



CDIE

Impact Evaluation

United States Agency for International Development

MODERNIZING BOLIVIA'S LEGISLATURE

USAID is playing a key role in promoting congressional reform, leading to greater effectiveness and accountability in government and broader citizen participation. The Agency also has opened up possibilities for other donors, notably the Inter-American Development Bank.

- After more than 13 years of democracy, the Bolivian Congress is gradually coming into its own by turning the constitutional doctrine of checks and balances into political reality.
- Congress has successfully exercised its constitutional role as the forum for the final selection of presidents; it has demonstrated an increasing capacity to review and evaluate the national budget; and it has helped mobilize the consensus needed to undertake major political and economic reforms.
- To date, the Agency has provided \$2.4 million for legislative strengthening, and \$1.8 more will be invested through mid-1997. Specifically, the Agency has helped
 - ☛ Establish a permanent congressional committee to promote and direct modernization of Bolivia's legislature
 - ☛ Bring about congressional acceptance of an in-house advisory service to assist in carrying out modernization
- The full impact of USAID's efforts won't be seen for another four to five years, but preliminary effects are visible in the role that Congress's recently established budget office has played in detecting errors in the executive's budget and in redirecting funds for social issues.
- The progress is real, but challenges lie ahead. . . .

EXECUTIVE SUMMARY

After more than 13 years of democracy, including three peaceful transfers of power from one democratically elected regime to another, the Bolivian Congress is gradually coming into its own by turning the constitutional doctrine of checks and balances into political reality. It has successfully exercised its constitutional role as forum for the final selection of presidents. It has demonstrated an increasing capacity to review and evaluate the national budget. And it has helped mobilize the consensus needed to undertake major political and economic reforms by reviewing and approving enabling legislation sent by the president to Congress.

USAID/Bolivia has played a significant role in promoting congressional reform. Since 1992, the Agency has provided \$2.4 million for training, technical assistance, institutional development, and operating expenses to establish a nonpartisan, in-house technical advisory service, with plans to provide another \$1.8 million over 1996–97. Within the last two years, the most important aspects of the Agency's assistance have been institutionalized by the Congress. Three stand out:

- The Agency helped establish a permanent congressional committee to promote and direct the modernization of Congress.
- The Agency helped bring about formal congressional approval of the National Congressional Research Center, an in-house advisory service (analogous to the U.S. Congressional Research Service), to assist in carrying out modernization.
- To help strengthen congressional oversight, USAID, through an arm of the State University of New York, supported creation of the Technical Office of the Budget (OTP). Corresponding to the U.S. Congressional Budget Office, the OTP is bringing about greater government accountability and transparency. In 1994, for example, it brought to the attention of the executive an error of 200 million bolivianos (approximately US\$43 million) in the 1995 budget. The error was subsequently corrected by the Ministry of Finance.

To ensure the sustainability of progress achieved, USAID/Bolivia has encouraged and assisted another donor, the Inter-American Development Bank, in developing and funding its own complementary program to help Congress modernize. Recent congressional approval of \$500,000 to fully fund the National Congressional Research Center in 1996 augurs well. Nonetheless, challenges remain.

Among the lessons learned so far: the need for flexibility and willingness to take risks; the advisability in a politically sensitive atmosphere of playing it low-key and neutral and of starting small until there is evidence of interest and commitment; the value of assessing from day one the state of political development of the legislature and charting its progress, of fostering bipartisan commitment early on, and of identifying a primary area for initial attention and then providing needed information and skills; the importance of having a person on the Mission staff well connected to the legislature; and the importance of donor coordination.

CDIE STUDY

In October 1995 a five-person team commissioned by USAID's Center for Development Information and Evaluation assessed the Agency's legislative strengthening efforts in Bolivia. The team was composed of Marcia Bernbaum (CDIE senior policy adviser and team leader), John Anderson (multisector adviser, Asia/Near East Bureau), Cynthia McCaffrey (White House fellow reporting to the deputy administrator), Joel Jutkowitz (senior associate, Development Associates), and Roxana Brown (director of public information for the controller general of Bolivia).

The team explored the following questions:

- What has been the role of the Bolivian Congress in contributing to democratic reform?
- How have USAID and other donors contributed to Congress's efforts to modernize itself?
- What impact has this assistance had?
- What are the lessons learned from this effort that could be applied to other legislative strengthening programs?

To respond to these questions, the CDIE team examined documents and conducted interviews. Those interviewed included both the current and past vice presidents of Bolivia, members and staff of the legislature, staff of USAID/Bolivia, and staff of the legislative-strengthening contractor, the State University of New York's Office of International Programs (SUNY/OIP). The team also conducted interviews with political observers and with representatives of donor agencies and local foundations.

This report represents one of four assessments carried out by CDIE from August through October 1995. In addition to Bolivia, the assess-

ments cover El Salvador, Nepal, and the Philippines. These studies examine the role USAID has played in strengthening legislatures, using a variety of approaches.

