



Ministry of Foreign Affairs of the  
Netherlands

# IOB Study

## Equity, accountability and effectiveness in decentralization policies in Bolivia

Equity, accountability and effectiveness in decentralization policies in Bolivia | IOB Study | no. 370 | Equity, accountability and effectiveness in decen



# *IOB Study*

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*“We must unlock the black boxes of central and local government operation in order to unravel the workings of each, and how they differ. We need a micro-level approach that allows for complexity and nuance, examining policy outputs through the interplay of institutions, electoral competition and lobbying activity that produces them.” (Faguet, 2005)*

*Jan Willem le Grand, August 2012*

## Preface

Improving local governance through the decentralization of public authority has been frequently forwarded as a device for enhancing the effectiveness of service provision to local communities. Several countries made decisive efforts to shape decentralization policies, ranging from increasing the decision-making power of local agencies to shifting resources and fiscal competences towards municipal authorities. In some cases, donor countries have been actively involved in facilitating such decentralization processes, either through funding of local projects or providing technical advice.

Decentralization policies in Bolivia started in the mid-1990s with the promulgation of the Law on Popular Participation and the Law on Administrative Decentralization. These laws provided the framework for broadening investments in infrastructure and basic services provision. In addition, decentralization offered opportunities for restructuring the relationships of the Bolivian state with NGOs, external donors and local communities. This could potentially create conditions for more effective and better targeted programs for rural poverty alleviation.

Empirical studies on the effects of decentralization policies on local service delivery and productive investments are rather scarce. The availability of longitudinal data (collected for the period between 1996 and 2011) at municipal level for the department of Northern Chuquisaca offers a unique opportunity to trace some of the results of these decentralization policies. Based on statistical sources and in-depth interviews and a workshop, the study provides detailed insights in the changes in budgetary expenditures, investments and project execution, and municipal staffing, as well as the derived results in terms of local development indicators, spatial income distribution, access to basic services and community participation and local accountability.

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The results of the decentralization policies executed during this 15 years period reveal that important progress has been reached in improving access to resources for health care, drinking water, small-scale irrigation and education in many rural communities. Nevertheless, important differences remain between and within municipalities regarding their capacity for additional fundraising and their ability to spend resources according to schedule. Project execution is frequently behind planning and sectoral resource allocation remains biased towards social spending and against remote highland communities with less bargaining power. Moreover, local revenue collection remains limited and municipal programming is still rather erratic and largely based on gap-filling.

This study has been executed by Jan Willem le Grand, staff member of the Department of Multilateral Agencies and Human Rights (DMM) at the Netherlands Ministry of Foreign Affairs during his study leave. The field work has been facilitated with a grant from the Policy and Operations Department (IOB) within the framework of a scheduled evaluation on the policies for good governance. The study has benefitted from scientific support by prof. dr. Annelies Zoomers (Utrecht University) and prof. dr. Bert Helmsing (Institute of Social Studies, The Hague).

The author would also like to thank the Bolivian team for their support and in particular Roxana Dulon and Antonio Aramayo for assisting in the coordination of the fieldwork. Kees Ouboter contributed gratefully with analysis of the municipal data. The author received useful comments from Rob van den Boom and Laura Villalba from the Netherlands Embassy in La Paz and from the broader donor group for decentralization in Bolivia. Finally he would like to thank Nico van Niekerk for his support in facilitating the study.

The Policy and Operations Evaluation department (IOB) expects that the publication of this study might further encourage empirical research on the concrete and tangible effects of decentralization policies for local development and poverty alleviation in developing countries.

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## Acronyms and abbreviations

ACLO	Acción Cultural Loyola (NGO working in the region)
ADN	Alianza Democrática Nacionalista (Political Party)
CSUTCB	Confederación Unica de Trabajadores Campesinos de Bolivia (farmer federation)
ESAF	Economic Adjustment Facility
FSE	Fondo Social de Emergencia (Social Fund)
FDC	Fondo de Desarrollo Campesino (Social Fund)
GESPRO	Programa de Apoyo a la Gestión de la Inversión Pública Municipal
GTZ	German Development Agency
JICA	Japanese Development Agency
HIPC	Heavily Indebted Poor Country (debt relief funding)
IDB	Interamerican Development Bank
IDH	Impuesto sobre los hidrocarburos (tax on oil and gas revenues)
INE	National Statistical Institute
IPTK	Instituto Politécnico Tupac Katari (NGO)
IWRM	Integrated Water Resource Management
LPP	Ley de Participación Popular / Law on Popular Participation
LDA	Ley de Decentralización Administrativa (deconcentration at the level of departments)
FIS	Fondo de Inversión Social (Social Investment Fund)
FPS	Fondo Productivo Social
HDI	Human Development Index
MAS	Movimiento al Socialismo (Political movement of Evo Morales)
MNR	Movimiento Nacional Revolucionario (Political Party)
MIR	Movimiento de Izquierda Revolucionario (idem)
NBI	Necesidades Básicas Insatisfechas / Basic Needs Index
PASA	Programa de Apoyo a la Seguridad
PEN	Programa Educativo de Núcleo
PAN	Programa de Atención a Niños y Niñas Menores de 6 Años
PFI	Programa de Fortalecimiento Institucional
PDM	Plan de Desarrollo Municipal (Municipal Development Plan)
PNC	Plan Nacional de Cuencas (National Plan for Integrated Watershed Management)
PND	Plan Nacional de Desarrollo (National Development Plan)
POA	Plan Operativa Annual (Annual Operating Plan)
PROAGRO	NGO
PROCapas	Bilateral programme with Belgian funding
PRSP	Poverty Reduction Strategy Paper
PIED-Andino	Proyecto de Investigación sobre Estudios de Desarrollo Andino
SUMI	Seguro Universal Materno Infantil (Universal insurance for mother and child)
UNICEF	United Nations Children's Fund
VIPFE	Viceministerio de Inversión Pública y Financiamiento
WDR	World Development Report



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# Decentralization and poverty alleviation

*“The main argument driving decentralization processes is that shifting decision making and finances from central to local government leads to better quality delivery of services, fitting better to local needs, as at that level it is easier to organize social participation.”*  
(Helmsing, 2002)

## 1.1 Introduction

This study reviews decentralization efforts in Bolivia from a bottom-up perspective. It aims to clarify how decentralization policies have contributed to changes in rural communities and municipalities in the Andean valleys, and whether those policies and changes in turn have influenced or been related to other government policies, as well as interventions of other actors, like NGOs.

The main emphasis of Dutch development policies over the last fifteen years has been on sector priorities, sector wide approaches and budget support. Decentralization has not been highlighted as a main priority area, but has been primarily dealt with from a crosscutting perspective. Only in a few countries (amongst others Tanzania, South Africa, Uganda and Bolivia) decentralization efforts received long term programmatic support). In other countries decentralization has been dealt with as cross-cutting theme or as part of the broader governance portfolio (Mozambique, Indonesia, Burkina, Rwanda).

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The way decentralization works out, can have substantial impact on the overall effectiveness of broader poverty alleviation policies and efforts. Understanding how decentralization relates to sectorial policies and how it translates in service delivery, and if and how community participation is being shaped or taking place, are relevant questions for the understanding of the effectiveness of development policies in the field. As mentioned by Faguet (2005), there is a need for a micro level approach to review and unravel the black boxes of central and local government operations. How are the rules of the game being influenced by the many actors involved? Are local governments responsive to the diversity of local needs?

The World Bank *World Development Report 2000/2001* is optimistic about the possible significance of decentralization as being instrumental to poverty reduction. This perception is based amongst others upon the following arguments:

- Decentralization will bring government closer to the people, it will respond to their needs and enhance responsiveness,
- It is a means for improving efficiency in the public sector, if at least the right participation mechanisms and safeguards for central control are built in.
- When adequately designed it will provide for strong local autonomy and fiscal decentralization, based upon a substantial local revenue base.
- Inequalities between regions can be resolved by redistribution policies (e.g. tax sharing) by the central government based on broad consensus
- Capacity building is important in areas of public administration and financial management, also to reduce the scope for corruption.

- Joint action between (local) government, private sector, civil society and/or NGOs can strongly enhance effectiveness of pro-poor policies in decentralization and should be based on good communication channels and information provision. Care should be taken – both regarding local governments and NGOs, with accountability to the population, preventing dominance by local elites.

In summary, as formulated in the report, “decentralization can make state institutions more responsive to poor people [...], but the pace and design of decentralization affect its impact on efficiency, accountability, participation and ultimately poverty alleviation” (WDR, 2000/2001). Following the vision in the WDR-report, decentralization will lead to poverty reduction when design is adequate, the right structures and capacities are in place, sufficient resources are available and if it allows for participation by and accountability to poor people. This analysis depicts an ideal situation, with many underlying conditions, which are certainly not valid everywhere. More than a decade after publication of the WDR, the literature regarding decentralization still does not give conclusive answers with regard to the (potential) benefits and constraints of decentralization. Singer (2006) indicates that the existing studies suggest that devolution to local governments is ‘a mixed bag’ for poverty reduction. Crawford (2008), also finds limited evidence in the existing literature, and reaches similar conclusions for Ghana. Faguet (2006), is more positive about the experiences in Bolivia and Colombia; which “support some of the central claims in favor of decentralization”. He highlights in particular increased spending for the social sectors. Faguet’s analysis remains however mainly at the municipal level. This paper will further deepen this analysis by reviewing also the internal dynamics and distribution of resources at the municipal and community level.

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## 1.2 Aim and method

Based on a specific country case-study in Bolivia this paper discusses those arguments and some of the underlying assumptions. It focuses in particular on the distribution and allocation mechanism, and implications for questions of access, equity, participation and accountability. The study compares the situation both between municipalities and within municipalities, and goes down to the level of individual communities to get an understanding of the interaction between micro- and meso-level dynamics.

Main questions:

1. *To what extent did decentralization policies in Bolivia contribute to increased municipal resources and to effective and equitable distribution of those resources between municipalities and rural communities?*
2. *What have been the main factors and mechanisms influencing the distribution of municipal resources for the different actors involved, and how did individual communities try to influence these processes and get their (fair) share?*

The following sub-questions were identified:

- a. *What has been the background for decentralization policies in Bolivia, and how did the Netherlands and other development agencies support this agenda (chapter 2)*

- b. *To what extent did decentralization policies contribute to an increase in funding resources for rural municipalities?* (3)
- c. *To what extent has this translated into redistributive policies between and within municipalities and what have been the consequences for the distribution of service delivery and productive interventions?* (4)
- d. *What have been the factors influencing the process of internal municipal allocation?* (5)
- e. *How did these expenditure patterns translate at the community level, and what has been the role of community characteristics and other factors influencing the pattern of allocation and access?* (6)
- f. *What have been the overall consequences for rural development in the region, and how did decentralization policies impact at the community level?*(7)
- g. *What lessons can be learnt for development policies related to decentralization?* (7)

This study is based on a longitudinal comparison of rural communities regarding their development trajectories between 1996 and 2011. Since 1994, changes in the legislation regarding decentralization policies, have been at the heart of government presence in rural areas in Bolivia. The coincidence of the first study in 1995-1996 with the start of decentralization policies allows for a systematic analysis of the impact at the community level, compared to the situation 15 years ago. Detailed financial data from government and municipal sources also allow to compare municipal expenditures directed to those villages with the distribution of the broader municipal resource envelope.

The mechanisms and logics of distribution of resources in municipalities in the departments of Chuquisaca and Potosí result in a myriad picture of interactions between state actors at the national level, regional and local government institutions, NGOs, community organizations, producer organizations, private sector and many others. We look back at the situation in rural communities in 1996 and finally analyze municipal expenditures in relation to community pathways over the last 15 years.

For this paper use has been made from different sources and databases regarding municipal expenditures in Bolivia over the past 15 years. Building upon previous studies by Faguet and Nijenhuis (2002), this study goes into further detail regarding the process of decision-making and the final allocation of funding, getting down until the implementation of projects at the community level. The study therefore combines a more macro- and mesolevel analysis of quantitative data regarding municipal expenditures, with extensive and more qualitative analysis and fieldwork realized in the region.

For the first, and more quantitative part, expenditures were obtained for 6 municipalities for all communities in their territory (covering 330 communities) for the period between 2000-2008. This gives us a detailed picture of the current practice of 'municipal interventions', as well as linkages with the work of major NGOs. In addition, all municipalities have been visited and interviewed. From all municipalities further documentation (Municipal Development Plans, Annual Operational Plans) has been obtained, giving a good contextual background to the villages selected.

For the second more qualitative part this paper builds upon research undertaken between 1994-1997 (The PIED-Andino study, see Zoomers, 1998), and two recent field visits (PIED II

2010-2011) in the same area, involving a comparison of the same villages and municipalities in a longitudinal perspective. The PIED-Andino study focused on changes in household strategies between 1983 and 1997 in rural communities in the Andean valleys of Bolivia. The PIED II study included also changes over the last 15 years (between 1996-2011).

The PIED-studies were carried out in the provinces of Oropeza, Zudáñez and Yamparáez in the north of the Chuquisaca department, and in the adjacent province of Chayanta in northern Potosí. The landscape in the research area is quite varied and shows a great ecological diversity, as at least seven different agro-ecological zones can be distinguished. It goes from valleys at 1.500 meters to mountain ridges at a height of more than 4.500 meters; going from the west towards the east, it traverses the high puna of Chayanta with a cold and harsh climate, and arid and rocky lands, till it arrives at the low and temperate valleys of Zudáñez, with a pleasant climate and a relatively abundant vegetation. The most important crops in the region are wheat, maize, barley and potato. Complementary crops in the high zones include tarwi, oats, oca and papa lisa. In the lower parts, farmers also cultivate fruits, vegetables and sugar cane. The population belongs to different quechua speaking ethnic groups (llameros, jalq'as, tarabucos and pampeños among others).

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In 2011, two months were spent in Chuquisaca and Northern Potosí. Four teams of 2-3 members each (senior researcher and a Quechua speaking research assistant, generally accompanied by either the research coordinator or another research assistant) visited in total 14 communities, for an average of 5-6 days each. The 14 communities were selected among the 17 communities of the first phase of the PIED-Andino project, covering a broad and representative range of communities, reflecting differences in eco-systems, accessibility, cultural characteristics (ex-hacienda/ayllu) and institutional presence. For 12 of the selected 14 communities details of municipal expenditures in the period 2000-2008 have also been reviewed and provided to the 4 teams, as background for the fieldwork.

Finally, interviews were held with NGO and government representatives, other (semi-public) institutions, and a final workshop was held in La Paz with the Netherlands embassy and the donor community to discuss preliminary findings.





