposed LGDP II in order to ensure that the recommendations of LGDP I mid term review are implemented based on practices which have been tested and operational in reality.

## **The Vigilance Committee (CV)**

The interesting thing about the CV, which is worth exploring further in the Uganda context is its social control mechanism. This has been able to check the excesses of councillors and LGs as far as service delivery is concerned. Through the POAs drawn by the CVs, they have been able to influence the Municipal Development Plan (PDM) and as such they have been able to ensure that allocation and utilisation of resources are based on what the communities have demanded. This is important in the Uganda context. Although planning is participatory and bottom up, there is no social mechanism to ensure that community priorities are respected and attended to.

We have noted that as community priorities get presented at higher levels of local governance some of their investments priorities, which are micro in nature, get dropped in favour of larger strategic investments. The challenge for Uganda has therefore been what mechanism needs to be put in place to ensure that community micro-investments do not get lost in the process of preparation of LGs development plans. Currently this problem is being addressed through provision of Parish IPFs, which are intended to address this challenge. There is therefore need to review the mandates of the CVs vis a vis that of the elected councillors who are part time with the exception of only the executive which are full time. It is therefore important to determine whether the mandates of other civic organisations could be strengthened to monitor actions of councillors as a deliberate strategy for deepening the decentralisation process in Uganda.

## **7.3 South Africa**

### **OTBs**

Bolivia has a sub-ward structure which is well established, as does Uganda. This provides a basis for representation on a legitimate basis which SA lacks below ward level. The first priority at present in SA must be to consolidate the ward structures, including ward committees. Once this is done, SA could consider some form of more local structure,

such as the street committees which still exist in some places. This would also assist with providing representation at the major planning meetings at ward level. It would be useful to research how far such local representative structures still exist and whether these could be used.

### **Vigilance Committees (CVs)**

The social control structure providing oversight as established in Bolivia is interesting, providing accountability to civil society by the municipality. The situation in SA is different, as councillors represent an area, and most are not full-time. The part-time councillors are not dissimilar to a type of CV, meeting occasionally, and providing oversight on the municipality. However this would not have the civil society link which CVs provide.

The role of the CVs in helping to organise regular meetings on progress against the plan (the EDAs) also suggests that potentially the role of the IDP Representative Forum could be strengthened, so that external stakeholders have regular reports on progress against the plan. This would require formalising the representation in the Forum and having a schedule of, say, 3-4 meetings a year, to which the Municipality would be required to report.

### **Mancomunidad**

The idea of municipalities coming together voluntarily to establish structures for particular purposes is also an interesting one for SA. Some examples could be:

- Between Kimberley and Mangaung to coordinate services and create a stronger pole in central SA
- Between the constituent districts under District Municipalities (eg Naledi, Mantsopa and Mangaung Local Municipalities with Motheo District Municipality itself), eg for economic development, for provision of water

### **Traditional authorities and culture**

Unfortunately the team only had limited exposure to what is clearly a hot topic in Bolivia, the role of traditional structures and their link to the state. The recognition of traditional structures as representative structures at community level is innovative. In Mangaung the Khosi (chief) of Thaba Nchu does meet regularly with councillors from the area. This whole aspect would merit continued interaction between the countries.

### **Decentralised services**

The delegation of services in La Paz to regional structures (sub-mayoralities) was also interesting. Apparently this has been effective, and most services have been delegated to this level. In addition there is a political link in that the Community Association of OTBs in the area meets twice a week with the Sub-Mayor. This is definitely an approach which can be looked at and indeed Mangaung has already identified area management as one of the topics to look at.

## **DUF**

The poverty-related formulas of the DUF are interesting, although they perpetuate central control, which already happens in SA with provinces, which are told that 85% of expenditure should be on education, health and social welfare/security.

## **7.4 Ghana**

The Popular Participation Law in Bolivia has some elements of relevance for Ghana's experience in participatory planning. The legal recognition of the Territorial Organizations of the Base (OTBs) and the institutionalisation of the Vigilance Committee are elements that need to be considered critically in the design of a community-based system for participatory planning in Ghana.