In preparing this report, the team had many discussions about the difficulties of observing and measuring impacts. They concluded that it was not a classic impact evaluation for the following reasons:

First, USAID and other donors are still in the process of coming up with valid impact indicators to show what we are accomplishing in legislative strengthening. We are not yet "there."

And second, since Bolivia is a work in progress (three years into a five-year program that is not expected to show its full fruits for another four to five years), it is premature to make any definitive statements on the full impact of USAID's efforts to strengthen that country's legislature.

USAID'S BOLIVIA PROGRAM

USAID/Bolivia, with a \$56 million budget in 1995 and more than 200 staff, is among the largest five programs in the Latin America and Caribbean region in both budget and number of personnel. The program has four strategic objectives: expand economic opportunity and access; reduce degradation of forest, soil, and water resources and protect biological diversity; improve family health throughout the country; and improve the effectiveness and accessibility of key democratic institutions and practices.

The legislative strengthening program, subject of this country study, is part of a democracy portfolio that also addresses electoral reform, administration of justice, and popular participation (or decentralization through municipal government). It was the third to come on stream, following electoral reform and administration of justice.

The Land, the People . . .

The Republic of Bolivia is a landlocked country of eight million people nestled in the west-central portion of South America. It encompasses an area roughly the size of Texas and California combined. To its west lie Chile and Peru; Brazil abuts its northern and eastern flanks; and to the south it borders Paraguay and Argentina.

Bolivia is a land of marked geographical contrasts, from the *altiplano*—bleak tablelands reposing 12,000 to 14,000 feet above sea level—to the lowlands, with their dense rain forests, deep valleys, and broad prairies. It is as well a land of diverse ethnic composition: Quechua (30 percent), Aymará (25 percent), mixed (30 percent), and *blanco*, or European, (15 percent). Ninety-five percent of the population is Roman Catholic, though many are only nominally so.

Dependent on volatile prices for its mineral exports, beset by bouts of hyperinflation, and having endured a long history of semifeudalistic social controls, Bolivia remains one of the poorest countries of Latin America:

- Gross national product per capita: \$774 (1994)
- Literacy rate: 78 percent (1990)
- Infant mortality: 74 per 1,000 live births (1994)
- Life expectancy at birth: 62.8 years (1993)

Agriculture accounts for 21 percent of GDP and employs nearly half of Bolivia's official labor force. But the underground economy (contraband, coca production, and other informal commerce) employed about two thirds of Bolivia's workers as of the late 1980s. Services, such as banking and transportation, employed 34 percent of the work force; and industry (mining, manufacturing, construction) accounted for 20 percent.

But why the decision to support legislative strengthening? The response, in USAID Bolivia's words (1996–97 Action Plan): "Demo-

cratic governance and democratic civil societies are ultimately based on effective, transparent, and accountable public institutions, which are established and consolidated through widespread open debate, compromise, consensus, and participation of grass-roots organizations in government." In Bolivia the executive branch has traditionally overshadowed both the legislative and judicial branches. Without a legislature that is able to provide adequate checks and balances to the executive and able to adequately represent its constituents (especially the large indigenous populations that are still removed from the mainstream of society), Bolivia will not be able to become a society that truly serves the needs of its populace.

RECENT PROGRESS TOWARD DEMOCRACY

Bolivia's political history has been marked by military interventions and de facto governments. The common wisdom was that there were more governments than years of independence all the way through the 1980s. A social revolution in 1952 produced significant changes in land tenure, ownership of natural resources, and participation of the socially disadvantaged in the political process. But it disintegrated in a coup that renewed a cycle of de facto governments lasting into the early 1980s. During this period (1964–82) there were moments during which a democratic process seemed possible, but political intransigence and military intervention held sway.

Yet since 1985 the country has overcome that history and managed to maintain a relatively stable democratic regime. The regime has been marked by the building of a consensus that has resulted in three relatively fair elections and three instances of coalition-building to elect a president and to govern.¹

¹The period 1982–85 was also marked by a democratically chosen regime but one unable to build a viable national economic policy. The consequence was one of the worst periods of runaway inflation—14,700 percent in 1985—to face any country in the world.

This political process has led to alternation in power of distinct combinations of political forces. In each case, an incumbent has peacefully yielded power to a coalition of opposition parties. This political process contradicts Bolivian historical tendencies, and it is still early to assume the direction is irreversible. Nonetheless, the past 13 years provide ample reason to be hopeful about the future of democracy in Bolivia.

To be sure, significant impediments to maintaining the democratic order remain: Strikes, street protests, and other direct actions continue to be used to protect or promote certain interests, as a 1995 teachers strike (and related state of siege) demonstrates. Populist appeals that build on disaffection with government among the urban poor still pose a challenge to efforts to institutionalize the democratic process. Narcotrafficking and the resulting corruption are also disrupting.

In all, though, the trend of the last 13 years is positive. The various sources consulted by the evaluation team indicated they are confident the military no longer plays a significant political role and that, notwithstanding major disruptions owing to narcotrafficking, democracy in Bolivia is there to stay.

