

REGIONAL SUPPORT TO DEMOCRATIC INITIATIVES

A STRATEGIC FRAMEWORK

Agency for International Development
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INTRODUCTION

In 1992, ROCAP, in consultation with USAID Missions, Embassy representatives, and LAC Bureau staff, defined its strategy in Democracy. The strategic objective which emerged from these consultations is:

More effective and democratic local governance.

The LAC Bureau voiced the additional concern that ROCAP be able to take advantage of its position as a regional entity to promote broader democratic initiatives in Central America, even though they might not contribute to the strategic objective defined above. Accordingly, on the advice of a consultant team contracted to help ROCAP develop its strategic objectives and indicators, such regional activities were subsumed under ROCAP's cross-cutting theme of promoting regionalism, and the development of its Democracy strategy left to focus only on local governance.

It is important to recognize that this strategic objective, and the strategy which is elaborated herein, does not constitute a comprehensive regional strategy for the promotion of democracy in Central America. It is a narrowly defined, though by no means insignificant, contribution to the consolidation of democracy. Its genesis, further described below, is in years of experience in implementing shelter and urban development programs in the region.

The following strategic framework lays out the rationale for ROCAP's activity in local governance and describes how ROCAP intends to approach the sector.

PARAMETERS OF ROCAP'S ROLE AND APPROACH

ROCAP's role reflects, in part, the presence of the Regional Housing and Urban Development Office for Central America (RHUDO/CA) with ROCAP in Guatemala. This move brought to ROCAP a body of experience in designing and implementing shelter and urban development programs in the region. RHUDO's experience had led to the conclusion that municipalities were potentially more effective instruments for delivering basic services to residents than were central governments, but that the municipalities were constrained in their ability to provide services by laws, regulations, and policies that reserved power and resources to central agencies. Central governments, however, are often out of touch with the needs of local communities; central agencies are overwhelmed by increasing demands; and governments are unable or unwilling to budget adequate funds to meet local requirements.

Meanwhile, for the first time in a century, all the Central American countries can boast of democratically elected national governments. The change from dictatorial rule to rule by elected leaders, however, did not automatically transform centralized control by bureaucracies which have not traditionally been held accountable to the people for their actions.

Drawing these two themes together, AID has recognized that municipalities have a primary role to play in the process of building a democratic system and in promoting efficient and effective economic and social development. However, they need to participate in the formulation and execution of national decentralization reforms and in the broader dialogue on national development; they need to be able to respond to citizen needs for land and basic infrastructure services and to participate in creating the conditions needed for local development; and they need to involve their citizens actively in municipal decision-making regarding the generation and allocation of resources.

The fusion of improved municipal service delivery and decentralization of democratic development is at the heart of ROCAP's strategy. Both themes are considered essential to the effectiveness of the strategy in contributing to Latin America bureau objectives in democracy promotion.

ROCAP's strategic approach is designed to contribute to the LAC Bureau's regional goal of supporting the evolution of stable democratic societies. It addresses two LAC/Democratic Initiatives sub-goals: (a) help create a pluralistic, autonomous, vigorous civil society that can balance and limit state power while providing channels for the articulation and practice of democratic interests; and (b) strengthen the democratic culture--values, attitudes, beliefs, and information that support democratic pluralism and are required for effective leadership.

Further, ROCAP's strategic objective directly supports LAC/DI objectives, as defined in LAC/DI's 1992-1993 Action Plan:

- support for the decentralization of power by strengthening local and municipal government;
- strengthen pluralism and citizen participation through labor unions, business organizations, and other grassroots organizations and associations; and
- strengthen democratic values and information through formal and non-formal civic education and other innovative approaches, and strengthen leadership through training that exposes present and prospective leaders to democratic values and practices.

These last three objectives are especially key to understanding ROCAP's approach. The strategy described herein will make it clear exactly how the objectives will be served.