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## **Bolivia: the experience with decentralization**

## 2.1 Introduction

Even after decades of development cooperation in Bolivia still remains among the poorest countries Latin America. GDP growth in the second half of the last century, and also in the first years of the current century was far below average in Latin America, and for a long time stagnating. Although in many rural communities gradual improvements are visible, certainly the highlands and the Andean valleys remain among the poorer areas in the country. While poverty in the Andean valleys is pervasive, it is far from the uniform and static image the one dollar a day type of analysis may suggest. The differentiation between communities, both in terms of productive resources, but also in access to public services is indeed one of the most salient characteristics of the Andean valleys.

One of the most important factors influencing local developments has been the change in decentralization policies. In 1994 the *Law on Popular Participation* and the *Law on Administrative Decentralization* (LPP and LDA) were approved and in 1996 the first activities in communities could be noticed. Although the process has been far from straightforward, municipalities count today with a much broader mandate and far more resources than in the past, and also play an important role in the implementation of national government and sector policies. Decentralization has also shifted investment from infrastructure to basic services (education, health, water) and changed the relation between government and local communities but also with other actors in the field. Changes in municipal development in Bolivia are therefore at the core of understanding how national government, donor and NGO interventions have been influenced or restructured by the implementation of the LPP, and how this restructuring process may have influenced rural livelihoods.

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## 2.2 Political background

Before 1952, Bolivia was predominantly a semi-feudal country, dominated by elites in the mining sector and *Hacendados*. The revolution and land reform of 1952 resulted in a centralized state, and the elaboration of a modernization agenda striving to end the existing 'provincial fiefdoms' and to establish a more egalitarian society (Dunkerley 1984, Faguet, 2006). Although in principle this was good news for rural communities, it did not abode well for an effective decentralization agenda. As Faguet indicates, "The Bolivian paradox of a highly centralized but weak state, and a socially diverse population, with weak national identity meant that such threats were taken seriously by the political class, which blocked all moves to devolve more power and authority to Bolivia's regions."

Until 1983, the state remained basically in the hands of a range of military dictatorships. Local government hardly existed outside the nine capitals of the departments and some major cities (Faguet, 2006). In 1983 the transition took place towards a still uninterrupted period of democratic elections. The same year the country was also affected by severe drought and hyperinflation, implying a difficult start for the new government which only took two years in office. The drastic adjustment policies in response to hyperinflation resulted in 1985 in the implementation of almost two decades of neoliberal policies starting

under the umbrella of the DL 21060. This fragile 'democratic' period was marked in particular by major reforms like the privatization of state companies, the educational reform program and the start of the process of fiscal decentralization, initiated by the first government of President Sanchez de Lozada between 1994-1997.

Since the end of the military period, development cooperation efforts also intensified, with a gradually increasing presence of bilateral and multilateral donors in working both with government and with national and international NGOs. World Bank and IMF had a strong role in the structural adjustment policies (ESAF), but the reform efforts failed to get the economy back on a growth path and to alleviate poverty (Dijkstra, 2005). The World Bank also supported the elaboration and the establishment of multiple social funds, like the Social Emergency Fund (FSE) and the Farmer Development Fund (FDC), both established in 1989, to alleviate the impact of adjustment policies on the poor.

Against this background the *Law of Popular Participation* was developed in secrecy among a small number of technocrats. When announced most people "were taken by surprise, then ridicule" (Faguet, 2006, citing Tuchschnieder), leading to rejection by many segments of the population. Opposition to the law came initially mainly from social movements, NGOs, the teachers' union, and not from political parties (Faguet, 2006).

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In the year 2000 the National Dialogue Law strengthened the *Poverty Reduction Strategy Process* (PRSP), as a first broad attempt for deliberative policy making (Dijkstra, 2005). The PRSP further legitimized pro-poor targeted expenditures at the municipality level. Although some progress was made in strengthening local governments, growth remained limited and resulted in little benefits for the poorer sections of the population. Several years of political unrest and instability in 2003, marked amongst others by the 'gas-conflict' and the 'water-war' in Cochabamba, led to increasing pressure from social movements.

After a series of short successive governments, the leader of the coca-farmers movement Evo Morales came to power in 2006 as the first indigenous president in the history of the country (Zoomers, 2006). Morales vowed to end 'neo-liberal' policies and promised to work towards the emancipation of the poorer indigenous people in the country. The new *National Development Plan* (PND) translated in many new proposals and a significant restructuring of government and a complete overhaul of staffing. The new constitution, the 'nationalization' in parts of the oil and gas sector, the new land law, and new social income transfer programs like the *Bono Juancito Pinto* and *Renta Dignidad* reflect these changes, as does the increasing attention the government is giving to social movements and in particular indigenous organizations.

The continuous changes in the political arena and in government also resulted in substantive changes in policies, government institutions and intervention modalities over the last decade. Examples are the large spectrum of social funds, the permanent overhaul in central government ministries (with agricultural and water sector policies as evident cases) and since 1996 the increasing importance of municipalities.

## 2.3 Decentralization policies

Because of the relatively large and sustained policy change at a discreet point in time (which happened to coincide with the first PIED-Andino study in 1996), Bolivia is a particularly interesting case to review the impact of decentralization policies on poverty alleviation and equity.

The *Law on Popular Participation* had as an objective to bring the Bolivian state closer to the people, and to involve citizens in decision making. It created municipalities as the territorial unities of government, and increased the percentage of resources immediately up to 20% of national revenues, while at the same time transferring educational infrastructure and the responsibility to provide maintenance and schooling materials. It also established community participation, recognizing the rights of the indigenous population in the definition or change of education authorities (Bejarano, 2006).

The principle criteria for the allocation of funding under the new LPP law has been population size. Additionally, under the HIPC debt relief program, funding has been allocated to the poorest municipalities. According to Faguet (2002), “the allocation amongst municipalities switched from unsystematic, highly political criteria to a strict per capita basis.” Different governments, and principally the current government of Evo Morales, have also been targeting specific programs to the poorest municipalities.

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The law led indeed to an enormous shift in expenditures: where in the past the three main cities were allocated 86% of total resources, leaving 14% for the remaining (308) municipalities, after the introduction of the law, the figure shifted from only 27% for the three main cities and 73% for the remaining smaller municipalities. This implied in some cases a 50,000% increase in allocation. While before the law local governments were basically absent, or only with direct representation through the military or a local school, after the introduction of the law local governments became an important actor. (Faguet, 2006). Faguet (2002, 2004) also concludes that decentralization has made local governments more responsive to demands and that investment shifted from infrastructure to basic services (education, health, water).

The following chapters will elaborate on how this process has taken form at the municipal and community level, why some municipalities have been able to attract more funding from national sources and why some communities are able to access municipal funding more than others. Finally, the study will dig into some of the implications for decentralization and sectoral policies as well as other intervention modalities.

## 2.4 Donor involvement in decentralization

The most important donors in the field have been the Worldbank/IDA, the US, Spain, Switzerland, UNDP, IDB and the Netherlands. Available data for 2000-2010 give a total of around USD 50 million for decentralization related projects, of which around USD 10 million

for 2010. The OESO-DAC database lists around 40 ongoing projects in decentralization in 2010, but many of those had limited or no expenditures in the same year.

If we include projects supported through local NGOs the total amount of projects will still be higher. Projects are implemented through many different channels; the central government (different ministries), the national federation of municipalities (FAM), different NGOs, consultancy companies, *mancomunidades* (regional organizations of municipalities) or directly with municipalities. Most of the programs focus on capacity building, while some provide additional resources for municipalities, often tied to certain conditions.

The Netherlands has been involved in initial support to experimentation at the local level through the local governance fund. More recently, the Netherlands supported GESPRO, a program implemented by GTZ, focusing on raising the level of municipal expenditures by supporting municipalities with the preparation of pre-feasibility and feasibility studies. In addition support has been given to the FAM (federation of municipalities), and to the ministries of Finance and Autonomies in support for decentralization policies. The Netherlands contributed also indirectly through the HIPC debt relief program, which has resulted to a substantial increase in municipal expenditures over a number of years. Finally the Netherlands embassy supported SNV with the implementation of PFI, a program directed to assisting regional governments with capacity building and a more strategic focus regarding the productive agenda.

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In sectoral programs (such as education and watershed management) specific attention has been given to the decentralization agenda. As an example SNV elaborated together with the Ministry of Education a detailed review of experiences in decentralization in the education sector (Bejarano, 2006). In the national program for watershed management (PNC), the government requested for municipal counterpart funding for the implementation of larger watershed programs, surpassing the individual agenda of municipalities.

In addition several NGOs (ACLO, IPTK, PROAGRO, Plan International) with support from Dutch co-financing organizations have been working in supporting municipal development plans.



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## National level: fiscal decentralization and expenditure patterns

*“In Bolivia, decentralization made government more responsive by re-directing public investment to areas of greatest need. [...], investment shifted from infrastructure to primary social services. [...], it was the behavior of smaller, poorer, more rural municipalities that drove these changes.” (Faguet, pp. 3)*

### 3.1 Introduction

Fiscal decentralization relates to the distribution of resources and responsibilities among different levels of government. For Bolivia the main elements are the transfer of central resources to local governments, and in particular to the regional and municipal level. The following analysis looks at the different funding sources, variations over time, the municipal mandate, and the distribution of resources between municipalities.

### 3.2 Fiscal decentralization and funding levels

Although the fiscal decentralization process has had a quick start in terms of distribution of resources and competences, it developed in a haphazardous way. Municipalities received resources from an increasingly wide, but unstable range of sources. A quick review of the main ones:

The *Law on Popular Participation* (DL1551) resulted in a basic allocation of 20% of the national budget for municipal governments. A minor addition occurred with the implementation of the *Forestry Law* (DL1700), which allocated 25% of forestry *regalias* to municipalities. Subsequently, the law related to the *National Dialogue* (DL2035), allocated additional resources from debt relief to municipal governments in three areas: infrastructure, health, and education. Finally, and probably since 2005 the most important one, the *Law regarding Hydrocarbon revenues* (IDH or DL3058), allocates 50% of patent resources to municipalities (FamBolivia, 2011).

In addition to those transfers from the National Treasury, municipalities receive direct transfers, loans or donations from central or regional governments, from bilateral or multilateral programs, and raise their own revenues. Municipal revenues are based on municipal services, taxes on local property and means of transport, licenses etc. Local revenues are nonetheless relatively insignificant.

Overall the change in income and investment levels is dramatic: Municipal investment went up from \$30 million in 1994 until \$1168 million in 2008. Per capita investments increased from \$4.6 in 1994 to almost \$40 in the year 2000 and to \$118 in 2008 (FamBolivia, 2011). The main emphasis has been on social infrastructure in the first phase, social investment in more recent years, and only limited investments in the productive sector, which remained under \$6 per capita over the period until 2008.

For the smaller rural municipalities (population below 50,000), by far the main source of income for the period between 1994 until 2000 have been resources from the *Law on Popular Participation*. From the year 2000 onwards, HIPC (debt relief) resources reached around



US\$30 million in 2002, and gradually declined afterwards until 2008. From 2005 onward, IDH resources have grown significantly, from around \$10 million to \$70 million.

Although the pattern is similar for the larger and more urban municipalities, for them the resource allocation, both from HIPC as well as IDH resources has been less significant on a per capita basis. This broadly confirms the findings of Faguet that municipal resources have been mainly targeted towards the smaller and poorer rural municipalities.

While the increase in resources has given municipalities more space to define their own priorities, several revenue sources come with strings attached. This is the case for the HIPC resources, with a fixed percentage for infrastructure (70%), education (20%) and health (10%), although these percentages have not always been completely followed. The conditionality is even stronger for revenues from *regalias* (tied to productive investments) and reconstruction. This is also the case for bilateral or multilateral contributions which are tied to specific sectors or programs.

Local revenues reached to almost 40% of the still limited amount of total revenues in 1994. In 2008 this percentage had gone down to less than 20%, mainly due to the strong increase in government transfers. On a per capita basis, local revenues increased from \$9.2 to 1994, to around \$20 in 1999, and after another decline to \$13 in 2002, per capita revenues went up to \$26 in 2008. For the large majority of rural municipalities with a population below 50,000 inhabitants, local revenues remained however only at around US\$10 per capita in 2008 (FamBolivia, 2011).

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Over the last years the figures show an increasing diversification in income sources. External dependency nevertheless remains huge, and the share of own revenues remains minimal. The combination of high dependency on hydrocarbon taxes and the recent political changes underlines the vulnerability of municipalities in the long term. The Morales government had initially been reluctant to increase the share of municipalities, but came to understand quickly the importance of municipalities as one of their main political territories. After 2006 the Morales government further increased municipal resources through the redistribution of revenues from the taxation of hydrocarbons (IDH). With future changes in government or in policies, the additional allocations may be reduced again, putting in doubt the sustainability of the municipal resources.

Although not directly tied to municipal revenues, it is important to note that there is a strong differentiation in income and expenditures *between* regional governments: oil-producing departments like Tarija and Santa Cruz receive far more than the departments in the Andean valleys. To illustrate this, Tarija, with a projected population of 534,000, received Bs. 2436 million in 2011. Chuquisaca, with an estimated population of around 660,000 received only Bs. 485 million, or less than 20% of the allocation for Tarija. Although the difference in access to resources at the regional level does not necessarily impact the available funding at the municipal level, certainly municipalities in Tarija have more possibilities to consider the additionality of their own resources in relation to departmental

investments. The following table illustrates this by comparing investment levels in 3 specific sectors, which are also relevant for the municipal level:

	Tarija	Chuquisaca
Transport infrastructure	537,503,421	138,294,738
Agriculture (including irrigation)	263,843,848	55,632,260
Rural electrification	157,996,811	45,607,998

Source: *Fundacion Jubileo, 2011*

Even with a clearly defined differentiation of competences between the departmental and municipal level, municipalities still depend on the available infrastructure to connect their own or to implement public services.

Summarizing the findings above, we see an increase in resources coming available for municipalities in the period after 1994, a second increase in 2000 due to HIPC resources and a third and substantial increase in 2005 with the additional IDH resources. In addition, municipalities may or may not benefit from complementary resources at the regional level. Differentiation and change in the level of revenues at the local level can thus be explained by a series of changes in the national legislation, the accumulation of resources allocated to different levels of government, and positive discrimination towards a specific group of municipalities.

4

## Municipal level: income and expenditures

## 4.1 Introduction

We will now look in more detail at the change in income and expenditures in 6 out of the 9 municipalities in Northern Chuquisaca. This group of six (Poroma, Yotala, Mojocoya, Zudáñez and Tarabuco: for more detailed municipal data see table 0.1) certainly consists of smaller and rural municipalities, in contrast to the large urban municipality of the capital city of Sucre, which also covers some adjacent rural areas.