CONGRESS'S CONTRIBUTION TO DEMOCRATIC REFORM

Historically, Bolivia's governments have been dominated by the executive, even when elected democratically. The last 13 years, however, have seen a gradual shift in the role of Congress. Once a simple rubber stamp of the executive, Congress is beginning to exercise functions of oversight, legislation, and representation, suggesting it is on the road to assuming its constitutional role in the democratic process.²

... the Politics

Until recently, Bolivia was one of the most politically unstable countries of Latin America. Since 1825, when Simón Bolívar liberated it from Spanish rule, Bolivia has seen more than 60 full-scale revolutions and more than 100 smaller scale uprisings. Historically its governments, even when elected democratically, have been dominated by the executive. The legislature has been a clearly subordinate branch. In this respect, the Congress is much like the majority of legislatures in Latin America.

Bolivia has a multiparty political system composed of three main parties and two less prominent parties. This system can trace a significant part of its roots back to the 1952 revolution that stood for opening participation to Bolivia's disadvantaged classes, particularly the indigenous people. The three main parties are the National Revolutionary Movement (MNR—party of the current president, Gonzalo Sánchez de Lozada and the party most directly associated with the 1952 revolution), the Movement of the Revolutionary Left (MIR—which also traces its origins to the 1952 revolution), and the Nationalist Democratic Party (ADN), lead by General Hugo Banzer.

The other important parties are the Solidarity Civic Union (UCS), founded recently by a Horatio Alger-type beer manufacturer; and the Conscience of the Fatherland Party (CONDEPA), founded by a communications entrepreneur. The existence of this number of parties underlines the need for coalition-building skills.

²The Bolivian political system is a presidential one, with a formal separation of powers between the executive, legislative, and judicial branches. Congress is bicameral, made up of a Senate with 27 members and a Chamber of Deputies with 130 members. Elections take place every four years, coinciding with presidential elections. The next elections are scheduled to take place in 1997.

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Congress played a pivotal role in determining the outcome of the presidential elections of 1985, 1989, and 1993. It has begun to use the budgetary process as a means of review and oversight of government operations. And it is beginning to legislate more actively by analyzing, debating, and amending bills presented by the executive. Still, there is a long way to go for the Congress to reach its full potential.

USAID, as will be seen in this section and the next, has played a significant role in helping Congress begin to establish itself as a player in fostering openness and transparency in government and in serving as a check to the executive.

Selecting the President

Under the Bolivian Constitution, if no candidate wins a majority of the popular vote in the general election, Congress chooses the president from among the top three candidates. The provision adds a parliamentary twist to what is otherwise a presidential system. It has been applied in all elections since 1985. In two of the three elections, Congress did not choose the front-runner but either the second (in 1985) or the third (in 1989).

In each instance the choice represented the development of a coalition and a consensus within Congress. Also important, the result was accepted as legitimate by all concerned. In short, the Congress has both decided and legitimized the election of the president. Most important, it has made it possible for the winning candidate to be able to govern with a sufficient majority in Congress.

Taking Charge of Oversight

In 1989 several new members of Congress realized they had neither the information nor the tools with which to properly legislate. The budget process was the most blatant example of their powerlessness. Annually, the executive would send its budget to Congress for approval. Without access to detailed budgetary

information or technical assistance, Congress had no way to analyze the budget. This exacerbated its subordinate position, and the budget was passed year after year without any significant congressional review.

In the midst of this congressional frustration, the chairmen of the Senate and House finance committees went on a USAID-financed trip to the United States. They visited the U.S. Congress and spent time at the Congressional Research Service and the Congressional Budget Office. They returned from their trip convinced of the importance of establishing a congressional budget office.

In 1992 a congressman first elected in 1989 became chairman of the House Finance Committee. Having also (on his own) visited the United States and seen the role that both Congress and the Maryland legislature play in exercising budget oversight relative to the executive, he acquired funds from the Bolivian Congress to set up, staff, and equip a congressional budget office. It was designated the Technical Office of the Budget (OTP). The congressman also started obtaining fiscal data from the Ministry of Finance.

Little by little, the congressman and his budget office staff (with USAID assistance as described later) began to conduct oversight over the executive budget process. In late 1992, with OTP and USAID assistance, he and his committee were able to critically examine and comment on the 1993 budget. In so doing, they influenced the realignment of the equivalent of millions of dollars.

From its modest beginnings, the OTP soon became a vital source of information to legislators. In addition to providing data and analyses to the finance committees in dealing with the executive branch in budget negotiations, OTP staff have detected and brought to the executive's attention budget mistakes to the tune of millions of dollars. The press regularly cites OTP sources, making it difficult for the minister of finance and the president of the cen-

tral bank to go unchallenged when making representations and assertions concerning budget plans and projections.

