

**NATIONAL GOVERNANCE PROGRAM  
(PRONAGOB)**

**(BO-0112)**

**EXECUTIVE SUMMARY**

**BORROWER:** Republic of Bolivia

**EXECUTING AGENCY:** Comité Nacional de Gobernabilidad (National Governance Committee) through Congress, Corte Nacional Electoral (National Electoral Office), and Secretaría Nacional de Participación Popular (National Civic Participation Department)

**AMOUNT AND SOURCE:** IDB: US\$12,000,000 (FSO)  
Local counterpart funding: US\$ 2,800,000  
Total: US\$14,800,000

**FINANCIAL TERMS AND CONDITIONS:** Amortization period: 40 years  
Grace period: 10 years  
Disbursement period: 4 years  
Interest rate: 1% during the grace period, 2% thereafter  
Inspection and supervision: 1%  
Credit fee: 0,5%

**BACKGROUND:** In the wake of its economic stabilization measures, Bolivia has been steadily introducing reforms into its legal and institutional framework with a view to improving governance.

**OBJECTIVES:** The general objective of the program is to establish an institutional, regulatory, and political climate that is conducive to the country's economic and social development, by strengthening its democratic institutions in the areas of the legislature, the electoral system, and decentralization.

The specific objectives are: (i) to support modernization of the legislature to improve its ability to take initiatives and its supervisory capacity; (ii) to consolidate the institutions and legitimacy of the political system by strengthening the National Electoral Office; and (iii) to support the process of decentralization by strengthening the departmental administrations and the National Civic Participation Department.

**DESCRIPTION:**

The objectives will be attained by: (i) amending the rules for congressional debate, strengthening the legislative committees, and providing Congress with its own sources of information and analysis, in addition to strengthening its administrative apparatus; (ii) expanding the coverage and reliability of the civil registry system and supporting the reform of the electoral system (subprogram to strengthen the political system); and (iii) technical assistance and training for the departmental administrations and the National Civic Participation Department in key areas of a decentralized public administration (subprogram to support decentralization).

**ENVIRONMENTAL  
CLASSIFICATION:**

The Environment Committee, at its meeting of March 25, 1995, classified this as a Category II operation and recommended that an environmental analysis be conducted. The outcome of that analysis suggests that the program will make it possible to enforce environmental legislation more effectively, to the benefit of natural resources and the country's environmental situation.

**BENEFITS:**

The main benefits expected from the operation are the promotion of political and judicial stability which are necessary for investment and economic growth.

On the legislative front, the program will introduce a new work dynamic that will benefit parliamentary activity by providing better technical support for initiatives and improving the capacity for dialogue, compromise, and negotiation among the different branches of government and the legislators themselves.

Strengthening the Civil Register will make it possible to screen and complete the voters list, which will enhance the legitimacy of elected officials. A large number of citizens - particularly poor rural groups with significant percentages of women - will be provided with identity documents that will enable them to effectively join in civic life by conferring the legal capacity to enter into contracts, and engage in legal and civil acts of all kinds. The electoral civic education campaign will encourage more people to exercise their rights as citizens, and studies in democracy will be included as a permanent part of the education programs of schools, the armed forces, and the police.

The delegation of administrative responsibilities to departmental authorities will significantly improve performance and linkage between the different levels

of government, and make for better accounting and control by civil society, through the oversight exercised by the departmental councils.

The main benefits of applying the program's gender strategy will translate into: (i) supplementing at the departmental level, the government's efforts to implement its equal opportunity policy; (ii) reducing discrimination against women, particularly with regard to their civic rights and political representation; and (iii) greater social acceptance of equitable participation by men and women.

The program will benefit low income groups, chiefly through two mechanisms. The first is linked to the transfer of funds and the delegation of decision-making and oversight authority resulting from decentralization. The second stems from the registration of undocumented people and their inclusion in the country's formal political and economic life. These bypassed groups are mainly found in rural areas and in pockets of extreme poverty.

**RISKS:**

Continuing political and institutional stability is pivotal to the success of the program. The laws passed in the last three years since the constitutional reform demonstrate that the authorities and the Bolivian people are clearly pledged to democracy. During the Bank's analysis, the project team verified the staunch commitment of the different institutional and political agents who participated actively in preparing and designing the program and reaching conclusive agreements with respect to the nature and scope of the activities to be financed with Bank support.

Executing the program will require complex institutional coordination on account of its different components and because different branches of government will participate. However, this is also one of the program's greatest strengths, since its execution strategy minimizes the risks entailed in that complexity, with the added bonus of building up the capacity of the executing agencies to contract and manage their own programs.

**THE BANK'S  
COUNTRY STRATEGY:**

The Bank's country strategy stresses the social areas recommended by the Eighth Replenishment. Specifically, the Bank gives priority support to programs and projects intended to:

1. Promote sustained development through support for structural reforms, increased investment, and higher productivity.
2. Promote State reform and decentralization.
3. Improve social conditions through on-going support for investment strategies and reforms in education, health care, and housing, particularly at the primary service levels, and to the benefit of the very poor.
4. Conserve and restore the environment.

**THE BANK'S  
SECTOR STRATEGY:**

The Eighth Replenishment has recognized that one of the challenges for the region is to change the role of the State and to foster participation by civil society.

The change in the roles of the State and the different social and economic agents as a result of the sweeping structural reforms in Latin America in the last decade makes it necessary to consolidate the state of law in order to guarantee stable rules for effective operation of markets, consumer protection, the regulation of monopolies, and the maintenance and entrenchment of property rights and citizen participation.

The Bank's projects to support State modernization are directly linked to the promotion of governance, contributing thereby to the political and institutional sustainability of the economic reforms launched in the 1980s. The projects are targeted to strengthening institutions, transparency and responsibility in government, decentralization of public administration, and encouragement of participation by civil society in public decisions affecting it and in oversight of government actions.

**SPECIAL  
CONTRACTUAL  
CONDITIONS:**

The following are conditions precedent to disbursement of the loan: (i) establishment of a governance committee with suitable membership and functions (paragraph 3.16) and of a program liaison office (paragraph 3.17); and (ii) contracting a specialized company or agency to assist the program executing agencies with the procurement of goods and services (paragraph 3.19).

As a condition precedent to disbursement of the funding, the necessary agreements will be entered into with the Congress and the National Electoral Office for execution of the subprograms

(paragraph 3.1) and an executing unit will be set up for each subprogram as described in the loan proposal (paragraphs 3.13 and 3.18).

The loan contract will provide for participation in the program by each departmental administration (paragraph 3.13); approval of the new rules of debate for the House of Representatives (paragraph 3.13); adoption of the regulations governing the use of FSO resources for advisory assistance and technical upgrading for the Congress (paragraph 3.13). The contract will also contain conditions as to the submission of annual operating plans and an operating procedures manual (paragraph 3.24), the monitoring and assessment of the program (paragraph 3.25), recognition of expenses paid out of the financing (paragraph 2.51), the presentation of audited financial statements and the use of Bank procedures for procurement and for hiring of consultants (paragraph 3.30).

**PROCUREMENT:**

The thresholds above which international competitive bidding will be required for procurement under the project are US\$350,000 for goods and US\$200,000 for consulting and other services.

**CLASSIFICATION AS  
A PROJECT THAT  
TARGETS POVERTY  
AND POVERTY  
REDUCTION:**

The program can be classified as one concerned with social reform as defined in paragraph 2.13 of document AB-1704, insofar as it entails investment in the modernization of the State. It is also poverty-targeted in light of the incidence of poverty in Bolivia. Specifically, broadening the coverage of the register of births, deaths and marriages and furthering the process of decentralization by making it possible for the poorest population groups to take part in the country's civic and political life are consistent with the criteria laid down in the Eighth Replenishment document and define this project as a poverty reduction operation.

## I. FRAME OF REFERENCE

### A. Development of governance in Bolivia

- 1.1 The set of political, social, and economic conditions that permit a country to achieve its development goals in a context of social consensus is anchored to a complex web of elements rooted in a clear, reliable, modern, transparent, and effective institutional system. Ever since it took steps to stabilize its economy, Bolivia has been steadily introducing reforms into its institutional framework to improve governance.

#### 1. Economic conditions

- 1.2 Over the last decade, Bolivia has made progress in establishing the basic conditions to accelerate its economic growth. The structural reform program launched in 1985 reestablished macroeconomic stability and stimulated moderate growth in the economy. <sup>1/</sup>
- 1.3 The first generation of reforms instituted between 1985 and 1989 included unification of the exchange rate, removal of restrictions on imports and capital flows, tax incentives for nontraditional exports, liberalization of the labor market, guarantees for foreign investment, release of the government's mineral reserves, opening up of the fossil fuels sector to private enterprise, simplification of the tax system, elimination of official prices, and the freeing of interest rates.
- 1.4 The government has proposed to speed up growth by encouraging private investment in key economic sectors in order to raise the standard of living of the population, particularly low-income groups.

#### 2. Political and institutional framework

- 1.5 After a period of acute political instability that ended in 1982, Bolivia returned to democratic government. Since 1985 it has held three general elections – one regularly every four years – and five municipal elections to elect mayors and councilors for two-year terms. Earlier it had appointed the members of the Supreme Court, the Controller General of the Republic, and the Superintendent of Banks in accordance with constitutional requirements.
- 1.6 In this democratic climate, the government has given priority to strengthening the legal, institutional, and political frameworks for economic and social activities. The constitution has been reformed and new laws have been passed to deepen the changes begun

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<sup>1/</sup> Between 1988 and 1990 the economy grew at an average rate of 2.8%, which rose to 4% in the period from 1991 to 1994.

a decade ago in two fundamental aspects: (i) stimulation of private investment in sectors in which state-owned companies continue to play a dominant role; and (ii) modernization of the political system, reform of the judicial system, decentralization of executive authority, and the formulation of effective public policies.

- 1.7 The current government, which took office in August 1993, laid the legal groundwork for a second generation of reforms which it has begun to implement in the areas of: (a) capitalization of national public companies; (ii) educational reform; (iii) devolution of power to the municipalities and citizen participation; and (iv) decentralization.

B. Strengthening of conditions for governance

- 1.8 Despite the progress made, there is a consensus in the government and Bolivian society on the need to strengthen institutions and the political system in order to improve legitimacy and consolidate political stability. However, academic studies on credibility indicators point out that Bolivia continues to rank low in this aspect in a group of 28 countries that were relatively successful in carrying out structural adjustment policies over the last two decades. 2/

- 1.9 During the analysis of the proposed operation, the government and the Bank examined, in conjunction with other public institutions and representatives of different political persuasions and social sectors, the main variables that influence Bolivia today in the process of institutional change launched with the reform of the constitution. Using this dialogue as a starting point, the government and the Bank have identified the following areas for modernization of the State and strengthening of the electoral system and civil society as priorities for improving democratic governance: (i) the legislative branch; (ii) the electoral system; (iii) decentralization and citizen participation; and (iv) the judicial branch.