**Figure 4.1** *The department of Chuquisaca and the municipalities in northern Chuquisaca*

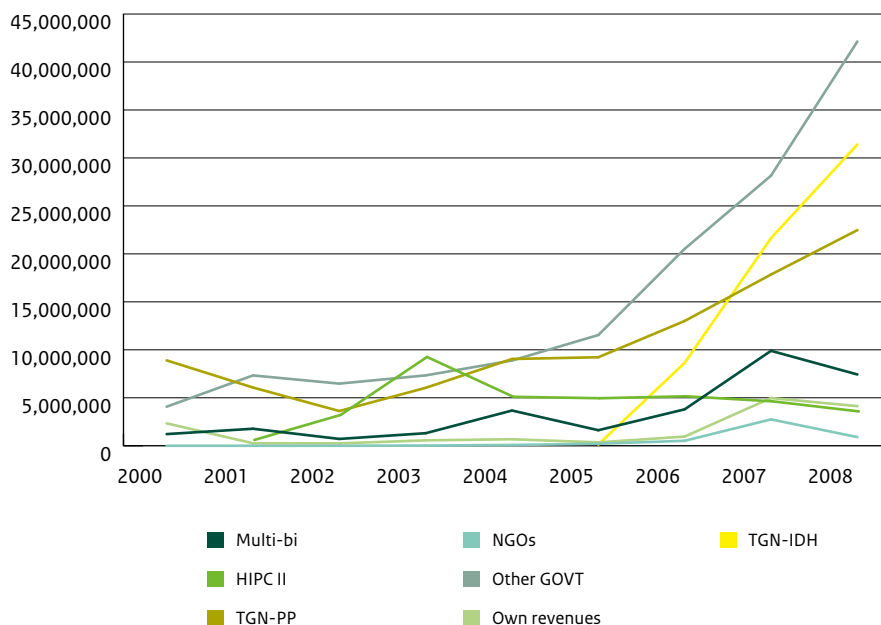


Source: <http://www.fundaciontreveris.org.bo/mapa>

## 4.2 Income variations over time in Northern Chuquisaca

In the period before 1994 communities in this region had no access to municipal funding. Between 1995 and 1999 municipal budgets gradually increased, but expenditure levels remained relatively low and only around 50%. Particularly after 2000 municipalities have seen a six to tenfold increase in municipal budgets. The budget of the municipality of Yamparáez illustrates this with an increase in investment resources from Bs. 1.9 million to 22 million (roughly USD 3 million) between 2000 and 2008. The increase has been especially strong in the final stage when municipalities received far more funding from IDH than before.

**Figure 4.2** Sources of municipal finance 2000-2008 (Bs.)



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Source: data from VIPFE, own elaboration.

In table 4.1. the main revenue sources are detailed for each of the 6 rural municipalities. The capital city of Sucre is included for comparative reasons. Resources from popular participation cover on average around 33%, and IDH about 15% over the whole period. Additional income from HIPC II varied between almost 14% for Poroma to only 4% for the urban municipality of Sucre.

Municipality	Total investment '00-08	Popular Participation	%	IDH	%	HIPC II	%
SUCRE	771,626,330	286,106,546	37.08	114,648,139	14.86	31,762,885	4.12
Tarabuco	90,150,908	26,796,113	29.72	16,804,961	18.64	8,955,437	9.93
Poroma	87,212,516	22,504,677	25.80	14,221,350	16.31	11,870,563	13.61
Yamparáez	67,221,068	13,107,914	19.50	10,280,512	15.29	4,706,213	7.00
Mojocoya	43,980,022	10,125,596	23.02	7,183,399	16.33	3,864,441	8.79
Yotala	52,702,318	12,780,810	24.25	7,284,631	13.82	3,477,528	6.60
Zudáñez	38,644,210	10,913,025	28.24	6,031,146	15.61	3,621,547	9.37
<b>Grand Total</b>	<b>1,151,537,372</b>	<b>382,334,681</b>	<b>33.20</b>	<b>176,454,139</b>	<b>15.32</b>	<b>68,258,614</b>	<b>5.93</b>

Source: information provided by VIPFE and summary report G. Weenink

On top of those resources, municipalities have been able to attract additional funding both through NGOs and bilateral or multilateral programs. Yamparáez obtained about 23% of resources from other than government sources, including about 14% from multilateral programs. The municipality of Poroma obtained important contributions from JICA, UNICEF, European Union and the IDB over the period between 2000-2008, covering around 15% of total expenditures in 2008. Mojocoya obtained almost 6% of total resources from NGOs, far more than the other municipalities, largely due to a substantial investment program in irrigation in which NGOs as Plan International and Proagro participated. The volatility of these contributions over the years has been enormous, and with the variability the level of priorities and conditionality also changed.

External sources like *regalias* (income from hydrocarbon taxation) have been spent for 94% on productive investments, mainly in Mojocoya. NGOs spend by far the biggest share of their budgets on social services and housing (57%). External (bilateral, multilateral) sources were relatively important in the productive sphere and in energy provision or rural electrification.

The registered contribution of development agencies varied between 0-33% of the municipal budget in the six municipalities reviewed. In some municipalities NGOs also play an important role in contributing with additional resources, but those resources are generally not included in the budget. NGOs often request a 'municipal counterpart' contribution (to 'guarantee' long term sustainability) and either municipal or NGO staff is assigned in technical supervision of the project.

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For the municipalities reviewed the own municipal revenues (local taxes etc.) remained fairly low, and for the municipality of Yamparáez even decreased over the same period to a minimum level of only Bs. 63.000. Other municipalities (Yotala, Poroma) show however a gradual increase in local revenues, getting up to above 10% of total annual expenditures.

Municipality	Own resources 2000-2008	% Of total budget 2000-2008
Tarabuco	1.9	2%
Poroma	3.9	4%
Yamparáez	0.8	1%
Yotala	6.5	12%
Mojocoya	0.3	1%
Zudáñez	1.1	3%

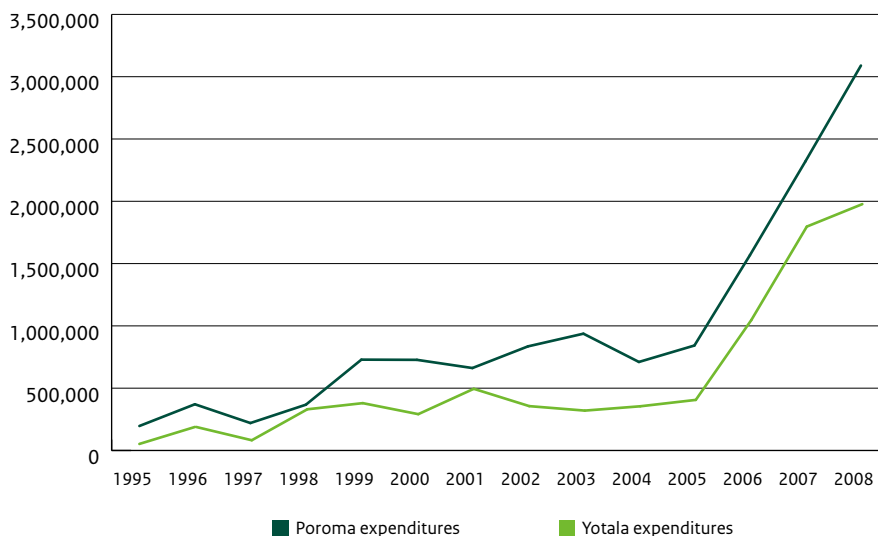
\* Note: own resources as % of total budget.

Source: information provided by VIPFE and summary report G. Weenink

### 4.3 Expenditure patterns in Northern Chuquisaca

Total municipal expenditures for the six municipalities in Northern Chuquisaca included in the survey for this period (2000-2008) were around the equivalent of USD 55 million, which, compared to the period before 1996, implies a considerable increase in the available funding for rural areas. On average those municipalities now manage between Bs. 8 to 25 million, and most of them try to obtain additional counterpart resources from NGOs and or bilateral institutions. For two municipalities we have expenditure data since 1995, showing a strong increase after 1997, but in particular after 2005.

**Figure 4.3** Expenditures for Poroma and Yotala 1995-2008 (US dollar)



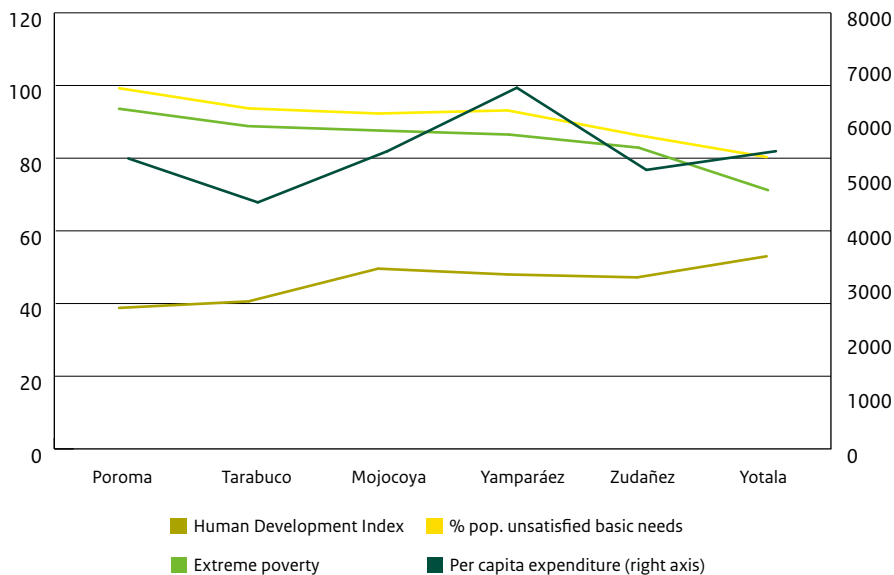
Sources: VIPFE and Nijenhuis, 2002.

While expenditures increased for all six municipalities between the year 2000 and 2008, this is again most evident for the period after 2005, but showing large differences between the municipalities.

Expenditures in Poroma in 2008 were at the same level of those in Yamparáez, which has only half of its population. The difference is largely explained by the efforts undertaken by the municipality of Yamparáez to attract additional funding from both government (like *Evo Cuple*), bilateral and NGO sources. Local revenue generation is also more important for Yamparáez than for most other municipalities, but the amounts do remain marginal compared to total revenues.

The indicators for extreme poverty and unsatisfied basic needs in 2001 coincided with the HDI measurement for the six municipalities. Per capita expenditures (2000-2008) for the lowest and highest ranking municipalities (Poroma and Yotala) were nevertheless the same, which shows difficulty in targeting funding according to needs.

**Figure 4.4** Total per capita expenditures (2000-2008) and poverty index



Source: own elaboration of data provided by VIPFE and UNDP

The variability in income sources has led to a rather fluctuating expenditure pattern. Although the general trend is on the increase, municipal investments doubled sometimes within a year, which occasionally led to difficulties in managing implementation. On average, the municipalities included over 200 activities per year in the period between 2000 and 2008 in their annual operational plans. Reviewing the data for the 6 municipalities and the 330 individual communities involved, a total of approximately 5500 projects appeared in the different POAs. Not all those activities have effectively been funded and implemented. A large part has been left out of the final budget, or funding has been insufficient. In the end, around 3800 received funding from the municipalities involved. Under-expenditure is partly related to a lack of capacity at the municipal level and varied strongly over the period, although most municipalities showed strong improvements after 2006.



Municipality	Percentage of budgetary execution		
	2006	2007	2008
Tarabuco	74	50	100
Poroma	75	83	104
Yamparáez	46	81	112
Yotala	97	108	102
Mojocoya	36	48	104
Zudáñez	50	72	102

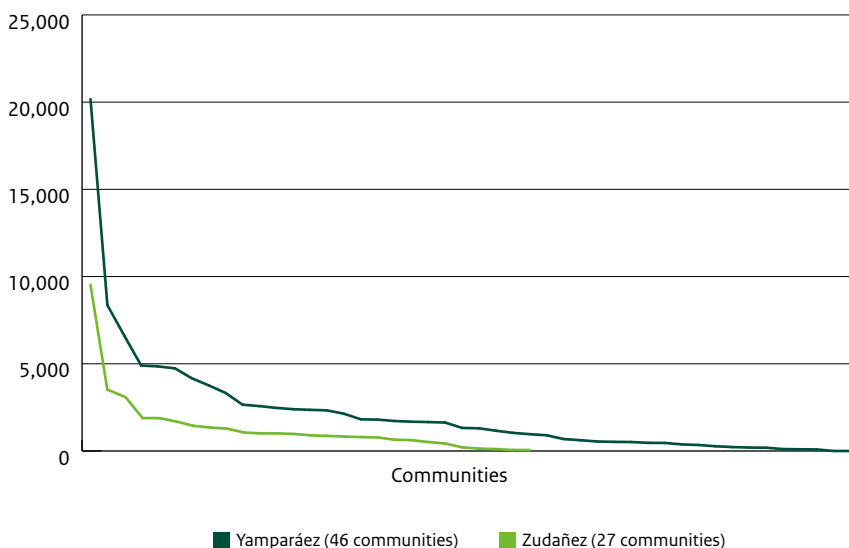
Source: Weenink, 2010

### Spatial distribution of expenditures

On average yearly *per capita* expenditures over the period between 2000-2008 were around Bs. 700 (around USD 100) for communities in the municipalities Poroma, Yamparáez, Tarabuco and Zudáñez. Bigger communities received on average a slightly higher share, but this is not significant. The spread of per capita expenditures between communities is quite heterogeneous and resembles a Lorenz curve of income distribution. In almost all municipalities a large group of communities did get a rather negligible amount or no funding at all. When we compare the distribution of resources between Yamparáez and Zudáñez, it is clear that expenditures per capita at the community level are higher in Yamparáez than in Zudáñez and similar to levels in Tarabuco and Poroma.

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**Figure 4.5** *Per capita expenditures in Yamparáez and Zudáñez at the community level (2000-2008)*



Source: own elaboration of data provided by VIPFE

The internal municipal context is also important. The municipal town and offices of Yamparáez, are far better accessible for most communities in the municipality, than the municipality of Poroma with regard to its own communities. This works both ways. Communities need to put up a lot of effort to present their demands to the municipal offices, and the municipality will access some communities much easier than others for actual implementation. Difficult access, particularly in the rainy season might be a reason to postpone or cancel the implementation of municipal projects.

In Yamparáez, the average distance for rural communities to the municipality is less than 20 kms., while in Poroma, the average distance will be around 100 kms. from the municipal offices. In Yamparáez, among all the most distant communities (>20km, i.e. several hours walking distance), 7 out of 16 communities received less than Bs. 500 per capita over the period between 2000-2008, far less than the average of around 2300 Bs. per capita for all rural communities in the municipality (excluding the urban town). For communities within a radius of 15 kms. from the municipality only 2 out of 16 received less than Bs. 500 per capita. One of the two communities receiving far above the average is the community of Sotomayor, the other main town in the municipality.