Working Toward Representation and Outreach

By contrast, Congress has achieved only limited progress in its ability and willingness to represent constituents and reach out to civil society groups concerned with specific interests and issues. In a country where authority has been strongly centralized, it is not surprising that genuine representation and effective outreach have been weak. Since the early 1990s, however, indications have emerged that key members of Congress are seeking improvements in both areas.

For example, during congressional review of the recent Banking Law prepared by the executive, Bolivian bankers as well as independent experts were consulted for their expert opinions. Some of their ideas were incorporated into modifications in the law. Similarly, a congressionally designated committee sought out environmental experts and interest groups to help draft a pivotal environmental law. In recent years two private groups, the Milenio Foundation and the Foundation for Democratic Training and Research, have started getting Bolivian opinion leaders together with legislators on a regular basis to review and comment on pending legislation from the executive to ensure that their opinions are taken into account when Congress takes up review of the bills.

Congress also took part in constituency-building for legal reform, a process supported by USAID funding. This effort involved bringing together legislators and other stakeholders to discuss and draft legislation establishing an independent public prosecutor's office and make changes in the legal system. This process of constituency-building and self-lobbying was an important element in passing legislation that had been held up for more than two decades by the vicissitudes of the Bolivian political system.

Taking the Initiative

The environmental law referred to earlier was a congressional innovation. It was initiated by Congress and drafted by a committee named by and composed of legislators and other prominent Bolivians seems obvious. Similar to the initiative behind the Technical Office of the Budget, the environmental law proceeded successfully because a certain legislator (the same one behind the OTP) guided it carefully and energetically through the process as chairman of the House Environmental Committee. Although the success of this in-house legislative initiative can be credited in part to the political skill and savvy of this individual and remains the exception rather than the rule, it demonstrates that the process can work. USAID, as will be seen later, supported the initiative.

In the meantime, Congress, with assistance of the USAID project-funded legislative support services center described below, is beginning to take a more active role in reviewing legislation proposed by the executive. That role ranges from checking new legislation for consistency with existing legislation to more actively debating and proposing changes to proposed legislation.

Moving to Improve Internal Operations

Recognizing that if Bolivia's Congress was to be effective as an equal in government debate, it must improve its internal operations, a small group of legislators a few years ago set out to modernize their institution. "Modernize" in this context refers to making Congress more effective in carrying out its functions of oversight, legislation, and representation, particularly through the use of information and analysis. Modernization also refers to revamping congressional procedures to enhance effectiveness and efficiency.

New Committee, Research Center Spur Modernization

On October 25, 1995, in an unprecedented resolution approved by a joint session of Congress, an ad hoc multiparty Bicameral Group for Legislative Modernization became the Committee for Legislative Modernization (CML). Since 1992 and until it was formally recognized by Congress in 1995, the committee was nurtured by USAID under its Democratic Institutions project. The CML is charged under the resolution with management and oversight of all congressional modernization programs funded by the Government of Bolivia or any outside donor. The committee is chaired by Bolivia's vice president, who is also the president of Congress. It regularly meets with and has the support of the president of Bolivia as well.

Under the same resolution, the National Congressional Research Center (CICON), which was established in 1993 with USAID funding, became a formal entity. It is patterned after aspects of the U.S. Congressional Research Service, the Congressional Budget Office, and bill-drafting units of state legislatures. CICON is charged with helping the CML carry out its mandate to modernize Congress. In taking these dual actions, the Bolivian Congress moved formally toward a congressional assistance model involving an in-house technical advisory service that is supposed to take technical stands on legislative issues and provide expert advice to members free of partisan bias.

Both the CML and CICON began with ideas of former Vice President Luis Ossio Sanjinés inspired by USAID-financed trips to the United States and to other Latin American countries. There he saw examples of legislatures that were receiving assistance to carry out their roles effectively. Ossio and USAID worked together to

ensure the effectiveness and integrity of the CML through broad-based representation and involvement of members of the House and Senate who could effectively lead Congress while leaving partisan issues aside.³

Both actions (plus a recent agreement to fully fund CICON's recurrent expenses in 1996) are a positive signal that the Bolivian government (both the executive and legislative branches) is serious about institutionalizing within Congress a capability to modernize itself.

Reforming the Rules of Order

A major hindrance to operations of the Bolivian Congress is its rules of order. The CML is addressing that obstruction. Under the rules, the bulk of debate and analysis of pending legislation takes place on the floor of each chamber, rather than in committee. These rules slow down legislation. They also impose a transient political character on the legislative process. Within each panel, for example, the committee president (who holds office for a single year) selects the staff for the period of his tenure and establishes the committee's agenda. The quality of committee work, therefore, depends on the relative skill of the person in charge and not the product of the relationship between an experienced chairman and a skilled professional staff.

A leading member of the CML developed and presented, in a forum separate from the committee, a revised version of the rules of order. It was rejected in the latest legislative session. Nonetheless, it likely will be passed in the next session, with the proviso it affect the Congress to be elected in 1997. Impetus to change the rules is bolstered by the conditions for future support of the modernization process set by the Inter-American Development Bank.