1. The legislative branch

- 1.10 The institutional and technical weakness of the Bolivian Congress adversely affects its credibility and representative nature, as well as its capacity to legislate and its ability to assimilate contextual changes that will enable it to respond effectively to the demands of the political system.
- 1.11 In general, interaction between the Congress and the executive branch is weak, as is apparent from the limited ability of Congress

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2/ Brunetti, Aymo and Weder, Beatrice: *Credibility and Growth: A cross-national analysis of political uncertainty*, mimeograph, 1994.

to supervise and control government actions and from the questioning of the legitimacy of the political system owing to the legislature's inability to take initiatives. Polarization and protracted debate is frequent in Congress chiefly on account of the inadequate use of committees and obsolete regulations.

- 1.12 The strengthening of Congress is central to improving governance in Bolivia. The task will involve polishing up its image, stepping up the work of legislative committees and parliamentary task forces, and raising the technical level of debate. In addition, substantive improvements should be made in congressional organization, its administrative regulations, and its staff.

## 2. Electoral system

- 1.13 Between 1991 and 1993, new legislation on the National Electoral Office [Corte Nacional Electoral] (CNE) was introduced to ensure transparency and impartiality in the electoral process. Other reforms to laws relating to the composition of the CNE, the reliability of voter-registration mechanisms, better scrutineering at the polls, and representation of minorities improved the credibility of elections. The changes solved basic problems relating to the operation of the electoral system, which demonstrated its legitimacy in the general elections of 1993, and the municipal elections of 1991 and 1993, thereby affirming its prestige as an institution.
- 1.14 The electoral system used until 1994 restricted the representative nature of the legislature. To surmount this problem, constitutional reforms that will be put in practice during the next election in June 1997 establish that one-half of the seats in the lower house will be elected from single-member constituencies. The CNE will designate 65 electoral districts in which candidates rather than parties will run for office. 3/
- 1.15 One current limitation on the electoral system which adversely affects the representativeness and credibility of the political system is the fact that the voters list is incomplete. Large numbers of citizens who are either without documentation or who do not have official birth certificates are ineligible to vote or take part in other civic acts. The situation is particularly serious in rural areas and among women, who account for very low percentages

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3/ On August 12, 1994, a law was passed amending 35 of the 235 articles of the Constitution. The reforms include direct election of 50% of the candidates in single-member districts and the remaining 50% from national lists. They also lengthen the terms served by the President and Vice-President, Representatives and Senators, municipal councilors and mayors to five years from the current four for national authorities and to two years for local officials. The voting age has been lowered from 21 to 18 years.



of registered voters in some places. A substantial increase in the number of voters will result as more people are included in the Civil Register, which comes under the CNE, and more people obtain identity documents issued by the National Master Register. Amalgamating the two registers and making them compatible with the voters list will lead to an automatic increase in the number of registered voters and make it possible to screen the current lists which include a significant number of fictitious voters (approximately 300,000).

### 3. Decentralization

- 1.16 Over the last fifteen years, decentralization of executive authority has been a recurring topic in political debate in Bolivia, which has traditionally maintained a highly centralized public administration. The democratization of local governments in 1985 set off this process, which became more deeply entrenched with the Civic Participation Act [Ley de Participación Popular] (LPP) in April 1994 and the Administrative Decentralization Act [Ley de Descentralización Administrativa] (LDA) passed on July 28, 1995. These laws decentralize government functions to the municipal and departmental levels and establish mechanisms to link these levels to each other and to the central government. This is discussed in more detail in Annex I-1.
- 1.17 The Civic Participation Act divides the country into 308 municipalities which replace the previous 1,400 scattered urban jurisdictions that left it to the central government to administer rural areas. It extends the powers of municipal governments to the maintenance and expansion of health care, education, recreational, and cultural facilities, and the provision of infrastructure to support agricultural production. The act makes the municipalities the foundations for democracy and institutionalizes social control of local administrations through grassroots territorial organizations (GTOs) and their oversight committees. 4/ This law also attaches particular importance to the promotion of equality of opportunity for men and women at the different levels of civic representation.
- 1.18 The Administrative Decentralization Act significantly expands the powers of the departmental administrations 5/ into the areas of regional planning and the execution of investments in highway construction and maintenance, rural electrification, irrigation

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4/ There are over 20,000 entities of this kind in the form of community organizations, agricultural syndicates, neighborhood associations, and others.

5/ Until now, the departmental administrations only carried out functions relating to public security, support for Treasury administration, and in some cases execution of small highway and tourism projects in the interior.

infrastructure, and support for production, technical and scientific research and extension activities, environmental protection, tourism promotion, social welfare, municipal strengthening and other areas linked to local government, promotion of citizen participation, and channeling the requirements of indigenous, rural, and neighborhood organizations and municipal governments. They are also responsible for human resource administration in the health and education sectors and for the management of institutions in the areas of social welfare, recreation, culture, tourism, agriculture, and roads, that do not come under municipal jurisdiction. The act does away with the decentralized regional entities, including the regional development corporations, transferring their assets and human, physical, and financial resources to the departmental administrations.

- 1.19 Implementation of the laws in question has begun a complex process of administrative change and a heavy transfer of public resources to departmental and municipal entities. The government has designated the National Civic Participation Department [Secretaría Nacional de Participación Popular] (SNPP) to coordinate the actions necessary for decentralization.
- 1.20 The main stumbling block in the decentralization process is the institutional weakness of local governments and departmental administrations. The government has been carrying out municipal strengthening programs with support from the international community. The German Technical Cooperation Agency (GTZ) has helped draw up a plan to expedite the first phase in the transition to the new departmental administrations.

#### 4. Modernization of the judicial system

- 1.21 The crisis in the judicial system, which is the consequence of regulatory and institutional limitations, has produced a broad consensus on the need for its reform. Laws have recently been passed to reorganize the judicial branch. The World Bank will finance a program to assist in this restructuring through support for new organizational rules, improvements in human-resource administration, modernization of the procedures and organization of the civil and commercial courts, and the introduction of alternative dispute-settlement mechanisms. A similar program in the field of criminal justice is being carried out with financing from the United States Agency for International Development (USAID).

C. Experience of the Bank and other institutions

- 1.22 The Bank has been supporting the strengthening of local governments and regional entities since 1990, under a two-stage global program of regional credit for urban development and sanitation (loan of US\$124 million) which includes assistance and credit programs. In 1994, the Bank also granted a loan of US\$80 million for educational reform to be used for equipment, institutional support, training, studies, and other actions to address critical problems in the field of primary education. Under the adjustment program, the Bank lent US\$60 million for reform of the financial system, privatization, and improvement of tax receipts.

Table I.1

Organization	Area of cooperation
IBRD (IDA)	<ul style="list-style-type: none"> <li>- Capitalization</li> <li>- Educational reform</li> <li>- Reform of the judicial branch</li> <li>- Municipal strengthening</li> <li>- Institutional support for the SNPP</li> </ul>
USAID	<ul style="list-style-type: none"> <li>- Support for the legislative branch</li> <li>- Reform of the judicial branch</li> <li>- Implementation of the LFP</li> </ul>
GTZ	<ul style="list-style-type: none"> <li>- Municipal strengthening</li> <li>- Administrative decentralization</li> </ul>
Dutch Cooperation	<ul style="list-style-type: none"> <li>- Strengthening of the GTOs</li> </ul>
DANIDA	<ul style="list-style-type: none"> <li>- Municipal strengthening</li> <li>- Establishment of indigenous districts</li> </ul>
COTESU	<ul style="list-style-type: none"> <li>- Municipal strengthening</li> </ul>

It approved a US\$60 million operation under the Social Investment Fund for investments in health care, education, and sanitation in different municipalities. Recently an operation for US\$82 million was agreed upon to finance emerging activities in the capitalization process and US\$70 million for support for the National Master Register. Under a series of technical-cooperation projects, it has provided support for privatization, a public investment system, tax management, and the demarcation of municipal boundaries.

- 1.23 The international community has participated actively in financing activities linked to the process of governance, as shown in Table I.1.

D. Bank strategy under the Eighth Replenishment

- 1.24 The Eighth General Increase in Bank Resources has recognized that one of the challenges facing the region is to change the role of the State and encourage participation by civil society.
- 1.25 The change in the roles of the State and the different social and economic agents as a result of the sweeping structural reforms in Latin America in the last decade makes it necessary to consolidate the state of law in order to guarantee stable rules for effective operation of the market, consumer protection, the regulation of monopolies, and the maintenance and entrenchment of property rights and citizen participation.

- 1.26 The Bank's projects to support State modernization are directly linked to the promotion of governance and contribute to the political and institutional sustainability of the economic reforms launched in the 1980s. The projects are targeted to strengthening institutions, transparency and responsibility in government, decentralization of public administration, and encouragement of participation by civil society in public decisions affecting it and in oversight of government actions.

Table I.2  
BANK COUNTRY STRATEGY

The country strategy stresses the social areas recommended by the Eighth Replenishment. Specifically, the Bank provides priority support for programs and projects:

1. to promote sustained development through support for structural reforms, increased investment, and higher productivity;
2. to promote State reform and decentralization;
3. to improve social conditions through ongoing support for investment strategies and reforms in education, health care, and housing, particularly on the primary service levels and for the benefit of the very poor; and
4. to conserve and restore the environment.

E. Gender approach

- 1.27 The policies regarding women approved by the Bank in 1987 and those set out in the Eighth Replenishment are targeted to the poor, and specifically endorse the need to strengthen the contribution made by women to the development process and increase the benefits they receive from programs and projects financed by the Bank. For its part, the Bolivian government, through the Under-Secretary for Gender Equality is implementing a policy of equal opportunities for men and women, whose chief mission is to institutionalize the gender approach in the country's agenda for social, economic, political, and cultural development.
- 1.28 In this context, one of the strategies of the program proposed here is to reinforce the initiatives that the government is taking to foster the full exercise of democracy by men and women. Specifically, this operation seeks to increase the number of women with citizenship rights and to strengthen and broaden their political participation and representation, particularly at the local level. It will also establish and apply equity criteria for different processes and activities (regional planning, project design, training, and retraining) provided for in the subprograms, when applicable (see Annex I-2).