The share and predominance of spending in the main town and in 'municipal affairs' reduces the remaining available funding for rural communities. In addition, the location and accessibility of the main town and municipal offices also explain access levels for individual communities. For Yamparáez the main town and the municipal offices are indeed in the center of the municipal territory and quite accessible, while for Poroma the main town is upper north, both distant from Sucre, as well as difficult to access for most communities.

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For the municipality of Mojocoya, the municipal town used to be Mojocoya. After a prolonged internal battle between the municipal capital and the (bigger) town of Redención Pampa, involving many of the rural communities in the area, Redención Pampa has taken over the role of 'capital city'. The outcome of the struggle has also led to a rebalancing of resources. The communities in the *pampa* (plainfield) area around Redención Pampa now have far more possibilities for continuous interaction with the municipality, than those communities down in the valley.

In Yamparáez the opposite has been happening. The higher (mostly dryland) communities uphill, feel they don't get as much attention as the valley communities south of Yamparáez, which have more productive potential, principally for irrigation. An important factor in the allocation game is the overall share in the population: The larger valley communities generally operate as a group, e.g. in electing authorities and in presenting proposals. The smaller hillside communities face therefore serious difficulties in getting their voice heard in municipal deliberations and in getting an equitable share in project implementation. Over the period between 2006-2008 budget execution levels were significantly lower in the highland communities than in the valley communities.

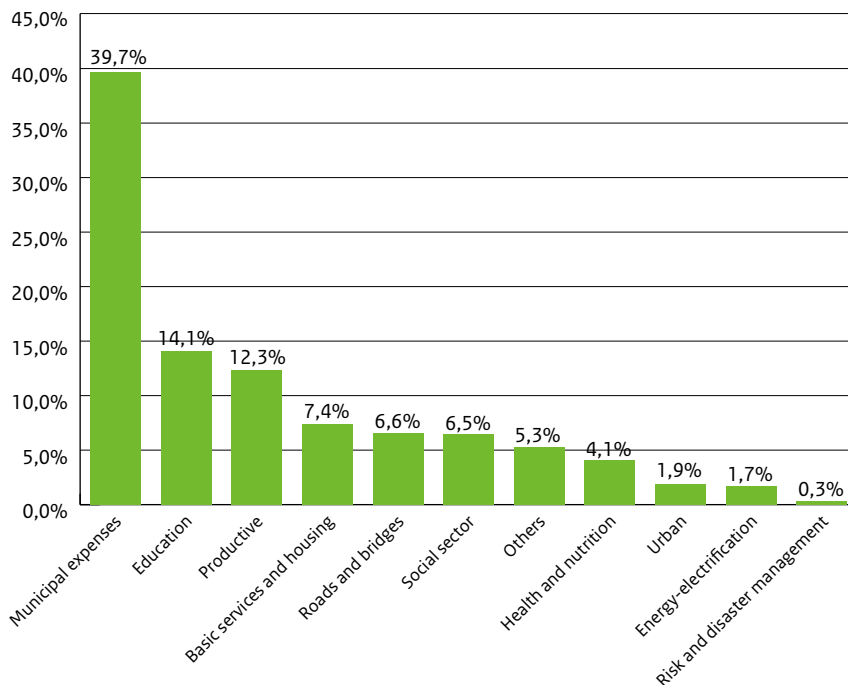
Ecological Zone	2007	2008	2009
High area	66	70	68
Upper valley	64	77	91
Lower valley	84	85	77

Source: POAs Municipality of Yamparáez

The sectoral distribution of expenditures in the six municipalities is concentrated in education, the productive sector, social and health expenditures, basic services and housing and road infrastructure.

The increase in expenditures has been particularly strong in education and in the productive sphere, but also in health, nutrition and other social expenditures. The category of unassigned ‘administrative’ municipal expenditures also increased, limiting the overall transparency of municipal accounts.

**| 34 |** **Figure 4.6 Sectoral distribution of expenditures**



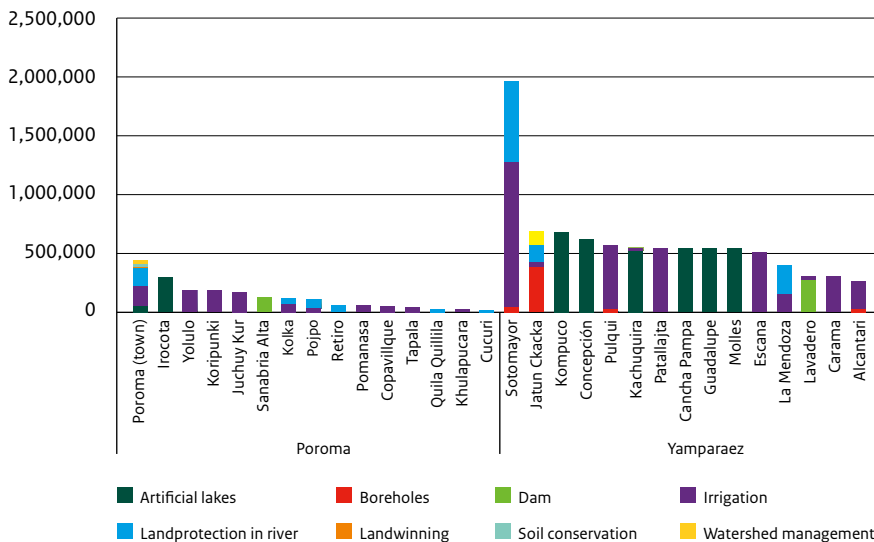
Source: own elaboration of data provided by VIPFE

### Sectoral distribution of expenditures

The sectoral distribution among municipalities has also been rather uneven. Poroma has been spending between 3-5 times as much as other municipalities on roads and bridges, and Tarabuco spending far more on education than Mojocoya. Although the overall share of spending in education increased, spending is relatively heterogeneous (10-26%) among municipalities, reflecting also different tendencies between 2000-2008: a strong increase in Poroma and Tarabuco, and a similar decrease in Yamparáez and Mojocoya. The first two municipalities also did best in increasing the rate of primary school completion figures for the period between 2000-2008, roughly doubling the figure from 25 to 50%. Zudáñez, with the lowest change in the levels of funding, also showed virtual stagnation around 43% in completion figures.

In health the three municipalities with the highest rates of infant mortality in 2001 (Poroma, Tarabuco and Zudáñez) also showed the largest expenditures over the period.

**Figure 4.7** Differentiation in IWRM and irrigation expenditures between communities in Poroma and Yamparáez



Source: own elaboration of data provided by VIPFE

Productive investments increased from 1% to 27% in Yamparáez and from 4% to 21% in Yotala (2000-2008), while they decreased at the same time in Zudáñez from 9% to 7%. Yamparáez did spend about 2 to 5 times the average on productive investments, as becomes evident from the comparison between irrigation related expenditures in Poroma and Yamparáez (see Figure 4.7). The differences in focus may have been influenced partly by the number of external agreements (*convenios*) subscribed by the municipality, and the differ-

ences in focus, probably determined by different perceptions of agricultural potential in the municipalities involved.

While productive expenditures were lower in Poroma than in Yamparáez, Poroma had by far the largest share in the number of bilateral agreements, amounting to at least 40 agreements over the period between 2000-2008, and involving municipal expenditures of around Bs. 10 million. This may indicate that Poroma received a larger share in off-budget contributions than the other municipalities. Main counterparts were UNICEF, FPS, Proscam, JICA, the *mancomunidad* and a number of government and other bilateral or NGO programs. Government programs like PASA, PEN and PAN are dedicated to food security, education and nutrition in school. Almost 32% of all agreements concerned social sector activities, while another 27% was dedicated to education, 6 % each for basic services, health and nutrition and productive activities. For Poroma, productive investments accounted for only 2% of the share of expenditures under all agreements in the municipality, against almost 30% for Mojocoya and Zudáñez.

Municipalities show some notable differences in expenditures related to new investments, to extending or improving existing investments and in the amount invested in capacity building or feasibility studies. Mojocoya spends as much in improvement, extension or maintenance of available infrastructure as in new public works, while in Yotala the emphasis is far more on new investments.

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Summarizing the findings at the municipal level, it is clear that there are still large differences between 'poor municipalities' in the same region and within the context of one department. Differences with municipalities in the higher regions in northern Potosi or the valleys of the south of Cochabamba will be even more substantial. The differentiation is evident in access to financial resources, in spending patterns across rural areas, as well as between sector or investment levels. The responsiveness or complementarity to national programs or other development efforts, in particular of NGOs differs also among the six municipalities involved.



5

## **Municipal governance and the internal arena for access to resources**

*“(..) the incentives local governments have to behave in ways that should reduce poverty within the municipality are in part driven by the structure of organized interests and partisan competition within the municipality.”*

*(Singer, 1996)*

## 5.1 Introduction

Through municipal elections, rural communities have been able to elect their own representatives, and to define both staffing, operational modalities as well as the investment allocation. Municipal capacity has increased over the years, but has not always gone in parallel with municipal investments. At the same time the electoral importance and status of municipalities has strongly increased, becoming a clear extension and sometimes a central battleground for national politics. Every year, rural communities present their demands to the municipality. In these so-called ‘*cumbres*’ all communities are represented, either directly, or indirectly through their regional representatives of the farmer union structure (subcentralias). In this chapter we review this process in more detail.

## 5.2 Municipal capacity

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Municipal manpower has substantially increased over the past 15 years. Average staffing for the municipalities in Chuquisaca Norte (excluding Sucre) is nowadays between 30-50 staff members for municipalities with a population between 10.000 (Yamparáez) and 20.000 (Poroma). In addition, municipalities often ‘benefit’ from additional staff on temporary assignments, paid for by external programs like UNICEF or other *convenios*. This may include another 2-10 staff members. On top of that, municipalities may pay for rural health workers, supervisors of *internados* (boarding centres) etc. The share of staff on contract-basis varied substantially between the municipalities, with Mojocoya getting to almost 60%.

Municipality	1996 (abs.)	2010 (abs.)	2010 (% fixed staff)
Yotala	7	38	58
Poroma	3	55	95
Yamparáez	5	43	51
Tarabuco	9	56	86
Zudáñez	6	30	53
Mojocoya	4	43	42

Source: PIED-Andino and G. Weenink (based on PDMs)



A large part of the staff is tied to administrative and logistical functions (drivers, guards, secretaries etc.). The neighboring municipality of Ravelo (in northern Potosi), had only 5 staff members dedicated to productive investments and promotion. One of the major problems for municipalities is the high turn-over rates of staff, and the limited professional capacity.

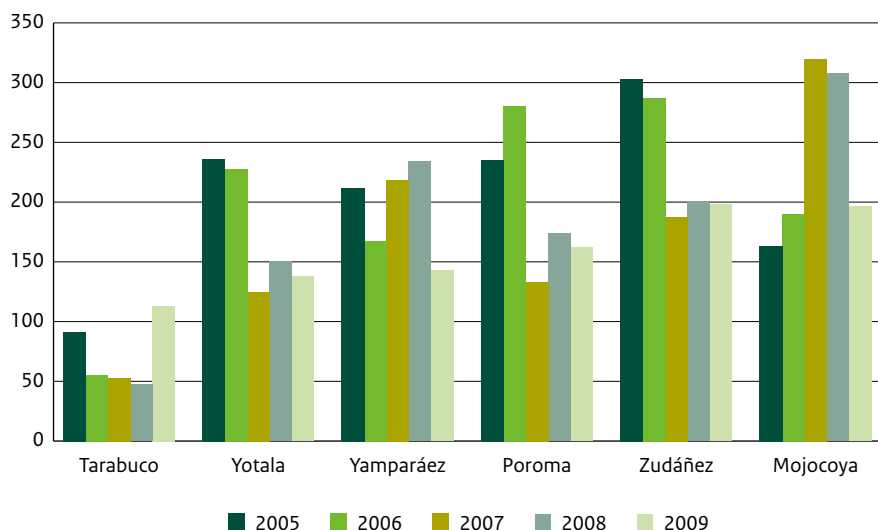
New mandates of municipalities also impact municipal capacity. This has been particularly visible with the transfer of the ownership, management and maintenance of local infrastructure. Recently municipalities also received a mandate for irrigation of areas smaller than 100 ha. and increased responsibilities in the provision of drinking water. Although municipalities also have responsibilities for broader natural resource management, they hardly fulfill this task. Effective natural resource management is expensive, and may only deliver results in the long term, making it less attractive for short term political agendas.

### 5.3 Municipal governance

The political process and the continuous rotation of authorities to benefit all areas of a constituency are one of the reasons for the high turnover: Due to the rotation principle majors are more often changed than reelected. By the time they have gained full understanding of the process, new elections are forthcoming. Nonetheless, staff rotation between municipalities is taking place, and some mayors have taken issue in attracting professional staff (Yamparáez).

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Figure 5.1 Municipal governance and capacity 2005-2009 (1=best, 327=worst)



From the early years of the LPP until 2005 municipal elections have been an open battlefield for the older political parties (MNR, MIR, ADN, MBL etc.), leading to a rather fragmented political representation and difficulties in forming coalitions. In 1999, Yotala had a mayor from the MNR, and council members originating from MBL, MIR and ADN. In the same year, Poroma had a mayor of the MBL, and council members from the MBL, ADN, MNR and Eje Pachacuti (Nijenhuis, 2002). The political process in municipal elections changed completely after the entry of president Evo Morales, and the old parties have largely vanished from the political arena in the region. Today, all six municipalities are completely dominated by the MAS, with only representation of a few participants of local parties in the council.

Several studies have been realized focusing on the assessment of municipal governance and capacity. At the national level a study was published in 2011 (*Observatorio Bolivia Democrática*), which includes an assessment of governance and financial capacity.

In the assessment of governance the study includes a weighting of per capita expenditures, but this indicator certainly does not correlate directly with the overall governance indicator for the six municipalities in our study. The ones ranking worst in 2005 and 2006 (Yotala, Poroma and Zudáñez) did indeed worse than the other three in the first year, but all did better than the others in the second year. The municipalities ranking lowest in terms of governance in 2007 and 2008 (Mojocoya and Yamparáez) actually had the highest per capita expenditures in those years among the 6 municipalities. This implies that municipalities that did not do particularly good in terms of participation, public accountability, internal control, corruption and political stability, still kept up their spending levels.