In addition to the goals and objectives of the LAC bureau, however, other parameters have influenced the design of ROCAP's local governance strategy. These include:

- the need to define a strategic objective within the Central American context such that ROCAP can make progress towards it with our expected resources and that we can measure that progress;
- the Central American context itself, which requires that a regional strategy take account of existing movements towards decentralization and municipal autonomy and of the existing close ties among Central American countries which offer many opportunities for regional-level action;
- bilateral USAID goals, objectives, and programs related to decentralization and municipal development.

THE PROBLEM

The basic problem to be addressed by ROCAP's strategy is the excessive centralization of governments in all the Central American states. This problem has several aspects:

Lack of appropriate authorities at the local level.

In spite of the growing recognition of the need for more responsibility and authority at the municipal level, the locus of power and resources remains at the center. For decentralization to be effective, it must be reflected in a restructured relationship between the central and local governments. In such a relationship, the local government has an established role to play in the democratic process by participating in setting the agenda for growth and by implementing the policies that support the agenda. Such a restructuring is a

complex and, of necessity, long-term process, as it implies a shift in power relationships. It is this shift, however, that makes municipal decentralization a critical element in the democratization of Central America, for without it, citizens do not have an effective forum for making their demands heard.

AID experience in providing technical assistance and training to municipalities in the 1970s highlighted this problem: in spite of the expenditure of considerable amounts, municipal administration did not improve significantly. No matter how capable the municipalities, they cannot operate effectively without the proper authorities to carry out their functions.

Currently mutually reinforcing policy and institutional development agendas at the national and local levels do not exist, giving rise to very practical difficulties:

Existing central-local fiscal relations tend to reinforce national level control at the expense of local government autonomy and capacity building. The majority of local government investment is provided and managed by central sectoral agencies. Revenue sharing programs perversely reward fiscal irresponsibility and discourage local revenue generation by making up deficits: the bigger the deficit, the bigger the central subsidy. The taxing authority of municipalities is limited and unclear. National systems and procedures limit municipalities' ability to plan and budget local development activities.

Another aspect of the centralization constraint is the centralized financing and management of local development activities. Centralized management of publicly held lands (traditional communal lands and others) and natural resources is also common throughout the region. Furthermore, in almost all countries, central agencies have primary responsibility for the preparation of local urban land use and development plans.

Because central agencies are spread so thin, structured to account to national-level leaders and to address national level problems, that they are very removed from the developmental context in local communities, it is not surprising that their provision of infrastructure and services needed by the municipality and their planning and management of land and natural resources is ineffective. Local governments, meanwhile, are prevented from filling the vacuum by legal restrictions and limited capacity. So the cycle continues.

The lack of responsive and effective local governments

The transfer of responsibilities and resources from central to local government signals a diffusion of governmental power and a new role for municipalities. As central government roles change from those of "doers" to those of "facilitators," so must municipalities progressively be equipped to plan and manage their new role. Unfortunately, the municipal systems of Central America are not fully prepared to assume these new roles and responsibilities.

Their capacity to generate and administer revenues; to formulate and implement revenue programs; and to plan, program, and budget investments is weak, giving opponents of decentralization another rationale for withholding further responsibilities and authorities. Tradition has consigned local government to a subservient role in national politics. For many decades, municipalities in Central America have lacked the legal, financial, institutional, and technical capability required to fulfill the functions now being devolved to them. The municipalities have also been marginal players in the formulation and implementation of national development policies, strategies, and programs.

Some weaknesses are the result of lack of experience, but there is also no denying that there is a serious lack of trained personnel to formulate and execute local development policies and programs. The requirements are huge,

but the countries in the region do not have the institutional capacity in place to provide relevant training and technical assistance, to municipalities, despite the existence of centrally-run "municipal development institutes" in virtually every CA country. Also lacking are salary and career plans that would attract and retain better trained staff.

Low levels of citizen participation in public decision-making

Citizen participation in local development decisions and activities is inadequate in each of the countries. Yet, local politics is where citizens stand their best chance of learning the skills they need to participate in a democratic system. And the benefits to democracy of improved local governance will not be realized if citizens cannot hold their local leaders accountable for their decisions. Local election mechanisms need to be developed which maximize accountability.