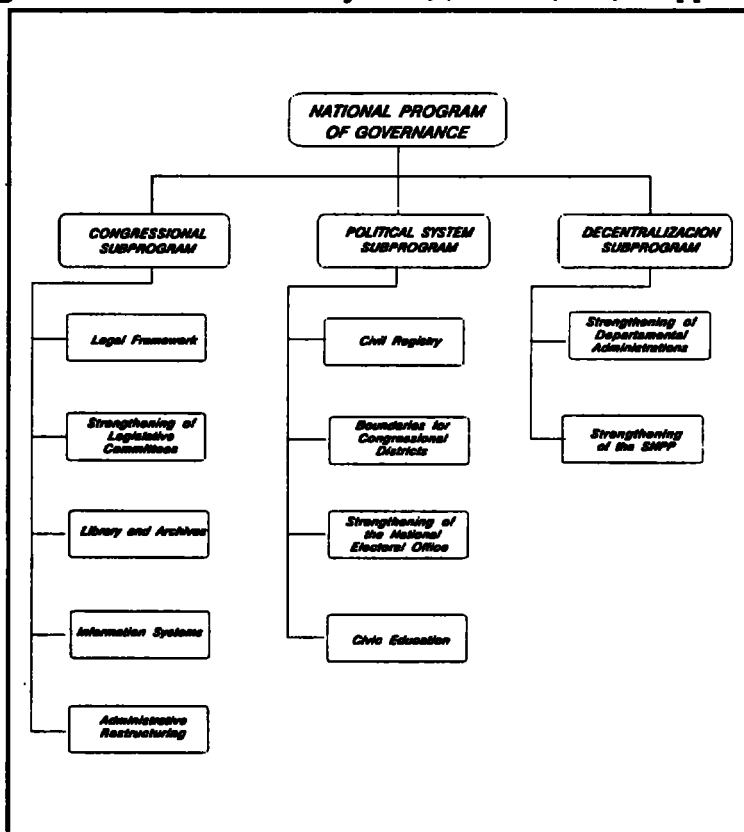
## II. PROGRAM DESCRIPTION

### A. Objectives and structure of the national governance program

2.1 The general objective of the program is to establish an institutional, regulatory and political climate that is conducive to the country's economic and social development, by strengthening its democratic institutions in the areas of the legislature, the electoral system, and decentralization.

2.2 The specific objectives are to: (i) support modernization of the legislature to improve its ability to take initiatives and its supervisory capacity (subprogram to strengthen the Bolivian Congress); (ii) consolidate the institutions and legitimacy of the political system by strengthening the National Electoral Office (subprogram to strengthen the electoral system); and (iii) support the process of decentralization by strengthening the departmental administrations and the National Civic Participation Department (subprogram to support decentralization).

2.3 The objectives will be attained through: (i) technical assistance for Congress and providing it with its own sources of information and analysis; (ii) expansion of the coverage and reliability of the national civil registry system and support for electoral reform; and (iii) strengthening of the institutional capacity of the departmental administrations and the National Civic Participation Department, which is in charge of the decentralization process.



B. Description

1. Subprogram to strengthen Congress (US\$3,648,000)

- 2.4 To correct the weaknesses in the functioning of Congress, three areas of action have been identified, with the consensus of the legislators who sit on the Bicameral Committee: facilitation of the work of the legislative committees, modernization of administration, and revision of the internal regulations, supported by better information systems.
- 2.5 The proposed subprogram will have the following components: (i) regulatory framework; (ii) strengthening of the committees; (iii) support for the library and archives; (iv) information technology; and (v) administrative restructuring.
- 2.6 The main results will be: (i) new congressional regulations, including new rules of debate; (ii) the installation of a new specialized advisory system with at least 12 permanent advisors for the technical work of the legislature and 12 committee secretaries; (iii) design and introduction of a congressional civil service career; (iv) effective administrative consolidation of congressional services; (v) a congressional library fortified with trained staff, new, properly catalogued and organized collections, access to international information networks, and links to the archives through a new integrated information system; (vi) information systems including a data bank of legal texts, congressional records, and parliamentary texts, system of legislative procedures, and a system for documentation, archives, and the library.
- 2.7 To attain these results, three international consultants, who will mainly supervise and control the quality of the operation, and 39 local consultants will be hired (35 of whom will be incremental congressional staff who will eventually form part of the new organization). Two consulting firms will be contracted to devise and introduce the administrative career and to design and execute a plan for the acquisition and cataloguing of the library collections. Computer equipment and software programs will be procured for the Speakers' Offices, committees, task forces, the administrative apparatus, and the library.
- 2.8 The subprogram will be conducted in two stages: the first (up to August 1997) will be a transition to the new structures, during which the new regulatory instruments for Congress will be designed and approved (rules of debate, a basic congressional law, administrative reforms, and the civil service career). Once these reforms have been approved, the remaining activities will be implemented in stage two.

a. Regulatory framework component

- 2.9 The purpose of this component is to review and approve a new regulatory framework for the legislative, supervisory, and representative functions of Congress. The rules of the two houses will be modernized and a proposal will be prepared for a basic congressional law to spell out the main aspects of the relations between the executive branch and parliament.
- 2.10 Amongst the main reforms to be introduced into the regulations are: transfer of part of the powers of the full Congress to committees; review of the rules on committee membership and debate procedures.
- 2.11 This component will be carried out by a group of consultants composed of national and international jurists specializing in constitutional and parliamentary law.

b. Component to strengthen legislative committees

- 2.12 The purpose of this component is to strengthen the advisory mechanisms for parliamentary work, reinforcing the committees work that is currently being done by the Centro de Investigaciones del Congreso Nacional [Congressional Research Center] (CICON) and providing them with permanent secretaries.
- 2.13 Twelve consultant-advisors will be hired for Congress under the program to provide continuity in the advisory work of CICON - which has been carried out thus far with funding from a USAID project that is about to end - and to inaugurate the work of the permanent administrative secretaries of the committees. Once the administrative and congressional staffing structure has been defined, public service competitions will be held to fill these posts, and program consultants may apply for them.
- 2.14 The organizational structure of CICON will be adapted to the new basic congressional law. The final structure will have to be approved by Congress, on the basis of the results achieved and the recommendations on the civil service career made under the administrative restructuring component.
- 2.15 During the subprogram, CICON and the committee secretaries will advise the Speakers, regional task forces, and committees. The Legislative Modernization Committee will select six committees from each House whose attention will focus mainly on the work of the consultant secretaries hired out of this component.
- 2.16 A special fund will be set up in accordance with the operating regulations agreed on in advance with the Bank (Annex III-3). This fund should be flexible enough to make financing available to defray the cost of: (i) consultants who are needed to analyze and discuss draft legislation; (ii) studies; and (iii) other activities pertaining to advisory services and technical development. A

maximum of US\$250,000 from the proceeds of the financing will be used to cover these outlays.

c. Component to support the library and the archives

- 2.17 The purpose of this component is to unify and modernize the library and the archives by: (i) improving their management and merging them in an integrated information system; (ii) establishing permanent training mechanisms for staff and users of the new services; (iii) cataloging, classifying, and computerizing existing collections; (iv) procuring equipment and materials and adapting the infrastructure to the technological changes to be introduced; (v) expanding and updating the existing collection by purchasing books, monographs, periodicals, reference works, and data bases; and (vi) conserving and restoring documents of permanent value and developing a newspaper library.

d. Information technology component

- 2.18 The purpose of this component is to provide Congress with the information technology required to transfer, store, and process information by designing and introducing the following subsystems: (i) bank of legal texts; (ii) bank of congressional records and parliamentary texts; (iii) system of legislative procedures; (iv) documentation, archives, and library system; (v) access to external networks and Internet; (vi) other internal information systems such as electronic mail, fax, and printing capabilities, etc.
- 2.19 Financing will be provided to design and install computer networks to manage the information systems mentioned and to establish an information technology and systems unit in Congress that will operate and maintain the systems.

e. Administrative restructuring component

- 2.20 This component will support the design and introduction of a reform in the administrative and financial apparatus of the Senate and the House of Representatives. Processes and functions will be systematized, the administrative offices will be reorganized and provided with flow charts and operating manuals, including the area of internal auditing, and staff will be trained in the use of the new rules to facilitate performance of their functions. The work will be grouped in three blocks: human resources, financial administration, and procurement.
- 2.21 Particular attention will be paid to strengthening human resources in the Senate and the House of Representatives by establishing a civil service career and reorganizing the management system, including adapting the personnel structure to the new administrative organization, preparing staff rules that include gender equity considerations, classification and remuneration of positions, the



design of manuals, and computerization of the human resources system.

2. Subprogram to strengthen the political system (US\$5,510,500)

- 2.22 This subprogram will support: (i) more extensive coverage of the Civil Register in rural areas and the incorporation of sizeable groups, particularly women, who currently are unable to exercise their rights as citizens; (ii) strengthening the organization of the electoral authority; (iii) efforts to confer greater legitimacy on elected representatives; and (iv) dissemination of democratic practices and values of the political system.
- 2.23 The components of this subprogram are: (i) Civil Register and voters lists; (ii) institutional strengthening; (iii) support for fixing the boundaries of single-member districts; and (iv) civic electoral education.
- 2.24 The main results of the subprogram will be: (i) a significant reduction in under-registration of civil acts and the registration of 80% of children born starting in 1996; (ii) salvaging of the civil registers for the last 50 years; (iii) screening of the voters lists and registration of approximately one million new voters prior to the general elections in 2002; (iv) a change in the system of political representation through the election to Congress of representatives from single-member districts starting in 1997; and (v) the inclusion of studies in democracy in official school programs and in the programs of the armed forces and the police.
- 2.25 To obtain these results, four international consultants and five local consultants will be hired to support the National Electoral Office (CNE). Computer equipment will be purchased through calls for tender for 300 general civil registry offices and for the departmental offices and headquarters of the CNE. Program funds will also be used to pay for country-wide publicity in the media and to finance printed materials and radio and television spots.

a. Civil Register and voters list component

- 2.26 The CNE is currently responsible for regulating, reorganizing, and modernizing the Civil Register and widening its coverage, particularly in rural areas, where between 50% and 60% of births and deaths and almost all marriages go unregistered.
- 2.27 The reorganization and modernization of the Civil Register and the use of data bases for the voters list, as discussed below, will help to identify all Bolivians, provide legitimate birth, death, and marriage certificates, screen and complete the voters list, and establish a reliable source of statistical information on individual status and voting.