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To illustrate this, Mojocoya had in fact the worst score among all 327 municipalities in the country in 2007, but (together with Yamparáez) the highest level of per capita expenditures among the 6 municipalities. The reason why Mojocoya scored so bad in governance terms in 2007 was probably related to the internal battle taking place between rural communities around and together with the town of Redención Pampa against the location of the municipal offices in the old 'mestizo' town of Mojocoya. At the same time the elected municipal council of Mojocoya tried to gain popularity in the surrounding areas. While in 2006 the central region around Redención Pampa received around 11% of the total municipal budget, its share went down to 5% in 2007. For the northern region around the still 'capital city' of Mojocoya, expenditures went instead up from 5% in 2006 to 24% in 2007. Due to the overall raise in resources total spending in the northern region increased more than tenfold in just one year between 2006 and 2007, largely explaining the raise in expenditures for the whole of the municipality in that particular year. This example explains why it is relevant to look at the internal accountability and allocation process at the municipal level.

## 5.4 The arena for decision making

In the run up to the municipal summits (or so-called *cumbres*), preliminary steps are taken, including meetings at the district level (every municipality has between 4-6 districts), where all communities participate, often with delegates at the 'rancho' level (for larger communities). They discuss the main priorities and the overall list of demands. The summits also count with the participation of government institutions, NGOs and regional producer associations.

During the summit community demands are ranked and prioritized, participation of different municipal actors is allowed, and finally a large list of demands are incorporated in the POA (*Annual Operating Plan*). The process is quite open and transparent, and most communities are able to submit their demand for inclusion in the POA. Nevertheless, there are still a number of limitations to the process of effective and inclusive decision making. We briefly mention the main ones.

- First of all, POA's do not necessarily follow the *Municipal Development Plan* (PDM). Although the elaboration of PDMs over time has become more participatory, the final elaboration is often still in hands of external actors like NGOs or consultants. In the first year the PDM may still have an indicative character, in subsequent years the original strategic goals become blurred and immediate political or community demands often overturn the original objectives.
- Even inclusion of community projects in the POA does not guarantee final funding. The list of demands (for example for the 86 communities of the municipality of Poroma) can be quite extensive, and available funding will thus not be sufficient to attend all of them. This is because the POA is generally based on a too optimistic scenario regarding possible additional resources. As the first challenge for a community leader is to get his or (occasionally) her proposals into the POA, this simple step is a rather effective way to give communities a sense that their demands are taken seriously. The inclusion in the POA is however nominal, rather than a hard guarantee. In order to give most projects at least a tentative allocation, they are included under 'third party' funding, which is as much as hoping additional donor or NGO funding will become eventually available.
- The pressure to respond to the broad range of community demands leads to a substantial fragmentation in the allocation process. In addition, and in order to get major investments (large schools, hospitals, sports centers etc.) into the budget, these activities are often artificially cut into pieces, spreading investment expenditures over several years, often without any guarantee for funding in following years.
- For many investment proposals there are no detailed studies available and communities are 'rewarded' with a 'pre-investment' study, which in the year after might result in full funding. Municipal archives abound with such studies, and a short review of investment studies showed that follow-up is far from guaranteed.
- A substantial share of the budget is spent on maintenance or recurrent costs.
- A large share of the funding is either 'conditional' due to central government restrictions, or tied as counterpart funding to external funding. Possibilities for funding are limited as municipalities have to assume certain expenditures (health insurance, SUMI etc.).

Furthermore there are restrictions for most of the government resources (fixed % of HIPC resources to be spent on health or education), or they are tied to 'convenios', i.e. agreements with local government institutions, NGO counterparts or other partners. A revision of expenditures in the 6 municipalities shows that every municipality had between 15-40 of such agreements for the period between 2000-2008. Examples are agreements with UNICEF, ProCapas, PASA, *Yo si puedo mas* etc. Municipalities typically have to bear between 20-80% of counterpart funding for such activities. Municipalities of course can escape some of the conditionalities by creative relabeling of expenditures.

- Central government may also come up with unexpected funding (*Evo Cumple*) requirements (counterpart funding) or the departmental government may be unable to fulfill its own obligations.
- Internal community demand formulation varies widely and makes it more difficult to assess the validity of community claims. Some NGOs (in particular *Plan Internacional*) have been working in segregated analysis of demands by men and women, elderly and children. To get these demands afterwards articulated in the municipal process is quite another challenge. The level of funding required, the number of projects to which a community may be eligible, the feasibility to implement them, and the possibility to undertake joint action for a number of communities together may all influence the final chances for implementation.
- In practice communities get allocated their funding on a rotational basis, which, under current investment levels, implies for the majority of communities only one or two major investments every decade or so. Investment in a new school building may thus exclude the community from investments in health or in the productive sphere for some time to come, or vice versa.
- Municipalities are often unable to respond to real or pretended community demands. This is for instance the case of housing improvement which has been done through many different modalities, but for which typically the municipality will need additional support from either a government program or an NGO. Housing improvement is related to the fight against *Chagas* disease, and requires both the changing of the (straw) roof and the (mud)walls of all houses, as well as changes in the management of small livestock (in particular chicken, sheep and pigs) in and around the house, which requires capacity building efforts often surpassing municipal capacity.
- The above-mentioned fragmentation also reduces the possibilities to embark on more strategic regional programs, surpassing the boundaries of the municipality, such as watershed management.
- The gradual increase in the available funding, and the discovery that groupings of rural communities together actually could influence the election of the major and the *consejo municipal* led to a dramatic change in involvement since the late 90s. But even with 'equal' possibilities for representation during elections and *cumbres*, the position of rural communities is in practice far from equal. Due to their location, historical ties, power relations etc. some regions and communities benefit far more from municipal resources than others, and although there have been some shifts, this is (still) in particularly valid for the main town in most municipalities.

As a consequence of these limitations, the process is less open and transparent and more fragmented than would be ideally the case. Some of the poorest communities, which have benefited only to a limited degree, remain logically skeptical about the municipal allocation process. Although they are part of the decision-making process, and also involved in the new organic decision-making structure among communities, they notice that other communities are getting more access to the municipality, more often occupy important functions, and are more able to insert their demands in the annual operational plan. While the richer communities already received more benefits, they still get a higher per capita allocation than some of the poorer communities. We will elaborate further on some of the underlying causes in the next chapter.



6

**The bottom-up perspective:  
explaining inequality in access  
at the community level**

## 6.1 Introduction

Following the analysis of expenditures at the meso- and municipal level and the internal municipal allocation process, we go into further detail regarding municipal investments at the level of individual communities and review some of the underlying factors. We analyze population dynamics and some other specific community characteristics, such as community status, settlement pattern and investment history, the role of collective action in driving community demand and finally some recurrent causes for conflict in the relationship with the municipality.

## 6.2 Differentiation in community expenditures

When we analyze expenditure patterns for a selection of 12 individual communities ((Annex 2, table 0.2) gives a more detailed characterization of those communities), over the past 15 years, it becomes evident that municipal funding for those communities has been quite erratic, especially in the early years until 2003. For the following years, almost all communities received some municipal funding *every year*, but funding levels still varied considerably.

**Table 6.1 Municipal expenditures in 12 communities 2000-2008 (Bs.)**

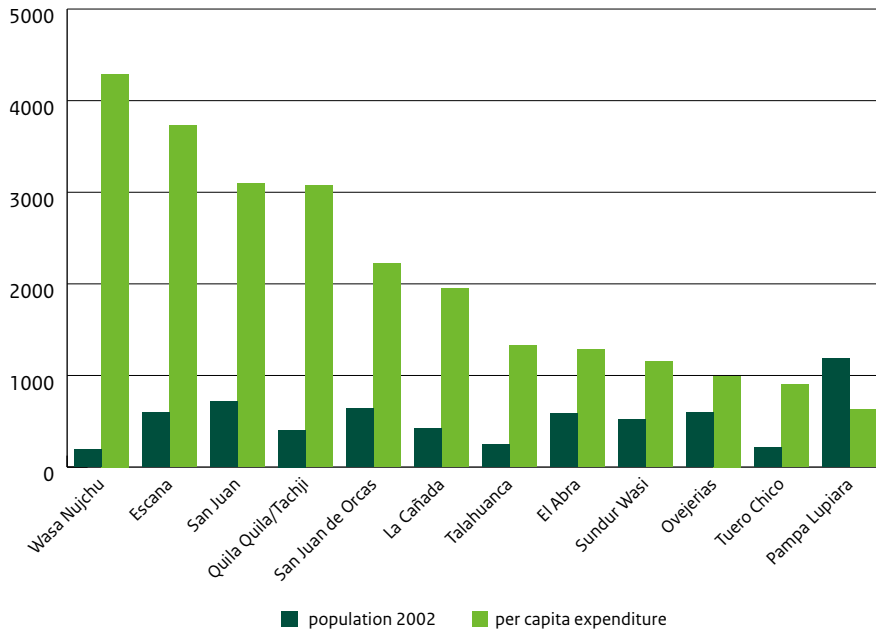
Community	2000	2001	2002	2003	2004	2005	2006	2007	2008	Grand Total
Quila Quila				23,580	7,601	100,114	17,993	1,255,429	106,190	<b>1,510,907</b>
Escana	32,776			40,696	419,581	21,372	160,710	497,718	296,316	<b>1,469,169</b>
San Juan Orcas	6,250	8,822		240,697		52,147	343,769	401,326	245,489	<b>1,298,501</b>
San Juan				32,291	502,713		83,196	29,035	271,435	<b>918,670</b>
Pampa Lupiara	128,529	118,330		142,759	36,103	192,576	73,707	58,144		<b>750,147</b>
Huasa Nucchu	3,891	176,149	342,525	12,230	9,750		54,659	55,084	87,937	<b>742,225</b>
La Cañada				61,210				303,272	141,186	<b>505,668</b>
Sundur Huasi								337,751	154,024	<b>491,775</b>
Talahuanca				40,437		112,607	2,250	30,881	227,158	<b>413,334</b>
La Abra				26,722				306,000		<b>332,722</b>
Tuero Chico	24,954	73,644				9,420	3,738		51,093	<b>162,849</b>
Ovejerias					29,735		19,933			<b>49,669</b>
<b>Grand Total</b>	<b>196,401</b>	<b>376,946</b>	<b>342,525</b>	<b>620,622</b>	<b>1,014,903</b>	<b>478,816</b>	<b>759,956</b>	<b>3,274,639</b>	<b>1,580,829</b>	<b>8,645,636</b>

Source: own elaboration of data provided by VIPFE and INE

While three communities received above Bs. 1 million in the period between 2000 and 2008, four other communities received between Bs. 500,000 and 1 million, and the five remaining communities received less than Bs. 500,000 each, with the community of Ovejerias accessing only a very limited amount. At least 5 of those communities received more than 50% of all the funding in one specific year, with particular emphasis on 2004, 2007 and 2008.



**Figure 6.1** Per capita expenditures (2000-2008) and population (2002)



Source: own elaboration of data provided by VIPFE.

When we consider municipal expenditures on a per capita basis, the inequality in access become more visible. Pampa Lupiara received the same amount of funding as Wasa Nuchchu, but far less on a per capita basis.

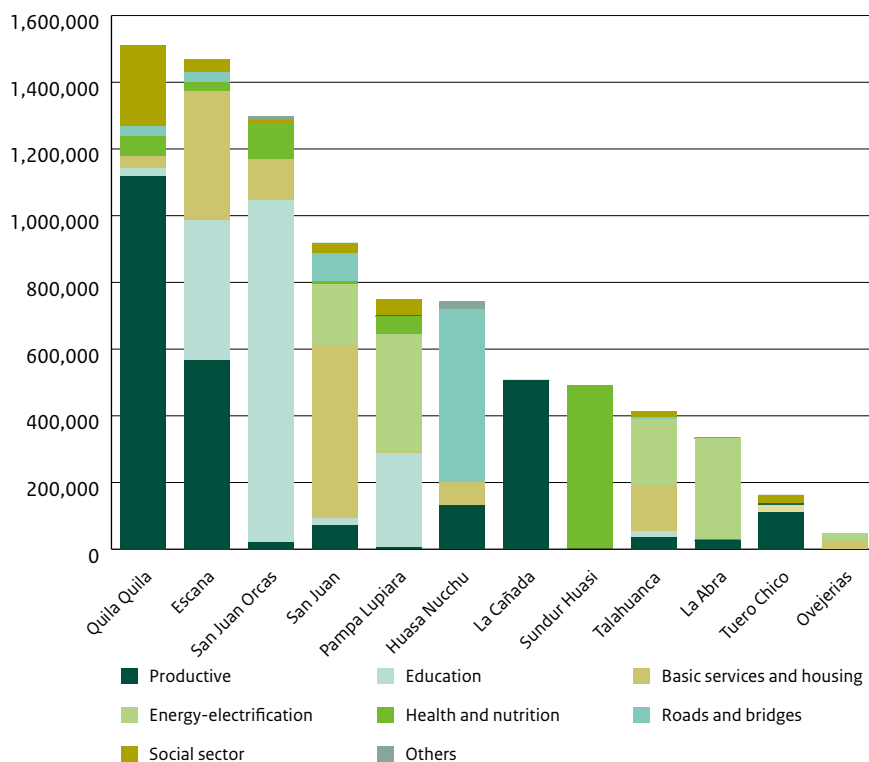
The findings from the survey realized in 2011 and 2012, indicate that while most communities indeed have seen an increase in external investment due to the decentralization process, the results have been unequally distributed, with the predominant emphasis on investment (hardware side), a substantial share on the recurrent investments or maintenance, and only very limited funding for capacity building (software side).

Taking the 12 PIED communities together, the sectoral distribution is even more balanced than in entire group of the 330 communities in the 6 municipalities together. However, when differentiating among the PIED-communities themselves, this view proves to be largely mistaken. The spread between the major sectors for the period between 2000 and 2008 is rather unequal and differentiated among all communities. For the category of basic services, three communities took more than 75% of total funding. In the category of roads/bridges one community accessed over 75% of total funding. In education more than half of total investments went to the community of San Juan de Orcas. For the category of productive projects most of the funding went to two communities, in this case Escana and La Cañada. The community of Quila Quila received a relatively large contribution for a tourism development program. Overall Escana has received probably the most balanced distribution.

The communities with high levels of expenditure on education are all *nucleo* communities (Escana, Lupiara, San Juan de Orcas), while the other group of communities received hardly any or no educational investment at all. Productive investments were mainly concentrated in communities with irrigation potential, and mainly those with previously existing irrigation infrastructure, like Escana, la Cañada and Tuero Chico. For *dryland* communities like Pampa Lupiara, San Juan de Orcas and Talahuanca, the level of productive investment was fairly limited (with the exception of small investments in Talahuanca and San Juan in artificial lakes for water harvesting), indicating the lack of willingness or capacity of municipalities to answer to those demands.

Several communities (La Cañada, San Juan de Orcas, Sundur Wasi, La Abra and Wasa Nucchu), have a large concentration of spending in a particular sector. With the community of Sijcha Baja (one of the community case studies of PIED-Andino, but not included in this survey) sectoral expenditures are for more than 85% concentrated in health, due to the construction of a rural hospital, far exceeding the need of the community and the service area intended. With the current trend in expenditure concentration, most communities would need a prolonged period to reach a balanced investment level.

