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LOCAL GOVERNMENT DEVELOPMENT PROJECT

EVALUATION REPORT

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RFQ 98 - 002

Evaluation Team

Etienne Durt Vellut, team leader
Efrain Gonzales de Olarte
Santiago Pedraglio Mendoza

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AUTHOR

Etienne Durt Vellut, Efrain Gonzales de Olarte, Santiago Pedraglio Mendoza

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CONTRACTOR NAME

Etienne Durt Vellut Efrain Gonzales de Olarte Santiago Pedraglio Mendoza

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SO5 - Reduced Illicit Coca Production in Target Areas of Peru

INDEX

Executive Summary	1-XII
Introduction	1
I General frame	2
1 Purpose of the evaluation	2
2 Organization of the evaluation team	2
3 USAID policy and evaluation background	6
4 Social, economic and political context	9
5 Project organization and management	13
5 1 Works	16
5 2 Training workshops	17
5 3 Distance education	19
5 4 Technical assistance	20
5 5 The school municipality	20
5 6 Dissemination campaigns	21
II Analysis of results	22
1 Progress in implementation of the LGDP	22
1 1 Evaluation of achievements	22
1 2 Impact evaluation	27
1 3 Evaluation of public opinion	33
2 The LGDP model	38
3 Decentralization	43
3 1 Support for the <i>Comision de descentrali-</i> <i>zacion y Gobiernos Locales del Congreso</i>	44
3 2 Support to the <i>Asociacion de Municipa-</i> <i>lidades del Peru (AMPE)</i>	45
3 3 Strengthening of the institutional and democratic capacities of the municipalities	45
4 Sustainability	47
4 1 Municipal funding	47
4 2 Need and usefulness of training and education	51
4 3 Quality of municipal bureaucracy	54
4 4 Institutional mechanisms to promote community participation	55
5 Monitoring	56
III Conclusions and recommendations	60
A Conclusions	60
B Recommendations	72

ANNEXES

LOCAL GOVERNMENT DEVELOPMENT PROJECT
EXECUTIVE SUMMARY

I ASSIGNMENT

The evaluation team was assigned the following responsibilities by the USAID mission in Peru

- a) to assess the Local Government Development Project (LGDP) s cumulative impact and the extent to which the Project is fulfilling its purpose
- b) to assess the relevance of project activities to achievement of the Mission s strategic objective of democracy at the local government level and the special objective of alternative development vis-a-vis illegal coca production
- c) to provide suggestions for refining the design and implementation of the Project in order to enhance its contribution to both objectives

II GENERAL EVALUATION

The LGDP has fulfilled its goals according to plan. It is strengthening municipal democratic governance and community participation. It has great potential beyond the duration of the project itself. That is why it deserves to be perfected –as deemed appropriate- as suggested in this evaluation.

The main impacts acknowledged by the persons interviewed by our team refer to increased community participation, and strengthening of municipal management. Besides, the vast majority of municipalities visited by us appreciated the advantages of a combination of the voluntary participation of the community in the construction of basic services with education on civil rights.

III GENERAL CONTEXT

This Project is framed within the commitment of the governments of the United States and Peru to the agreements adopted at the Cartagena Summit for advancing new policies of alternative development involving the population and democratic organizations in coca-producing areas affected by drug trafficking and subversive movements

The context within which the Project has been carried out is characterized by the illegal economy of drug trafficking since the seventies internal warfare during the eighties and more recently structural reforms during the nineties. In this context the population, social and productive organizations and local authorities have tried to resist the aggression of criminal and subversive organizations on one side, and the impact of economic changes on the other

The management levels of local governments vary widely, from the departmental capital, peripheral urban areas, and provincial capitals within each department to rural areas. The project has been initially implemented at the lowest levels the municipalities of rural districts, and articulated them with their provincial capitals, working up the scale to the departmental capitals. In urban areas, the Project has included shantytowns and peripheral districts. In San Martín, the Project has enriched the ongoing experience of cooperative interaction between local governments and USAID, strengthening democratic local governance. Ayacucho, Junín, Loreto and Ucayali have been included in the special objective of alternative development while Ancash, Apurímac and Tumbes were included at the request of the national counterpart

The national government's concept of decentralization is conceived as a process of investment, where the priorities are set by the central agencies rather than in accordance with the demands of local organizations. Local governments do not receive much support either political or economical, from the central administration. Funding provided to district municipalities has been withdrawn from local provincial governments thus creating conflicts between both levels and reinforcing dependence on

the central power. Local governments have been receptive to the Project because it responds to their real needs in contrast with the weak support provided by the central government. Moreover, the Project has been effective in restoring the links between local district and provincial governments.

The national institutions participating in the LGDP have contributed to the main objectives of the Project through the following activities:

- a) Construction of basic social services, carried out jointly by the local governments and the population with technical and financial support from INADE and
- b) Training programs carried out by ESAN addressed at different layers of the population and local government agents to enhance awareness and community participation and at the same time, to consolidate democratic administration and transparency in the conduct of local governments. The purpose of this training is to contribute to achieve one of the Project goals which is reinforcing relations between the citizens and the State at the first echelon, which is the local government.

IV SHORT DESCRIPTION OF THE PROJECT

The project articulates two main inter-related components:

A Participant community development activities

The model of the LGDP focuses its action in the development of community participation for the construction of basic infrastructure, as follows:

- a) agreement of the local community assembly on the priority of the works to be carried out
- b) election of a committee responsible for managing and controlling the proper use of human, technical and financial resources in coordination with the municipality, during the construction phase
- c) community organization of voluntary work using unskilled labor

- d) reception of the finished works and proper audit of accounts and
- e) election of a committee responsible for maintenance of the works

This process depends on authorization by INADE's regional coordination offices and central office for approval of the project and the budget. INADE also provides training on construction or production techniques and on local democracy.

Costs are covered by volunteer work of community members (10%), the municipality (10%) and INADE (80%), with the combined contributions of the Public Treasure PL 480 and USAID.

B Institutional strengthening of local governments

The second aspect of the LGDP model is the institutional strengthening of local governments to enhance their capacities for municipal management.

This component is divided into the following activities:

- a) Workshops with stratified groups: mayors, councilmen, officials, employees and grassroots leaders
- b) Distance education programs with self-teaching material for officials and municipal employees
- c) Technical assistance to municipal staff in their functions and tasks
- d) "School municipalities" in secondary schools, to train students in their civil rights and duties
- e) Massive information campaigns

ANALYSIS OF RESULTS

A THE LGDP MODEL

The articulation of the components of the LGDP --strengthening of local governments and participation of the community in local development-- has permitted to develop a "model" of institutional building for development, which operates as follows

Both components of the Project --training and community participation via voluntary work-- mutually reinforce each other. Training enhances human abilities for decision-making and development management at the local level, while community participation in the construction projects takes advantage of the local organizations for the management of a given project. The training of leaders and students constitutes a source of future political and management agents and representatives for local governments. Besides, the training of employees and officers could qualify them for a more permanent employment as civil servants at the local administration level.

The results achieved at the four levels: rural districts, provincial capitals, peripheral urban districts, and departmental capitals largely demonstrate the importance of the model, especially for rural districts, because of their institutional weaknesses. They also demonstrate the potential comparative advantages of local governments concerning efficiency in the planning, budgeting and management of development projects and their ability to integrate district and provincial levels in a more competitive way than central government agencies. The challenge at this point is the possibility of reproducing the model. This will depend on the success of experiences such as the one implemented in San Martín with AMRESAM (Spanish acronym for San Martín Regional Association of Municipalities)

B *PROGRESS IN THE EXECUTION OF THE I GDP*

In order to evaluate the results we have made a distinction between achievements and impacts. Achievement refers to fulfillment of the goals set out in the work plans and impact to the later effects that generate changes in the institutions, organizations or behavior of the people.

a) Achievements

In general, the Project has fulfilled its goals. Although there have been some coordination problems between the participating institutions (INADE and ESAN), mainly due to internal changes in both of them, they have accomplished their tasks.

INADE has completely fulfilled its function of support to the community development activities, between 1995 and 1997. These activities, managed by the local governments, have fostered the use of community-local government participant processes. The effect has been greater in rural districts than in department capitals and provincial capitals. Provincial authorities have contributed regularly with equipment and funds to the execution of basic infrastructure projects, cooperatively designed and managed by district authorities and community leaders. According to available accounting data, funds disbursed by USAID and PL-480 for the project are greater than those planned in the original agreement. Inversely, the public funds released by the GOP have been fewer than those agreed.

ESAN's performance regarding the training activities that took place between 1996 and 1997 was equally effective. The second year, ESAN recruited local NGO staff to collaborate in the workshops in San Martín. In the other departments, visiting lecturers continued to be invited by ESAN and SER (Servicios Educativos Rurales). An important change in the composition of the workshops was the inclusion of heterogeneous participants (local authorities, staff, local leaders) from the same region. This, plus the participation of local organizations, favored a better integration, and enhanced the abilities to diagnose regional problems and to propose solutions.

Technical assistance started the second year with the participation of INICAM (Instituto de Investigacion y Capacitacion Municipal) in fifty selected municipalities and ITDG (Intermediate Technology Development Group) in twenty districts of the San Martin area. Distance education programs only started the third quarter of 1997 with some communication problems that complicated follow-up activities. Notwithstanding, it has generated some interest as a possible career in public service.

School municipalities have been an interesting experience, although very limited in size. The three dissemination campaigns (in Picota, Huanta, and Tarapoto) have had strong impact on the urban population of those provincial capitals and somehow less repercussion in the rural areas. These innovative and interesting experiences could be replicated but are still limited.

b) Impact

The most important impact of the LGDP has been on the promotion of community participation in local works, the strengthening of relations between the local authorities and the citizens, and the acquisition of skills by local authorities, staff, and population.

For the common citizen, the experience of participating in the detection of needs, decision-making, planning, execution, and control of a given activity must have resulted in a learning experience that will hopefully be repeated in future cases. Apparently, people tend to respond more actively when it comes to finding a solution to a concrete problem and less when the issues are more general or abstract. This could indicate that there is a primary level of consciousness of the need to participate that is restricted to concrete activities.