- 2.28 As a consequence of the constitutional reform, the CNE must also shoulder the heavy responsibility of registering approximately 1 million people in the coming years, including 600,000 new voters between the ages of 18 and 21. To screen and complete the voters list, it will be necessary to integrate the data banks of the Civil Register and the National Master Registry, which is a program that the Bank is currently financing.
- 2.29 A computerized registration system and data bank will be established to provide efficient access to information. The civil registries throughout the country will be regularized, which will solve problems with registrations and fraudulent public documents. It is hoped that by 1999, approximately 75% of births will be recorded in the Civil Register, including 80% of the 1.4 million children who will be born in the next four years.
- 2.30 This component will also reorganize the 2,000 civil registry offices that currently function in separate premises into 600 general offices, preferably attached to city halls, where officials will continue to record changes in individual status and make a start on inputting the data in computerized data banks.
- 2.31 The program also provides funds for drawing up new operating rules and for training registry officials, upgrading civil registry facilities, equipping the offices, procuring the new computerized information system, establishing the voters list, and regularizing the older registers.

b. Component to draw the boundaries of single-member electoral districts

- 2.32 For the 1997 general elections, the boundaries must be drawn for 65 single-member electoral districts, which will replace the list system for the election of representatives. The loan will be used to formulate and establish criteria and to fix the geographic boundaries of the districts, by financing a computerized system able to read and store information on digitized maps.

c. Institutional strengthening component

- 2.33 In the last two years, much headway has been made in training notaries and electoral officials in planning, organizing, and conducting elections and in selecting and training civil registry officials. However, the increase in CNE activities and their growing complexity call for an institutional development plan in order to strengthen the organization and the administrative and management skills of the officials of the CNE and the departmental electoral offices.
- 2.34 The institutional strengthening to be financed under the program seeks to: (i) modernize the organization and promote team work and horizontal communications; (ii) establish a system to formulate and

track work plans in strategic areas of electoral administration and the management of the Civil Register; (iii) develop internal capacity in planning, administration, information systems, and auditing; (iv) computerize internal communications and establish systems for preventive and corrective maintenance of the CNE-Civil Register computerized information system. The program will finance assistance in the preparation and implementation of the plan for institutional development, in addition to equipment and logistical support for the CNE's internal system.

**d. Civic electoral education component**

2.35 In 1996, the CNE plans to design and mount a civic education campaign to publicize and strengthen the democratic process in Bolivia. The purpose of the project is to make the public aware of democratic values and the importance of participating in elections. In the short term, this campaign is expected to have a major impact on the turnout at the polls in the 1997 general elections.

2.36 In this area, the program will finance studies and surveys on democratic values and practices in society, preparation of the campaign, the design and production of educational materials and messages in the four most widely-spoken languages, national competitions for the design and production of posters, murals, and calendars, directed particularly to women and young people, and the broadcasting of messages in the media, particularly radio, which is the main means of communication in rural areas. It will also promote the inclusion of civic education in the school curriculum and in study programs for the armed forces and the police.

**3. Subprogram to support the decentralization process (US\$3,465,700)**

2.37 In order to prepare departmental administrations to take up their new role, make them efficient, help to improve their accountability in local public management, and strengthen the capacity of the entity responsible for the decentralization process and civic participation (the National Civic Participation Department), this subprogram will have the following components: (i) strengthening for the departmental administration; and (ii) strengthening for the National Civic Participation Department.

2.38 The results of this subprogram will be: (i) at the end of two years, to have nine departmental administrations with the capacity to effectively administer the services transferred under the Administrative Decentralization Act; (ii) to have strengthened the National Civic Participation Department by setting up suitable systems for monitoring the departmental and municipal levels and providing them with technical assistance.

2.39 The program will finance 32 local consultants and a training entity to support the nine departmental administrations, and 30 local consultants to strengthen the National Civic Participation Department.

Under this component, specialized consulting services and a training entity will be hired to support the establishment of municipal and indigenous districts. Support for the department will be supplemented through the procurement of computer equipment, furniture, and supplies.

a. Component to strengthen the departmental administrations

- 2.40 The beneficiaries of this component will be the nine departmental administrations, which will receive training and technical assistance in implementing administrative systems for departmental management and in performing their new role in pivotal areas.
- 2.41 Training in the form of practical workshops will make it possible to implement the following systems: (i) regional planning; (ii) financial administration; (iii) administration of goods and services; (iv) human resources administration; (v) investment project analysis (including environmental assessments); and (vi) municipal strengthening. The plan is to train between 150 and 185 officials per department.
- 2.42 The departmental administrations will also be provided with support for the establishment of technical committees composed of specialists in key areas for their institutional strengthening. The areas in question are planning and budget, the management of finances, human resources, and goods and services, and municipal strengthening.
- 2.43 Technical support will also be provided for administrative reorganization of the departmental agencies involved in production and social welfare, roads, natural resources, agriculture and the environment, tourism, small industries and crafts, and assistance for the elderly, women, and children.
- 2.44 The Regional Development Corporations (CORDES) will transfer their information systems to the departmental administrations and other decentralized entities and agencies. An inventory will be taken in the initial phase of this component, and requirements for computer equipment and programs will be specified to ensure that systems are compatible and to cover equipment shortfalls in this area. An initial estimate by the GTZ has been used to calculate the costs of this component.

b. Component to strengthen the National Civic Participation Department

- 2.45 The department's strategy for implementing the Civic Participation Act was based on developing training and technical assistance modules to strengthen the municipal governments and community organizations. In the first case it mainly covers financial, tax, and investment management, and in the second, it provides the public with information about the act, registers the organizations, and

establishes oversight committees. The modules have been applied directly by the National Civic Participation Department with international cooperation or through the Regional Development Corporations, whose functions will be absorbed by the departmental administrations in 1996. In addition, the department must tackle the new challenge of implementing the Administrative Decentralization Act, and will receive assistance from the GTZ in the first stage.

- 2.46 The component to strengthen the National Civic Participation Department will train its employees in strategic planning, contribute to applied research on decentralization, and develop the capacity needed to assist the new departmental administrations in administering decentralized sectors and in strengthening local governments and community organizations.
- 2.47 Assistance will be provided for the department in: (i) developing and implementing methodologies for keeping the national decentralization plan and the annual operating plans current; (ii) formulating and applying training and technical assistance modules in the departmental administrations; (iii) developing and testing those instruments in new areas in which municipalities and community organizations required strengthening tailored to their different natures and then transferring the instruments to the department governments responsible for bolstering the municipalities; (iv) developing computer systems for generating data banks on the department's intergovernment fiscal accounts, administrative statistics, library, archives, and internal accounting; and (v) training the department's employees in financial and management aspects of public administration and international cooperation.
- 2.48 This component will also provide the National Civic Participation Department with assistance in land management in order to systemize activities linked to the process of establishing municipal districts. A series of seven ethnogeographic studies will be conducted to obtain information on the current management capacity of indigenous areas which will be used as a guide for establishing indigenous districts. Support for the department will also include dissemination of information and a series of workshops for community leaders and departmental and municipal officials on establishing indigenous districts.

C. Gender and equity aspects

- 2.49 The program has planned a series of activities to move forward in implementing an equal opportunity policy with an impact at the institutional level (departmental agencies) and the public at large, through specific actions to facilitate the integration of women into society as citizens with full rights, and to encourage them to play a larger social and political role. Each executing unit will be responsible for these activities, and will coordinate its efforts closely with the Assistant Secretary for Gender Equality.

Annex I-2 gives more information on the program's gender strategy.

D. C o s t   a n d   financing

- 2.50 The program will cost a total of US\$14.8 million, with the Bank financing US\$12 million and the local counterpart US\$2.8 million from the national government, the CNE, and the departmental administrations. The following table summarizes the program costs and sources of financing by component, in thousands of United States dollars.

Subprogram	Activity
Congress	- Establish gender equity criteria in administrative restructuring
Political system	- Increase the electoral enumeration and registration of women, particularly in rural areas - Improve the processing of data in order to identify gender in voters lists - Design materials for a civic campaign that incorporates gender aspects
Decentralization	- Making the technical councils responsible for supporting the implementation of regional gender equity policies

Table II.1  
PROGRAM COSTS

Subprogram	IDB	Counterpart	Total
National Congress	2,838.5	698.8	3,551.8
Political system	4,709.6	800.9	5,480.5
Decentralization	2,932.9	532.8	3,465.7
Execution costs	1,020.0		1,020.0
Cost recognition	270.0		270.0
Financial costs	120.0	430.0	550.0
- Interest		375.0	375.0
- Credit fee		55.0	55.0
- I&S	120.0		120.0
Contingencies	207.8	323.0	432.0
Total	12,000.0	2,800.0	14,800.0

- 2.51 The government has requested recognition of costs incurred in project preparation for up to US\$270,000. The project team verified that the contracts entered into conform substantially to Bank procedures.

2.52 The costs of the program components are presented in greater detail in Annex II-2. The cost breakdowns per activity can be consulted in the project files.

2.53 The Bank's contribution to the project (US\$12 million) will be charged to the resources of the Fund for Special Operations, and provided on the conditions shown in the box. The local counterpart of US\$2.8 million will come from the central treasury and the income of the Electoral Office.

Source:	FSO
Amount:	US\$12.0 million
Amortisation period:	40 years
Grace period:	10 years
Disbursement period:	4 years
Interest:	1% for first 10 years, 2% thereafter
I&S:	1% of loan
Credit fee:	0.5% on the undisbursed balance

2.54 The cost categories of the financing are as follows:

Table II.2  
ESTIMATED COSTS BY CATEGORY

Cost category	Congress	Electoral System	Decentr.	Execution	Total
Technical assistance	2,477.0	3,048.0	2,373.7	1,106.8	8,986.3
- Local consultants	1,489.8	36.0	2,239.8	300.0	4,045.6
- International consultants	105.0	10.0		120.0	235.0
- Consulting firms	1,012.0		133.9	426.6	1,572.5
- Other services		3,003.0		130.2	3,133.2
Training	28.5	267.6	528.3		824.4
Equipment	936.5	2,193.2	563.7	43.2	3,737.3
- Hardware	416.6	1,659.8	473.0		2,549.6
- Software	93.9	414.9	33.2		542.0
- Furnishings	7.3	119.2	9.5		136.0
- Buildings	165.0				165.0
- Other	253.5		48.0	43.2	344.7
Subtotal	3,551.8	5,519.5	3,485.7	1,150.0	13,678.0
Cost recognition	76.5	117.5	76.0		270.0
Financial costs	156.0	239.0	155.0		550.0
Contingencies	191.0	190.0	191.0	1,900.0	432.0
TOTAL	3,940.3	5,866.0	3,851.7	1,150.0	14,808.0

2.55 These funds will finance 118 local consultants and eight international consultants, two consulting firms, three training entities, and nine suppliers of other services, the recognition of costs already incurred in preparing the program, and procurement of 22

items of equipment through calls for tender, 13 of which involve computer equipment. The contracts are described by subprogram, component, and executing unit in Annex III-1.



### III. PROGRAM EXECUTION

#### A. The borrower and the executing agency

- 3.1 The borrower will be the Government of Bolivia and the executing agencies will be Congress, through the Modernization Committee, the National Electoral Office, and the National Civic Participation Department. As a condition precedent to disbursement of the funds for each component, the government will sign agreements on the transfer of funds with the legislative authorities and the National Electoral Office, to the Bank's satisfaction, establishing inter alia: (i) the obligation to establish executing units and define their line of reporting; (ii) the commitment to include the corresponding local counterpart funds in each of their budgets; and (iii) acceptance of the advisory services of the company or agency specializing in procurement, to the extent established in this chapter.