Elections are only the beginning of citizens' role in local decisions. Community leaders and organizations need to learn how to increase their effective participation in local decision-making. Little if any provision is made for citizen participation in the setting of municipal policies, plans, and programs, nor in taxation and investment decisions. Conversely, citizen attitudes and habits of non involvement, and dependence on central entities for basic services need to change to orient them towards greater self sufficiency. Only when citizens have some "ownership" of public plans and policies will they be willing to pay for them.

CONSTRAINTS

ROCAP's strategy in local governance is to respond to the above problems by addressing, at the regional level and via support to USAIDs, the following constraints:

A. Lack of a policy framework and consensus to support structural change.

The lack of clear policies on decentralization throughout the region acts as an obstacle to greater progress in devolving resources and responsibilities to municipalities. Mutually reinforcing policy agendas at national and local levels are needed to achieve sustainable improvements in municipal capacity and in the municipalities' participation in decisions that affect them.

Many commonalities characterize the situation of municipalities in Central America, and all countries share a growing trend towards decentralization, though there are wide variations in the strength and expression of that trend. Countries that are only contemplating certain changes or that are just beginning their efforts could benefit from a common frame of reference for considering and analyzing potential changes. For example, Guatemala has passed a law requiring that 8% of the central budget be transferred to municipalities for capital investments. El Salvador mayors, seeing the increased resources this mechanism makes available at the local level, are advocating a similar measure there. However, the Guatemala experience has also been instructive in that the 8% has been withheld or delayed by the central government, often for political party advantage, underscoring the weakness of the transfer mechanism as a means to true autonomy.

B. Lack of systematic mechanisms for sharing/exchanging information and experiences gained from country level activities.

This constraint is closely related to the above. Although there is a plethora of regional institutions and activities, systematic information sharing does not occur, so there is no way for countries at different stages of development to learn from the best of what their neighbors may have to offer. USAIDs in

the region have access to sophisticated information management resources, but those resources are only as useful as what gets put into them, and much of what is being done in the various countries is not being widely or systematically disseminated.

C. Limited bilateral resources, both staff and financial.

Although a number of USAIDs had significant municipal development training activities in the 1970s, the recent resurgence of interest presents different issues and ideas as the concept and conditions have changed over time. There is a recognition that training alone, for example, is not enough to address the problem of weak municipalities. Faced with continuing pressures on staff resources, few Missions are in a position to add new technical expertise. Financial resources in some countries are also being reduced, yet most USAIDs view the rising interest in municipal development on the part of their host countries as something to which they wish to be responsive.

WHY A REGIONAL APPROACH?

There is a strong rationale for taking a regional approach to promoting democracy in Central America through support for increased devolution of authority to, and strengthening of, local governments. Central America's common origin of the political, institutional, and legal frameworks for local government permits the development of a common conceptual framework, adaptable to country-specific problems. Regional experience and opinion can be brought to bear on constructing a policy framework to address what are, basically, country-level policy issues and problems. Knowledge of successful measures taken to increase municipal autonomy in other countries has made decision-makers more confident in adopting similar policy changes in their own countries. Awareness that one country is the only country without certain municipal powers can, conversely, encourage the outlier to accept change (e.g., Panama is taking steps to elect its mayors, becoming the last CA country to do so). Also, some changes with sensitive political implications are easier to promote regionally than bilaterally (e.g., property taxes in some countries). Finally, opinions favoring greater devolution of authority to local governments which emerge from regional fora can serve as a powerful impetus to bilateral change.

The regional approach, on the technical level, offers opportunities to foster information exchange; to identify, test, and apply new approaches to solving common municipal problems; to take advantage of regional economies of scale in the use of limited AID resources; and to fill gaps in country programs. Regional training, for example, can improve cross-fertilization of ideas at the same time that it offers major economies of scale.

But even more critical from the point of view of impact, is that there is a commonality of interest and need, if not total commitment, across all Central American countries. The following section summarizes the status of local governance issues in each of the Central American countries.