Regarding relations between the citizens and their local authorities, these have improved wherever the LGDP has been applied. However, these effects have been notably greater in the rural areas and small districts, where face-to-face contact is possible. Transparency is also better in these cases. In contrast, the level of approval of the local

authorities shows less improvement in the cities where the LGDP is operating probably because the opportunities for direct interaction are lower. These findings coincide with the results of the surveys carried out by APOYO in 1996, and the Fundacion para el Desarrollo Agrario in 1997.

Local authorities have acquired expertise regarding the management of human and financial resources, strategic planning, efficient diagnosis and problem solving. Interactions between district and provincial levels for optimizing the use of resources and equipment have also been an important learning.

The authorities have understood that resources can be managed more efficiently by local governments than by central government agencies. The opening of communication channels between the authorities and their constituents has favored democratic decision-making processes. The authorities have also learned from this that their popularity increases when they are more receptive to the initiatives and problems of the population.

Municipal staff has benefited from the acquisition of technical skills in the areas of planning, management, accounting, human resources, municipal services, etc. The experience of participating together with local leaders and authorities has changed their attitude towards their work, although it is still difficult to evaluate how deep and permanent those changes are.

C DECENTRALIZATION

As a part of the LGDP, ESAN and USAID officers have provided to the Decentralization and Local Government Committee of the Peruvian Congress additional criteria for the six drafts proposals for the "Ley Marco de Descentralizacion" (Frame Decentralization Law). The LGDP promoted a regional meeting to debate proposals and receive suggestions on this law. There was ample participation by regional leaders and the event had widely covered by the local media.

The LGDP has collaborated with AMPE (Association of Municipalities of Peru) for the preparation of their three last national meetings. Delegations of ESAN and USAID participated actively.

The LGDP has contributed to the institutional building of local governments. It is demonstrating the possibility of effectively decentralizing the functions and resources of the central power by delegating them on rural and provincial municipalities as direct agents of local development.

D SUSTAINABILITY

The project's sustainability can be ensured if the municipalities build up the capability to self-finance their activities, assume the LGDP objectives as their own priorities, and strengthen their technical skills. For this purpose, municipalities should first achieve a certain level of managerial efficiency, adjust their priorities, and improve their organization.

Two and a half years after the beginning of the Project, its sustainability is not yet assured. The LGDP should assist local governments to obtain more funds, either through own resources or through transfers from the central government.

However, certain guides may be suggested for the consolidation and correction of the model to achieve sustainability, based on the findings of the independent evaluation team. Four indicators may be used to measure sustainability:

- a) The economic capacity of the municipalities and their possibilities of obtaining more funds.

Municipalities differ in size and income. However, global expenses are very low, since the average is S/ 66 00 (\$24 00) per inhabitant, which is insufficient to promote development. The main source of funds is the Municipal Compensation Fund, which provides an average 65% of the income in all municipalities visited. Self-generated

income averages 20% (varying from 1% in rural districts of extreme poverty to 60% in departmental capitals and areas benefited by the oil tax)

To improve collections and income direct technical assistance and distance education programs are indispensable. It is necessary to analyze the possibility of registering rural estates and to evaluate the real costs of public water and electricity services.

One way of transferring funds could be the local execution of the budgets of central government agencies such as FONCODES, PRONAA, INFES, PAR.

b) Internalization of the need for training

Most municipalities that were visited recognized the high value of the training process organized and managed by ESAN, because it provided training in political management and public administration through the local government. This training was aimed at both municipal authorities and employees engaged in a type of work of which they had no previous knowledge.

The training process improves communication at every level. More information means increased participation, which in turn implies better accountability. It is necessary to prepare for the imminent change of local authorities (elections to be held on October 1998). ESAN is already preparing intensive training courses for the newly elected authorities, these courses should be repeated every five years.

c) Quality improvement of the municipal bureaucracy

The permanent training process has contributed to shape a new model of municipal service to improve planning, personnel management and budgeting. The creation of career lines in local civil service could be a stimulus for the staff and ensure job stability.

d) Institutional mechanisms to promote community participation

Community participation is increasingly valued by the people. It should be promoted and developed continuously by local governments. Organized community participation should contribute to harmonize ideas for decision-making, transparency in management and accountability. "Municipal quality circles" could be implemented with the participation of the authorities, officers, employees, local leaders and citizens.

F MONITORING

Each of the institutions participating in the LGDP has created its own monitoring mechanisms, but together they have not been able to establish a joint executive board that could have optimized human, technical and financial resources invested in the Project. The only common document that the evaluation team has received refers to the progress indicators. Regional offices have been more effective in coordinating their efforts than central ones. The changes in counterpart institutions will imply adjustments in the 1998 budget.

VI EVALUATION METHODOLOGY

According to the approved work plan, the evaluation team reviewed all the relevant documentation and created guides for the institutional visits and interviews with municipal authorities, staff and local leaders. After interviewing the staff assigned to the Project by USAID, INADE and ESAN, a sampling of district and provincial governments was selected, including municipalities of the nine departments where the Project was implemented.

The evaluation team visited seven provinces and fourteen districts in the department of San Martín (main target of the Project). One team member was in charge of the municipalities in the coastal region: three provinces and six districts in Ancash and two provinces and one district in Tumbes. In the sierra region, two provinces and seven

districts were visited in Apurimac, one province and three districts in Ayacucho, and two districts in Cusco. In the jungle region two provinces and two districts in Ucayali and three provinces and five districts in Loreto were also visited. Only the department of Junin could not be visited due to intense rainfall caused by "El Niño" which blocked all access. The sample covered twenty-one provinces and forty districts that is, half the provinces and almost one-third of the districts included in the Project.

Introduction

After over two years of implementation of the Local Government Development Project (LGDP) the United States Agency for International Development (USAID) decided to arrange for an external evaluation of this Program, which was originally launched in six departments and later extended to nine departments at the request of the national counterpart

According to the approved work plan the evaluation team sets out in this report the outcomes of the three stages of the evaluation process a) review of project-related information and institutional interviews in Lima, b) fieldwork involving all the team members in San Martín (where more than half of the investment in the LGDP), and then separate visits by different team members to various departments in the coastal, Andean, and Amazonian regions and c) analysis and interpretation of collected data, and drafting of the final report

This report consists of three parts

- I general frame of the Project and context of the evaluation
- II qualitative and quantitative results of the evaluation and
- III conclusions and final recommendations

Before presenting our findings, we, the members of the evaluation team wish to express our recognition, for their valuable cooperation, to all the staff members of the head offices of ESAN, INADE and USAID, and of their zonal coordination offices, and especially to the municipal authorities councilmen and employees, as well as to the leaders of grassroots organizations who have given very sincere testimonies on the LGDP All this material was used in the preparation of this final report

I GENERAL FRAME

1 Purpose of the Evaluation

The general purpose of the evaluation of the Local Government Development Project (LGDP) two and a half years after implementation of the project within the frame of an Agreement between the Cooperation Agency of the Government of the United States of America (USAID) and the Republic of Peru through the Instituto Nacional de Desarrollo (INADE) is multifold and includes

- a) Assess the cumulative impact of the Project by evaluating both its achievements as well as the difficulties in meeting the goals established by the participating institutions and the contractor in charge of the training program
- b) Assess the relevance of the Project activities to fulfill the strategic objective of the Mission -strengthening of democracy at the level of local governments- and the special objective of promoting alternative development mechanisms
- c) Provide elements of analysis to adjust the design and implementation of the Project for achieving the abovementioned objectives

2 Organization of the Evaluation Team

According to the approved work plan the team first analyzed the information contained in the documents provided by USAID, INADE the Escuela de Administracion de Negocios para Graduados (ESAN) and the Intermediate Technology Development Group (ITDG) Based on these sources, the team prepared guidelines for interviews with members of participating institutions and municipalities involved in the Project A representative sample of the provincial and district councils to be visited was selected, using the maps and lists available on each department

The evaluation team carried out interviews with the staff assigned by each of the institutions to participate in the implementation of the Project (USAID INADE and ESAN)

Subsequently all the team members made a one-week visit to the department of San Martin --main target area of the cooperation project-- to test and refine the evaluation tools and coordinate evaluation criteria

PROVINCE	DISTRICT
Department of SAN MARTIN	
San Martin/ Tarapoto	Chazuta Shapaja Banda de Shilcayo*
Picota/ Picota	Shamboycu Tingo de Ponaza Pucacaca*
Bellavista/ Bellavista	San Pablo San Rafael
El Dorado/ San Jose de Sisa	San Martin† Santa Rosa Agua Blanca
Lamas/ Lamas	Cuñumbuque
Moyobamba/ Moyobamba	Soritor
Rioja/ Rioja	Nueva Cajamarca

Then each team member traveled to a different region for nearly two weeks to cover the other departments included in the sample two in the coastal region (Ancash and Tumbes), two in the Andes (Apuřimac and Ayacucho), and two in the jungle (I oreto and Ucayali)

Department of ANCASH

Santa/ Chimbote

Nuevo Chimbote

Samanco

Huaraz/ Huaraz

Olleros

Tarica

Yungay/ Yungay

Mancos

Matacoco

Department of TUMBES

Tumbes/ Tumbes

San Juan de la Virgen

Zarumilla/ Zarumilla

Department of APURIMAC

Andahuaylas/ Andahuaylas

Kaquiamba*

Pacucha

San Jeronimo

Santa Maria de Chicmo

Chincheros/ Chincheros

Ancocahuayllo

Uranmarca*

Department of AYACUCHO

Huanta/ Huanta

Sivia

La Mar/ (San Miguel)

Ayna - San Francisco

Santa Rosa

Department of CUZCO

La Convencion/ (Quillabamba)

Kimbiri

Pichari

Department of UCAYALI

Pedro Abad/ Aguaytia

Coronel Portillo/ Pucallpa

Campo Verde

Nueva Requena

Department of LORETO

Maynas/ Iquitos

Fernando Lores

Indiana

Punchana

Ramon Castilla/ Cabaloccocha*

Pebas*

Yavari*

Nauta/ Nauta

Altogether, these make up a total of 21 provincial councils and 40 district councils, that is, 61 municipalities (half of the provincial councils and almost a third of the district councils of the total target area covered by the LGDP)

NOTES

- * Districts where only the mayor was interviewed
- Although the evaluation team requested that the councils be informed in advance of their visit, in many places this did not happen and Council members only learned of it when a team member arrived at the Municipal Secretariat
- In the department of Tumbes, the sample could not be covered completely due to dangers posed by heavy rains and their impact on local roads
- In the department of Ayacucho, one of the team members had to travel standing on the platform of a pick-up truck to the valley of the Apurimac river, since no coordinations were made with the team of the non-governmental organization "Windrock" that traveled that same day on the same route. Moreover, no information was provided on flights to that area jointly operated by the Peruvian Anti-drugs Bureau and the US Mission's Narcotics Affairs Section

- The team was unable to visit the department of Junin due to heavy rain that blocked the roads

In general, efforts were made to warn the local coordinator before the arrival of the team or member of the evaluation team, using the list of municipalities. This allowed the team members to meet always with the mayor or deputy mayor as well as with certain councilmen, employees and leaders summoned by the municipal authority. A group interview was held with all these people and the questionnaires (see annex) previously prepared by the team were filled in.