#### B. The executing units

##### 1. Congress

- 3.2 Under congressional resolution 005/95-96, the Bolivian Congress has authorized execution of the program to modernize and strengthen the legislative branch. It establishes a legislative modernization committee chaired by the country's Vice President and composed of the Speakers of the House of Representatives and the Senate and nine parliamentarians (three senators and six representatives) appointed to reflect the political representation of the two houses.

- 3.3 The Bicameral Committee is responsible for guiding and supervising the modernization program and is supported by the National Congress Research Center, for which it serves as executive secretary. At the outset, the executing unit will be CICON and will report to the Bicameral Committee.

##### 2. National Electoral Office

- 3.4 The National Electoral Office is headed by a chairman and has four members, one of whom serves as deputy chairman. It has six operations directors (electoral, civil register, administration and finance, legal, sociopolitical, and information systems) and three directorates for internal control. It currently has a staff of 80. Recent experience indicates that the office has solid capacity to direct and organize elections. It also has experienced staff to ensure the technical quality and functioning of the information systems and the operation and maintenance of data banks. This staff has successfully supervised the computerization of the voters list. The main responsibility for execution, control, and monitoring of the subprogram will lie with one of the members of the

National Electoral Office, who will also sit on the National Governance Committee.

### **3. National Civic Participation Department**

- 3.5 The National Civic Participation Department coordinates the National Administrative Decentralization Committee, whose members include the Ministers of the Interior and the Police, Government Coordination, Planning, and Civic Participation, and is directly responsible for implementing the Civic Participation Act. The activities undertaken by the department in the year or so since the act was promulgated have been very successful. However, it works with a shortage of financial resources, loose organization, scant human and material resources, and technological limitations. The new Administrative Decentralization Act is a further challenge to the department's management capacity. The institutional strengthening activities to be carried out under the program have been designed on the basis of existing institutional capacity in the department and its needs for institutional and administrative reinforcement. The Minister of the National Civic Participation Department will be responsible for the subprogram through the executing unit. The institutional strengthening component has been designed to close the gaps in management capacity, which would otherwise widen owing to the increase in its activities and their complexity.

#### **C. Implementation strategy**

- 3.6 The implementation strategy includes flexible mechanisms for reallocating funding between subprograms and components.
- 3.7 The proposed execution mechanism takes account of the fact that the program not only has three executing units, but that they belong to three different branches of government, which is why it has avoided making the decisions of the different agencies dependent on a central unit, although it has maintained a single channel for contact with the Bank.
- 3.8 Given that context, criteria of simplicity, transparency, least cost, and efficiency have been used to scale the execution mechanism in order to ensure effectiveness and limit administration costs to a reasonable percentage of the total cost of the program.
- 3.9 The program execution mechanism will permit the executing units to obtain specialized assistance for the procurement of goods and services during the first two years, and to gradually become independent of those services. The assistance will include training for staff in procedures to ensure the necessary transparency and efficiency in the administration of goods and services, and the use of Bank standards for procuring goods and contracting services and for monitoring contractual conditions.

- 3.10 Following the same criterion, the functions of the executing units for each subprogram will be absorbed by the parent entities by the end of the second year of execution. To this end, the personnel of those units will be required to train the entities in the management of program procedures.
- 3.11 So as not to skew the government's wage policy, the fees of the long-term consultants hired under the program will be geared to the scales established for the Bolivian public service.
- 3.12 The functions assigned to certain long-term consultants 6/ will be permanent within the entities to be strengthened, and in order to guarantee the necessary continuity and sustainability of the program, the executing units will be responsible for paying 50% of their salaries in year two, and 100% beginning in year three. The beneficiaries are required to demonstrate that they have budgeted funds for this purpose as a prior condition for renewing the first annual contract.
- 3.13 In keeping with the way in which the program will be executed, certain conditions precedent to disbursements affect only a given component or activity, so that if they are not complied with, others that do not depend on that condition will not be brought to a standstill. These conditions precedent will be:

CONDITION PRECEDENT	COMPONENT OR ACTIVITY AFFECTED
1. Structuring of the new departmental administrations with approved budgets	- Component to strengthen the departmental administrations
2. Approval of the rules of debate of the House of Representatives	- Renewal of contracts second year consultants - committee secretaries
3. Establishment of the different departmental decentralization committees	- Assistance for the different departments
4. Signature of an interinstitutional agreement between National Civic Participation Department and the different departmental administrations	
5. Signature of agreements with the Congress and the National Electoral Office.	- Subprograms in support of the Congress and the National Electoral Office.
6. Establishment of the respective executing units	- Subprogram to support decentralization - Subprogram to support Congress - Subprogram to support the National Electoral Office

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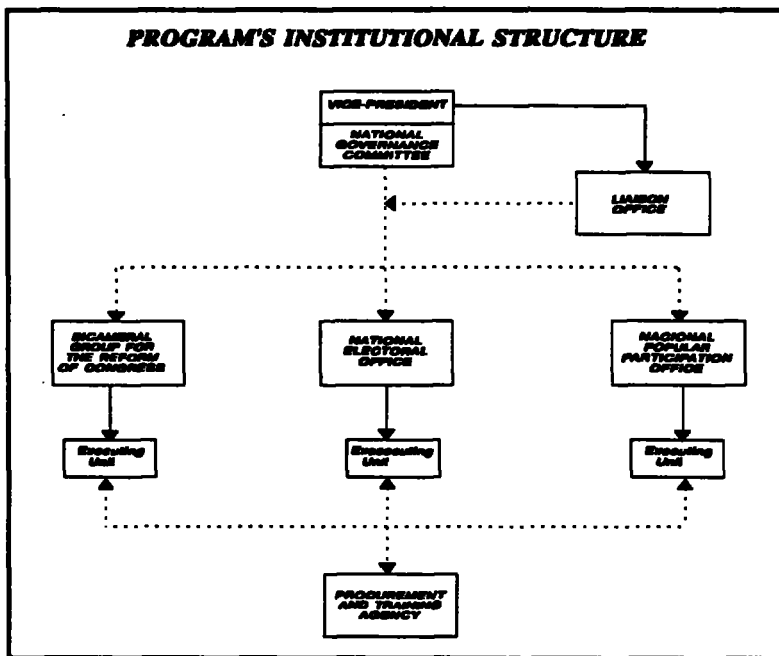
6/ Congressional advisors and administrative secretaries and advisors to the departmental administrations and the National Civic Participation Department.

**D. Organization for program execution**

- 3.14 The units that will execute the program and their functions are presented in Annex III-2, taking account of the program's procurement program (Annex III-1) and the criteria governing the implementation strategy.

**1. Governance Committee**

- 3.15 Composed of the Vice President of Bolivia, one representative of the Legislative Modernization Committee, a member of the National Electoral Office, and the Minister or National Secretary responsible for the Decentralization Process. It will meet regularly twice a year to evaluate the program and will be responsible for selecting and contracting the company or agency specializing in the procurement of goods and services, hiring external auditing services, and reallocating funds between the subprograms. In addition, the National Governance Committee may hire consulting services for program evaluation and monitoring and to prepare for the mid-term program evaluation that the Bank will conduct (see paragraph 3.26).



- 3.16 The formal establishment of the Governance Committee, with the necessary membership, functions, and powers for general coordination of the program will be a condition precedent to the first disbursement of the loan.

**2. Liaison office**

- 3.17 Reporting to the Office of the Vice President of Bolivia, it will be responsible for maintaining relations with the Bank, channeling disbursement requests to the different subprograms, and consolidating reports and financial statements. Establishment of this office will be a condition precedent to the first disbursement of the loan.

### 3. Executing units

- 3.18 Executing units will be set up in the different entities to administer each subprogram. Establishment of these units will be a condition precedent to the first disbursement for the respective subprogram, and therefore failure to comply by one of the entities will not delay the start of activities for the others.

### 4. Specialized company or agency

- 3.19 A specialized company or agency will provide support for the procurement of goods and services and the recruitment of individual consultants (hired in accordance with Bank procedures) who would take charge of processing all purchases for the program and of training the personnel of the executing units in this area in the first two years. In the third year, the specialized company or agency will provide specific assistance for the executing units - which will take over responsibility for procurement and recruitment through their internal mechanisms - and will track their activities under each subprogram. Contracting of the company or agency specializing in the procurement of goods and services will be a condition precedent to the first disbursement of the loan.

### E. Operating procedures

- 3.20 The general procedures for disbursements and procurement are shown in Annex III-2. The main decisions have been left to the internal mechanisms of each executing unit, following the guidelines already discussed regarding implementation strategy.
- 3.21 Terms of reference for consulting services and technical specifications for procurements will be prepared by the executing units. With the Bank's nonobjection, when necessary, the documents will be delivered to the specialized company or agency, which will process the call for bids and submit its report and recommendation to the executing agency. The latter, through its contracts committee, will award and sign the contracts, again with the Bank's nonobjection, and will subsequently monitor compliance with contractual conditions and the related payments.
- 3.22 Starting in the second year of each subprogram, the administrative offices of the executing units will carry out the activities initially delegated to the specialized company or agency, which will continue to provide advisory services and will monitor compliance with procurement procedures.
- 3.23 In phase one, an operating procedures manual will be designed, setting out how documents and forms are to be processed and containing standard procurement documents - including instructions for bidders, bidding documents, general conditions for the different types of contracts, model contracts, and ranking methods - all in accordance with Bank rules and local legislation in this field. Monitoring and supervision of the decentralization subprogram will be coordinated

with the GTZ and other donor organizations, through the Bank's Country Office. The operating manual must be approved by the Bank as a condition for the issuance of calls for bids, if applicable, or for the procurement of goods and services and for recruitment of consultants other than those specified in the contracts for the specialized agency or firm for the Secretaries of the Legislative Committees and which are needed to set up the liaison and executing units.

**F. Evaluation and control**

**1. Inspection and supervision**

- 3.24 Each subprogram will be monitored by the respective executing unit, which will follow the guidelines for tracking that activity. These guidelines will be set out in the program's operating procedures manual, which will include the indicators for the different activities in each component listed in the logical framework (Annex II-1) and Annex III-4.
- 3.25 General program supervision will be performed by the Governance Committee based on the annual plans prepared by each subprogram. The Committee will hold semiannual monitoring and evaluation meetings to examine the reports presented by the consultant it has contracted and those presented to it beforehand by each executing unit. A representative of the Bank may attend the meetings.
- 3.26 In addition, it is proposed that the Bank conduct a mid-term evaluation eighteen months after the program begins to measure the results and decide on the operating program for the remainder of the project. This evaluation may lead to reallocation of resources among the subprograms if necessary.