El Salvador-- El Salvador's municipalities and mayors are playing a key role in the peace and reconstruction process; after 10 years of war, Salvadoran society has directed its energy to consolidating peace. With considerable assistance from AID, the municipal system in El Salvador has achieved the following advances: (a) increased levels of citizen participation in local development projects through the cabildos abiertos; (b) their association of municipalities (COMURES) has been restructured and revitalized and taken on a more influential role; (c) approval of a local tax system which permits municipalities to determine their own fees and rates; (d) a decentralization commission has been appointed to look at municipal autonomy, and preparation of a national decentralization strategy is in process. Currently, the GOES is

considering a municipally-controlled property tax. All these are demonstrations of political will to strengthen the municipal system.

However, there continue to exist obstacles to a more definitive municipal role in El Salvador's economic, social, and political development: (a) the "winner take all" elections to Municipal Councils, which results in one-party control of the councils and lack of representation of other parties in proportion to their local strength; (b) the municipalities' extreme dependence on external resources for meeting budget requirements; and (c) the reluctance of central government institutions to decentralize authorities to municipalities. A bilateral USAID project, now being developed, will address these obstacles.

Nicaragua--At the urging of its municipalities, the new Government of Nicaragua has taken some important actions to strengthen municipal institutions. The GON has transferred the administration of the property tax and has devolved to the municipal level, on a pilot basis, the administration of services which used to be under central control: water and, soon, education. These actions have been taken without a broader strategic context. Supported by AID and other donors (GTZ and UNDP), the GON is now trying to build consensus among different institutional and political sectors to formulate such a strategy. USAID is the lead donor in this effort. Implementation of the strategy in Nicaragua's polarized political environment and highly centralized state will require a major effort of negotiation and education.

Honduras--In 1990 the Honduran congress unanimously approved a new Municipal Law containing the basic elements of a decentralization process--transfer of resources, authorities, and powers to municipalities. The law (a) provides the municipalities with their own local tax base in addition to transferring 5% of the national budget to them; (b) establishes several mechanisms for citizen participation in local decision-making; (c) shares between local and national entities the control and management of natural resources; (d) provides the municipalities with full administrative autonomy in the approval of their budgets and fees and enables them to administer local public services, among other provisions. The Municipal Law was recently supplemented by a reform in the electoral law, motivated by AMHON (the national association of mayors), which provides for separate ballots for national elections from those for local elections, permitting greater influence for citizens over local affairs and reducing the influence of the machinery of the political parties. Three years later, the results of the law are generally positive, due largely to the efforts of AMHON and of USAID's Municipal Development Project. Honduras now faces the challenge, at both the national and local levels, of implementing and consolidating the process of decentralization which the Municipal Law has begun.

Panama--Panama lags behind the rest of Central America in that it does not even have elected mayors. There is general consensus on the need to change this, however, and the legal steps needed to bring it about have begun.

Guatemala is a mixed picture. From the political point of view, a constitutional endorsement of decentralization and the transfer of 8% of the national budget to local governments have created a favorable backdrop for the movement toward local autonomy. Local government is so structured that with a few key changes, especially in the area of financial independence, the community itself could come to play an important role in its own development through its elected leadership. For example, local elections allowing for candidacies of local leaders not affiliated with the national parties would permit the community to participate without dependence on the capital city, centralist political interests that dominate almost all political parties in Central America. On the other hand, the split of the mayoral term into a two-year term for two thirds of mayors and a five-year term for the rest, weakens the municipalist movement by reducing the political importance of local leadership and by making mobilization and alliances for reform more difficult to maintain. Guatemala's municipal association, ANAM, itself in the process of reform and democratization, so far

has not been able to play a significant role in mobilizing the municipalist movement.

From the economic point of view, the municipality is completely dependent on centrally-controlled structures, such as the Congress for tax and fee authorities, and with the exception of water, on State run autonomous agencies, for services. Normally, municipalities need to beg resources even to meet payroll and operational costs, the 8% being restricted to capital investment. At the present time it appears that this dependence could be eliminated, or at least decreased, through a law transferring the property tax to municipal control. Although public opinion appears to favor local government autonomy vis-a-vis this law, strong special interests are at risk and passage at this point is uncertain.