Finally, the team gathered to exchange observations, analyze data and consolidate the results in order to prepare this evaluation report.

3 USAID Policy and Project Background

The cooperation policy between Peru and the United States of America provides for police control of narcotics trafficking by the Ministry of the Interior, through the program for the Control and Reduction of Coca Crops in the Upper Huallaga (CORAH) and by the Embassy of the United States of America through the Narcotics Affairs Section (NAS) under Law 20095 (1978). Moreover, since the eighties, USAID has been encouraging crop substitution through the Alternative Development Program (PDA), with a contribution of more than 20 million dollars to INADE's Programa Especial Alto Huallaga (PEAH) and has provided assistance to other agencies such as CEDRO, an agency engaged in drug-abuse prevention and education activities.

After the Cartagena Summit and the joint communique of the Presidents of Bolivia, Colombia, the United States and Peru (February 15, 1990), the main priority became direct economic assistance to coca farmers in order to separate them from illegal trafficking and incorporate them into the legal economy and to the legal system by strengthening local governments.

In this decade, both governments agreed to focus on alternative development as a means of substituting coca crops. The localities of the Upper Huallaga, the Central Huallaga and the Lower and Upper Mayo are accumulating experiences in popular mobilization for carrying out community development activities and for technical and business training. This is the basis for the present coverage of the LGDP in five coca-producing departments.

This represents a change, from a perspective of police enforcement to control illegal trafficking, to an alternative peace-building proposal based on regional municipal development programs (see table prepared by INEI "Coca Crop Eradication 1983-96").

PERU ERADICATION OF COCA CROPS 1983 96 a/

YEAR	ERADICATION OF CROPS (Hectares)	NURSERIES DESTROYED (m2)	PROJECTED AREA (Hectares 1/)
Total	18353 57	1251536,00	83435 77
1983	703 25		
1984	3134,42		
1985	4827 83		
1986	2576 13		
1987	385	7356	490 4
1988	5137 25	184089	12272 6
1989	1284 9	5603	373 53
1990		244105	16273 67
1991		201972	13464 8
1992		92726	6181 73
1993		108077	7205 13
1994		74399	4959,98
1995		281073	18738 2
1996	304 79	52136	3475 73

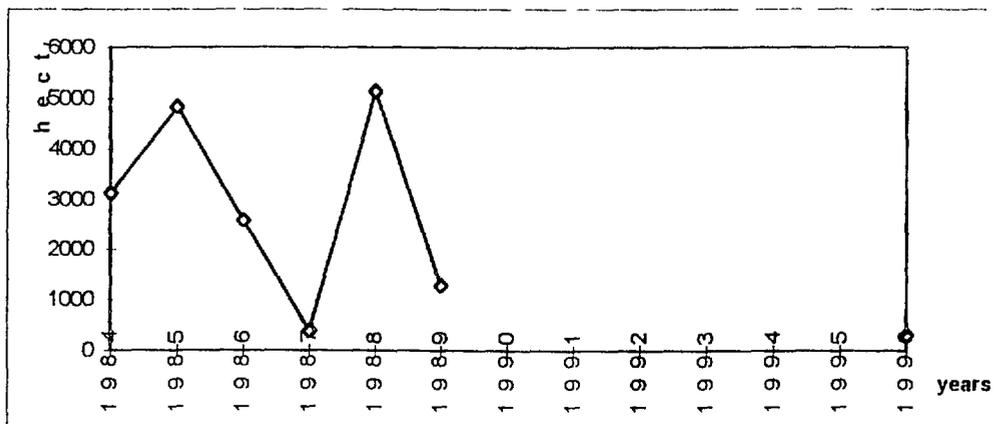
a/ Until first semester 1996

1/ 15 meters of nurseries are equivalent to one cultivated Hectare

Source MINISTERIO DEL INTERIOR Special Project Control y Reducción del cultivo de la coca en el Alto Huallaga CORAH"

Table prerared by INEI Dirección Técnica de Demografía y Estudios Sociales

PERU ERADICATION OF COCA CROPS 1983-96



Peru Estadísticas de Producción Tráfico y Consumo de Drogas 1994-96

4 Social, Economic and Political Context

Most of the departments included in the Project were subject to the dual scourge of narcotics trafficking, since the seventies and internal war during the eighties. In the meantime the whole country was suffering from the waves of hyperinflation, which were followed by the recessive shock of August 1990 aggravated by the self-coup of April 1992.

4.1 Social Context

The general situation in the provinces affected by illicit drug trafficking is marked by an artificial development with huge gains for a handful, lost illusions for many, and pockets of poverty. An association was formed between drug traffickers and terrorists from the Shining Path (Sendero Luminoso) and MR TA movements which led to a war involving political interests as well as coca production and trafficking. Fortunately this problem is being drastically reduced.

Against this scenario there are signs of solidarity upon which it may be possible to restore the rules of democratic play from the side of the peasant population. Self-defense Committees have elicited a brave response of the people, in terms of organizing into units for resisting disorder. Among the female population Mothers Clubs have served to channel food to the children and to families in general through soup kitchens and similar and more recently through the nationwide Milk Program financed by the central government and administered by local governments. Industrial and commercial sectors have maintained a legal net of jobs and services at the level of provinces and regions. The professional associations have continued to respond to the requirements of society in their respective areas. Most public officers have maintained the fundamental tissue of government and management of basic municipal services for the upholding of legality despite permanent threats and extra-judicial executions.

Against this setting the project aims to rebuild the State on the basis of civic identity and awareness articulated with social cultural, productive and political organizations in order to reinforce the institution of local government at various hierarchical levels, as well as the staff services and budget pertaining to each level a) capital of department b) district-capital of province c) peripheral urban district and d) rural district in inverse order of priority

Territorial areas may also be divided into production centers (a b and c) and commercialization routes (d e and f) for coca base and cocaine

- | | | |
|----|---------------------------|---|
| a) | Huallaga and Mayo valleys | Department of San Martin and parts of Huanuco and Ucayali |
| b) | Apurimac-Ene valley | High jungle in Ayacucho, Cusco and Junin |
| c) | Perene and Tambo valleys | Department of Junin (High jungle) |
| d) | San Martin Ucayali-Loreto | across the jungle through airports and national borders |
| e) | Ayacucho-Apurimac | across the highlands and through airports |
| f) | Ancash-Tumbes | across the coast through ports and national borders |

In the wake of the experiences gained through USAID programs such as "Municipalities in Action" (MEA) in Central America (Honduras and El Salvador) and in Peru and the trial program in San Martin, the project is designed to support development alternatives based on the convergence of democratic initiatives of the local population and the institutional strengthening of local governments, as a development path towards peace and human rights

4.2 Economic Context

Since August 1990, a profound process of economic stabilization and reform has been undertaken in Peru with three goals in mind: a) economic stabilization (reduce inflation and achieve economic equilibrium) b) reinsertion of Peru into the global economy especially in the financial sector (payment and renegotiation of the external debt) and c) change of economic model and in the role of the State (more open and liberal economy, the role of the State limited to the provision of basic services)

As of 1995, when the LGDP began, several of these goals had already been achieved: that is, the Peruvian economy was stabilized, the country was back on the track of economic growth, the economy had been liberalized, and the main State-owned enterprises had been privatized. However, the rate of employment grows more slowly than production, inequalities have grown, and more than half of the population are still afflicted by poverty.

In connection with the Project, three results of the structural adjustment must be taken into account: a) a lagging exchange rate affects exports, except those with high differential profits, such as cocaine production, which may withstand low relative dollar prices; b) poverty, unemployment, and sub-employment are strong conditioning factors for development actions such as those undertaken under the LGDP, which may become stagnant in the absence of a more favorable macroeconomic environment; c) the lack of political will of the central government to implement a real fiscal decentralization prevents projects such as LGDP from developing and achieving economic autonomy.

In 1998, the effects of the El Niño phenomenon will force an adjustment of the national budget. This could be an opportunity for municipalities to carry out the work of reconstruction to repair the damages caused by nature, along the lines of the LGDP model, which would be expanded, especially in those places directly affected by this phenomenon.

4.3 Political Context

The nineties found the country immersed in a severe economic and political crisis: the State had lost legitimacy and the political parties that had traditionally represented majorities had suddenly become minorities. Hyperinflation, the intensification of terrorist activities, the increase of drug trafficking, and the crisis of the State pushed the country to the brink of a national collapse.

Since 1992, after the self-coup of April 5 whereby Congress was closed, regional governments were dissolved and the judiciary was subjected to government interference and within the context of a drastic adjustment program and a vertical authoritarian model, the government achieved success in its anti-terrorist struggle, capturing Shining Path's top leaders.