**2. Auditing and control**

- 3.27 Replenishment of funds after the first advance will be subject to the submission of accounts for each subprogram. The accounts will be reviewed by the liaison office prior to their presentation to the Bank. Based on a uniform accounting plan, each executing unit will keep the accounts for its subprogram, and the office will consolidate the financial statements.
- 3.28 During the program, the borrower will present the audited financial statements of the program within 120 days of the close of each financial year until the final report is submitted. The financial statements will be audited by independent firms of public accountants acceptable to the Bank, hired by the Vice President of Bolivia on the basis of the selection made by the Governance Committee which will be advised by the specialized company or agency.

3. Ex post evaluation

- 3.29 Bolivia has asked the Bank to finance an ex post evaluation of the program. Given the unique and novel features of the program, the project team feels that the evaluation should be performed by specialized Bank units, which will establish the best methods and indicators for measuring the potential qualitative and quantitative impact of an operation of this kind.

G. Procurement

- 3.30 All selection and contracting of services and procurements of equipment and materials for the project will be done in accordance with Bank procedures. The construction planned under the program will not cost more than US\$200,000 equivalent. In the event that goods to be procured are worth more than US\$350,000 equivalent or that contracts for consulting services are over US\$200,000, they will be put out to international tender. Bids for lesser amounts will be conducted in accordance with Bolivian legislation, which requires local competitive bidding for amounts over US\$100,000 equivalent, and permits private bidding for smaller amounts provided it is compatible with Bank procedures.

H. Advances of funds

- 3.31 In view of the relative autonomy of each subprogram, it will be necessary to open three special accounts with the Central Bank of Bolivia, in which the IDB will deposit advances of funds equivalent to 10% of the total for each subprogram, once the conditions precedent to the first disbursement have been complied with. Accounts for each subsequent advance must be rendered prior to the next advance, and in the case of previously-established requirements, it will have to be demonstrated that they have been carried out.

I. Execution period and disbursement schedule

- 3.32 The program will be executed over a four-year period from the date on which the loan contract becomes effective. The disbursement schedule by component is:

Table III.1  
DISBURSEMENT SCHEDULE

Source of financing	Total	1996	1997	1998	1999
National Congress	3,551.8	1,110.0	1,678.9	762.9	-
IDB	2,838.5	1,110.0	1,488.3	240.2	
Counterpart	713.3	-	190.6	522.7	
Political system	5,510.5	1,561.1	2,541.5	807.9	600.0
IDB	4,709.4	1,331.9	2,171.6	692.0	513.9
Counterpart	801.1	229.2	369.9	115.9	86.1
Decentralization	3,465.7	2,534.8	930.9	-	-
IDB	2,932.9	2,145.1	787.8		
Counterpart	532.8	389.7	143.1		
Execution	1,020.0	384.9	384.9	170.1	80.1
IDB	1,020.0	384.9	384.9	170.1	80.1
Counterpart					
Cost recognition	270.0	270.0			
IDB	270.0	270.0			
Counterpart					
Financial costs	550.0	140.0	150.0	130.0	130.0
IDB	120.0	50.0	50.0	10.0	10.0
Counterpart	430.0	90.0	100.0	120.0	120.0
Contingencies	432.0	226.0	226.0	60.0	40.0
IDB	109.0	34.0	25.0	25.0	25.0
Counterpart	323.0	130.0	130.0	40.0	22.8
<b>Total</b>	<b>14,800.0</b>	<b>8,196.8</b>	<b>5,882.2</b>	<b>1,900.9</b>	<b>820.1</b>
IDB	<b>12,000.0</b>	<b>5,357.9</b>	<b>4,948.8</b>	<b>1,102.3</b>	<b>591.2</b>
Counterpart	<b>2,800.0</b>	<b>898.9</b>	<b>933.6</b>	<b>798.6</b>	<b>228.9</b>



#### IV. PROGRAM BENEFITS, RISKS, AND FEASIBILITY

##### A. Benefits

- 4.1 The program will strengthen institutions that are fundamental for consolidating a stable political climate for democracy which is necessary to sustain economic and social reforms in Bolivia. These objectives also mirror Bank strategies for modernization of the State and the strengthening of civil society. The program will support the introduction of institutional changes that form part of the second generation of reform in Bolivia.
- 4.2 The main benefits expected from the operation are the promotion of political stability and legal certainty, which are necessary for investment and economic growth.
- 4.3 On the legislative front, changes in the rules of debate, modernization of information systems, and the strengthening of legislative committees will introduce a new work dynamic that will benefit parliamentary activity by providing better technical support for initiatives and raising the capacity for dialogue, compromise, and negotiation among the different branches of government and the legislators themselves.
- 4.4 The civil registration of citizens will be of special relevance for legal certainty, a reduction in transaction costs, and laying the groundwork for greater credibility. Aside from expanding the voters list, this process will increase the legitimacy of elected officials, and provide a large number of citizens - particularly poor rural groups with high percentages of women - with identity documents, who will then be able will be able to effectively join in civic life. They will have the legal capacity to enter into contracts, and engage in legal and civil acts of all kinds.
- 4.5 The National Electoral Office has achieved high levels of credibility among the general public and the political parties. The continuity and development of its working procedures is expected to give a further boost to the levels of acceptance and legitimacy of elected officials and the stability of the system as a whole. The civic education campaign will encourage more people to exercise their rights as citizens and will include studies in democracy as a permanent part of the programs of the education system, the armed forces, and the police.
- 4.6 The delegation of administrative responsibilities to the departmental administrations will significantly improve performance and linkage between the different levels of government, and make for better accounting and control by civil society, through the oversight exercised by the departmental councils.

- 4.7 The main benefits of applying the program's gender strategy will translate into: (i) an extension at the departmental level of the government's efforts to implement its equal opportunity policy; (ii) a reduction in discrimination against women, particularly with regard to their civic rights and political representation; and (iii) greater social acceptance of equitable participation by men and women.

B. Risks

1. Risks affecting the program as a whole

- 4.8 Continuing political and institutional stability is crucial for the success of the program. The laws passed in the last three years since the constitutional reform demonstrate that the authorities and the Bolivian people are clearly pledged to democracy. During the Bank's analysis, the project team verified the staunch commitment of the different institutional and political agents who participated actively in preparing and designing the program and reaching conclusive agreements with respect to the nature and scope of the activities to be financed with Bank support.
- 4.9 Executing the program will require complex institutional coordination on account of its different components and because different branches of government will participate. Yet this is also one of the program's greatest strengths, since the strategic principles on which execution is based minimize the risks entailed in this complexity, with the added bonus of building up the capacity of the executing units to contract and manage their own programs. These principles are summarized below:
- a. The levels of intercession are divided among a policy evaluation and monitoring body (the Governance Committee), a body that will administer the loan (the liaison office), and the technical bodies in charge of execution. The mechanisms have been designed to ensure that execution will not be hampered by unnecessary internal overlapping between the different agencies concerned.
  - b. The liaison office will report to the Vice President of Bolivia, who is viewed as an active but neutral participant with respect to the interests of the different agents involved in the program.
  - c. A consulting mechanism has been designed to ensure full support for the project during the first two years, when most of the procurement will be done. The consulting firm will also be responsible for training the employees of the executing units and, starting in year three, will focus on support and monitoring of the activities of those employees. In addition, each executing unit will carry out activities to strengthen its parent entity in administration and procurement.

- d. In cases in which international cooperation agencies are already taking part, arrangements have been made with them and the government to ensure the continuity of the professional teams hired with their financing. These project activities have been designed with the assistance of USAID and GTZ, which will continue to participate in their execution.
- e. The complexity of program activities and their very nature may make it necessary to reallocate resources among the subprograms while it is still in progress. The Governance Committee, which is a senior body on which all the executing units will be equally represented, and the use of a special follow-up and monitoring mechanism by the Bank, will allow for annual evaluations and reallocation of funds on the basis of the work plans and demands of each subprogram.

## 2. Specific risks of the subprograms

- 4.10 **National Electoral Office.** The risk identified in this component pertains to lack of coordination of criteria and work plans between the National Electoral Office and the National Master Register. However, coordination of these aspects will be monitored through the Bank's Country Office and will be included in the terms of reference of the Bank's annual program monitoring and evaluation missions.
- 4.11 **Congress.** The main risks of this subprogram are: (i) possible delays in approving the rules of debate until after the 1997 session; (ii) changes in the number of committees included in the initial agreements with the Committee for Modernization of the Legislature studying legislative modernization; and (iii) lack of funding to absorb the consultants contracted through committee secretaries. Special mechanisms will be introduced to minimize these risks by linking the execution of certain activities to approval of reforms and the budget, although no stringent deadlines have been established.
- 4.12 **Decentralization.** The main risks of this subprogram relate to: (i) the incorporation and eligibility of the departmental administrations; (ii) the selection of consultants; and (iii) adequate supervision of the results. The following are intended to minimize this risk:
  - a. Support for the institutional strengthening of the departmental administrations is conditional upon establishing the departmental decentralization committees and the signature of agreements with the National Civic Participation Department, which will determine the nature and scope of the technical cooperation and its financing, including funds from the departments.

- b. The specialized consulting firm mentioned earlier will be in charge of recruiting consultants and will follow procedures acceptable to the Bank. A special selection committee will be established, with representatives from the central executing units and the different departmental administrations.

C. Program sustainability

- 4.13 In general, it is assumed that the actual demand for the functions and products generated will make the program sustainable. This demand is measured by the willingness to incorporate functions and activities into the budgets of the executing agencies on a permanent basis and to maintain them. To achieve this, the functions assigned to different long-term consultants will be permanently incorporated into the entities to be strengthened. To ensure the continuity and sustainability of the program, the executing units will pay 50% of the consultants' fees in year two, and 100% starting in year three. As a condition precedent to renewal of the first annual contract, the beneficiaries must demonstrate that they have set aside funds for that purpose.
- 4.14 With respect to equipment and supplies, the bidding on information systems equipment will include maintenance contracts; collections and files, including new books for the Registry of Births, Deaths, and Marriages will have the necessary funding for upkeep (in accordance with general contractual standards). The training activities include mechanisms for review to ensure that procedures and functions relating to this activity are properly implemented and maintained.

D. Program feasibility

- 4.15 Congress. The technical aspects of this subprogram have been designed with the help of one of the principal groups of specialized consultants in the region and cover the main aspects of legislative work and administrative and information support for the internal administration of Congress. The new information systems and modernization of the congressional library and archives will help to structure the legislature and provide relevant information for the work of parliamentarians and users of those services.
- 4.16 National Electoral Office. Recent experience indicates that the office is quite capable of directing and organizing elections. Both the national and the departmental electoral offices have sufficient staff with experience in information systems to ensure the technical quality and operation of the systems. This personnel has successfully supervised the transfer of the voters list to the data bank. The National Electoral Office also has satisfactory experience with the operation of data bases and has begun to work on integrating its data with that of the Civil Register and the National Master Register. The institutional strengthening program

for the National Electoral Office will close gaps in its management capacity that may appear owing to the increase in its activities and the growing complexity of the tasks it must undertake.