Costa Rica--For many years, the concept of decentralization has been discussed in political and legislative circles of Costa Rica. For example, a number of legislative initiatives for increasing local government autonomy have been before Congress, one for as long as 10 years. The Reform/Modernization of the State Program, operating through two presidencies under different parties, includes a component directed toward devolving some functions to local government. On the other hand, with the exception of a few, although important, political figures, the prevailing mood appears to be against major, structural change in local government. The scale of government in Costa Rica favors centralization and the central provision of services has not been notably deficient. Activities of the two major political parties ignore local issues as unimportant to them politically. Even the members of local communities are accustomed to expect almost nothing from local leadership. This is reflected by opinion polls.

The situation of local government in Costa Rica corresponds to political structures designed to keep it weak. Leadership, divided between the Council President and the City Executive, hides responsibility and discourages redress by vote. Even if that were not the case, the Council President's term is only for a year, which makes an impressive showing of leadership and responsiveness to the community almost impossible. To add to this negative picture, the local government budget is completely dependent on centralist structures, to cover operating costs, not to speak of capital investments; where, in order to minimize the role of local leadership, central government has created a structure of parallel community organizations to funnel resources directly to communities, bypassing locally elected leadership. As far as the parties are concerned, the minimum political advantages and visibility permitted a local leader are not attractive to the politically talented. The result is, in general, lackluster local leadership. Advances in decentralization in Costa Rica will require substantial, structural changes.

What is clear from this very brief review of the countries of Central America is that there is already considerable consensus on the need for more decentralization, but also a lot of obstacles to overcome. In many of the countries, most notably Honduras, El Salvador, and Nicaragua, USAID Missions are already contributing to the decentralization/municipalist currents. ROCAP's strategy is to build on national and bilateral movements with regional approaches that reinforce them. In countries without bilateral programs, like Costa Rica and Guatemala, ROCAP's strategy, as articulated in the LOGROS Project Paper, is to undertake whatever consensus building support seems feasible in the national context and provide Missions with advice and input as requested. In Panama, there has been a decision that regional resources in municipal development will not be used unless and until mayors are directly elected.

STRATEGIC ELEMENTS AND APPROACHES

Practical decentralization and municipal reform and development in Central America will be the work of at least a decade. Neither system-wide reform of

municipal laws and the processes of central government control and financial aid, nor technical and financial assistance to individual municipalities will suffice on their own to strengthen democratic processes and social and economic progress through municipal development. In order to achieve that goal, the municipalities themselves must be progressively mobilized, organized, and supported as essential actors in policy dialogue and decision-making. In turn, citizens and local organizations must be brought into the process, learning how to cooperate on community goals, as well as to make demands on their local officials and how to hold those officials accountable for their decisions.

ROCAP's approach is to support both bilateral and regional movements toward decentralization and improved local governance. At the bilateral level, ROCAP is working in close consultation with USAIDs to focus regional resources, staff and financial, on issues that (1) have implications for other countries of the region and/or (2) require resources beyond those available from USAID itself. (These issues are further discussed in the following section on The Program.)

However, the success of national level efforts will require the forging of a consensus among the key agencies and organizations, both bilaterally and regionally, nationally and internationally. Within the framework of Central America's own trends towards regional integration, there are opportunities for ROCAP interventions at the regional level to support country level reforms. In general, those opportunities involve networking events which can attract high level leadership, political and professional, to regional or extra-regional fora where local governance issues can be addressed. Facilitating these events, to which USAIDs as well as ROCAP can send leaders is a key element in the regional strategy.

The regional approach facilitates networking with ideas and experiences while increasing the cost effectiveness of specialized technical assistance and training. Most importantly, it is systematically addressing common policy and institutional development issues in order to provide the basis for sustainable municipal development in the region over the long term.