The authoritarian model of government was not only maintained but also consolidated. A political police force, having links with the National Intelligence Service (SIN), was strengthened and a strong bond was developed between President Alberto Fujimori, the military chiefs, large entrepreneurial sectors, and multilateral organizations. The crisis of the so-called 'traditional parties' continued, and new options such as "Union por el Peru (Union for Peru) did not become majority alternatives vis-a-vis Cambio 90 - Nueva Mayoria (the government party).

This political correlation was evidenced by the ample victory obtained by the candidate-president Alberto Fujimori in the 1995 elections. His political movement also won an absolute majority of seats in the one-chambered Parliament born from the new Constitution approved in 1993. The model of government remained the same, which has meant that the decentralization process has made no progress, and the municipalities continue to be subject to political attacks and budgetary cuts. The government has failed to observe Constitutional rules that provide for the election of all regional authorities by universal voting. The new Frame Decentralization Law enacted for the purpose of maintaining the

Interim Regional Administration Councils, now with departmental jurisdiction confirms this fact

As for the anti-drug struggle, the direct intervention of the armed forces since 1992 led to a series of corruption cases among mid- and high-ranking officers. This situation however does not prevent recognition of the fact that the drug-based economy has greatly deteriorated in the last three years mainly due to the drop in the price of coca leaves, more efficient drug enforcement and destruction of crops which has led to a crop substitution process.

In the political realm the LDGP advocates more political and fiscal decentralization nationwide as well as democratization of the organization and exercise of central power, recognition of enhanced and wider civil participation and expansion of municipal powers, as basic cells of the power structure of the State in a country that is ethnically, geographically and culturally plural.

5 Project Organization and Management

The global goal of the project is the consolidation of democratic institutions that will promote the active participation of the people, defend civil rights and public freedom, and are transparent and accountable to its constituents. In this context, the project contributes to the advancement of democracy in Peru as well as to attaining USAID's No. 1 strategic objective in Peru "Expanding the participation of the people in democratic processes" and its No. 5 Special Objective "Reduce coca production in target areas in Peru." The purpose of the project is to consolidate the institutional capacity of local governments and to develop mechanisms for participation to promote a sustainable democracy at local and national levels, improving at the same time the quality of life of Peruvian citizens.

To achieve these objectives, the project combines two mutually reinforcing components:

- a) Institutional strengthening of the level of organization of local governments

The Escuela de Administracion de Negocios (ESAN) is in charge of this component whereby training and technical assistance is provided to both local governments and leaders of grassroots organizations. In addition, the project sponsors seminars and fora on decentralization.

b) Voluntary community development activities

This component consists in the support provided by the Instituto Nacional de Desarrollo (INADE) to the initiatives of local governments engaged in carrying out social infrastructure works with the direct collaboration of the organized population. In addition, they use those works to provide direct mass training.

The project covers 9 departments, 38 provinces, and 130 districts. Six departments were first included (including Cusco, in the area of the Apurimac River) then three were added (marked with *), which were abandoned in mid-1997 due to lack of resources. The Evaluation Guidelines refer to 73 provinces and 100 districts, that is a total of 133 municipalities. There must be a mistake since the data furnished in reply to a question by the team match those contained in the following table (confirmed by the map of each department which are difficult to compare given the differences in scale).

There are marked differences between district municipalities - urban or rural- and the municipalities of capital cities -in provinces or departments-. The size of each municipal council depends on the number of inhabitants, and this determines the size of the budget on which the payroll of employees and the number of investments are based.

The project is focused on rural areas, areas of extreme poverty and districts affected by narcotics trafficking and terrorism. These factors are used to determine the level of support, from highest to lowest, which generally coincides with the higher or lower interest of each municipality.

- a) Rural District Municipality This type of municipality has about six councilmen, from 1 to 5 employees, and a minimum amount of local investment. It may coordinate with the provincial council to obtain support in the form of machinery and equipment for public works.
- b) Peripheral urban District Municipality It has about six councilmen, from 6 to 10 employees, and greater investment capacity. Since it is located within the range of the department capital, it eventually receives support from the provincial capital in the form of machinery and equipment.
- c) Provincial Municipality It has 12 councilmen, 6 officers, and 20-40 workers, a budget for public works, a pool of own machinery and equipment. These human, technical and financial resources may be used to cooperate with rural districts.
- d) Departmental Municipality It has 24 councilmen, 12 officers, and 50-100 workers, a larger budget for public works and services, a pool of own machinery and equipment. It may use these resources to support peripheral urban or rural districts within its range.

DEPARTMENTS	PROVINCES	Visits	DISTRICTS	Visits
Ancash*	4	3	17	6
Apurimac*	3	2	13	6
Ayacucho-Cusco	6	3	24	5
Junin	6	-	18	-
Loreto	4	2	10	6
San Martín	10	7	38	14
Ucayali	3	2	5	3
Tumbes*	2	2	5	1
TOTAL	38	21	130	41

5.1 Works

INADP is in charge of approving the project, channeling the necessary funds for basic social infrastructure to the local governments, supporting the construction work with the participation of the people, and auditing the accounts of the local government. These works may include schools, medical dispensaries, water and sewage services, irrigation channels, community roads and small bridges. The works are compounded by direct training activities dealing with subjects such as community organization and construction and production techniques.

The populations involved participate in every stage of the works: a) an assembly determines the work priorities; b) they select the works committee in charge of managing and controlling the human, technical and financial resources together with the municipality (during the construction phase and for procurement activities); c) they organize to provide voluntary, non-qualified labor organized into weekly crews; and to d) receive the works (and verify that the accounts are clear and in order); and e) they select the members of the committee in charge of maintenance of the works.

Generally, the contribution of the population accounts for at least 10% of the budget; the municipality contributes a similar amount, and the Project covers the rest, that is, 80%. The contribution of the population and local governments has gradually increased from 20% to 40%, and the balance of 60-80% is assumed by the Project.

USAID organized a public bid that was awarded to the Escuela de Administracion de Negocios para Graduados (ESAN) in charge of the training program. This program is divided into:

- a) Workshops for stratified groups:
 - mayors
 - councilmen
 - municipal employees
 - grassroots leaders

- b) Distance learning using teaching material designed for municipal officers and employees
- c) Organization of school municipalities at high schools as practical training for students to prepare them to assume their civic duties as citizens in the future
- d) Mass dissemination campaigns

5.2 Training Workshops

The training workshops bring together for two or three days a segment of groups related to the local government according to their level of power and decision in it. A variety of subjects were discussed with each group. We set out below as reference the curricular program designed for mayors which represents the overall material used for training cadres.

I-96 Role and functions of municipalities in Peru

Organic Municipal Law

Public Sector Budget Law for 1996

Relevant rules of the new 1993 Political Constitution of Peru

Theoretical Frame of De-concentration and Decentralization Processes

Control System in Public Administration

Policy Guidelines for the Formulation of the National Government Control and Audit Plan for 1996

Rules and Procedures for preparing the minute of proceedings of the Transfer of Office

Basic Concepts of the Internal Control System

Integrated Internal Control in Municipal Management

Participant Planning

Training: A Key Instrument for Institutional Strengthening

- II-96 Mission of Municipalities
 - Global Declaration on Local Autonomy
 - Project Planning
 - Institutional Design and Municipal Organization
 - Role, functions and competence of the municipal council the mayor and councilmen
 - How to increase municipal financial resources
 - Communication strategies for quality municipal management
 - Municipal information system

- III-96 Evaluation of municipal management 1996
 - Municipal operational planning
 - How to participate in the municipal action plan
 - Municipal Financing Policies in Peru
 - Management evaluation documents
 - Formulation of municipal budget for 1997

Similar topics were discussed with groups of councilmen municipal employees and officers and grassroots leaders in 1996. In 1997 it was decided to include both mayors and councilmen in the first workshop. Area groups were formed later with representatives from all the groups mayors, councilmen municipal officers employees and grassroots leaders.

- I-97 Strategic planning process
 - Introduction to strategic planning
 - Current Municipal situation and scope of the I GDP
 - 1997 Operational Plan institutional strengthening component
 - Basis diagnosis of the scope of the LGDP

II-97 What is local development?

Strategic planning for local development

Strategic plan for the province of Morropon, 1997-2002

Building local public opinion for development

III- 97 Democratic management in local government

Municipal role in the democratic management of local development

Community development council

Local Accountability

Conflict resolution in municipal management the role of the authorities

Role of municipal officers and democratic municipal management

Opening new opportunities municipal work teams

Social organizations and democratic management

Draft municipal ordinance on community participation

Charter of civil rights and duties

Social organizations as democratic actors in local development

5.3 Distance Education

On a trial basis distance education has been addressed at municipal officers and employees since the last quarter of 1997, to enhance motivation and competence through a process of self-learning. For the first year of studies, the program included traditional topics related to their municipal activity such as

- 1 Basic municipal management course
- 2 Towards excellence in personnel management
- 3 Quality in management of local public services

In each department involved in this service, there is a tutor in charge of the supervision and counseling of the participants in this distance education program

5 4 Technical Assistance

Technical assistance is limited to approximately one-half of municipalities and consists in on-the-job assistance, at each desk or window to each employee definition of their functions and tasks according to the organizational chart of the municipal administration or correction of errors in the practice so as to offer a more dynamic and efficient service the search for total quality in municipal management through the supervision of daily work, given the fact that the municipal career does not yet exist as such

5 5 The School Municipality

Although this is neither an innovation of the Project nor a mass proposal as yet the school municipality is based on copying the roles performed by adults in a regular municipality The high school is the ' city and the students are the ' citizens Thus candidate students run for election to municipal office, elections are held by universal and secret voting, the winner takes the office of mayor together with the councilmen, according to the voting distribution and they implement their government plan throughout the school year in aspects such as culture, sports health hygiene security etc

One-day workshops were held with high-school teachers, who acted as advisors to the school municipalities in their respective schools These Workshops dealt on the following topics

- I-96 How to motivate school students to form school municipalities
How to organize school municipalities
- II-96 The work plan in school municipal management
Civil education campaigns another way of educating

III-96 Towards participant management in school municipalities

Earning the essence of education

Communicators can educate

97 Citizenship school municipalities and local municipalities

Experiences in the exercise of civil rights in school organization

5.5 Dissemination Campaigns

In three cases mass information campaigns were held to involve the direct participation of the population in the process of institutional strengthening through dissemination reflection and strategic planning activities. Games and public contests were held on the topics of each campaign.