Figure 6.2 Sectoral distribution of investments in PIED-communities (2000-2008)



Source: own elaboration of data provided by VIPFE.

As indicated in the previous chapter, many cases communities present their demands, get them included in the POA, but still get no funding. For the PIED-communities this happened in 96 out of the 258 projects submitted (only 63% of the total received funding). The lowest scores in obtaining funding were for productive projects and road-building, which were not implemented in respectively 57% and 43% of the cases. The highest implementation scores were for health, the social sector and energy provision, in the first case often related to demands of the health center.

Only 14 (9%) of all projects involved an investment of between Bs. 200.000 and 1.200.000, whereas more than 120 (about 75%) projects were smaller than Bs. 50.000 (around USD 7.000), leaving a small number in-between. This implies the larger share of projects has been micro projects, maintenance, studies etc. These efforts may of course be relevant to rural communities, but the fragmentation could also be a reflection of trying to share the cake among too many.

As we will see, the building up of investments at the community level is related to specific community characteristics, including accessibility, productive potential and the already existing infrastructure.

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### 6.3 Which communities did fare better?

To compare expenditures between communities, we ranked the communities according to the total amount of funding received, the number of projects implemented, and the average per capita expenditures. The average ranking of those three factors is included in table 0.1 (Annex 2) Escana has overall the highest score, while the community of Ovejerias is ranking lowest.

While the previously highlighted factors also relate to the PIED communities, some of the main reasons for diverging positions among the overall ranking are related to population dynamics and locality, community status, previous investment history, the willingness and ability to mobilize collective action and the overall relationship with the municipality.

Community	Relation with municipality
Escana	Escana always had an intensive relationship with the municipality. They coordinate with other communities in the district/sub-centralia how they will vote during elections, and how certain functions in the municipality will be divided. Escana has a high score based on a relatively high level of expenditures per capita, and the highest number of projects implemented. This can be explained, amongst others, due to relatively easy access, high productive potential, substantial level of previous investments by a multilateral program in irrigation, and the strong incidence in the municipality. The municipality of Yamparáez prioritized irrigation interventions, which benefitted Escana.

San Juan	The high score for San Juan, the second community in the ranking, is a bit surprising, because of the downward population trend and limited agricultural potential. The explanation may be in the fact that the community managed to get the community leader elected as mayor for 3 years in office. Over the whole period the community nevertheless suffered from a high rejection rate of proposals.
San Juan de Orcas	For San Juan de Orcas, the political positioning of the community vis-a-vis the municipality, as well as the accelerated process of establishing a core settlement, may both have had a strong impact. Although the community suffered from population decline, the availability of secondary schooling, and a boarding center have led to a self-reinforcing process of building up a new core community, with improved access and transport facilities. Due to its central location, San Juan de Orcas is becoming a potential rival for the municipal town of Poroma.
Quila Quila	Difficult relationship with the municipality, due to an internal conflict between sindicato and ayllu structure (see below). Quila Quila had for a long time the ambition to become an independent indigenous district, with direct access to municipal funding. The dominant group at the time refused in the meantime municipal funding, to put pressure on their demands. The than minority, and currently probably majority of the core settlement of Tajchi however did not agree and submitted directly demands to the municipality.
Wasa Nucchu	The municipality supported small projects related to access (bridge, road and drinking water). The community is very small, and due to lack of space also dependent on neighboring communities for service provision.
Pampa Lupiara	Pampa Lupiara benefitted already substantially from external support before 1996. This might have been the main reason for its 'neglect' in recent years. It received a fairly low share of small projects, mainly related to education and (failed) attempts to improve drinking water accessibility. It has recently been able to elect two council members, for two opposing parties, but the relations remain difficult.
La Cañada	Together with neighboring communities La Cañada has been able to get the municipality to the neighboring town of Redención Pampa. La Cañada hugely benefits from the main public services in the town. In the productive sphere a small segment of the community benefits from a large irrigation investment program, co-funded between the central government and the municipality, which however has led to internal conflicts regarding access. The community split into two parts in the late 90s to facilitate additional access to services.
Talahuanca	Talahuanca hardly benefitted from municipal interventions, except for the regular support for school breakfast and short term tractor and other caterpillar support for the construction of artificial lakes. Due to a Japanese project (which coordinated with the municipality) the community benefitted however a great deal from a soil and water conservation program. Highland communities like Talahuanca are in a minority position in the municipality, and the community only recently managed to get a representation in the farmer federation / vigilance committee structure.
Sundur Wasi	Although close to the municipal town of Zudáñez, Sundur Wasi hardly benefitted from municipal interventions. Until 2008 they received only two small projects related to primary health care. Over the last 3 years the relation improved however significantly, and the municipality supported the community also in finding projects from other sources.
La Abra	La Abra has overall high levels of public services, but hardly benefitted from municipal support. La Abra is a community of difficult access, low in the valley, and has long been dominated by family of the former patron. Currently the community has been able to nominate a member of the municipal council, but the (s)election process has been rather coincidental, leading to a lack of interest within the community.

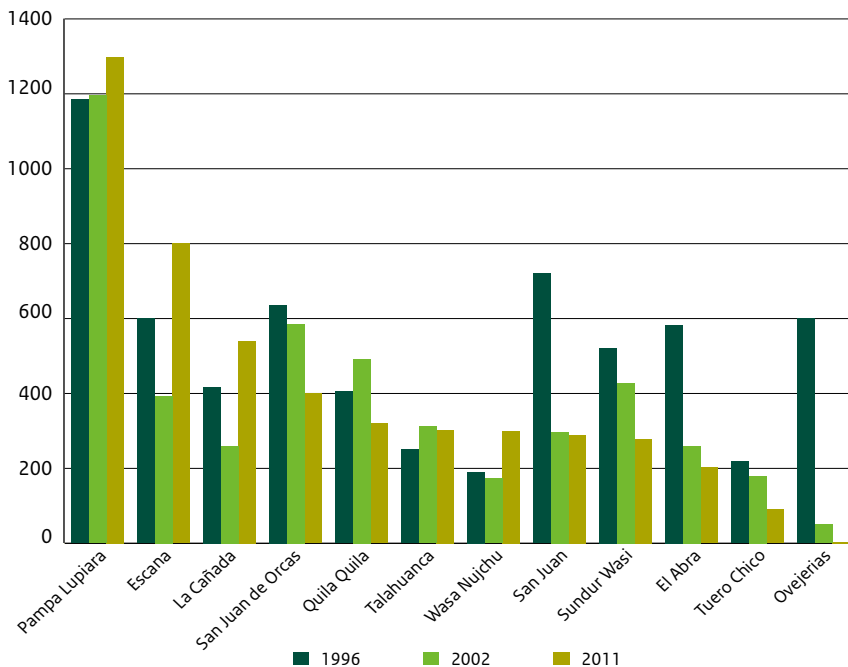
Tuero Chico	Before 2005 the relation with the municipality was marginal, but since the entry of the Morales government more intensive. The municipality facilitated initial infrastructure for the school, a sports field and provided support for an organization of river-side communities involved in the battle against contamination. The municipality also supported the talks with an NGO and with the central government to arrange for a second round of housing improvement. The community has provided substantial labor (estimate: 130 days person), and monetary contributions for the implementation of public works. Due to a decline in population the community nevertheless loses ground in its request for additional services and staffing.
Ovejerías	The low ranking for Ovejerías is no surprise, as the highland community was completely abandoned after 2005, implying that no new investments were realized. Community members have been split up over 8 new river-side communities but have maintained their original organizational structure to facilitate the exchange of experiences and to lobby jointly for new projects.

### Population dynamics

Only one community showed a slow but gradual growth of the population over the period 1996-2011, while another four regained population growth after 2002. More than half of the communities were in clear decline, basically due to outmigration. Neither absolute nor *per capita* expenditures (based on population census figures in 2002, as the census is still used as the reference figure for municipal allocation) shown in figure 6.4 do therefore tell the full story. The three communities with highest levels of population decline also scored worst in the ranking of access to municipal funding and services.

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Figure 6.3 Population dynamics 1996-2011



An extreme example is the community of Ovejerias, which showed still relatively high per capita expenditures over the period 2000-2008. The community was completely abandoned between 2002 and 2005, leading to a decline in population from over a 100 families in 1996 to only two in 2011. The only expenditures realized in 2004 and 2006 related to the construction of small water reservoirs for cattle and electrification for the new community down-hill.

The decline in population based on outmigration of youth to the city also leads to less willingness and capacity to engage in collective action efforts, either to attract municipal funding or to participate in implementation. The decline also has consequences for 'minimum level' standards (nr. of children in school), and the possibility to attract or maintain sufficient teachers, as has been the case for Tuero Chico and San Juan.

### Community status

Community status and recognition is quite an important factor for attracting municipal projects. Most communities in the region and in the survey are *sindicato* communities, while a few more traditionally organized *ayllu* communities were included. Although community status and recognition might appear quite stable, taken over a longer time horizon this is certainly not the case. Many communities have been split up, or - only in a few cases - mingled together. The splitting up happened with Talahuanca, Escana and Tuero Chico (all directly after the land reform), with La Abra and the neighboring community of Situri, with La Cañada about ten years ago, and more recently with Ovejerias, which in name and territory still exists, but with its population spread out over at least 8 villages and new *sindicatos* in the valley. San Juan de Orcas even requested additional and specific recognition for the new urban core settlement.

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Recognition as a (new) *sindicato* allows a former section of an old community to draw directly on municipal resources, and after the split to request 'another' school building for the new community. Recognition as an *indigenous district* (for which the *ayllu* groupings in the community of Quila Quila were advocating) would even allow to control all municipal resources for the population involved.

In all municipalities, some of the larger and more centrally located communities (Escana, San Juan de Orcas, Pampa Lupiara) have got the status of *nucleo*, implying the location of secondary school facilities for a broader range of communities, which in turn are classified as *seccionales*. The status correlates perfectly with higher levels of investments in education (see Table 6.3).

	Nucleo	Education expenditures 2000-2008
San Juan de Orcas	Yes	1,024,691
Escana	Yes	418,077
Pampa Lupiara	Yes	282,348
San Juan	Yes	21,529
Talahuanca	No	15,768
La Abra, Tuero Chico, La Cañada, Ovejerias, Wasa Nucchu, Sundur Wasi	No	0

Source: own elaboration of data provided by VIPFE

A similar status level can be obtained for health services. Most of the surrounding communities will only get access to primary education and/or routine visits from a medical doctor. Those *nucleo* communities, are often, and as a logical consequence, also favored with additional facilities like boarding centers. In many cases the initial denomination and accompanying infrastructure leads however to a self-reinforcing process, attracting also other services or benefits. The tendency towards settlement concentration is indeed particularly visible in the *nucleo* communities, and makes it often more attractive and cost-effective for NGOs and others to continue investing (Le Grand, 1998). The *nucleo* status as such may however be contested, and some communities indeed have been struggling to get to different (higher) levels of recognition. This has been the case for Quila Quila and San Juan de Orcas.

### Community development and investment history

The history of interventions and the existing infrastructure certainly influence current investments, although the trends are sometimes contradictory. The PIED-Andino study in 1997 included a detailed survey of interventions roughly covering the period between the drought of 1983 (which was really the takeoff moment for development interventions in the region) and 1996. On average the number of projects was just about the same for the period before and for the 15 years after 1996.

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The intensification has been exclusively due to the start of the municipal decentralization process in 1994-1996, while other efforts from both government, bilateral and multilateral programs and NGOs showed a considerable decline, indicating a 'replacement' effect of the most important external actors at the community level.

When we compare the trend in external interventions for the period before and after 1996, for just half of the communities there has been an intensification, while for the other half, a decline in the number of projects. The increase in the number of projects is particularly notable in San Juan de Orcas and San Juan. The decline in the number of projects is most notable in the communities which had strong intervention levels in the first period, like Pampa Lupiara and Quila Quila. The decline in new investments may obviously be a logical consequence of the already build-up infrastructure, but in both communities other factors also play a role, as we will see below.

For La Cañada the decline is less dramatic than it appears, because a lot of municipal investment went to the neighboring town of Redención Pampa, which *de facto* covers all the basic services for the community. The decline of projects in Ovejeras is evidently due to the total abandonment of the community.

In the first years after the start of the *Law on Popular Participation*, communities were still suspicious of the process and the eventual benefits (PIED-Andino, 1998). Most rural communities only submitted their first demands in 1996-1997. Some of those demands were fulfilled, while others remained without follow-up. At the municipal level most funding went into acquisition of equipment for the municipal offices, a new car for the major and at best the construction of a new square in the main town. Only a small group of majors in the first years of the LPP were from rural origin (Albo, 2004). That has also changed, and having

their own leaders now routinely elected communities anticipate that they will access municipal funding, either sooner or later.

Initial investments often lead to subsequent investments. This may seem trivial, but for several communities this has led to a self-reinforcing processes. This has in particular been the case for investments related to education, road infrastructure, and irrigation, but far less so in other productive activities or in other public services. The fact that many projects do not get to 100% coverage also often leads to subsequent demands to fill the remaining gap.

**Table 6.4 Number of project activities implemented before and after 1996 in the selected communities**

Community	Before-1996						1997-2011						Change
	NGO	Municipal	Other state	bi-lay/multi	Others	Total	NGO	Municipal	Other state	bi-lay/multi	Other	Total	
San Juan Orcas	8	2	3	0	4	17	1	31	3		4	39	129%
San Juan	6	0	5	3	4	18	4	26	3		2	35	94%
Tuero	14	0	2	1	1	18	2	16	2	4	1	25	39%
Talahuanca	8	2	3	0	4	17	1	15	2	4		22	29%
Sundur Huasi	15	1	0	1	2	19	4	11	7		1	23	21%
Escana	10	1	7	13	4	35	3	34	1	2		40	14%
La Abra	3	1	3	3	2	12	1	5	4		1	11	-8%
Wasa Nucchu	10	1	2	2	6	21		12	1	1	3	17	-19%
Pampa Lupiara	21	2	15	4	9	51	1	33			4	38	-25%
Quila Quila	24	0	5	2	4	35	1	12			4	17	-51%
La Cañada	8	1	2	2	3	16		3		1		4	-75%
Ovejería	9	1	0	0	2	12		2				2	-83%
<b>Total</b>	<b>136</b>	<b>12</b>	<b>47</b>	<b>31</b>	<b>45</b>	<b>271</b>	<b>18</b>	<b>200</b>	<b>23</b>	<b>12</b>	<b>20</b>	<b>273</b>	<b>1%</b>

Source: PIED-Andino, PIED II and own elaboration data VIPFE

### Community organizations and collective action

Both through the *sindicato*-structure (post 1952 land reform) and the more traditional *ayllu* organizational structures communities articulate their demands towards municipal and higher levels. The *sindicato* structure has historically been build up to the national level through the CSUTCB (farmer union) and provincial federations. A similar tendency is visible among the traditional *ayllu* communities (Quila Quila and San Juan de Orcas), using the ‘revitalized’ pre-hispanic organizational structures (*ayllu*) to articulate the community level to *ayllus mayores* like the ‘Qara Qara’ and newly created organisms like the Conamaq at the national level.