The regional approach recognizes that different kinds of activities in different countries can have synergistic effects if the regional framework is there to provide dissemination, communication, and reinforcement of national efforts. The strategic issues with which a regional approach must deal include the need to: (1) formulate and execute mutually reinforcing national and local policy and institutional reforms; (2) renew and strengthen existing, though obsolete, institutional support systems for municipal development; and (3) develop and implement the democratic process at the community, municipal, and national levels.

THE PROGRAM

ROCAP's contribution to the regional framework for local governance is embodied in the Local Government Regional Outreach Strategy (LOGROS) Project (596-0167) but also includes several other elements.

The program has two main features: (1) helping to build a regional environment for policy change in the municipal systems of Central America by constructing a regional policy framework; and (2) helping to improve the capacity of municipalities to respond to their new roles by supporting the implementation of policy changes. ROCAP considers both these foci essential to the achievement of lasting change.

The LOGROS project design reflects these two features; the project has a consensus building, or political, component and a problem-solving, or technical, component. The project, its strategic approach and place in ROCAP's democratic initiatives program, is described in some detail in the Project Paper, dated

August 21, 1992 and available from ROCAP.

In addition to LOGROS, ROCAP is also funding activities within the local governance strategic objective with a component of the Regional Development Support Project (596-0162). These activities have contributed significantly to the development of the objective itself, as well as building regional consensus on decentralization issues. Finally, ROCAP and RHUDO are now developing a Housing Guaranty project as a component of the LOGROS project. The HG is being explicitly designed to promote policy changes identified under LOGROS as being essential to improved local governance.

Within this context, ROCAP's strategy also includes providing direct assistance to USAID Missions requesting ROCAP technical support in developing country-level municipal development strategies and in helping develop bilateral municipal development projects. Once the bilateral projects are in implementation, ROCAP will come to agreements with Missions on use of regional funds in their municipal sectors to ensure complementarity and maximum effect of all resources.

The Policy Framework

The Strategic Objective of improved local governance is being addressed at the regional level through the construction of a framework of policies to promote structural change in favor of decentralization to municipal levels. The framework will help to organize individual decentralization actions into a system which changes the way central and local levels of government relate to each other and to their citizens. The framework will be constructed through a process of regional consensus-building, which will in turn be used to refine and promote the policies being advocated. Details of the components of the framework are contained in the section below on Program Outputs.

Regional meetings, conferences, seminars, and publications will be the major vehicles for building consensus. Studies directed at particular policy issues will inform the regional dialogue. Information from the studies and events will be disseminated regionally. In order to be effective in bringing about change, these instruments of consensus building will be carried out in partnership with Central American institutions who are promoting the municipal agenda. These institutions at the regional level include the Federacion de Municipios del Istmo Centroamericano (FEMICA), PARLACEN, FEDEPRICAP, SIECA, CABEI, national municipal associations, private sector investors, and central government agencies where appropriate. All bilateral or national level relationships will be closely coordinated with the USAID Missions. In addition, ROCAP is consulting with other donors in the municipal sector, such as the AECI of Spain, GTZ of Germany, the Interamerican Development Bank, and the UNDP.

The addition of Housing Guaranty resources will provide another means of encouraging policy reform. The HG program now being designed will provide for policy-based disbursements. The policies to be supported will be those defined in the framework, tailored carefully to the individual country or countries involved. The local currency equivalents of the disbursements will be used for investment, both public and private, in municipal infrastructure projects which, under the HG statute, must benefit below-median income households.

Implementation

ROCAP strongly believes that policy change must be accompanied by tangible results in order to improve the quality of citizens' lives, thereby consolidating support for democratic systems of government. The strategic approach therefore includes a component for technical assistance and training support to the resolution of specific problems of local governance, such as decentralized municipal service delivery. This support is provided for in the LOGROS project design and is further described in the Project Paper. Housing Guaranty resources

will also be directed at increasing the level of capital investment in the municipal sector.

This component of the strategy is entirely demand driven, designed to focus on problems as they are identified, to select those that have the best potential for regional application, and to disseminate results widely and systematically throughout the region through publications, workshops, and observation visits.