In Huanta a one-year long joint coordination process was held under the slogan "Huanta counts on me" with seven working groups comprising all the actors directly involved in development activities from districts grassroots organizations professional associations the public and private sectors academic groups and non-governmental organizations.

Under the title "Picota de mis sueños" (Peak of my dreams), a similar mechanism was used to prepare a strategic plan in a joint grassroots mobilization.

In Tarapoto exhibitions and contests were organized under the title "Tarapoto, Ecological Paradise" to create awareness among the people of the importance of environmental management at both city and provincial level.

II ANALYSIS OF RESULTS

1 Progress in implementation of the LGDP

In analyzing the results of the Project, it is convenient to distinguish between achievements and impacts. The achievements consist in fulfillment of the scheduled activities related to works and training within the established term whereas the impacts are the effects after performance of the activities which bring about changes in the institutions, the organizations or the behavior of people.

1.1 Evaluation of Achievements

During the first two years of the Project, practically all the goals set out in the annual plans of ESAN and to a lesser extent, those of INADE, have been achieved.

Tables 1a and 1b show a summary of the main achievements in training and implementation of works obtained through the combined work of both institutions.

ESAN carried out 146 training workshops in 1996 and 104 in 1997, which were attended by 5,158 and 5,442 participants respectively (municipal authorities, officers, employees and community leaders). According to ESAN, the training goals were fully achieved with respect to number of workshops, content of seminars and qualification of participants.

The workshops were first conducted in 1996 by personnel from ESAN-Lima with the support of Servicios Educativos Rurales (SER) and the Instituto de Investigación y Capacitación Municipal (INICAM) which posed certain difficulties in the transmission of contents and ideas. These difficulties were partially overcome in 1997 through the hiring of local lecturers and institutions such as ITDG in San Martín. In 1997 it was reported that the level of the workshops improved significantly. In Iquitos and Ucayali the workshops were conducted by external lecturers and institutions.

The second component of ESAN's activities was technical assistance, which was originally divided into collective and individual assistance. In 1996 two collective workshops were conducted for 13 municipalities and were attended by 55 participants. In 1997 individual assistance was offered in 89 cases (see table 1^a). As we were told by personnel from ESAN, technical assistance was delayed in 1997 because baseline data was missing. Since then INICAM was hired for this purpose. INICAM formed 14 technical teams to provide assistance to 50 municipalities on the strengthening of municipal management. IIDG was also assigned to provide technical assistance on local development planning to 20 municipalities in the region of San Martín. The same task was assigned to SER (Fernando Villaran) in the valley of the Apurímac River and in Huanta, which achieved good results and generated different expectations concerning the intensification and expansion of technical assistance.

Table 1a LGDP Achievements by ESAN 1996 and 1997

ESAN

	1996 I	1996 II	1996 III	1996 IV	Annual	1997 I	1997 II	1997 III	1997 IV	Annual
Training										
Workshops	7*	47	51	48	146		18	45	41	104
Participants	304*	1715	1665	1178	5158		1043	2156	2243	5442
Technical assistance										
Collective workshops				2	2					
Participating municipalities				13	13					
Number of participants				55	55					
Attendance				1	1	1	2	57	29	89
Distance education										
Participants*								448*		
School municipalities										
Workshops for teachers			7	4	11		6	1		
Number of participants			277	233	510		407	12		
Students CEM							135			
Municipalities established							8	87**		

*LGDP dissemination workshops for mayors and councilment

** List of School municipalities in Tarapoto Direccion de Educacion, San Martin

Source ESAN Quarterly Reports 1996 and 1997, Lima

Table 1b LGDP Achievements by INADE, 1995 1996 and 1997

	1995			1996			1997 1/			1997 2/		
	Amount	%	Nº	Amount	(%)	Nº	Amount	%	Nº	Amount	%	Nº
Works executed												
Annual total	6288799	100	216	5692978	100 0	171	2539906	100	64	4924138	100	118
Executed Amount per department												
Ancash	636485	10 1	18	581789	10 2	15	214819	8 5	4	214819	4 4	4
Apurimac	954145	15 2	26	716686	12 6	20	46820	1 8	1	408858	8 3	11
Ayacucho	925489	14 7	29	737326	13 0	20	794832	31 3	14	1869979	38 0	31
Junin	1466583	23 4	40	870186	15 3	23	159150	6 3	3	586020	11 9	14
Loreto	427965	6 8	19	652468	11 5	25	536841	21 1	18	616841	12 5	21
San Martin	1492690	23 7	71	1258774	22 1	47	303044	11 9	12	743221	15 1	25
Tumbes	---			557269	9 8	12	142400	5 6	3	142400	2 9	3
Ucayali	385442	6 1	13	318480	5 6	9	342000	13 5	9	342000	6 9	9
LGDP works Funding in Soles												
INADE-PDAAGL-PL480	5733740		75 6	5692978		49 3	4113770		48 2	4152000		48 1
Public Treasure				1448187		12 6	813138		9 5	877000		10 2
Municipalities	1107454		14 6	1605251		13 9	1444665		16 9	1444665		16 7
Provincial				644009		5 6	515785		6 0	515785		6 0
District				961242		8 3	928880		10 9	928880		10 8
Community	741495		9 8	1184975		10 3	714388		8 4	714388		8 3
ANNUAL TOTAL	7582689		100	11536642		100 0	8530626		100 0	8632718		100 0

Sources INADE **Memoria anual 1995**, Proyecto Desarrollo de los Gobiernos Locales February 1996

Memoria Anual 1996, Proyecto de Desarrollo de los Gobiernos Locales, March, 1997 Lima

1/ "Estado y avance del proyecto Desarrollo de los Gobiernos Locales" December, 1997 Lima

2/ "Borrador de la memoria Anual de 1997" Proyecto Desarrollo de los Gobiernos Locales April 1998 Lima

Distance education, consisting in the teaching of courses on Quality management of local public services , Towards excellence in personnel management and Basic Municipal Management was begun only the third quarter of 1997 and generated expectation in connection with its probable impact on municipal management training. During the fieldwork the evaluation team was able to talk with several municipal employees and officers who are benefiting from this service. Most were very pleased with the quality of the courses although some mentioned having two difficulties one being that they cannot finish their assignments in time and the other that communication with their tutors is not easy.

School municipalities have had an uneven development. The first phase of development of this project component consisted in training workshops for teachers. 11 workshops in 1996 attended by 510 teachers and promoters and 7 in the third quarter of 1997 attended by 419 teachers and 135 students members of school municipalities. The number of school municipalities supported by the I GDP is hard to establish since school municipalities have been formed with or without the I GDP. In the places visited by the team where school municipalities existed these seemed to be operating actively (this could not be verified since schools were then closed for school vacations).

In short the training activities carried out by FSAN have achieved the expected goals but their progress has been uneven. Obviously, the on-the-job training workshops have been the most successful ones and they have been improved whereas technical assistance and distance education are starting to be developed and still show the abovementioned deficiencies.

The national counterpart INADE carried out 216 works in 1995, 171 in 1996 and 118 in 1997. The amount assigned for these three years was 15 million nuevos soles. In 1996 the region of San Martín concentrated 22.1% of the works budget of INADE, while in 1997, 31.3% of the budget was programmed for and spent in the Apurímac River Valley in Ayacucho. That is priority has been assigned to coca-producing areas to build public

works based on the INADF model¹ which is very similar to that of I GDP in that it involves community participation, but in regard to training it leans more towards production and the use of natural resources. According to the draft 1997 annual report of INADI 118 of the 122 approved works have been built and almost all the approved budget has been disbursed. Apparently the goals set by INADE were only achieved in 1995 and 1996, but there were delays in 1997. In fact in several places that were visited we were informed that there were unfinished works and unfulfilled commitments.

Funding for I GDP-INADE consists of the contribution of the United States Government through donations under PL-480, Peruvian public treasury funds, contributions by the municipalities and by the communities in the form of non-qualified labor. In 1996 67.1% of funds came from PL-480, 19% from provincial and district municipalities and 14% from local communities. In 1997, funds under PL-480 accounted for 48.1%, treasury funds totaled 10.2%, municipalities contributed 16.7% and local citizens 8.4% of total funds (see table 1 b).

Although INADE has achieved its qualitative goals to a higher degree than its quantitative goals, it has not handled adequately its withdrawal from several areas in which it had promised to build works. Its sudden withdrawal from Tumbes, Ancash and Apurimac has not pleased the municipalities in those places, even though they are grateful for the works previously built by INADE.

1.2 Impact Evaluation

During the fieldwork the evaluation team carried out a survey and in-depth interviews on the evolution of the Project in its first two years. The purpose of this was to assess the progress and limitations of the Project based on the opinions of the same actors and in several cases of people and institutions not involved in the Project (the opinions of the

¹ The INADE model was explained by Engineer Luis Nina and comprises seven stages: 1) contact with the mayor, 2) coordination with local community assembly, 3) analysis of things to be done, 4) selection of project, 5) approval of financing and training, 6) execution of work, and 7) transfer to the corresponding sector.

local population were also obtained, as seen below). That is, we tried to compare the opinions on the demand side, from the perspective of the local governments since we already had obtained the opinions on the supply side, from the perspective of the institutions in charge of the project. The information discussed below – summarized in table 2 – is important because it reflects the perception of all the parties directly involved in the project in terms of the interest or lack of interest shown by them regarding the LGDP components.