- 4.17 As a consequence of the rise in the coverage and efficiency of the services provided by the Civil Register, its income from the fees it currently charges for its services, which amounted to US\$3.2 million in 1994, are expected to rise substantially and can be used to cover its incremental operating and maintenance costs. It currently costs US\$2.1 million a year to operate the register, which will rise to about US\$3 million by 1998. As for the costs of preparing voters lists, the program will result in savings equivalent to roughly US\$700,000 a year. In addition, the subprogram to strengthen the National Electoral Office will improve accessibility by reducing the costs charged to users. Savings from the registration of changes in individual status have been estimated at 58 bolivars per entry (the average cost will fall from 70 to 12 bolivars). Registration for elections, which must now be done through a notary, will be free of charge.
- 4.18 Decentralization. The technical aspects of the program to strengthen the departmental administrations were prepared in conjunction with the GTZ, which has local and international staff working in this field in Bolivia and has begun to advise the government on programming technical and legal aspects for the transition stage. It goes without saying that the Bank and the GTZ will continue to cooperate closely in the execution and supervision of this subprogram, until the departmental administrations have developed basic planning and management capacity.

E. Environmental considerations

- 4.19 The actions proposed under the program are mainly aimed at institutional strengthening, with training, technical assistance, and the introduction of information systems predominating. Therefore it will have no direct environmental impact. As for its indirect impact, strengthening of the institutions under the program will have a favorable effect, since it will permit them to enforce environmental and all other legislation more effectively, to the benefit of the country's natural resources and environment.

**LOGICAL FRAMEWORK**  
**PROGRAM STRUCTURE AND OBJECTIVES**

<b>PROGRAM</b>	<b>SUBPROGRAM TO STRENGTHEN CONGRESS</b>	<b>SUBPROGRAM TO STRENGTHEN THE POLITICAL SYSTEM</b>	<b>SUBPROGRAM TO SUPPORT ADMINISTRATIVE DECENTRALIZATION</b>
Establish an institutional, regulatory, and administrative framework that is conducive to the country's economic and social development, by strengthening judicial institutions, particularly in the areas of the electoral system, and decentralization.	<b>PURPOSE</b> To support modernization of the legislature to improve its ability to take initiatives and its supervisory capacity.	<b>PURPOSE</b> To consolidate the institutions and legitimacy of the political system by strengthening the National Electoral Office.	<b>PURPOSE</b> To support the process of decentralization by strengthening the departmental administrative structures and the National Civic Participation Department.
	<b>COMPONENTS</b> <ul style="list-style-type: none"><li>- Regulatory framework</li><li>- Strengthening of the legislative committees</li><li>- Library and archives</li><li>- Information systems</li><li>- Administrative restructuring</li></ul>	<b>COMPONENTS</b> <ul style="list-style-type: none"><li>- Civil Registry</li><li>- Boundaries for single-member districts</li><li>- Strengthening of the National Electoral Office</li><li>- Civic electoral education</li></ul>	<b>COMPONENTS</b> <ul style="list-style-type: none"><li>- Strengthening of the departmental administrations</li><li>- Strengthening of the National Civic Participation Department</li></ul>

## LOGICAL FRAMEWORK FOR THE SUBPROGRAM TO STRENGTHEN CONGRESS

OBJECTIVES	GOALS	MEANS OF VERIFICATION	MAIN ASSUMPTION
to the initiative abilities and super- city of the legislature	<b>SITUATION AT THE END OF THE PROJECT</b>  Laws are processed more smoothly, interaction with the executive branch is better balanced, the legislative committees have permanent and stable technical advisory services, and Congress is using modern information systems.	Progress reports and program evaluation	
<b>OBJECTIVES</b>  ory framework approved  ve committees strengthened  and archives unified and modernized  ion systems implemented  trative reform implemented	  Rules of debate and a basic law for Congress approved by August 1997 and implemented.  The committees of each House have drawn up 48 bills and are dealing with petitions for information and other petitions, leaving only the final debates to the full legislature.  At the end of year two, a computer network has been installed, 30 employees and 200 users have been trained, 20,000 texts have been catalogued, 10,000 books and 250 reference works have been acquired, 1,000 historical books have been restored, and 150 periodical publications subscribed to.  The computer network is installed in the second year and five information systems are operating in the legislative committees and the administrative offices of Congress.  By the end of the second year, the administrative offices have been reorganized and modernized, and a congressional civil service career has been established.	  Legislation approving the instruments and evaluation of their application  Evaluation reports  Evaluation reports  Manuals for the systems and evaluation reports  Organization manuals, staff rules, and evaluation reports	  There is a consensus in both Houses to support from the executive branch for current regulations.  The new regulations form a basis for advisory services and the administrative offices of the legislative committees.  Congress has issued a resolution to support the amalgamation.  Congress has authorized the project.  Congress has issued a resolution to support restructuring of the administrative offices in both Houses and the congressional career.

ACTIVITIES	BUDGET
<p>of consulting services and preparation of the regulations and basic law for Congress</p> <p>al and implementation</p>	
<p>shment of the committees to receive assistance under the program</p> <p>of 12 consultant-advisors for the committees and 12 consultant-administrative secretaries</p> <p>ization and operation of the technical advisory and administrative secretariat services</p> <p>ation of four bills by each legislative committee</p>	
<p>omation of the library and archives and establishment of an integrated information system</p> <p>g for staff and users</p> <p>guing of the current collection</p> <p>g the infrastructure</p> <p>ement and installation of computer equipment</p> <p>ation of annual procurement plans</p> <p>ng of collections</p> <p>vation of collections</p> <p>ptions for the newspaper library</p>	
<p>shment of a joint information services unit</p> <p>of the data banks for legal texts, congressional records, parliamentary texts, legislative procedures, documentation, archives, and library; access to</p> <p>l networks and Internet</p> <p>ee and installation of computer networks</p>	
<p>of the organization of the administrative offices</p> <p>oment of administrative systems and procedures</p> <p>ation and approval of internal staff rules</p> <p>entation of the new organization</p> <p>entation of the civil service career</p> <p>ation of the internal audit manual</p> <p>g for staff</p>	



## LOGICAL FRAMEWORK FOR THE SUBPROGRAM TO STRENGTHEN THE POLITICAL SYSTEM

OBJECTIVES	GOALS	MEANS OF VERIFICATION	MAIN ASSUMPTION
en and modernize the electoral	<b>SITUATION AT THE END OF THE PROGRAM</b>  Coverage of the Civil Register has broadened significantly, the voters list is complete, and the operations of the Electoral Office are fully computerized.	Progress reports and program evaluation	
<b>NTS</b>  gister and voters lists modernized anded	Seventy-five percent of births registered, including the 1.4 million children who will be born in the next four years; 300,000 inaccurate records have been corrected, one million Bolivians have been automatically included in the voters list, and a computerized data base is in operation. Six hundred general civil registry offices have been organized throughout the country.	Civil Register and voters list. Evaluation reports	There is continuity in the policies of the Electoral Office and the National Mas working in cooperation with it.
ies drawn for the single-member encies	At the end of year one, the boundaries have been drawn for 65 electoral districts in the country's nine departments, and 65 members are elected from single-member constituencies in the 1997 general elections.	Electoral map, election results for 1997, and evaluation reports	The law on the demarcation of electoral districts proposed by the Electoral Office is passed.
Electoral Office strengthened	In year two, a system to prepare and monitor work plans in strategic areas is in place and internal capacity in planning, administration, and auditing has been strengthened, and in year three, internal communications have been computerized and the computer network has been installed and is operating.	Operating manuals and evaluation reports	Continuity in the policies of the Electoral Office is maintained.
Electoral education introduced	The voter turnout in the 1997 elections is significantly higher than in previous elections. Education on the electoral system has been included in the school curriculum and in the study programs of the armed forces and the police.	Electoral results, school curriculum and study plans, and evaluation report	

ACTIVITIES	BUDGET
<p>ization and operation of the general civil registry offices</p> <p>ion, restoration, and screening of historical information from 1943-1993</p> <p>, procurement, and installation of a computerized civil registration system</p> <p>er of the records to the data base</p> <p>g for users of the network</p>	
<p>ization of a cartography unit in the Electoral Office</p> <p>ement of computer equipment and software</p> <p>e of information from digitized maps</p> <p>eries of the 65 single-member constituencies</p>	
<p>ation of program for institutional development of the Electoral Office and manuals on organization, functions, and procedures</p> <p>mentation of the program</p>	
<p>ment of democratic values and practices</p> <p>ation and approval of the campaign plan</p> <p>mination of the campaign plan</p> <p>ments signed with the MDH, the armed forces, and the police</p> <p>ization of national and departmental campaign committees</p> <p>ation and distribution of publicity and educational materials</p>	

## LOGICAL FRAMEWORK FOR THE DECENTRALIZATION SUBPROGRAM

OBJECTIVES	GOALS	MEANS OF VERIFICATION	MAIN ASSUMPTION
<p>ke a process of decentralization of authority to the departmental ons.</p>	<p><b>SITUATION AT THE END OF THE PROGRAM</b></p> <p>At the end of two years, the nine departments have the necessary capacity to administer the departmental public apparatus and provide technical assistance for the municipal governments in their jurisdictions.</p>	<p>Progress reports and program evaluation</p>	<p>,</p>
<p><b>NTS</b></p> <p>mental administrations strengthened</p> <p>Civic Participation Department ened</p>	<p>Systems of planning, financial administration, goods and services, human resources, projects, and municipal strengthening implemented and in operation in the nine departments within two years.</p> <p>1,400 departmental employees trained</p> <p>From year two, the National Civic Participation Department has the capacity to formulate decentralization plans, adopt and apply new approaches, and provide technical assistance for the departmental administrations in the areas of planning, financial administration, and municipal strengthening.</p>	<p>Systems manuals tailored to each departmental administration and evaluation of their use</p> <p>Evaluation reports. Plans, methods, rules, and procedures published</p>	<p>The government continues to decentralization process. T governments establish departme</p> <p>The National Civic Participation continues to coordinate the dep local decentralization process o level.</p>

ACTIVITIES	BU
<p>Development of training modules</p> <p>Organization and holding of workshop seminars on regional planning, financial administration, goods and services, personnel administration, and municipal strengthening projects</p> <p>Organization and operation of the technical councils</p> <p>Technical assistance for reorganizing the productive and welfare sectors</p> <p>Planning, procurement, and installation of information systems</p>	
<p>Development of strategic and operational planning methods</p> <p>Establishment of training and technical assistance modules for the departmental administrations</p> <p>Conduct of seven ethnogeographic studies</p> <p>Organization, testing, and dissemination of rules for establishing districts</p> <p>Technical assistance for departmental administrations</p> <p>Development and testing of new modules to assist municipalities and grassroots organizations</p> <p>Planning, procurement, and implementation of information systems</p>	