³The Legislative Modernization Committee is headed by the vice president of the Republic in his capacity as president of Congress. It is composed of eight key political party representatives from the upper and lower houses, among them the vice presidents of both chambers.

Remaining Challenges

Despite the progress to date, challenges remain with CICON and the CML. Perhaps the major challenge is that Congress as a whole has only recently begun to become aware of the services available through CICON (other than those provided by OTP). It remains to be seen how much use Congress, through its committee chairmen and its individual members, will make of the center's services.

In addition, several proposals on the table to modernize Congress—especially the proposal to reform the rules of order—are threatening to those in Congress who would like to maintain the status quo. This has delayed implementation of a number of proposed reforms and may ultimately work against congressional modernization. A recently negotiated agreement with the Inter-American Development Bank augurs well. It provides that before receiving the second tranche of a loan that is about to be approved, the rules of order must be passed.

The third challenge is the limitation in the capability of the Bolivian Congress to absorb external assistance. Progress in meeting targets under the Democratic Institutions project has been positive but slow. With increased outside assistance now coming also from the Inter-American Development Bank, this is a factor to be taken into consideration and monitored closely.

As for the CML, it is currently composed of highly influential legislators from across the political spectrum, all of them committed to changing the way the Congress does business. Members of the committee have welcomed USAID and other donor assistance. There is no guarantee, however, that after the 1997 elections the group of legislators that end up forming the committee will be equally influential within Congress, representative of the political spectrum, or committed to legislative modernization.

Changing the Way Congress Does Business

Congress remains deadlocked over reform of procedural rules, but the executive recently introduced, and Congress enacted, legislation that may significantly affect the way the legislature operates. The most dramatic changes stem from two recent reforms initiated by President Sánchez de Lozada. They are a constitutional amendment to establish single-member districts for half the members of the lower house and the bottom-up demands on Congress generated by the Popular Participation Law.

Constitutional Amendment

Currently all legislators are elected by national balloting based on party lists. One of many 1994 constitutional amendments makes 50 percent of the legislators' seats in the lower house elected from single-member representative districts. The amendment will go into effect in 1997, the year of the next national congressional and presidential election.

With half the members of the lower house elected from single-member districts, the dynamics of Congress are likely to change dramatically. Traditionally powerful party leaders are likely to be challenged by a new class of legislators who have a popular mandate from a local constituency. Those congressmen will be less beholden to party leaders than in the past. Congressmen elected by their constituents will be more likely to respond to constituent needs rather than wait for executive initiatives. Change will be gradual, but it should be significant.

Popular Participation Law

The 1994 Popular Participation Law leads Bolivia toward less centralized government by establishing, where there were once more than a thousand paper municipalities, 308 potentially viable municipalities with a significant

source of financial resources. Each receives a proportional amount (by population) of 20 percent of the national government budget. The funds are to be used at the discretion of each municipality for public works and maintenance of schools, clinics, and hospitals.

Another important component of the law provides a role for community organizations in formulating municipal action plans and setting up vigilance committees to ensure implementation of those plans. This law provides reasonable cause for hope that rural populations can be meaningfully brought into the decision-making process. The jury is still out, but after just one year since its passage, indications are emerging that the Popular Participation Law is beginning to yield tangible results. In communities that at one time had neither adequate funds nor the attention of central government, rehabilitated schools and new roads are appearing.

Although the ultimate impact of the Popular Participation Law on Congress is still unclear, USAID is providing support for improving the accessibility and accountability of legislators before grass-roots constituencies in the new municipal districts. (The support falls under the Agency's new Democratic Development and Citizen Participation project.) Equally important is the Agency's assistance to the Senate's newly established Committee on Decentralization, Local Government, and Popular Participation. USAID is helping the committee set up appropriate procedures to handle complaints of the new vigilance committees.

IMPACT OF USAID AND OTHER DONORS

Sustainable change is possible only with the support and commitment of legislators and politicians. Without a sense of ownership and participation in the process, legislators will not maintain the efforts they initiated. Seizing the moment has been strategic. To do so requires keen understanding of the Bolivian culture and persistent negotiation with Bolivian politicians.

USAID Assistance

USAID's assistance for legislative reform in Bolivia has been primarily through its recently terminated Democratic Institutions project and through the follow-on Democratic Development and Citizen Participation project. Other Mission efforts have resulted in additional support for Congress.

Within the Democratic Institutions Project

In 1992, as part of a larger initiative to support democracy and governance in Bolivia (the project also included support for judicial and electoral reform), USAID/Bolivia undertook to strengthen Bolivia's legislature by activating a dormant component of the Democratic Institutions project. This component concentrated on building support for legislative modernization among key actors in Congress.

Remaining neutral about alternative legislative outcomes being debated in the Congress, USAID made available to the vice president and his emerging advisory group of key legislators a variety of tools to put Congress's own house in order. The tools consisted of training, well-timed technical assistance, and observation tours to the United States and elsewhere, all provided by SUNY's Office of International Programs. They contributed to strengthening congressional oversight and are beginning to affect legislation and representation functions.