Whereas in Ghana responsibility for participatory planning at the Community level rests with Area Councils and Unit Committees in collaboration with Assemblymen of the areas, in Bolivia recognition is given to the social groupings within the communities. These groupings in Bolivia, have had a long-standing tradition of organising themselves in a cost-effective manner. Hence they served as the nucleus for human resource mobilization (OTBs) for the identification their felt needs. In Ghana, on the other hand, the system did not prove effective due to the fact that Unit Committees had looked up to government for financial assistance. This did not materialise and therefore most of them became dysfunctional.

Perhaps Ghana could take a lesson from this and fashion out a means to integrate the existing social groups into the planning process in a manner that will enable the communities to take ownership of development, and promote local action.

Secondly the institutionalisation of the Civil Society (the Vigilance Committee) in the planning process at the Municipal level is quite significant and has some lessons for Ghana. Perhaps it may be worthwhile adopting and adapting the concept into the District planning process for purposes of accountability and transparency in resource allocation and use at that level.

## **7.5 Possible learnings for Bolivia**

The following are some examples of learnings from Ghana, Zimbabwe, SA and Uganda which may be relevant to Bolivia, as well as each other:

- The process of amalgamation of municipalities which SA has gone through, reducing the total number from around 840 to around 280 municipalities;
- The handing over of service delivery responsibilities to municipalities. In Ghana service departments are accountable to municipalities. In Uganda all the main public services have been handed over to local governments;
- The capacity-building process for municipalities developed in Uganda (LGDP) and Zimbabwe (Rural District Council Capacity-building Programme);
- The community-based planning methodology developed in this project, which would appear relevant to Bolivia;
- Local revenue raising at the bottom in Uganda and the apportioning of part of this revenue to local structures;

- Greater role for the private sector in SA, and Ghana;
- Forums within each department of the Prefect and Mayors, and also at technical level, to coordinate activities (eg Free State Province, South Africa)

For all of us a major challenge is how to increase the investment and contribution of municipalities in local economic development.

**Annex 1      PROGRAMME FOR VISIT TO BOLIVIA 3-13 May 2002<sup>5</sup>**

**1 May**            Arrive Johannesburg

**Thursday 2 May**

10:20            Leave Johannesburg for Sao Paulo, SA 205

15:20            Arrive Sao Paulo for the night

**Friday 3 May**

10:30            Leave Sao Paulo, flight RG 8880 arriving Santa Cruz 1240

15:15            Leave Santa Cruz for Cochabamba flight LB842 arriving 1600

16:30            Leave Cochabamba flight LB 751

17:20            Arrival at Tarija, Met by the Mancomunidad “Héroes de la Independencia”

19:30            Dinner with Deputy Minister and Carlos Aramayo.

**Saturday 4 May**

9:00            Meeting with national authorities, people from the Municipalities and other local organisations such as NGOs

Welcome from the 4 Municipalities of the Mancomunidad, Municipios de Cercado, organizations which support the Municipalities, Association of Municipalities of Tarija, Association of local Vigilance Committees and others.

Introduction to the CBP Project by Dr Ian Goldman, team leader.

10:30-13:00    Presentation on Decentralisation from Marianela Zeballos, Deputy Minister of Strategic Planning and Popular Participation followed by discussion

14:00            Presentation on Annual Operational Planning by Municipalities in Tarija, by Carlos Oña, Executive Director, Association of Municipalities of Tarija.

16:00 – 17:30    Presentation on work of PROMETA, Alfonso Blanco, Executive Director

20:00            Official dinner with typical local music (peña).

**Sunday 5 May**

8:30            Team planning

9:30            Presentation and discussion on work of the AMT

Meeting with Carlos Aramayo, Chief Executive of the Mancomunidad “Héroes de la Independencia” on the work of the Mancomunidad.

12:00 - 15:30    Visit to dam, and lunch at local wine producer, with Carlos Aramayo, the Alcalde of San Lorenzo Municipality and Jose Luis Rivera, Technical Advisor to El Puente Municipality.

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<sup>5</sup> Note Philomena Johnson joined the team in La Paz, having had flight problems from Ghana.