The first question was how the municipal authorities had learned of the project. We found out that 58% had learned about it through INADE, 20% through the municipality (in certain cases, the former mayor), 14% through USAID officers, and 4% through ESAN. The reason why INADE appears in the first place is that even before 1995 INADE had carried out similar works with another project (PIAH and the Programa de Inversión Social PEIS), and mainly because INADE officers assigned to the LGDP since 1996 had established almost personal relations with many municipalities (the most notable case was that of Mrs. Consuelo Rivero in Tarapoto). In almost all the places that were visited, INADE's regional officers played a key role in providing information about the LGDP in its initial phase.

Infrastructure works have been carried out in 95% of the municipal localities that were visited. They consisted mainly in school classrooms and works to obtain drinking water (55% of the total) while other types of work responded to a greater dispersion of demand. These results coincide completely with the goals in terms of basic structure, except for one case involving the building of a library and another involving the building of a sports facility (losa deportiva).

Participation in ESAN's training workshops has been significant and massive, but not uniform in 1996 and 1997. Two-thirds of the participants attended three workshops each year, 17,8% attended two, and 9% attended more than three workshops. Only 2% did not attend any. (See table 2). The composition of the participants was: municipal authorities -- mayors and councilmen—(26,7%), officers (6,7%), employees (21,5%), and community

leaders (45.2%) This remarkable participation of community leaders at the locales where the workshops were held is explained by their low cost. This composition seems adequate for two reasons: a) it responds to the universe of each type of participant, that is, in general the number of authorities is lower than the number of employees, and b) because it increases the Project's prospects of sustainability, since there is more turnover of authorities than of municipal officers and employees, and community leaders are potential replacements of present authorities.

Given the limited programming, technical assistance has had a good relative impact. Only 18.2% of the interviewed municipalities say they received technical assistance, 56.8% did not, and 25% had no information on the program. This is similar for distance education: only 23% of the interviewed municipalities have benefited from this service, although many expressed a strong interest in it (information campaigns and a greater supply are required). We consider that in spite of its great potential, this means of training is not sufficiently accessible to the users.

According to 86% of the beneficiaries, the LGDP does benefit their municipalities, districts, or provinces, and communities. No negative opinion was expressed, but 13.6% do not have a clear opinion yet. In general, the Project is seen as very important due to the combination of its principal components: infrastructure work and training.

Table 2 Results of Interviews in Visited Municipalities

1 Through which institution did you learn about the Project? (%)

AID	14
INAIDI	58
I SAN	8
Municipality	20

2 WORKS (%)

school classrooms	28.4
drinking water	26.9
sewers	6.0
roads	6.0
dispensaries	6.0
irrigation	7.5
no works	4.5
other	14.9

3 TRAINING

No workshops	Frequency	%	Participants	(%)
1	4.4		authorities	26.7
2	17.8		officers	6.7
3	66.7		employees	21.5
4	6.7		leaders	15.2
5	2.2			
0	2.2			

4 TECHNICAL ASSISTANCE

Yes	No	No answer
18.2	56.8	25.0

5 DISTANCE TRAINING (% of participating municipalities)

yes	no
23	77

6 DO YOU BELIEVE THAT THE LGDP HAS BEEN BENEFICIAL? (% of interviewed municipalities)

yes	no	no clear opinion
86.4	0	13.6

7 PROJECT IMPACTS (% of total interviewed municipalities)

training	participation	municipal strengthening	civic awareness	reduce drug trafficking	works	employment	poverty
41	61	59	14	2	32	2	11

8 BETTER COORDINATION WITH (% of interviewed municipalities)

INAIDI	I SAN	USAID
75	57	30

9 LOCAL INSTITUTION WITH WHICH MUNICIPALITY WORKED BETTER (number of municipalities)

INDG	Calandria	Intervida	INICAM	Other	None
16	2	2	1	1	6

10 COORDINATION BETWEEN INSTITUTIONS WAS (% of interviewed municipalities)

very good	good	fair	poor	no clear opinion
14	60	19	2	5

11 THE PROJECT SHOULD GIVE PRIORITY TO (% of interviewed municipalities)

works	direct training	technical assistance	distance training	other
73	75	39	20	5

12 HOW SHOULD THE PROJECT IMPROVE ITS WORK IN YOUR COMMUNITY (number of municipalities)

training	works	tech assistance	dissemination	other
19	10	6	2	3

13 OUTSIDE THE MUNICIPALITY, WHO KNOWS ABOUT THE PROJECT (% of interviewed municipal

regional gov	other mayors	governor	ministries	milit command	church	judicial power
5	3	15	7	7	9	7

businessmen	other	no one
3	16	18

14 SCHOOL MUNICIPALITY

Is there a Project sponsored school municipality in your jurisdiction? (% of interviewed municipalities)

yes	no
23	27

How many school municipalities are there?

Total in visited municipalities	54
Average of school municipalities/ district	7

SOURCE Interviews carried out by the LGDP evaluation team in San Martin Ancash Loreto Ucayali Ayacucho Tumbes Apurimac between January 15 and February 8 1998

Multiple responses were obtained when people were asked about the principal impacts of the Project. This means that activities influenced various aspects at the same time. The major impact is expressed in the increased participation of the community and in the strengthening of the municipality, then in order of importance, in the training of personnel in infrastructure works, in increased awareness of citizens, in the struggle against poverty and finally, in the reduction of narcotics trafficking and the increase of employment (See table 2). The small percentage that mentioned the Project's contribution to reduce the coca-based economy is an important outcome, which requires a further in-depth evaluation. In general, the LGDP is having a very important impact on local democratic governance.

Municipal coordination with the participating institutions reflects the degree of proximity and of frequency in their relations. Thus, 75% mentioned having close relations with INADI, 57% with ESAN and 30% with USAID. The local institutions with which municipalities have worked more closely are ITDG (reflecting the weight of San Martín in the sample of municipalities), which has had an outstanding performance, and to a lesser extent, INICAM, SIR and Calandria. The municipalities consider the coordination among INADI-ESAN (ITDG)-USAID to be good (60%), very good (14%), fair (19%) while 2% consider it poor. That is, coordination among these institutions is better perceived by the municipalities than by the institutions themselves.

When asked about which components should be given higher priority to reinforce the Project, 75% referred to works and direct training, 39% to technical assistance, 20% to distance education and 5% to other project components, such as support to production and to micro-business projects.

Answers on how to improve the work of the LGDP with the community are similar, although with a slight change in emphasis, since more importance is given to training than to the infrastructure works as a way of improving the Project. This matter requires a further analysis and an organic decision of the involved institutions.

An important aspect of the evaluation was to assess the impact of the LGDP outside the municipality. For this purpose, questions were asked to municipal personnel and to people and institutions not related with the municipalities. The first conclusion is that the LGDP is not well known outside the municipal milieu, except perhaps in the case of San Martín, where the program had a massive coverage. Apparently, there has been little dissemination of the LGDP activities. In the survey, most respondents had no opinion on this matter; however, 18% said that no one knew about the Project, 15% said that the governor or deputy governor knew about it, especially in small districts, and then the following were mentioned as institutions that had information on the Project: the Church, the Political-Military Command, the ministries, and the Judicial Power. Only 5% mentioned the regional government and 3% the business sector.

School municipalities have been implemented in only 23% of the interviewed municipalities. There are a total of 54 School municipalities in the municipal localities that were visited, with an average of seven in each place. Although, as previously mentioned, it is difficult to determine how many were established with the LGDP's support, this component is not very developed yet. Although students and local authorities are quite enthusiastic about it in the localities where it has been implemented.

In short, the LGDP goals are being achieved both from the perspective of the implementing institutions as well as from the perspective of the beneficiaries.

1.3 Evaluation of Public Opinion

The Escuela de Administración de Negocios para Graduados (ESAN) carried out two surveys as part of the Monitoring System. The first, in 1996, served to define the baseline, the second, applied in 1997, was called "of intermediate monitoring."

Two aspects should be contrasted

- a) The quantitative achievements and the balance of the information obtained through interviews carried out by the evaluation team, based on the opinions of the inhabitants of the target districts and provinces of the LGDP. It is necessary to point out that the survey base consisted of 850 inhabitants of the districts and provinces selected by the Project.
- b) The priorities of the LGDP focused on district municipalities --rural municipalities in particular-- and the opinions of the population considered in the survey (including the population of departmental and provincial capitals) on some central issues of local management.

The opinion of the population regarding the performance of their mayors shows that in 1997, approval increased slightly, from 46 to 48%, with respect to 1996. However, the level of disapproval had a higher increase from 37 to 50%. This first indicator shows that the mayors of the areas included in the Project have maintained the number of their supporters, but the number of their critics has increased significantly as well.

Interestingly, the highest disapproval applies to the mayors of departmental capitals (68%) whose performance is approved by only 30% of the respondents. The mayors of provinces that are not departmental capitals and district mayors have a lower level of disapproval: 54 and 43% respectively. Moreover, they are approved by 41 and 53% of the respondents. This complementary information allows an important observation: the smaller the jurisdiction, the higher is the level of approval and the smaller the level of disapproval obtained by the mayor. The level of disapproval is directly proportional to the size of the municipal jurisdiction. In this sense, it can be said that the priority given by the LGDP to district and provincial mayors of localities other than departmental capitals is somewhat reflected in these results.

While implementation of basic infrastructure and services account for the approval of a mayor's performance (both in 1996 and 1997), the main reason for disapproval is neglecting the participation of the population. When the two surveys are compared we see that those who mentioned this factor increased from 53 to 78%. Project implementing institutions should pay special attention to this data, since they express a central criticism of an aspect that is essential to the democratization process.

Opinions with respect to attention to the public, for the municipalities as a whole, improved, this service was ranked as "very good" by 1% in the first survey, and by 5% in the second, as "good", first by 30% and later by 31% of the respondents. In general the surveyed population considers that it has improved. If the percentage of those who consider it "fair" is added to those who consider it "very good" and "good", then the percentage of approval of municipal attention to the public rises significantly, from 72 to 82%.