The importance of these organic structures may differ at community level, but the level of articulation of demands at central government level is very similar and in both cases related to access to land, natural resources, 'municipal' funding and the claims for autonomy.

Municipalities were in the past dominated by the main town and a small urban mestizo elite. Today, and after the change process starting with the *law on popular participation*, communities, or groups of communities together at level of *subcentralia*, have the capacity to influence the composition of the municipal council and the election of the major. After internal consultations they reach basic agreements regarding candidates and the final voting and election. In many communities voting is strongly influenced by the *sindicato*. This has happened for example in the community of Escana and neighboring communities.

A similar process has been going on around the town of La Cañada and Redención Pampa. The LPP originally envisaged so-called *vigilance committees*. In practice these have been virtually abandoned and transformed into a mere extension of the *sindicato* structure and linked up to the national farmer federation (CSUTCB). The relation with the municipality has become 'organic', as is the favored political term in the context of social movements in Bolivia. A technical staff member of the municipality of Mojocoya expressed this clearly: "for affairs related to agricultural production", you need to talk to the [office of the] Federation".

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Communities are in this perspective not mere recipients of external resources provided by the municipality. They consider the municipality nowadays as a rotating funding machinery, with an implicit guarantee for the provision of projects in the next couple of years. The municipality is also there to resolve basic problems and to support them whenever road maintenance is due, when they need an additional item (new teacher), or when they want to present their demands to central government.

A community needs active leaders to get access to municipal resources or in lobbying with NGO's or other government institutions. Those leaders are not paid and often hardly compensated for their time and travel costs. The interest to assume such a function is declining, which makes it more difficult to motivate communities to embark on a long-term change process. As a logical consequence the selection of leaders is increasingly based on simple rotation instead of leadership qualities.

Another and better way for communities to get access to municipal funding is to get their leaders elected either as major or in the community council, or even as a leader of the *subcentralia*, which under current practices is much as an indispensable step towards the position of major. At least four of the communities were able to access municipal functions as major or *consejal* over the past ten years. Some of those leaders have made it later on to jobs higher in the hierarchy, either in the city of Sucre or even in the national capital city of La Paz. Although several communities succeeded in nominating their candidate the experiences and benefits are mixed. One community managed to get two candidates elected for two opposing parties, but remained disappointed about their contribution.

Changes in the central government after the election of Morales, have led to a further strengthening of the former federation, but also on the political connectedness of the federation at the national level. The government party has been providing new buildings for meetings and activities, often close to the municipality, and has of course been demanding political loyalty during elections and during the process towards the formulation of a new constitution.

### Interaction and conflictivity

When we look at the individual community cases, it is surprising for how many of them the (internal) relationship with the municipality is conflictive. The reasons have been as manifold and the examples below just give an illustration of the complexities in the relation.

Community members increasingly claim that they have a right to certain services being arranged for them, even when they do not contribute in any form, or only to a limited amount. In many cases the implementation of public infrastructure remains however partial, not covering the people living in the extremes lower in the valley or higher on the hillside. This has been a recurrent cause for internal and external conflict in several communities.

As mentioned in the previous chapter, the communities around the town of Redención Pampa (including La Cañada), have been fighting an intense battle to get access to the municipality which was previously located in the neighboring town of Mojocoya. After several years of protests, blockades and finally the occupation of the municipal buildings, the municipality was forcefully transferred to Redención Pampa (which later received the blessing of the central government). The people living in the communities surrounding the Redención Pampa area had the feeling that the *mestizos* in the town were representing the old elite, and not defending their interests.

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Probably the most pervasive case of conflict is perduring among the communities and ranchos forming part of Quila Quila. While on paper Quila Quila is among the communities receiving the highest per capita investment, in reality most of the funding goes to a tiny section of the community. A grouping of ranchos surrounding the core settlement has been the only beneficiary over the last 10 years. The conflict developed between communities in the center, claiming *sindicato* status, versus communities in the more distant settlements, which predominantly adhere to the '*ayllu*' representation. This conflict has extended over time in relation to topics as diverse as land access, access to the core settlement, access to irrigation, schooling, nomination of teachers, the overall strategy to establish and maintain external relations, including with the central government, and the regional and national offices of the institute for land reform INRA. Community leaders (even when originating outside of the community) have played a dominant role in this particular battle. As the *ayllu* section of Quila Quila went for recognition as indigenous district, they initially refused municipal funding. In reaction, the municipality of the capital city of Sucre, under which umbrella Quila Quila administratively belongs, supported only the *sindicato* section of the community, leading to an unbalanced allocation and infrastructure development, which in the end only added to the existing levels of conflict among both parties.

Another community with an ambiguous relationship with the municipality is the community of San Juan de Orcas. This community may in the future become a threat to the position of the municipal capital town of Poroma, which is far away from the city of Sucre, and also at a long distance for most communities. San Juan de Orcas has fully changed over the last 10 years becoming a nucleated settlement, with regular transport services, schooling, healthcare, and basic public services, as well as improved housing. In the core settlement they even decided to establish an independent organization to be able to raise its own funding from the municipality.

Other communities showing levels of conflict with the municipality are San Juan, La Abra, La Cañada and Pampa Lupiara. Talahuanca remained on the sideline (except for temporal support provided by the Japanese program for rural change), as community members indicate that due to their position in the highland and their small size they keep a marginal position within the municipality dominated by the southern valleys.

While the decentralization process has led to strong changes in community involvement, and a far more 'intimate relationship' than in the past, conflicts and marginality remain the rule rather than the exception. Many communities still feel they are not treated the way they deserve.



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## Outcomes and perspectives

The municipal process in Bolivia has been answering to several of the constraints mentioned in the WDR 2001 regarding decentralization policies. Have these changes led to more effective and balanced rural poverty alleviation?

## 7.1 Access and equity

Overall Bolivia has shown important progress in increasing access to financial resources for rural municipalities. While in the first years the emphasis has been mainly on the small urban towns, the upward trend over the last couple of years has also been important in improving access for rural communities.

With the extension in the mandate of municipalities, the coverage of the activities today includes both the building of schools, health centers, drinking water systems, small irrigation systems, but also support for school transport, protection of the rights of women and children, support for farmer organizations, the payment of health insurance, etc. The rise in primary school completion rates almost ran in parallel with the increase in funding for education. Access levels to drinking water gradually improved in the municipalities involved, and many communities have access to better health services with more permanent staffing, in most *nucleos* (bigger and more centrally located communities) even with permanent doctors and in some cases even with ambulances.

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In line with the findings of Faguet (2002), the six smaller municipalities of Chuquisaca Norte received their fair share of the overall increase in municipal funding, particularly after 2005. The increase in municipal funding has resulted in an automated 'project cycle' for rural areas, resulting in a gradual but steady increase in the levels of social services.

Nonetheless, important differences remain between and within municipalities, related both to their capacity to raise additional revenues from third parties or locally, and to spend those resources according to plan. There are also recurrent problems with unpredictability due to changes in government policies or guidelines. New government measures, or late payments, as well as corruption cases often paralyze planned or ongoing activities. Municipalities often prefer not to spend, rather than run the risk of being questioned or investigated by anti-corruption legislation under the law Marcelo Quiroga Santa Cruz.

At the community level, findings are even more differentiated and show for individual communities a prolonged rotational period of access to major projects, as well as a large sectoral concentration in a few areas. Although municipalities gradually increased spending in the productive field, the interventions remain relatively small and isolated.

Factors influencing allocation relate to location, accessibility, but also community status, previous investment history and community institutions and agency. The better accessible communities also allow for easier communication and implementation of projects and are often able to build upon the status of *nucleo* or the implementation advantages of being a nucleated community.

Persisting inequalities between communities are to a certain extent unavoidable, being also the consequence of changes in the broader context and due to internal community dynamics. For both municipal and NGO policies it remains important to consider to what extent it is feasible to redress those inequalities in a systematic manner.

## 7.2 Participation and accountability

Compared to the situation 15 years ago, community participation in municipal decentralization has incredibly increased, as did the overall responsiveness of local municipal governments to local demands.

Communities are now fairly well acquainted with the process, prepare their own internal cycle, and try to get their candidates into municipal office. Participation through the formal structure of the *vigilance committee* has been gradually taken over by the farmer federation and underlying structure. Although this structure is more embedded at the community level, it has been less effective in reviewing municipal accounts and in taking measures against failing municipalities or corruption cases than expected. Lack of transparency (and accessibility) of the municipal accounts might explain this. Local revenue collection has also remained rather low, which over time may affect community interest in screening municipal accounts.

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Although the municipal summits are now the main space defining the selection and allocation of resources, the process itself is still plagued with uncertainties and limited transparency in municipal accounts, leading to a fragmented and ad hoc character of allocation. While municipal accounts are made public on the internet, an oversight of expenditures in relation to individual communities over a longer period of time is still unavailable.

Communities from the highlands may face a continuous struggle for resources with those in the valleys (Yamparáez), or the other way round (Mojocoya). Smaller communities generally lose out chances of being able to provide candidates for *consejal* or major. The political capture of municipalities by a number of communities or local power groups may gradually erode the confidence and enthusiasm of communities in presenting their demands and principally, in delivering their share in the implementation.

## 7.3 Effectiveness and sustainability

Fifteen year of municipal history is still a rather short timeframe to judge the overall effectiveness and sustainability of municipal efforts. Over the years a lot of gains have been made in strengthening municipal capacity, in building better systems, but the increase in capacity has not been matching the increase in the available funding. This mismatch has also led to less effective implementation in a number of cases, or in very low governance qualifications (Mojocoya in 2007).

Considering the now well-established role of municipalities in the local development agenda, it remains disappointing to see the erratic character of the allocation process, reducing the possibility of a more sustained and balanced investment at the community level. The differentiation between municipalities in both sectoral and territorial expenditure patterns is also larger than expected. This may be partly due to differences in location and potential, but also to municipal capacity in responding to community demands.

The gap-filling or ‘needs-based’ approach generally invites investment in any of the ‘service delivery’ areas, independent of medium term population perspectives and capacity for maintenance. Analyzing the investment patterns in relation to the population dynamics, an important problem is the fact that infrastructure is increasingly underused and lacking maintenance. While some of the new designs in schooling and drinking water systems show higher building standards and levels of sustainability, in other cases new build infrastructure is rapidly abandoned, deteriorating or sometimes hardly even used (latrines, showers). One of the basic problems both in the productive sphere and in social services is the lack of a response or articulation with migratory trends in communities. Migrant population is hardly inclined to invest any savings in community infrastructure. Finally, in many communities (especially in the neighborhood of urban centers), the population shows an inclination to bypass the services of their own community.

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The main limitations of the *Law on Popular Participation* reside in the fact that municipalities have less been able to address regular productive issues and to fine-tune their interventions to the extremely differentiated context and the individual pathways communities are embarking upon. Communities that have limited agricultural potential, will not be able to be transformed based on the limited scope of interventions from municipalities. Recent efforts in the construction of artificial lakes for rainwater harvesting (*atajados*) reflect a willingness to engage in relatively ease and straightforward solutions, but only help communities to guarantee minimum levels of food-security. The larger productive investments are all realized with other external support, either through the central government (*Evo Cuple*), through NGOs (Plan, Proagro), or bilateral or multilateral programs. To help communities escape the spatial poverty trap external institutions will need to support municipalities to build upon collective action efforts at the community level and to leverage substantially higher and better tailored investments, particularly in the productive sphere. The current size and coverage of productive projects is often too small to have any significant impact.

Notwithstanding the many capacity building efforts, municipalities still face serious difficulties in carefully managing and planning the development process. This relates to the difficulty in reconciling effective planning (e.g. focus in one year on a particular sector in a group of neighboring communities), with a demand-driven and tailor made approach, to motivate participation both in decision making and in implementation, and to support and motivate communities to contribute to construction and maintenance etc. But it also relates to the capacity and the incentives at the municipal level to be transparent in budgeting, and to involve and to monitor effectively the work of the private sector in implementing municipal projects.



## 7.4 Decentralization and institutional complementarity

Decentralization efforts have led to a complete change of the institutional landscape at the local and regional level. Compared to the situation before 1996, municipalities now have become the dominant player and are an inevitable partner for any development effort at the local level.

Most NGOs in the region have certainly come to acknowledge these changes and adjusted their way of working, often focusing more on synchronizing their efforts with the municipal agenda or on capacity building at the municipal level itself. For some municipalities NGOs played an important role in the formulation of municipal development plans, for others they created a relation of almost permanent external dependency. In addition, the recurrent request from NGOs and multilateral organizations as UNICEF for counterpart funding from the municipality may help to guarantee the sustainability of their efforts, but may also distort the participatory character of the municipal planning process.

The central government still faces a lot of difficulties in aligning or fine-tuning sector policies with municipal mandates and local realities. This is particularly evident in relation to the education reform program started in 1994, almost in parallel with the *law on popular participation*. The implementation of this educational reform program has shown great difficulties in tailoring national reforms to diverging local realities, in particular in the field of curriculum reform and bilingual education (see also Yapu, 2011). Other national government programs (such as *Evo Cumple*) have been sometimes supporting the municipal agenda, but quite often bypassing bottom-up municipal planning efforts. Current government policies tend towards centralization again, as any change in municipal POAs needs parliamentary approval.

Nonetheless, the combination of efforts, also in education, may have helped to strengthen school participation and higher levels of access among both boys and girls. At the community level this is particularly visible through the combination of school transport, breakfast (and sometimes lunch), the conditional cash transfers or so-called *bonos* (to help cover the costs of books, pencils etc.), and the establishment of boarding centers etc..

The policy changes following after the national political and constitutional changes (including the *autonomia*-agenda) will have far reaching implications for the way funding is channeled and allocative decisions are taken. These changes are already felt both at the level of regional governments and in some cases at the municipal level, for instance in the case of Mojocoya. The possible recognition as *Municipio Indígena* may change previously conditioned access to central government funding, but also have operational consequences (shifts in responsibility for building of schools, payment of teachers etc.) and implications for the work of NGOs or other service providers. In a long-term these changes influence the space for both national and regional sector policies, but also for the way in which communities may relate to external institutions.