### **Monday 6 May**

- 8:00 Meeting with Technical Advisor, El Puente Comite de Vigilancia  
9:00 – 13:00 Meeting with Presidente, San Lorenzo Municipality, sindicato campesino.  
15:30-18.15 Feedback and planning session

### **Tuesday 7 May**

- 9:00 – 12:30 Visit the HAM of Tarija  
9:00 Visit CV of Tarija  
10:00 Visit Suprefecto, Tarija Departamento  
11:30 Visit IICCA, and NGO in Tarija  
13:00 Lunch – debrief with Carlos Aramayo  
14:00 Feedback sessions  
18:40 Leave for La Paz via Cochabamba  
21:00 Arrival at La Paz

### **Wednesday 8 May**

- 9:00 Welcome from Marianela Zeballos Vargas, Director-General of External Financing  
9:20 Socio-economic context of Bolivia, Diego Muñoz  
9:55 Discussion  
10:10 Summary of the history of organisation in Bolivia, Agustín Echalar  
10:45 Discussion  
12:00 Lunch  
14:40 – 16:00 Visit to Lic Ramiro Cavero, the Minister of Sustainable Development and Planning

### **Thursday 9 May**

- 9:30 – 10:15 Meeting with the Honourable Mayor of La Paz (HAM)  
*Topics: urban municipal management.*  
*Responsibles: HAM La Paz, VPEPP*
- 10:30-12:00 Visit to the Planning Unit in the Mayor's Office, La Paz  
*Topic: Process for developing the Municipal Development Plan*  
*Responsible: Planning Unit, HAM La Paz*
- 12:30 – 14:30 Lunch
- 15:00 – 16:30 Visit to the Unit of Territorial Administration, Deputy Ministry of Strategic Planning and Popular Participation (VPEPP)  
*Topic: regional organisation and administration and its limits*  
*Location: Deputy Ministry*  
*Responsible: Director-General of Regional Administration, VPEPP*

### **Friday 10 May**

- 9:30 – 15:30 Visit to the Municipality of Ecucaliptus, Dept of Oruro  
*Topic: Participatory planning and financial competition between projects*  
*Responsible: CARE Bolivia*
- 12:30 Lunch

**Saturday 11 May** Writing

**Sunday 12 May** Free day visiting Lake Titicaca etc

**Monday 13 May**

09:00-12:00 Workshop in La Paz – Community-based planning project, situation with local government in 4 African countries (see Annex B).

*Responsible: Ian Goldman*

12:45 Leave for international airport

15.10 Depart for Sao Paulo on flight RG8881

20:35 Arrive Sao Paulo for the night

**Tuesday 14 May**

Meetings with City of Sao Paulo

18:35 Depart for Johannesburg on flight SA206

**Wednesday 15 May**

07:55 Arrive Johannesburg

Depart for onward destinations

**Programme for final workshop on 13 May**

9:00-9:10 Introducción, objectives, programme, Marianela Zeballos Vargas, Deputy Minister of Strategic Planning and Popular Participation

9:10-9:30 Introduction to the Community-based planning Project, Ian Goldman, Khanya-Managing Rural Change

9:30 – 9:45 Questions

9:45 – 10:00 Situation in Uganda, Martin Onyach-Olaa

10:00-10.15 Situation in South Africa, Penny Ward

10.15-10:30 Situation in Ghana, Philemona Johnson, National Development Planning Commission

10:30 – 10:45 Coffee

10:45 – 11:00 Questions on the situation with local government in Africa, Chair Mayor Lose

11:00-11:20 Observations on the visit, Mayor I.J. Mokoena, Mayor, Mangaung, South Africa

11:20-12:00 Discussion, possibly organised by themes

12:00 Closing, Minister of Sustainable Development and Planning

Thanks, Martin Onyach-Olaa or Mayor I.J. Mokoena

## Annex 2 List of people met

### Tarija<sup>6</sup>

Carlos Aramayo	Director, Mancomunidad Heroes de la Independencia
Carlos Oña	Director, Association of Municipalities of Tarija
Nelly Vargas	Auditor, AMT
Javier Montero	AMT
Sandra Estela Quiroga	AMT
Jose Luis Rivera	Asistente Tecnico Municipal, El Puente Municipality
Francisco Villarrubia	Presidente, Consejo Municipal de San Lorenzo Sindicato Campesina El Puente Municipality
Orlando Lopez	PDCRII
Ruben Martinez	CV, Tarija Cercado
Sofia Montero	Presidente, San Lorenzo Municipal Council
Francisco Villarrubia	Administrative Director, Tarija Cercado Municipality
Eliana Majlouf	Head of Coordination and Supervision Unit, Agricultural Section, Tarija Department
Nicolas Aldana	Technician, SEDAG
Esteban Gonzalez	Director, National Crusade against Poverty
Ing Marcelo Buhezo Arancibia	Head of Municipal Strengthening Unit, Tarija Dept
Amparo Maldonado Zamora	Director, Insititute for Small Farmer Research and Capacity-building (IICCA)
Jose Felix Gutierrez	