Some examples of candidate problem solving exercises are: implementation of decentralized provision of water services in selected municipalities (Nicaragua, El Salvador), a metropolitan solid waste authority (Honduras), and municipal administration of primary education (Nicaragua).

PROGRAM OUTPUTS

The local governance program outputs are organized under four headings:

1. A regional policy framework. The program will promote political and administrative decentralization that improves local governance. Although this output will be developed throughout the life of the program, experience to date enables us to sketch its outline in terms of reforms on which there already exists a degree of consensus and which might be refined over time:

- a. More democratic representation of local interests
 - 1) direct election of mayors
 - 2) separate slates for local elections and elimination of national party candidate slates
 - 3) ability of local electorate to recall local elected officials
 - 4) legal oversight of municipal finances at the local level
- b. Increased financial independence of municipalities
 - 1) authority to levy taxes and fees, collect and allocate revenues at municipal level
 - 2) ability to implement financial authorities
 - 3) municipal control over budget preparation, approval, and execution
- c. More opportunities for citizens to participate in local governance
 - 1) regular, or at least predictable, holding of local elections
 - 2) more open town meetings to elicit citizen input on public issues, particularly resource generation and allocation
 - 3) citizen representation on local planning committees, as appropriate
 - 4) public information campaigns to inform citizens on local issues affecting them
 - 5) local government/private sector partnerships to address common problems
- d. Expanded authorities for municipalities over appropriate governmental functions: at this stage, candidate functions for municipal control include: water, sewers, education, natural resources and environment, health, land use planning, economic development
- e. A more influential role of municipalities in national development, i.e., more local input to national development plans, projects, and decisions
- f. Improved and expanded local service delivery, especially for lower income groups

Parts of the above list are still illustrative and will be further defined, analyzed, and refined as implementation of the LOGROS project progresses.

2. A functioning regional network. Although the network could be viewed as a means to build consensus, rather than an output in itself, ROCAP considers it a key output because it represents the institutional foundations of improved local governance in Central America. During the design of the LOGROS project, it became apparent that there is no one institutional "home" for decentralization, especially at the regional level. The success and sustainability of the local governance strategy depends on the network of individuals and institutions which will disseminate and advance the municipal agenda: municipal officials and associations, community leaders and citizen groups, chambers of commerce, legislators, politicians, central government decision-makers, business leaders, special interest groups, donors, and USAIDs. Nevertheless, the Federacion de Municipios del Istmo Centroamericano (FEMICA), is a key counterpart in the construction of the network, as it is the regional representative of Central America's municipalities. FEMICA therefore plays an important role in the implementation of ROCAP's municipal strategy.

Not all these players will agree on the policy reforms to be advocated, but some level of accommodation of the interests they represent must be achieved in order to build a meaningful and effective consensus for change. Part of FEMICA's role is to help build and articulate the consensus. The network is the framework within which it will be converted into action.

3. Resolution of specific constraints to decentralization. The policy changes being advocated must be made "real" in the sense that they produce meaningful improvements in people's lives if Central Americans are to remain committed to democracy. At the program level, this concept is reflected in the directing of LOGROS resources to the solution of specific problems at the local level.

4. A regional training framework. The regional program resources available, as well as previous experience with municipal training, make unrealistic an effort to provide skill training for municipal officials. These types of activities, in any event, are more appropriately handled by bilateral programs, where they exist.

Instead, ROCAP's program strategy is to use regional resources (1) to assess and evaluate the capabilities of regional training providers to carry out municipal training; (2) to help clarify the most appropriate roles for different types of training providers in the region; and (3) to help develop municipal training programs to fill unmet needs common to more than one CA country, in order to take advantage of regional economies of scale.

PERFORMANCE INDICATORS

Because so much of the work of improving local governance must take place at the bilateral level, establishing regional indicators for the success of ROCAP's strategy is complex. Recent work by PADCO, Inc. and RHUDO has established a system for tracking LOGROS project performance which also contains the framework for program monitoring. (See Indicators for Performance Measurement, PADCO, Inc. for ROCAP and RHUDO/CA, April 1993.) ROCAP's current Action Plan contains information on the program indicators being used.

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