USAID support to date under the Democratic Institutions project has been modest. It consists of \$1.2 million in U.S. dollar grant funds (which have financed training, technical assistance, and observation tours through SUNY/OIP) and a little more than \$1.2 million in local currency counterpart funds (of which approximately \$450,000 has financed computer purchases and the remaining \$750,000 recurrent operating expenses of CICON since early 1993).

USAID/Bolivia's decision to provide local currency counterpart funds to finance recurrent operating expenses of CICON was a calculated

risk. To achieve credibility, and thus ultimate support within Congress, a functional CICON needed to be both in place and producing visible products. The only way to do this was to get CICON up and running, with USAID assuming close to full costs for its operation.

As it turns out, this was a risk worth taking. After providing \$60,000 for recurrent expenditures in 1995, with a promise to increase this amount to \$90,000 in 1996 (of a total \$500,00 needed to finance recurrent expenditures for CICON), the government has just committed itself in a memorandum of understanding with the Inter-American Development Bank to fully fund CICON's recurrent cost expenditures beginning in 1996.

An additional \$1.8 million in U.S. dollar grant funds under the Democratic Development and Citizen Participation project will be used to provide technical assistance to CICON through mid-1997. This follow-on effort will concentrate primarily on helping Congress respond to new demands for accessibility and accountability generated from the grass roots by implementation of the Popular Participation Law.

Since 1992, USAID through SUNY/OIP has been providing the OTP with the assistance it needs to produce regular bulletins on current economic and budgetary issues. With this information, legislators have had up-to-date information synthesized in graspable and applicable terms.

The results, after three years of formal project assistance (and small amounts of preproject funding):

- CICON (under the guidance of the CML) is an established, financially viable, officially recognized entity charged with providing legislators with support services that help them perform their legislative, oversight, and representation functions in more efficient, accessible, and accountable ways. The center provides to members of Congress fiscal and budget analyses and projections,

assistance in developing and revising laws, and assistance in research. It is just beginning to assist in constituent outreach.

- Congress and the executive officially recognize the CML. The committee is empowered to provide oversight to all modernization efforts in Congress including CICON. This is probably the most important outcome of the project, as the formal existence of such a committee provides the potential support needed for other changes as well as for sustainability of CICON.

In process, but well on the road, are other targets:

- CICON is beginning to deliver specialized services emphasizing constituent outreach to members on a nonpartisan basis.
- CICON has just been empowered to manage modernization resources.
- The CML is beginning to provide multi-party political support for and oversight of CICON
- The CML has just successfully negotiated resources with the Inter-American Development Bank and is beginning to carry out its modernization strategy

It is too early to assess the full impact of USAID's assistance, as it is only somewhat less than three years since assistance for Congress formally began. The Agency's impact and the final institutionalization of the CML and CICON are not likely to become apparent for another three or four years.

Specific effects on government accountability and transparency, however, can already be seen as a result of targeted technical assistance provided under the contract with SUNY/OIP for budget oversight:

A Timely Assist Budget Oversight

Support provided to revamping congressional budget oversight exemplifies the sort of assistance USAID's legislative-strengthening efforts have provided.

When the chairman of the House Finance Committee launched his review of the 1992 national budget, he lacked the technical support needed to do a thorough analysis in a timely manner. In this instance, USAID was in the right place at the right time with the right assistance.

USAID had just assessed the legislature's needs under a contract with SUNY/OIP and identified strengthening the still nascent OTP, counterpart of the U.S. Congressional Budget Office, as a priority. When the Finance Committee chairman turned to USAID for help, SUNY/OIP was prepared to provide needed technical assistance both from its own in-house resources and through its relationship with the National Conference of State Legislatures. Through SUNY/OIP, the committee got the ammunition it needed to go back to the Ministry of Finance to identify items in the proposed budget that were overestimated. The OTP got the start it needed to jump in as information-advisory arm to the committee and to members at large.

- When USAID responded to the request of the chairman of the House Finance Committee for assistance in analyzing the 1992 government budget, excess spending of about 40 million bolivianos (US\$8.5 million, or 0.6 percent of the budget) was detected. The amount was reprogrammed to line items such as health and education.
- In addition, the OTP has detected and brought to the attention of the executive budget mistakes of the Ministry of Finance to the tune of millions of dollars. In late

1994, for instance, the OTP director found an error of 200 million bolivianos (US\$43 million) in the 1995 budget. The error was subsequently corrected by the Ministry of Finance.

Outside the Democratic Institutions Project

USAID/Bolivia, through mechanisms outside the Democratic Institutions project, also supported two successful congressional initiatives in environment and judicial reform. In 1991, at the request of the chairman of the House Environmental Committee, USAID made available approximately \$120,000 in PL 480 local currency to support a congressional initiative to draft a comprehensive environmental law. Local currency funds were used to hire local consultants to work alongside members of the House to develop the draft legislation.