### Eucaliptus

Isaac Rios	Mayor, Eucaliptus Municipality Suprefeto
Martin Canabiri	Secretary General, Sindicato, Amachuma village
Satornino Flores	OTB
Senobio Fresco	President of OTB

### City of La Paz

Juan del Granado	Mayor of La Paz
Mauricio Lea Plaza Pelaez	Executive Secretary, La Paz Municipality
Emigdio Anagua M	President, CV for La Paz
Nestor Venero	Treasurer, CV for La Paz
German Sejas Galves	Sub-Mayor, La Paz Central

### National structures and other stakeholders

Lic Ramiro Cavero Uriona	Minister of Sustainable Development and Planning (MDSP)
Marianela Zeballos Vargas	Deputy Minister, VPEPP, MDSP
Diego Ayo	Director of Popular Participation, VPEPP, MDSP

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<sup>6</sup> Does not include the full list of people at the initial workshop in Tarija

Vladimir Ameller Terazas	Director of Planning and Land Management, VPEPP
Mario Canipa	VPEPP
Alfonso Garcia	Coordinator, National Poverty Crusade
Juan Carlos Requena	Advisor, Coordinator of EBRP
Roberto Rivera	Coordinator of the Programme of Monitoring and Evaluation for EBRP, UDAPE
Dr Jorge Miranda	Responsible for Political/Admin boundaries, MDSP
Nelson Mendoza	
Ing Sergio Laguna	Communications consultant, MDSP
Patricia Polo	Advisor, Mancomunidades
Enrique Garcia	Coordinator, Unit for Coordination with Indigenous People
Cristina Methtessel	Communications Advisor, Land Management Unit, VPEPP
Diego Muñoz	Coordinator, PIEB-iiid
Mari Cruz Cerrudo	Researcher, PIEB-iiid
Bonifacio Cruz	Researcher, PIEB-iiid
Juan Carlos Soria	SNV (Holland)
Frank Boeren	Assistant Country Director (Programmes), CARE
<u>Other</u>	
Carlos Frias	ITDG Peru
<u>Sao Paulo</u>	
Carolina Albuquerque Silva	International relations, City of Sao Paulo
Feliz Sanchez	Coordinator of Participatory Budget, City of Sao Paulo

### **Annex 3 Law of Popular Participation**

#### Article 1 (objective)

Present law recognises, promotes and consolidates the popular participation process relating to Indigenous Communities, Indigenous Towns, Peasant Communities, and Neighbourhood Committees (Juntas Vecinales)... with a more just distribution and better administration of public resources. It strengthens political instruments to improve representative democracy, incorporating citizen participation in a process of participatory democracy....

#### Article 2 (Reach)

- e) ..recognises the legal status of Indigenous Communities, Indigenous Towns, Peasant Communities, and Neighbourhood Committees (Juntas Vecinales)... which are territorial ground-level organisations
- f) Relates the territorial jurisdiction of a Municipal Government (MGs) to the Section of a Province. It increases competences and resources in favour of MGs, and hands over the physical infrastructure of education, health, sports, local roads, micro-irrigation, with the obligation to administer, maintain and renovate them.
- g) Establish the principle of equal distribution of resources by inhabitant of the coparticipation tax resources assigned to Departments...aiming to rectify the historic imbalance between rural and urban areas.
- h) Reorders the competences of public organs ...to fit with the rights and responsibilities recognised in the present Act

### **Chapter II Subjects of popular participation**

#### Article 3 (Territorial Organisations of the Base – OTBs and representation)

1. Defines as subjects of popular participation the OTBs, expressed as Indigenous Communities, Indigenous Towns, Peasant Communities, and Neighbourhood Committees (Juntas Vecinales).
2. Recognise representatives of these OTBs by (different names depending on customs).

