

Bolivia \ D. in \ Dem Changes \ Dec 20

. Johnston, David(LAC/SA)

From: Munoz, Edgar(BOLIVIA/SOS)
Sent: Thursday, December 20, 2007 4:45 PM
To: Derrick, Carl(LAC/SPO); Uribe, Ernesto; Nichols, Sharon B(LAC/SPO-B); Johnston, David(LAC/SA)
Cc: Walter, Dean(BOLIVIA/FMO); Moscoso, Virginia(BOLIVIA/SOS); Natiello, Peter(BOLIVIA/DIR); Anderson, Karen (BOLIVIA/Dem); Zaman, Jessica(BOLIVIA/Dem)
Subject: DG budget and justification
Attachments: Justification for Changes in FY 08 budget.doc; Governing Justly and Democratically Budget 2008.xls

Dear all,
Please find attached the proposed modifications to the program areas and elements allocation for the FY08 USAID/Bolivia DG budget and its justification. Please let us know what the next steps would be.
Thank you for all your support with this.
Saludos,
Edgar

12/26/2007

Justification for Proposed Changes in USAID/Bolivia Democracy Office Budget

USAID/Bolivia's budget is expanding from an average annual level of \$8.0 million in recent years to about \$24.0 million in FY 08. Meanwhile, major changes have been occurring in Bolivia's political situation over recent months. As a result of our efforts to appropriately target our assistance in this highly complex and fluid operating environment, USAID/Bolivia deems it necessary to request several changes in our plans for democracy activities. Thus, we would like to propose the following modifications to the FY 08 budget distribution:

Program Area 2.1: Rule of Law and Human Rights. Adjusted Level: \$5.15 million

- Shifts in priorities following the appointment of a new Justice Minister in 2007 have caused some implementation delays and led to modifications in some of our future justice activities planned with FY 08 funds. Hence, we propose reducing the funds budgeted for Program Area 2.1, Rule of Law and Human Rights, Program Element 2.1.3, Justice System, from \$8.656 million to \$4.6 million (a reduction of \$4.056 million). This would reduce the total budget for Program Area 2.1 from \$9.156 million to \$5.15 million.

Program Area 2.2: Good Governance. Adjusted Level: \$11.85 million

- USAID has modified planned activities to strengthen the Bolivian Congress through the FIDEM project due to changes in the legislature's priorities. The legislative systematization activities previously agreed upon with the Congress will not take place, and will be substituted with other activities to strengthen Congressional caucuses and the women parliamentarians' organization that will not require the same level of resources. Thus, we propose to reduce the funds allocated to Program Area 2.2., Good Governance, Program Element 2.2.1, Legislative Function and Processes from \$2.453 million to \$1.0 million (a reduction of 1.453 million).
- The Bolivian Government is severely handicapped by its lack of experienced managers, at all levels and in all branches of government. A number of government agencies have expressed the need for management training to improve their ability to manage resources and personnel. USAID identifies this as one of the major obstacles to good governance in Bolivia at this time. At the same time, strengthening government managers' capacity is in the USG's interest, because it affords us more capable interlocutors for our programs, and helps GOB managers understand the consequences of different policy decisions. In response to this need, we plan to design a new activity under Program Area 2.2., Good Governance, Program Element 2.2.2., Public Sector Executive Function, aimed at establishing a Public Management Training program, estimated at \$1 million in the first year. This would add activities under a new Program Element to the Democracy Program.

- Under Program Area 2.2., Program Element 2.2.3, Local Government and Decentralization, USAID maintains its plans to go forward with a major new program helping municipal governments better deliver on democratically channeled citizen demands for improved services and infrastructure. The amount budgeted under this Program Element is \$7.5 million for the first year. At the same time, the good results of our existing project of support to Bolivia's departmental governments enable us to continue that program in the FIDEM project's third option year. Hence we are requesting that an additional \$1.7 million be allocated to Program Element 2.2.3 for the continuation of those activities.
- The overall impact of these changes to Program Area 2.2 will be to increase the total budget from \$7.953 million to \$11.85 million, for a net increase of \$3.897 million.

Program Area 2.3: Political Competition & Consensus Building. Adjusted Level: \$3.463 Million

- Under Program Area 2.3., Program Element 2.3.2, Elections and Political Processes, given a number of previously unscheduled elections that are now foreseen in the upcoming year, USAID proposes to add activities in elections observation and voter education. Elections that may take place over the next year include three possible referenda and possible general elections. USAID plans to support voter education, domestic and international observation efforts, an independent "quick count" of votes, and possibly technical assistance to the government electoral authority, which is changing leadership in January 2008 and may undergo structural changes if the proposed new Constitution is approved. We are therefore requesting that \$2.7 million be allocated to Program Element 2.3.2 for these new activities.
- The total proposed change to Program Area 2.3 is an increase of \$2.7 million from \$763,000 to \$3.463 million.

Program Area 2.4: Civil Society. Adjusted Level: \$3.837 Million

- USAID proposes decreasing funds for Program Area 2.4, Civil Society, Program Element 2.4.1, Civic Participation, by \$2.378 million. The remaining funds would be sufficient to fully fund the first year of a new program aimed at assisting vulnerable ethnic groups through civil society activities, support existing civil society activities, and provide civil society support to engage with local and/or departmental governments around citizens' expressed needs. This would decrease the overall budget of Program Area 2.4 from \$6.428 million to \$3.837 million.

	Old GJD Allocation by Element (DA)	Proposed GJD Allocation by Element (DA)
Bolivia *		
2 Governing Justly & Democratically	24,300	24,300
2.1 Rule of Law and Human Rights	9,156	5,150
2.1.3 Justice System	8,656	4,600
2.1.5 Program Design and Learning (Rule of Law)	500	200
2.1.6 Administration and Oversight (Rule of Law)		350
2.2 Good Governance	7,953	11,850
2.2.1 Legislative Function and Processes	2,453	1,000
2.2.2 Public Sector Executive Function		1,000
2.2.3 Local Government and Decentralization	5,000	9,200
2.2.6 Program Design and Learning (Governance)	500	200
2.2.7 Administration and Oversight (Governance)		450
2.3 Political Competition and Consensus-Building	763	3,463
2.3.2 Elections and Political Processes		2,700
2.3.3 Political Parties	600	600
2.3.4 Program Design and Learning (Political Competition)	163	163
2.3.5 Administration and Oversight (Political Competition)		
2.4 Civil Society	6,428	3,837
2.4.1 Civic Participation	5,928	3,550
2.4.3 Program Design and Learning (Civil Society)	500	187
2.4.4 Administration and Oversight (Civil Society)		100