Again, we find that provincial municipalities other than those of departmental capitals, and district municipalities—both of which, as stated before, are Project priorities—have significantly more positive results than those of departmental capitals do according to the 1997 survey. Some data reflect this: the latter are ranked "good" by only 10%, while no one ranks them as "very good". In the provincial municipalities, outside of departmental capitals, attention to the public is described as "good" by 24% and as "very good" by 3% of the respondents. District municipalities are ranked even better: 34% describe their services as "good" and 6% as "very good". Again, as the level of municipal government descends, the municipality has better relations with the population.

When asked if the people have been consulted for the design of plans and projects, 50% of the respondents answered no. This percentage rose to 64% in the 1997 survey. This data could indicate that although administrative services to the public have improved—as mentioned above—the democratic participation of the population as citizens is still deficient. This aspect is reflected in criticism of the mayors, in the sense that they do not sufficiently promote or neglect community participation. Again, the highest level of criticism for not involving the population in the discussion of plans and projects comes

from the population of departmental capitals (90% no 10% yes) In provincial municipalities 70% replied that they had not been consulted on these matters while in the districts 58% answered no and 42% answered yes

District municipalities are considered more reliable in terms of solving problems Forty percent of the population believes that this is the institution that best solves the problems of their communities Provincial municipalities obtain 30% of approval in this regard and those of departmental capitals 23% In relative terms, the population of provincial localities is more inclined to consider the central government as the major problem-solver in their communities 27%

With respect to the administration of financial resources the percentage of those who believe the State should be in charge of this grew from 24 to 28 However, the percentage of the population that considers that the municipalities should administer more resources increased from 36% in 1996 to 37% in 1997

When asked if municipal activities and projects respond to the needs of the population, there is little difference between the results of the 1996 and 1997 surveys 23% still consider that they "do not respond at all" to their requirements 62% say that they respond to their needs to a very small extent (1996 63%) and 12% answered "to a great extent" (1996 7%) Although the last group has grown, the first two groups add up to a very large percentage 86% This is probably related to the fact that the municipality does not longer involve the population in the discussion and/or approval of plans and projects The percentage of those who answered that municipal projects respond 'to a very small extent' or "do not respond at all" to their needs improves slightly at the district level 80% Here again, the problem of management and urgent need for democratization is posed

As for the population being "well or "very well informed about certain municipal activities or instruments the downward slope of approval in most items is very worrisome (see next table)

POPULATION WELL OR VERY WELL INFORMED OF THE FOLLOWING
MUNICIPAL ACTIVITIES AND INSTRUMENTS

	1996	1997
Productive projects	19 %	15 %
Municipal budget	6 %	5 %
Council sessions	9 %	10 %
Agreements with community assemblies	20 %	15 %
Municipal activities	39 %	34 %
Cultural or educational activities	14 %	22 %

The difference between the various levels of municipal government is not significant if we take into account that in general those who consider themselves 'well informed' represent a very low percentage 13% of the population, in departmental capitals only 5% in the provinces, and 11% in the districts

The next table shows an important increase in community participation in programs such as the "Vaso de Leche" program. However, the rates of participation in municipality-promoted activities drop significantly in certain items that are especially important for the democratization of local governments such as the holding of community assemblies and open lobbies (see next table)

PRINCIPAL FORMS OF PARTICIPATION
PROMOTED BY MUNICIPALITIES

	1996	1997
“Vaso de Leche” program	64 %	75 %
Community assemblies	44 %	32 %
Open lobbies	52 %	19 %
Work and maintenance committees	12 %	18 %
Committees	5 %	6 %
Bills of Petitions	1 %	5 %
Public Opinion polls	8 %	4 %

2 The LGDP model

During the last two and a half years (1995 - 1997) the two components of the LGDP — institutional strengthening of local governments and community participation in local development— allowed to develop a “model” of institutional build-up for development focusing on local governments (provincial and district governments). The operation of the LGDP is shown in the following chart

USAID funding and the project design (the LGDP) led to establishment of a program having two motivating and activating components of what Hirschman calls ‘social energies’ — small infrastructure projects and training. To carry out the infrastructure projects, the program requires the participation of a) the organized community b) the institution in charge of promoting and executing the infrastructure work (the local government) and c) the Peruvian counterpart organization representing the Government of Peru (GOP) — INADE. To contribute to adequate management and organization at the level of local government (LG) and to promote community participation, training has been provided at two levels: municipal authorities (mayors and councilmen) and to municipal officers and employees. And to contribute to the organization of the population community

and neighborhood leaders have been included in the training workshops which have often served to unify views. ESAN and other institutions associated with or contracted by ESAN were in charge of providing this training, which was conceived as a factor that enhances human abilities for decision-making and participation at the level of local municipal authorities, bureaucracy and community leaders.

Both training and participation aim to improve the quality of management initiative and commitment to the community of local governments. The training of grassroots leaders and the support provided to community organizations have introduced the idea of community participation in development using voluntary unskilled labor (no distinctions are made between the local people) to build infrastructure works. At the same time this has contributed to develop accountability especially with respect to the use of funds and municipal management. Participation is based on the principles of priority setting, organization and information. In other words, the I GDP aims at improving governance at the local level.

Moreover, the training of municipal officers and employees should contribute to improve municipal operation and organization and thus to improve efficiency and increase the possibility of providing more and better services.

This component is essential, since municipal officers and employees provide the continuity required for administrative and operational sustainability while municipal authorities are elected every three years (this will change to every five years in the near future)

A key issue in terms of the model's sustainability has to do with the local government's possibilities of generating own resources or obtaining more resources from the central government. Based on its two components—small infrastructure projects and training—the model offers possibilities for a sustainable model but it has intrinsic limitations because of restricted municipal competence and scant resources as well as the short term of office of the authorities. In other words, there is a problem of institutional continuity.

Additionally, the evaluation team has observed that the model has an incremental character, in the sense that the roles assumed by the municipality increase according to community demands, initially dealing with basic infrastructure work, then with more complex projects, and finally with municipal support to develop small productive projects, which require training in preparing feasibility projects for small and micro-enterprises, credit, and technical assistance. In other words, they demand the expansion of the scope of municipal authority. This is where the model may face a growth crisis. This problem may be solved in part by the municipalities, but there is urgent need of greater support from the central government. In the mid-term, the model is sustainable² and could be developed and generalized by implementing an effective fiscal decentralization or efficient coordination between local governments and the central government through its local agencies. We shall return on this subject later.

The LGDP is a model of institutional development that contributes to create adequate conditions for the struggle against illegal production of coca leaves and trafficking of illegal drugs as for instance building a strong and efficient local government and a population willing to participate actively in local government. But the LGDP is not the best design for this purpose. In spite of its proven effectiveness in terms of promoting democratic participation in local governments, this model has limitations in terms of

generating an alternative for development in the 'coca sector'³ for three reasons: a) the reduced functions or competence of municipalities, both provincial and district municipalities, which are correlated with their reduced financial and income-generating capacities. An effective decentralization process would be a key aspect for the model, b) the lack of municipal technical capacity, especially in very small municipalities, and c) the limited territorial jurisdiction of each municipality, which reduces possibilities of investment on larger scales and territorial coverage --beyond municipal limits, unless projects such as AMRESAM (acronym for the project carried out by the Asociación de Municipalidades de la Región San Martín) prove to be efficient and effective.

An important limitation of the model is that it is a standard proposal for a heterogeneous universe of municipalities, which vary in size and for being provincial or district municipalities, urban or rural, or for belonging to rich or poor areas. Some of the components of the model must be adjusted at least in terms of large or small municipalities. For example, the provincial municipality of San Martín (Tarapoto) carried out 58 infrastructure projects in 1996, of which only six were made within the LGDP; that is, its impact is relatively small. On the other hand, the two infrastructure projects implemented with the LGDP support by the small municipality of Matacoto (Ancash), which operates with only one employee, represent half of the works carried out since 1996 and have not only had great impact but also generated high expectations. The implication contained in these two extreme examples is that training is relatively more important for large municipalities, while infrastructure is more relevant for small ones. Consequently, a greater flexibility in the combination of infrastructure-training-technical assistance is desirable.

The LGDP model implemented since 1995, has a great potential for the development of municipal capacities, local governance and community participation. Replication of this model should be one of the goals for the rest of the term of the Project.

² In the sense expressed in the reference terms, that is, that local governments are able to finance, manage and carry out infrastructure works with community participation.

³ Coca sector refers to all agricultural, agro-industrial, industrial activities and services based on coca crops and cocaine production and commercialization.

From 1998 on, and only in San Martin the model will undergo a variation. USAID funds for infrastructure projects will be channeled by the Asociacion de Municipalidades de la Region San Martin (AMRESAM) instead of INADI which ended its participation in the project in 1997. This will constitute a pilot decentralization experience that will force AMRESAM to establish resource-allocation criteria for infrastructure investments through democratic and decentralized mechanisms in the region. The LGDP model will vary in terms of allocation of resources and implementation of infrastructure work. Technical assistance in this area was provided formerly by INADE. Now the municipalities of San Martin will be fully in charge of the execution (both technical and administrative) of the works. In consequence, potential problems may arise in the areas of technical assistance, global implementation of the works and administration of donations. This obviously constitutes a promising experiment of what municipalities are capable of doing if the decision-making and management processes for development infrastructure are decentralized. If AMRESAM is successful, then the possibilities of replicating a decentralized LGDP model will be very strong.

3 Decentralization

For the purpose of contributing to the decentralization process, the LGDP established three main lines of action: a) support the Peruvian Congressional Committee on Decentralization and Local Governments (Comision de Descentralizacion y Gobiernos Locales del Congreso de la Republica), b) support the Association of Peruvian Municipalities (Asociacion de Municipalidades del Peru) and some of its regional associations, and c) strengthen —through direct work— the institutional and democratic capacities of the municipalities.

3.1 *Support for the Comisión de Descentralización y Gobiernos Locales
del Congreso de la República*

Between July 1996-July 1997 this Committee was headed by Congressman Samuel Matsuda, a member of the congressional majority. The Committee discussed six proposals for the Frame Decentralization Act, which were submitted by different political sectors. In this context several regional events were organized to present and discuss these proposals in order to take into account the opinions of the population especially of local social and political leaders.