#### Article 4 (Legal status)

1. The OTBs are given legal status to represent all urban and rural people in a given locality...

#### Article 5 (Registration of legal status)

#### Article 6 (Representation units)

1. In each area only one OTB
2. For each OTB only 1 representation

#### Article 7 (Rights of OTBs)

- (f) Propose, ask for, control and supervise the undertaking of works and delivery of public services in accordance with community needs, in matters of basic sanitation, education, health, sports, local roads, micro-irrigation, rural and urban development

- (g) Participate and promote actions related to management and conservation of the environment, ...and sustainable development
- (h) Represent and obtain modifications to actions, decisions, works or services rendered by public organisations, when contrary to community interest
- (i) Propose the ratification or change of educational or health authorities...
- (j) Have access to information on resources destined for popular participation

#### Article 8 (Responsibilities of OTBs)

- (g) Identify, prioritise, and cooperate in the execution and administration of works for the public good, particularly formal and informal education, improvement of livelihoods, care and protection of health, widening of access to sports, and improving production methods
- (h) Participate and cooperate with voluntary labour in the execution of works and administration of public services.
- (i) Assist with the maintenance, protection of public goods, both municipal and community
- (j) Inform and report to communities on the actions which they take forward
- (k) Provide administrative and legal resources to defend the rights recognised in this Law
- (l) Promote equal access of men and women to different levels of representation

#### Article 10 (Vigilance Committees)

1. With the objective of linking OTBs with every MG in the exercise of rights and responsibilities established in the present law, a Vigilance Committee (CV) is established constituted of one representative of each canton or district elected by the respective OTB, with the following roles:
  - (d) Ensure that municipal resources of Popular Participation (PP) are invested in the urban and rural population in an equitable manner..
  - (e) Control and ensure that running costs of the MG do not exceed 10% of the resources under PP
  - (f) Make their views known (publically) on the budget for PP, the accounting of expenditure and investments made by the MG
2. In municipal areas with only one canton, the OTBs will elect 3 citizens to create a CV..
3. The CV will define how it will work, ....

#### Article 12 (Municipal jurisdiction)

1. ...section of province
2. One MG only per section

#### Article 13 (Transfer of physical infrastructure)

1. Title is given freely to MGs the property rights on movable and immovable assets and physical infrastructure of public services for education, health, sports, local roads, micro-irrigation, consisting of:
  - (f) Secondary and tertiary level hospitals, district hospitals, health centres and health posts
  - (g) Public pre-primary, primary and secondary schools
  - (h) Sports grounds

- (i) Micro-irrigation schemes and local roads belonging to the state
  - (j) Cultural centres, libraries, museums and others of national government.....
2. The Executive is responsible to develop norms and national policies for education, health, culture, sports, local roads, micro-irrigation; manage technical teaching services. All the staff, both admin and professional, remain the responsibility of National Government who must pay them, so assuring the unity in delivery of these social services.
3. MGs can authorize the use of income generated from health services for expenditure in these centres, additional to that provided for in the National Budget.

Article 14 (Expansion of Municipal Competences)

- 1. All municipal competences are expanded into the rural parts of their jurisdiction.
- 2. Competences expanded to cover:
  - (a) Administration and control of equipment, maintenance and improvement of movable and immovable assets of the MG, including those transferred under the present law
  - (b) Equipment, furniture, materials, inputs, medicines for health services, administering and supervising their use, for adequate operation of the infrastructure of the services of health, basic sanitation, education, culture and sports
  - (c) Supervise in accordance with relevant regulations, the development of educational authorities, directors and staff, proposing to the Education Department the approval of good services or criticism of justified causes, for directly, or on behalf of PTBs and the CV
  - (d) Manage finances, supervise and propose the change or ratification in areas of public health, on own behalf or for OTBs or CVs
  - (e) Administer the systems of town and rural planning ...
  - (f) Administer registers of contributions for management of own income...
  - (g) Conserve and restore the cultural patrimony and promote culture in all its expressions
  - (h) Promote and expand participation in sports
  - (i) Promote rural development using own technology and others, micro-irrigation and local roads
  - (j) Fund and construct new infrastructure in education, culture, health, sports, local roads and basic sanitation
  - (k) Contribute to maintenance of secondary roads
  - (l) Respond to petitions, representation, requests and social control by OTBs and CVs
  - (m) Consider supplementary feeding schemes, including school meals
  - (n) Promote policies that address needs of women..
  - (o) Defend and protect children and adolescents...

