

BOLIVIA: MUNICIPAL PARTNERS FOR ECONOMIC DEVELOPMENT PROGRAM (MPED)



The Municipal Partners for Economic Development Program (MPED) is sponsored by the Federation of Canadian Municipalities (FCM), with funding support from the Canadian International Development Agency (CIDA). The program carries out projects at the local level with impacts at the national and regional levels. Projects are being carried out with two departmental municipal associations, AMDECH and AMDECO, in three Bolivian municipalities with three corresponding Canadian partners, resulting in partnerships between Truro and Cliza, Fredericton and Tiquipaya and Corner Brook and Padilla. The first two partnerships are in the Bolivian Department of Cochabamba and the third in the Department of Chuquisaca.

The projects provide training to municipal and municipal association staff, some elected municipal officials and leaders from civil society, as well as women and youth entrepreneurs and agricultural producers, to increase knowledge and entrepreneurial skills.

As well, the projects have expanded the faculties of local community representatives and municipal officials in relation to conservation and management of ground waters, planning soil and land use, promoting ecotourism, staffing and training new staff, and the integration of community inputs into municipal economic planning. New services and municipal mechanisms are being established to be able to give better support to the economic initiatives of youth and to form alliances with educational institutions.

COUNTRY CONTEXT FOR LED IN BOLVIA

Bolivia, in the heart of South America, is a decentralized plurinational state with autonomous regions. The country is organized territorially into nine departments that in turn are divided into 112 provinces and these in turn into 339 municipalities and indigenous peasant territories.

In accordance with what is established by the Political Constitution of the State and by the Framework Law for Autonomy and Decentralization, which regulates the development of Autonomous By-Laws and Charters, the transfer and distribution of direct responsibilities and responsibilities shared with decentralized and autonomous territorial bodies take place at four levels of decentralization:

- Departmental Government
- Municipal Government
- Regional Government, and
- Indigenous Peasant Government

In the municipal area, local governments are also known as "autonomous municipal governments".

Main sources of funding for local governments include: taxes in accordance with Bolivian legislation, rates, licences for economic activities within each municipality, sale of goods and services and disposal of assets, bequests, donations and other similar incomes, internal and external loans, transfers through co-participation in tax collection, transfers based on the Direct Hydrocarbon Tax and transfers because of delegating or transferring the responsibilities and participation in regulating mining activities at a departmental level.



The law on hydrocarbon resources (Supreme Decree 28421 – Distribution of Direct Hydrocarbon Tax Income – October 21, 2005) establishes that income from the hydrocarbon tax can be used in health, education and infrastructure programs, as well as:

To foster local economic development and employment, which consists of: technical assistance and training for the productive sector; facilitating access to credit through support to micro, small and medium-sized businesses; providing services, infrastructure and equipping of centres for collecting recyclable materials, artisanal and tourism centres, new business hatcheries, centres for education and training, and the establishment of bodies responsible for encouraging local business and employment.

KEY CHALLENGES FOR LOCAL GOVERNMENTS IN DOING LED

■ CHALLENGE 1

Achieving greater social participation as key to promoting local economic development through public and private sector synergies.

■ CHALLENGE 2

Creating opportunities for debate and agreement to implement local development policies. To this should be added the faculties granted to different municipal actors who through the Organic Charter (constitutive instrument that expresses

the will of the municipality) can define the responsibilities and procedures to promote local economic development.

■ CHALLENGE 3

Implementing strategies and methodologies for the establishment of economic pockets within the municipality that allow them to have their own financial base (that provides them with a degree of governance). This allows for more possibilities of action to carry out projects for human or infrastructure development and investment projects.

SUCCESS STORY

The project in the Municipality of Tiquipaya involves managing solid waste as a potential resource for local economic development based on explosive urban growth, which has reduced agricultural areas and caused environmental with negative effects.

The perception of solid waste management as a problem has advanced to conceiving of the issue as offering potential as a "reactivating and dynamizing process" for the local economy. Through the efficient use of existing resources in a determined area, it can stimulate economic growth, create employment and improve quality of life, therefore offering the potential to bolster local economic development.

The initiative to organize and strengthen groups of women that work at the municipal waste dump emerged from the need to sort recyclable materials. This process seeks to retrain the women who work at the municipal dump scavenging recyclable materials as well as other groups that collect scrap materials from the streets. The project also allows for making use of waste materials for the production of organic fertilizers in the municipal composting facilities.