These funds were also used to take the draft legislation on the road to be vetted throughout the country with key civic and environmental groups. The result: one of the most comprehensive pieces of environmental legislation passed in Bolivia. It provides for the first time a framework for all actions related to protection and use of environmental resources and opens the way to improved environmental management.

In the process of legal reform described earlier, USAID provided local currency funds to cover the expenses of the local adviser to the UN Latin American Institute for the Prevention and Treatment of Offenders. The adviser took the lead in drafting the legislation. A USAID foreign service national employee who had served as a member of the lower house also played a key behind-the-scenes role in nurturing this legislation. The result: passage of a law establishing an independent public prosecutor's office and, through the National Council for Judicial Reform, a mechanism for ensuring consensus to approve basic judicial legislation that had been held up for more than two decades.

German Assistance

Two German foundations support private domestic foundations in providing services to Bolivian legislators. Each local foundation has a political party base but seeks to provide information, analysis, and draft legislation that develops a congressional consensus across party lines. The Milenio Foundation, with support from the (Christian Democratic) Konrad Adenauer Foundation, has funded a series of workshops to bring together legislators, intellectuals, and government figures to generate a consensus on the decentralization and popular participation laws. The Foundation for Democratic Training and Research, with support from the (Free Democratic) Hans Seidl Foundation, has also sponsored seminars for legislators of all parties. At the seminars, legislators review and comment on draft legislation, including such legislation as the rules of order and reforms to the electoral law. The Konrad Adenauer Foundation has just established a small (\$200,000 a year) grant to support modernization of the Bolivian Congress and to strengthen the role of Congress with respect to the executive.

The evaluation team was unable to assess the impact of German assistance other than to note that the seminars appear to have been well received. In the case of the Milenio Foundation, the seminars on popular participation resulted in recommendations that were instrumental in crafting the final wording of the Popular Participation Law.

IDB Assistance

The board of directors of the Inter-American Development Bank was scheduled in late November 1995 to approve its first comprehensive governance project ever, a \$14 million loan to the Government of Bolivia for a three-pronged effort that includes \$2.8 million to support modernization of the legislature. Approval has been delayed however, owing to the need for last-minute negotiations between the Boliv-

ian government and the IDB. It appears, as of the date of this report, that these negotiations have satisfactorily been carried out and that the loan will soon be approved.

Once approved, the funding will pay one year of salaries for 12 staffers to serve on 12 committees in both houses, with the commitment that these positions be permanently constituted by the government at the end of the year. Another portion will be used for technical assistance for the legislature. The remainder will be used to strengthen the congressional library and make improvements to Congress's current facilities. The loan will also provide \$4.8 million to support elections and \$2.9 million for popular participation. This signals the beginning of an IDB mandate to engage in projects promoting the fostering of democracy in the region.

USAID/Bolivia collaborated with designers of the legislative-strengthening component to ensure continuity with Agency-funded activities that will be ending in 1997. IDB personnel in La Paz and Washington have pointed out that this component of the IDB loan would not have been so far along in development had USAID not laid the base by establishing CICON and nurturing development of the CML.

How successful the IDB will be in implementing this program remains to be seen. This is the IDB's first comprehensive governance program, and the IDB does not yet have the personnel in Washington or La Paz to provide the oversight required for this and other project activities. In a recent in-house review of the governance project, the IDB concluded that project activities will require intense on-the-ground monitoring and is thus making arrangements to transfer responsibility for oversight of project implementation to La Paz. The IDB has worked closely with USAID/Bolivia in the design of its program. Frequent contact with USAID/Bolivia in its implementation will enable the IDB to take advantage of the Agency's experience in this area.

LESSONS LEARNED

USAID support for legislative strengthening in Bolivia is a work in progress. The complexity of relations among elements within Congress and the daily saga regarding overarching issues such as narcotrafficking make the Bolivia case both, on the one hand, particularly interesting and, on the other, volatile and unpredictable. Lessons are being learned virtually every day as Agency support for legislative strengthening unfolds.

The evaluation team identified the following lessons learned during its two-week stay in Bolivia and from follow-up exchanges with USAID/Bolivia staff from November 1995 through February 1996. These and other evolving lessons will be incorporated into a summary document on legislative strengthening that will reflect the synthesis lessons learned from all the country cases.

1. Regularly assess progress and risks, and modify strategies or activities to accommodate the ever-changing political climate.

Legislative strengthening is one of the most high-risk ventures USAID can enter into, because it entails dealing with a complex political situation often completely outside the Agency's control. Experience in Bolivia has borne out that the vicissitudes of day-to-day congressional politics have slowed implementation beyond the desired rate. Moreover, that Bolivia's Congress has officially recognized both the CML and CICON does not signify that either entity is fully institutionalized. Indeed, a change in government (the 1997 elections) could easily set back much of the progress made under the project. If these kinds of risk are unacceptable to a USAID Mission, the Mission should either go for another model (e.g., an external foundation, or support from the outside) or not carry out an activity in legislative strengthening at all.