**Annex 4 6 key governance issues in relation to promotion of sustainable livelihoods, and how they relate to the SL principles**

<b>SL Principle</b>									
<b>Issue</b>	<b>People-focused</b>	<b>Participatory</b>	<b>Builds on strengths</b>	<b>Holistic</b>	<b>Micro-macro links</b>	<b>Partnership</b>	<b>Dynamic</b>	<b>Sustainability</b>	<b>Comments</b>
Poor people active and involved in managing their own development (claiming their rights and exercising their responsibilities)	The core question is around poor people	Key	Need to use this in how this is applied	Implicit	Micro	Involved in managing partnership		Essential ingredient of sustainability, eg use and maintenance	Critical if poor people are to be empowered
Responsive, active and accessible network of local service providers (community-based, private sector or government)				Likely at this level	Micro – service level	Implicit as working at community level		If the system is sustainable, then this is critical level for sustainability of development	Services do not reach the ground at present (except primary schools). If people are to escape from poverty this must change.
At local government level (lower meso) services facilitated, provided or promoted effectively and responsibly, coordinated and held accountable	Key word responsive	Key word is responsive	Necessary in how work done with institutions as well as people	Coordinated	Lower meso level	Coordinated	Responsive implies dynamic	As critical level, if this level is sustainable it is very significant	This is critical level for management of service delivery, usually local government level. Needs effective decentralisation programme.
Province (upper meso) providing support and supervision			Builds on strengths of lower level rather than controlling		Upper meso level				Need to have management of service delivery at lowest viable level, with support and supervision above.
Centre providing strategic direction, redistribution, coordination and oversight	Focus on poor people			Coordinated, holistic strategic direction	Key roles for macro level	Coordination includes with partners	Oversight ie M&E needed for dynamic		Strategic direction needed around poverty, rural development, local economic development
International level supporting capacity of nations and regions to address poverty	Focus around poor people	Need to employ in way operate with partners		Need for holistic analysis	Macro	Needs to be genuine learning		Need to recognise that some interventions destroy capacity and so sustainability	Role of donors critical, and that they build capacity and do not destroy as is common at present

**Annex 5 Comparison of structures at different levels between Uganda, Ghana, South Africa and Bolivia**

The level at which community-based planning is happening is shaded.

Level	Role at each level in the 4 countries			
	Bolivia	Uganda	Ghana	SA
Population	8.1 million	22 million	20 million	40 million
Central (macro)	Still responsible for many services through the Dept. Plan produced is the PGDES, EBRP	Only provides norms, guidelines, strategies. National plans are the PEAP (the PRSP) and Vision 2025	National sectoral departments still strong although resources are limited. National plans are Vision 2020 and GPRS (the PRSP)	Provides policy, oversight by sectoral depts. These still have some national competences (eg in land). No national plan
Regional (macro/meso depends on role)	9 departments – providing many services Province produces PDD	No regional structure	Regional Coordinating Council, formally only now responsible for coordination but in practice still manages many services for state, although officers may be at district level.	9 provincial governments (which cover up to 9m people) and these provide most development services and policy
Local government (meso)	No higher level of local government but concept of mancomunidad which is voluntary, covering specific sectors Municipio. Produce PDM/POA	District (56) – providing all services District plan	Metropolitan/ Municipal/ District Assemblies (110) This is the level of service delivery, although may be managed from Region. District Plan produced	Provincial Development Plan 6 Metros (each 1 million+) 47 District Municipalities
Community (micro)	Distrito – rep level for CV – aggregated list	Sub-county as local government Also produce plan <b>Parish</b> – about 3-5000 people. Has development committee CBP produced	No second level of local government <b>Zonal/Area/Town council</b> – weak	All produce IDPs 231 local municipalities – provide water, electricity, local roads etc All produce IDPs <b>Ward</b> as representative structure (3000-18000 people) Ward plans produced in Mangaung.

	OTB – project list	Village	Unit committee - weak	No structure
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