## 7.5 Development policies and perspectives

The main strength of the Bolivian decentralization effort is that funding commitments are almost 100% government related, and that municipal mandates and community participation are strongly enshrined in the constitution. Donors have been involved in the process since the initial phases of the LPP and LDA, both in supporting national policies as well as in capacity development at the municipal level. The coordination of those efforts and the synchronization with national policies has probably been the most important challenge.

A second challenge has been in dealing with municipal capacity. Efforts to train and assist municipalities have been manifold, but results have been mixed. In the case of Northern Chuquisaca, municipalities have been dealing with dozens of efforts and several major programs over the last couple of years. This leads evidently to problems of consistency and coordination and result in overlapping efforts, and could therefore sometimes also work as a drain on actual municipal capacity.

Elections and changes of staff have been one of the main reasons for fluctuations in municipal capacities, especially as new incoming majors and members from the municipal council seldom had any previous administrative experience, and capacity-building efforts could start again. Streamlining and simplification of procedures has not yet been an effective answer, particularly due to the constantly changing legislation, the overall complexity of doing business as a municipality, with the need to submit budgets and budget-revisions to the national level under constantly changing deadlines. The increasing political scrutiny leads municipalities often to prefer to do nothing than run the risk of being accused of mismanagement.

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The efforts to raise joined capacities of municipalities in getting together in the form of so-called *mancomunidades* have shown some positive experiences, but municipalities appear to see those mainly as a lobbying vehicle and political pressure mechanism, rather than as an effective coordination mechanism for joint project implementation. The experiences in the region with joint watershed management efforts have been disappointing. The Netherlands support through GESPRO, directed at raising expenditure levels by assisting in the elaboration of feasibility studies, has had clear results in the initial years, when municipal capacity faced difficulties in keeping up with a quickly rising resource base.

From a (sometimes distant) donor perspective it is difficult to understand the local and long-term dynamics of communities. Although it may be taken for granted that interventions should take into account local demand, in practice development agencies can do little more than opt for one or another aid modality, and to try to enhance the quality of aid instruments overall. Generally the donor will not be directly involved in implementation, as those efforts are left to the relevant government counterpart institutions or to local NGOs. Understanding those dynamics may nevertheless be helpful in focusing the dialogue and to work towards a more consistent approach.

This paper shows the connectedness of rural development efforts with the decentralization process in Bolivia. Although both on paper and in practice the Bolivian experience stands out in terms of allocations to the local level and community participation in the process, it also remains clear that much needs to be done to get to a more effective and balanced rural development process. One of the most difficult challenges, as formulated by Singer (2006), is to grasp the “political dynamics that will induce local politicians to pursue policies that are good for the poor”. Taking into account the diversity in community dynamics is certainly another one.



# Annexes

## Annex 1 About IOB

### Objectives

The remit of the Policy and Operations Evaluation Department (IOB) is to increase insight into the implementation and effects of Dutch foreign policy. IOB meets the need for the independent evaluation of policy and operations in all the policy fields of the Homogenous Budget for International Cooperation (HGIS). IOB also advises on the planning and implementation of evaluations that are the responsibility of policy departments of the Ministry of Foreign Affairs and embassies of the Kingdom of the Netherlands.

Its evaluations enable the Minister of Foreign Affairs and the Minister for Development Cooperation to account to parliament for policy and the allocation of resources. In addition, the evaluations aim to derive lessons for the future. To this end, efforts are made to incorporate the findings of evaluations of the Ministry of Foreign Affairs' policy cycle. Evaluation reports are used to provide targeted feedback, with a view to improving the formulation and implementation of policy. Insight into the outcomes of implemented policies allows policymakers to devise measures that are more effective and focused.

### Organisation and quality assurance

IOB has a staff of experienced evaluators and its own budget. When carrying out evaluations it calls on assistance from external experts with specialised knowledge of the topic under investigation. To monitor the quality of its evaluations IOB sets up a reference group for each evaluation, which includes not only external experts but also interested parties from within the ministry and other stakeholders. In addition, an Advisory Panel of four independent experts provides feedback and advice on the usefulness and use made of evaluations. The panel's reports are made publicly available and also address topics requested by the ministry or selected by the panel.

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### Programming of evaluations

IOB consults with the policy departments to draw up a ministry-wide evaluation programme. This rolling multi-annual programme is adjusted annually and included in the Explanatory Memorandum to the ministry's budget. IOB bears final responsibility for the programming of evaluations in development cooperation and advises on the programming of foreign policy evaluations. The themes for evaluation are arrived at in response to requests from parliament and from the ministry, or are selected because they are issues of societal concern. IOB actively coordinates its evaluation programming with that of other donors and development organisations.

### Approach and methodology

Initially IOB's activities took the form of separate project evaluations for the Minister for Development Cooperation. Since 1985, evaluations have become more comprehensive, covering sectors, themes and countries. Moreover, since then, IOB's reports have been submitted to parliament, thus entering the public domain. The review of foreign policy and a reorganisation of the Ministry of Foreign Affairs in 1996 resulted in IOB's remit being extended to cover the entire foreign policy of the Dutch government. In recent years it has

extended its partnerships with similar departments in other countries, for instance through joint evaluations and evaluative activities undertaken under the auspices of the OECD-DAC Network on Development Evaluation.

IOB has continuously expanded its methodological repertoire. More emphasis is now given to robust impact evaluations implemented through an approach in which both quantitative and qualitative methods are applied. IOB also undertakes policy reviews as a type of evaluation. Finally, it conducts systematic reviews of available evaluative and research material relating to priority policy areas.

## Annex 2 Tables

Table 0.1 Municipal data						
Indicator	Mojocoya	Zudáñez	Poroma	Tarabuco	Yamparáez	Total
Area (km <sup>2</sup> )	1,240	697	1,385	1,024	595	450
Population 1992 (census)	7,890	7,150	13,659	19,607	11,656	9,486
Population 2001 (census)	7,926	7,423	16,101	19,554	10,013	9,497
Population 2005 (estimate)	8,371	7,945	18,141	20,556	9,906	10,044
Population density	6.4	10.6	11.6	19	16.8	21.1
N° of cantons (municipal districts)	3	1	6	2	5	4
Nr. of communities	31	30	78	72	44	49
Nr. of main towns	2	1	1	1	1	1
N° of neighborhood organizations	4	n.d.	1	5	4	4
Life expectancy at birth	60.8	57	46	54.6	61.5	61.6
HDI (2001)	497	472	389	407	481	534
Annual migration	-6.96			-15.14	-19.24	-7.12
Rural population (%)	100			87.5	100	100
NBI %	92.3	86.4	99.3	93.7	93.2	80.3
Extreme poverty (2001)	87.6	82.9	93.6	88.8	86.5	71.2
Infant mortality (per 1000), 2001	77.7	84.1	109.8	103.5	74.3	74.5
Drinking water coverage	28.5	48	19.4	55.8	52.8	74.8

Source: own elaboration based on INE and Yapu (2011)



Table o.2 Community characteristics and access levels to municipal finance					
COMMUNITY	Escana	San Juan	San Juan de Orcas	Quila Quila	Wasa Nucchu
Total municipal expenditures (2000-2008)	1,469,169	918,670	1,298,501	1,510,906	742,225
Per capita expenditures in community	3,729	3,093	2,220	1,523	4,290
Average per cap exp. In MUN.	6,713	6,713	5,140	n.d.	5,549
No of projects fin. by municipality (2000-2008)	32	20	18	12	10
No of projects funded by government / NGOs (1997-2011)	6	9	8	5	5
No of projects until 1997	29	14	14	26	18
No of familias, 1996	130	152	128	215	62
Population trend	33%	-60%	-37%	-21%	57%
Distance Sucre	37	42	65	29	40
Distance town	22	17	70	29	10
Easy access	(++)	(++)	(--)	(+/-)	(++)
Migration intensity	(++)	(++)	(++)	(+/-)	(++)
Double residence*	(++)	(++)	(-)	(++)	(++)
Agricultural potential	(++)	(--)	(--)	(+/-)	(+/-)
Irrigation	(++)	(-)	(--)	(-)	(++)
HDI (1996)	(++)	(--)	(--)	(+/-)	(+/-)
Access to services (1996)	(++)	(+/-)	(+/-)	(+/-)	(+/-)
Settlement concentration (1996)	(++)	(--)	(--)	(+/-)	(++)
Settlement concentration (2011)	(++)	(+/-)	(++)	(+/-)	(++)
Political	(++)	(--)	(++)	(++)	(--)
Incidence in municipality	(++)	(++)	(+)	(+/-)	(-)
Relation / conflictivity	(+)	(-)	(--)	(--)	(+)
Hacienda/Ayllu	ex-hacienda	Ex-hacienda	Ayllu	Ayllu / sindicato	ex-hacienda
School	Nucleo	basic	Nucleo	Basic	basic
Explanatory factors	Dominant community, build up irrigation infrastructure, strong market incidence, high education levels	Elected major for some time	central location, refocus on ayllu, rapid settlement concentration, political power	benefits of LPP only to small sindicato group. Strong conflict with ayllu. Political dimension	Although high per capita investment, only in two sectors, population trend might be overestimate

\* Access to housing both in community and in Sucre or nearby town.

Pampa Lupiara	La Cañada	Talahuanca	Sundur Wasi	La Abra	Tuero Chico	Ovejerías Sierra
750,147	505,668	413,334	491,775	332,721	162,849	49,668
627	1,952	1,325	1,149	1,285	905	993
4,610	5,549	6,713	5,206	5,549	5,549	n.d
24	3	10	2	2	9	2
5	1	7	12	6	9	2
48	17	9	15		15	12.5
212	81	68	114	45	38	100
10%	20%	21%	-47%	-65%	-59%	-98%
85	180	45	115	160	52	50
22	1	11	5	110	25	50
(+/-)	(++)	(--)	(++)	(+/-)	(++)	(--)
(--)	(+/-)	(++)	(++)	(++)	(++)	(+/-)
(--)	(++)	(++)	(++)	(+)	(++)	(++)
(++)	(++)	(--)	(+/-)	(++)	(+/-)	(+/-)
(--)	(++)	(-)	(-)	(++)	(++)	(--)
(+/-)	(+)	(--)		(+)	(+/-)	(--)
(++)	(++)	(+/-)	(+/-)	(+)	(+)	(--)
(--)	(+/-)	(--)	(--)	(+/-)	(++)	(--)
(+/-)	(+)	(--)	(+/-)	(++)	(++)	(--)
(++)	(++)	(--)	(+/-)	(--)	(--)	(--)
(++)	(+)	(-)	(--)	(+/-)	(-)	(--)
(-)	(+)	(-)	(-)	(-)	(++)	(--)
ex-hacienda	ex-hacienda	Ex-hacienda	ex-hacienda	ex-hacienda	ex-hacienda	Ex-hacienda
Nucleo	Nucleo in town	basic	basic	basic	basic	NO
Lowest per capita allocation, but historically already high investment level. Culturally distinct, some political influence	Limited investment in community, but access to services in neighboring municipal town. Strong irrigation investment with add. Resources	Marginal position, and limited potential.	Stronger role of NGOs, only municipal investments in last two years.	Overall already high levels of public investment, and good productive infrastructure. But population decline, marginal location and dominated by former patron.	Overall already high levels of public investment and reasonable prod. Infrastructure. Limitations due to population decline and contamination.	Completely abandoned, due to drought and downward migration of families to valley with better access to services.

Table 0.3 Main interventions per community over the last 15 years		
Communities	Projects and interventions	Financing
Quila Quila	Provision of school materials, improvement of health centre, improvement of drinking water system, construction of a wall around the cemetery, multifunctional room.	Municipality
	Electrification of the core settlement	Regional government
Tuero Chico	School building, multifunctional room, health centre, dams in River, electricity	Municipality
	Latrines, and housing improvement	Central Government
Wasa Nucchu	Construction drinking water system, construction of a bridge for pedestrians	Municipality
	Construction and improvement of the irrigation system	Central Government
Escana	Building of a dam, bridges, and playground for children	United Nations
	School building, multifunctional, and electricity provision	Plan Internacional
	Improvement drinking water system	Municipality
	Extension of irrigation system (tubes)	Regional Government
San Juan	Maintenance school building and paving of the centre square. Implementation of workshop for weaving practices. Health centre construction, sports field, improved seed supply potato, building artificial lakes, drinking water system, solar photovoltaic system, road maintenance	Municipality
	Electricity provision	Regional government
	Waterhole perforation	Central Government
Talahuanca	Refurbishment of school, sports field, housing improvement, road maintenance, artificial lakes, publication of training material for productive themes, solar panels for school	Municipality
	Improved seed supplier for grains, metallic silos provision, grain mill	Regional government
Pampa Lupiara	Electricity connection and extension, school building, health centre refurbishment, water tank, health centre, a supply of improved seeds	Municipality, Plan Internacional
	Mobile telephone connection (antenna)	ENTEL
La Abra	School building.	FPS, Municipality.
	Extension and improvement health centre, housing improvement	Plan Inter. Municipality
	Construction of small irrigation system	PRONAR
	Rural electricity provision	Municipality, Regional government

Communities	Projects and interventions	Financing
La Cañada	Construction of a dam for irrigation	Municipality, Central Government, PROAGRO
Sundur Wasi	Housing improvement	Plan Internacional. Prohabitat
	Construction of small irrigation system, supply of improved seeds (grain)	Municipality, PROAGRO
	Electricity, grain mill and thresher, metallic silos for grain storage	Regional government
	Construction bathrooms and showers for school	Central Government
San Juan de Orcas	Construction classrooms, the rooms for housing of director, food supply for school and boarding, extension health centre, construction drinking water system, topographic study	Municipality
	Extension secondary school, borders of sidewalk, housing improvement	Central Government, PROSCAN NORSUD
Yurubamba	Construction secondary school, mini hospital, electricity provision, drinking water system	Municipality
	Construction of wall around school building	Central Government
Cochapampa	Hot solar showers for school, water tank for irrigation, health centre, electricity provision	Municipality
	Construction multi-gradeschool, latrines and septic tank.	Central Government

## Annex 3 Literature

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Photo cover: Jan Willem Le Grand  
Layout: Vijfkeerblauw, Rijswijk

ISBN: 978-90-5328-428-5

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Decentralization policies can have substantial impact on the overall effectiveness of broader poverty alleviation policies and efforts. Based on longitudinal data (collected for the period between 1996 and 2011) this study follows a micro level approach to unravel decentralization policies in Bolivia. The study compares different municipalities and goes down to the level of individual communities to get an understanding of the implications for questions of access, equity, participation and accountability.

This study has been executed by Jan Willem le Grand, staff member of the Department of Multilateral Agencies and Human Rights (DMM) at the Netherlands Ministry of Foreign Affairs during his study leave. Field work has been facilitated with a grant from the Policy and Operations Department (IOB) within the framework of a scheduled evaluation on good governance policies.

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