2. For an external donor operating in a sensitive political atmosphere, it pays to play it low-key and neutral.

From the start, USAID/Bolivia opted to remain low-key and neutral under the Democratic Institutions project, concentrating on legislative strengthening and staying away from promoting specific legislation. USAID/Bolivia used other projects for this purpose. Given the context (the major role of the U.S. government in fighting narcotrafficking, and other political sensitivities) this appears to have been the correct approach.

In addition, at the suggestion of the former vice president (who presided over the start of modernization and who knew the nature of opposition to bringing in a U.S. technical assistance contractor) USAID brought in SUNY/OIP—an academic entity seen as neutral. This helped diffuse fears that assistance in legislative strengthening from the United States would incorporate a hidden U.S. government agenda.

3. Have at least one person on the USAID staff who is “plugged in,” who knows key actors in the legislature, and who is able to operate within a highly charged political environment.

Critical has been the presence of a highly qualified foreign service national officer. This person, a former congressman, had excellent contacts as well as the trust and respect of key people in the legislature and the executive. He has been able to regularly test the political climate and operate effectively within this climate. He steps back when he deems it prudent; he advances new initiatives when he considers the time ripe.

4. It is important to assess from day one the state of political development of the legislature one is supporting and to keep an accurate chart of its progress.

This is related to the third lesson listed above. Important to the success of the Bolivia venture was the ability of the USAID Mission and SUNY/OIP to keep an accurate chart of the legislature's progress. By knowing where the legislature was, the Mission and SUNY/OIP could develop realistic expectations of what

could be accomplished with assistance under the Democratic Institutions project at any given moment and deciding what targets were worth pushing for and which were not.

5. It's best to stay small until there is evidence of sufficient interest within the legislature to ensure a commitment to change.

USAID began informal support for legislative strengthening in Bolivia well before initiating a formal bilateral program. Small amounts of money were set aside to send key legislators to the United States and elsewhere to study legislatures in other political and cultural contexts. SUNY's Office of International Programs was brought in to assess priorities in legislative strengthening.

6. Donors should foster multipartisan political commitment early on.

Given the degree to which legislatures are likely to guard their prerogatives, it was essential to be able to count on the commitment of significant actors within Congress, specifically members of the CML and chairmen of a few key congressional committees. Part of that commitment existed when USAID entered the scene, and part was fostered through USAID-financed observational visits. Had that commitment not existed or been fostered earlier, there would have been neither ownership of the project nor sustainability of modernization.

7. Identify a primary area for initial attention and then provide needed information and skills on a timely basis.

No area was more important for Congress to exercise its oversight role than budget review. By providing necessary resources (information, technical assistance, training) on a timely basis to the OTP, USAID helped the Congress establish its "right" to promote government accountability and transparency through oversight of the budget.

8. If providing support up front for operating costs, weigh the associated risks for sustainability.

USAID/Bolivia took a calculated risk when it decided to provide close-to-full financing for CICON'S operating costs for the period 1993 through 1995. As of October 1995 (two months before the Democratic Institutions project was due to terminate) Congress had indicated it was not yet willing to fund CICON's full operating expenses. Instead, it counted on having the Inter-American Development Bank pick up most of these expenses when its new project came on stream in January 1996. When the IDB project ran into delays that jeopardized continuation of staff salaries for CICON in 1996, the government opted to assume responsibility for CICON's full operating expenses starting in 1996. That was a major coup for the Democratic Institutions project and for USAID/Bolivia staff who were willing to take this risk.

9. Ensure that the initiatives proposed are fully endorsed by high-level officials.

Investment in legislative strengthening made sense and was an effective strategy for promoting democracy, because there was from the start support from both the vice president and the president. Absent this support, it would have been difficult, if not impossible, to get the activity off the ground. The converse is, when one loses such support, efforts of this type can be seriously jeopardized.

10. It's useful to take steps to ensure that assistance is provided to legislatures through both inside and outside channels.

USAID has concentrated internally on Congress by providing support directly to the CML and CICON. Other donors, primarily the Germans, have targeted assistance to private foundations that increasingly serve as forums for members of congress and other notables to de-

bate legislation. Under the Democratic Development and Citizen Participation project, USAID/Bolivia will be bolstering the capability of nongovernmental organizations to strengthen municipalities. Municipalities will, in turn, put increased pressure on Congress to be more responsive to the public. The support being provided by German foundations to Bolivian think tanks nicely complements USAID assistance.

11. Donor coordination is critical.

The Bolivia experience shows how important it is to coordinate donor inputs. USAID/Bolivia

was, at the beginning, virtually the only donor providing assistance. Over time other donors (especially the Germans) have become more significant players. The IDB has come in with a large governance loan that includes a legislative-strengthening component. Now that USAID is no longer the only major donor, close coordination among all donors becomes essential, given different legislative traditions and different priorities supported by donors. It is necessary to ensure that the IDB and other donors can build on the understanding USAID has developed and the gains it has achieved.

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