**COSTS BY COMPONENT**

Subprogram and component	IDB	Counterpart	Total
<b>Congress</b>	<b>2,838.5</b>	<b>713.3</b>	<b>3,551.8</b>
- Regulatory framework	49.0	-	49.0
- Strengthening for committees	657.6	544.8	1,202.4
- Library and archives	612.1	84.8	696.9
- Information systems	619.8	83.7	703.5
- Admin. restructuring	900.0	-	900.0
<b>Political system</b>	<b>4,709.6</b>	<b>770.9</b>	<b>5,480.5</b>
- Civil Register	3,735.3	648.3	4,383.6
- Single-member districts	105.8	10.5	116.3
- Institutional strengthening	252.8	27.1	279.9
- Civic education	615.7	85.0	752.6
<b>Decentralization</b>	<b>2,932.9</b>	<b>529.0</b>	<b>3,465.7</b>
- Strengthening for dept. admin.	1,823.5	471.3	2,294.8
- Institutional strengthening	1,109.4	57.7	1,167.1
<b>Execution costs</b>	<b>1,020.0</b>	<b>-</b>	<b>1,020.0</b>
- Liaison office	320.4	-	320.4
- Specialized company	390.0	-	390.0
- Executing units	309.6	-	309.6
<b>Cost recognition</b>	<b>270.0</b>	<b>-</b>	<b>270.0</b>
<b>Contingencies</b>	<b>207.8</b>	<b>367.5</b>	<b>575.3</b>
<b>Financial costs</b>	<b>120.0</b>	<b>430.0</b>	<b>5,550.0</b>
- Interest		375.0	375.0
- Credit fee		55.0	55.0
- I&S	120.0		120.0
<b>Total</b>	<b>12,000.0</b>	<b>2,800.0</b>	<b>14,800.0</b>

EXECUTION COSTS

Item	Person/ hours	Salary/ month	Annual	Total
<b>Liaison office -</b>				<b>283,320.4</b>
Coordinator	48	2,500	30,000	120,000
Secretary	48	600	7,200	29,400
Overhead		300	3,600	14,400
External consultant	12	10,000	120,000	120,000
External auditing				36,600
<b>Congress</b>				<b>103,200</b>
Coordinator	24	2,500	30,000	60,000
Accounting assistant	24	800	9,600	19,200
Secretary	24	600	7,200	14,400
Overhead		400	4,800	9,600
<b>Political system</b>				<b>103,200</b>
Coordinator	24	2,500	30,000	60,000
Accounting assistant	24	800	9,600	19,200
Secretary	24	600	7,200	14,400
Overhead		400	4,800	9,600
<b>Decentralization</b>				<b>103,200</b>
Coordinator	24	2,500	30,000	60,000
Accounting assistant	24	800	9,600	19,200
Secretary	24	600	7,200	14,400
Overhead		400	4,800	9,600
<b>Total</b>				<b>1,020,000</b>

TENTATIVE PROCUREMENT SCHEDULE

Subprograms and components	Individual consultants		Consulting firms	Training agencies	Other services	Equipment		
	Local	International				Computers	Other	Supplies
<b>Congress</b>	39	3	2	1	1	2	2	2
- Regulatory framework	2	1						
- Strengthening of committees	25							
- Library and archives	3	2	1			1	1	2
- Information systems	9			1	1	1	1	
- Administrative reorganization			1					
<b>Political system</b>	5	4			6	7	3	
- Civil register								
- Electoral districts	2	2			3	3	2	
- Institutional strengthening	1	1				2	1	
- Civic education	2	1			3	2		
<b>Decentralization</b>	62			2	1	4	1	1
- Strengthening of administrative departments	32			1		3		
- Strengthening of National Civic Participation Department	30			1	1	1	1	1
<b>Execution</b>	12	1			1			
- Executing units	9							
- Liaison unit	3	1			1			
<b>Total</b>	118	8	2	3	9	13	6	3

## TENTATIVE SCHEDULE FOR PRINCIPAL AREAS OF PROCUREMENT

TYPE OF PROCUREMENT (No. of contracts)	Amount (US\$000s)	IDB (as a %)	Type of bidding	Published in DB	Prequali- fication
<b>INDIVIDUAL CONSULTANTS</b>					
- Local (106)	2,785.0	80	-	-	-
- International (8)	235.0	100	-	-	-
<b>CONSULTING FIRMS</b>					
Specialized agency (1)	390.0	100	ICB	II/96	Yes
Administrative reform of Congress (1)	850.0	100	ICB	I/97	Yes
Transcriptions of Registry of Births, Deaths, and Marriages (3 to 8)	2,227.0	100	ICB and/or LCP	II/96	Yes
<b>TRAINING</b>					
Departments (1 to 3)	480.0	60	ICB and/or LCP	-	Yes
<b>INFORMATION EQUIPMENT</b>					
Congress: sets of equipment (1)	500.0	100	ICB	I/97	Yes
Courts: sets of equipment (1)	1,305.0	90	ICB	II/96	Yes
Courts: software (1 to 3)	400.0	25	ICB and/or LCP	I/97	Yes
Decentralization - equipment (1 to 3)	450.0	80	ICB and/or LCP	II/96 to II/97	Yes

ICB - International competitive bidding

LCP - Local call for proposals



## FOLLOW-UP AND MONITORING INDICATORS

## 1. CONGRESS

Results and activities	Year 1	Year 2	Year 3
<b>Library component</b>			
Approval of international regulations	100%		
Cataloguing of books and journals	15%	60%	100%
Acquisition of books and journals		20%	100%
Library computerized	50%	100%	
Physical renovations		100%	
Staff training	30%	80%	100%
Lending policy approved	100%		
<b>Administrative component</b>			
Preparation of personnel reforms	50%	100%	
Approval of personnel reforms		100%	
Implementation of personnel reforms		30%	100%
Preparation of administrative reforms	50%	100%	
Approval of administrative reforms		100%	
Implementation of administrative reforms		30%	100%
<b>Advisory services component</b>			
Rules of debate presented (House of Representatives)	100%		
Rules of debate presented (Senate)	100%		
Rules of debate passed (House of Representatives)	100%		
Rules of debate passed (Senate)		100%	
Basic law of Congress presented	100%		
Basic law of Congress passed		100%	
<b>Technical assistance component</b>			
Adaptation of the structure of CICON	100%		
Post of advisor defined	50%	100%	
Post of secretary defined	50%	100%	
Competitions for permanent jobs		50%	100%
Post of advisor implemented		50%	100%
Post of secretary implemented		50%	100%
Background study completed	40%	30%	30%
<b>Information systems component</b>			
Establishment of an information systems unit	100%		
Design of the bank of legal texts	50%	100%	
Design of the bank of records of sessions/parliamentary texts	50%	100%	
Design of the legislative processing system	50%	100%	
Design of the documentation, archive, and library system	50%	100%	
Design of access to external networks and Internet	50%	100%	
Implementation of the bank of legal texts		50%	100%
Implementation of the bank of records of sessions/parliamentary texts		50%	100%
Implementation of the legislative processing system		50%	100%
Implementation of the documentation, archive, and library system		50%	100%
Implementation of access to external networks and Internet		50%	100%
Physical design of computer systems		100%	
Installation of computer systems		100%	

## 2. STRENGTHENING OF THE POLITICAL SYSTEM

Results and activities	Year 1	Year 2	Year 3	Year 4
<b>Civil Registry component</b>				
Organization and implementation of the general civil registry offices	25%	50%	100%	
Collection, restoration, and screening of historical information from 1943-1993	100%			
Design, procurement, and installation of the computerized civil registry system	100%			
Transfer of the registers to the data bases		20%	60%	100%
Integration of the Electoral Office and Master Registry files		50%	75%	100%
Integration of the Civil Registry and voters list data banks		50%	75%	100%
Training for users of the network		100%		
<b>Component to draw the boundaries for single-member districts</b>				
Organization of a cartography unit in the Electoral Office	100%			
Procurement of computer equipment and logistical support	100%			
Storage of information from digitized maps	100%			
Boundaries for the 65 single-member districts	100%			
<b>Component to strengthen the Electoral Office</b>				
Preparation of the program for development of the Electoral Office	100%			
Design of manuals on organization, functions, and procedures	100%			
Internal communications network	25%	100%		
Program implementation	50%	100%		
<b>Civil electoral education component</b>				
Analysis of democratic values and practices	100%			
Preparation and approval of the campaign plan	100%			
Dissemination of the campaign plan	25%	100%		
Agreements with the MDH, armed forces and the police	100%			
Organization of national and departmental campaign committees	100%			
Preparation of publicity and educational materials and distribution	25%	100%		

## 3. SUPPORT FOR DECENTRALIZATION

Results and activities	Year 1	Year 2	Year 3
<b>Component to strengthen the departmental administrations</b>			
Development of training modules	100%		
Organization and holding of workshop-seminars on regional planning, financial administration, goods and services, human resources, project administration, and municipal strengthening	100%		
Organization and operation of the technical councils	100%		
Implementation of the systems for planning, financial administration, goods and services, human resources, project administration, and municipal strengthening in the nine departments	50%	100%	
Training for 1,400 departmental employees	50%	100%	
Administrative reorganization of the productive and welfare sectors on the departmental level	100%		
Scaling, procurement, and implementation of information systems	100%		
<b>Component to strengthen the National Civic Participation Department</b>			
Development of strategy and operational planning methods	100%		
Formulation of training and technical assistance modules for the departmental administrations	100%		
Preparation of seven ethnogeographic studies	100%		
Preparation, testing, and dissemination of rules for establishing districts	100%		
Technical assistance for the departmental administrations	50%	100%	
Development and testing of the new assistance modules for municipalities and grassroots organizations	50%	100%	
Scaling, procurement, and implementation of information systems	100%		
Preparation of a plan of operations for decentralization	50%	100%	

LEGI/BO-0386  
Original: Spanish  
BO-0112

PROPOSED RESOLUTION

BOLIVIA. LOAN \_\_\_\_/SF-BO. TO THE REPUBLICA DE BOLIVIA  
(National Program for Gobernability)

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the República de Bolivia, as Borrower, for the purpose of granting it a financing to cooperate in the execution of a Gobernability National Program. Such financing will be for the amount of up to US\$12,000,000, or its equivalent in other currencies, except that of Bolivia, which are part of the Fund for Special Operations and will be subject to the "Terms and Financial Conditions" and the "Special Contractual Conditions" of the Executive Summary of the Loan Proposal.