The LGDP supported the Committee's work making suggestions and proposals aimed at improving the legislative bills. Likewise, it actively supported the organization of the Regional Meeting, which was held in Tarapoto (San Martín) for this purpose. The meeting had a very broad participation of regional leaders and was covered by the main local media.

The draft law submitted by the Congressional majority through Congressman Matsuda was approved by the Committee during the first semester of 1997, and later ratified by Congress. The different opposition sectors made observations and voted against it, considering that it was not an effective decentralization proposal. The law was rejected by the President of the Republic in July 1997. Since the appointment of the new chairman of the Decentralization Committee —Carmen Lozada de Gamboa, in July 1997— the ties between the LGDP and this Congressional Committee were weakened.

Congresswoman Lozada presented a bill in September 1997 for the purpose of strictly limiting the scope of the Interim Regional Administration Councils (created in 1992 to replace Regional Governments) to departmental territories. The Congress of the Republic approved a new Frame Decentralization Act in January 1998, which had nothing to do with the law previously approved and rejected by the President. The new law, of marked centralist orientation, essentially embodies the proposal of Congresswoman Lozada.)

In short, despite LGDP efforts the centralist orientation of the current Peruvian administration has blocked a national decentralist proposal

3.2 Support to the Asociacion de Municipalidades del Peru (AMPE)

The LGDP participated in the national congresses sponsored by AMPE in the last two years (in Ayacucho, Cajamarca and Cusco) through ESAN, and directly through USAID. During the preparation of the last congress held in Cuzco in December 1997, the LGDP contributed to the formulation of a number of central agenda items, such as mechanisms for the creation of regions, fiscal decentralization and others.

The LGDP's relation with AMPE has been fluent and positive over the last two years. In the Project work area, an especially fruitful relation has been established with the Association of Regional Municipalities in San Martin, presently headed by the mayor of the province of Bellavista.

3.3 Strengthening of the institutional and democratic capacities of the municipalities

The institutional strengthening of local governments working with the LGDP shows that a greater decentralization and delegation of functions and resources from the central government to the municipalities, is not only possible but positive as well.

The increased participation of the people, enhancement of institutional capacities and skills of authorities and officers, drafting of work programs and strategic plans in districts and provinces, show in the practice that despite administrative and financial limitations, Peruvian municipalities are able to assume new functions in areas such as health and education. Municipal authority is stronger, and, in the eyes of the population, it has become an irreplaceable arm of the state.

It should be noted here that the work of the I GDP is carried out in a context of centralist orientation promoted by the Executive which does not reflect the will of the majority of the population in terms of strengthening the regions and consolidating decentralized organizations such as municipalities and regional governments headed by democratically elected authorities

As an example of this, we can mention

- Between 1990, when President Alberto Fujimori took office and late in 1996 the Executive and the Peruvian Congress promulgated 45 Presidential decrees legislative decrees and laws directly affecting the constitutional autonomy and powers of the municipalities under their organic law. These statutory provisions have affected areas such as incomes transportation, municipal credit, taxes management of parks and physical-legal clearing of property titles in human settlements
- There has been a breach of the mandate set out in the Political Constitution of Peru (1993), Eighth Final Interim Provision, which reads "Constitutional provisions are the subject matter of constitutional development laws. The order of priority is 1 Decentralization rules, and, among them, those that will permit to have new elected authorities by 1995." This constitutional mandate has not been fulfilled to present, and, moreover, with the new Frame Decentralization Act the democratic creation of regions and the election of their presidents by direct voting has been definitively postponed
- The National Budget also reflects the centralist political orientation. Under the 1998 budget the municipalities receive 1 080 million soles for the Municipal Compensation Fund (Fondo de Compensacion Municipal), 264 million soles for the "Vaso de Leche Program and 270 million soles from charges and surcharges on oil and mining activities. Direct transfers of funds from the central government to the municipalities total 1 614 million soles, which represent approximately 5.5% of the total Budget

4 Sustainability

After two and a half years of the LGDP, it is still not possible to say whether or not the model is sustainable. Some indicators are favorable, others unfavorable, and some uncertain, therefore, it is not possible to make a global balance. However, it is possible to shed some light on the elements required to reinforce sustainability on the basis of the experiences of the municipalities that were visited.

In terms of the Project, sustainability is defined as the municipalities' ability to self-finance and execute on their own their development projects and training requirements. An additional criterion to attain sustainability is the development of a system for community participation institutionalized through the municipalities. In other words, sustainability depends on the municipalities' capability to develop social work with community participation and to provide training with own resources, by hiring LSAN or some regional institution, such as ITDG in San Martín. For this purpose, municipalities should have achieved a certain level of managerial efficiency, adjusted their priorities, and improved their organization. Moreover, community participation—in the design of strategic plans, implementation of infrastructure work and the accountability of local governments—should be a rule, that is, it should be institutionalized so that, even if the municipal authorities change, the practice would continue. The LGDP seems to be advancing in this direction, in spite of the Executive's centralist orientation.

In short, four elements of sustainability have been evaluated: the economic capacity of the municipalities and their possibility to raise more municipal funds, internalization of the need for training, quality improvement of municipal bureaucracy, and institutional mechanisms to promote community participation.

4.1 *Municipal Funding*

The municipalities that were visited vary in size and, therefore, have different financial resources for their expenditures. However, all have a very small expenditure capacity,

since the visited municipalities spend an annual average of S/ 66 per inhabitant (US\$ 24), which by all accounts is insufficient to promote development

The main source of funds is the Municipal Compensation Fund (Fondo de Compensacion Municipal), which provides 64,5% of the total average income in all municipalities visited, 80% of which must be used in investments. Own resources account for an average 19,8% of the total income, but there is a huge dispersion: in some communities own resources represent only 1% of the total income—usually, communities located in rural areas (see **table 3**)—, while in urban communities own resources may account for 60%, especially in capitals of departments. This dispersion is partially due to the charge on oil activities which benefits the municipalities of Loreto and Ucayali. In rural areas, due to their smaller size and dispersion of the population, tax collections are limited. Moreover, many of these districts suffer from extreme poverty, and the income of the people is not enough to pay, say, real-estate taxes. If the possibility of self-generating at least 30% of total resources is used as a sustainability indicator, only 16% of the evaluated municipalities could be sustainable. In other words, the Project is less sustainable in municipalities located in poor rural areas.

Table 3 Information on provincial and district municipalities visited by the LGDP evaluation team 1997

MUNICIPALITY	Type	Total pop	Urban population	N° of mun agents	N° of employees	MCF	Own resources	Vaso de leche	Total incomes	Own resour/ MCF in %	Own res / Total inc %	MCF/ Total inc %	Annual per cap expense
SAN MARTIN													
1 Chazuta	D	10000		11	9	330000	120000	24000	474000	36.4	25.3	69.6	47.4
2 Chapaja	D	1750			8	60000	24000	24000	108000	40.0	22.2	55.6	61.7
3 San Martin	P	130000	100000			2300000	5400000	1300000	9000000	234.8	60.0	25.6	69.2
4 Shamboyacu	D	3000		6	4	110000	2000	18000	130000	1.8	1.5	84.6	43.3
5 Tingo de Ponaza	D	2000	900		3	120000		18000	138000	0.0	0.0	87.0	69.0
6 Picota	P	30000	5000			720000	360000	84000	1164000	50.0	30.9	61.9	38.8
7 Pucaca	D	6000	3000	12		158000	3000	36000	197000	1.9	1.5	80.2	32.8
8 San Rafael	D	7000	900	6	2	136000	12000	36000	184000	8.8	6.5	73.9	26.3
9 Bellavista	P	33426	13600		42	1080000	240000	120000	1440000	22.2	16.7	75.0	43.1
10 San Pablo	D	12189	1480	22		408000	50000	110000	568000	12.3	8.8	71.8	46.6
11 San Jose de Sisa	P	27000	7500	42	26	1140000	192000	168000	1500000	16.8	12.8	76.0	55.6
12 Santa Rosa	D	1800	477	4	1	120000	1500	24000	145500	1.3	1.0	82.5	80.8
13 Agua Blanca	D	2747	1606	4	3	148104	3200	31800	183104	2.2	1.7	80.9	66.7
14 Cuñumbique	D	4000	1800	10	6	180000	36000	47000	263000	20.0	13.7	68.4	65.8
15 Lamas	P	67253	8584	2	26	1500000	192000	151680	1843680	12.8	10.4	81.4	27.4
16 Soritor	D	14000	8200	29	17	324000	132000	132000	588000	40.7	22.4	55.1	42.0
17 Moyobamba	P	90000	40000	1	140	2008000	1300000	404000	3712000	64.7	35.0	54.1	41.2
18 Rioja	P	90000	25000	21	58	1080000	360000	196800	1636800	33.3	22.0	66.0	18.2
19 Nueva Cajamarca	D	30000	6000	31	50	720000	720000	273600	1713600	100.0	42.0	42.0	57.1
ANCASH													
20 Nuevo Chimbote	D	100000	100000	40	160	1560000	1560000	466200	3586200	100.0	43.5	43.5	35.9
21 Santa	P	340000	200000										
22 Samanco	D	5000	5000	6	3	144000	150000	27600	321600	104.2	46.6	44.8	64.3
23 Mancos	D	10000	1800	5	9	420000	96000	72000	588000	22.9	16.3	71.4	58.8
24 Matacoto	D	1300		3	1	103200	3600	12228	119028	3.5	3.0	86.7	91.6
25 Yungay	P	33000	4000	57	40	1500000	240000	144000	1884000	16.0	12.7	79.6	57.1
26 Tarica	D	8000	1000	14	2	288000	12000	55200	355200	4.2	3.4	81.1	44.4
27 Huaraz	P	140000	40000	9	58	1680000	720000	480000	2880000	42.9	25.0	58.3	20.6
28 Olleros	D	3500	1200	7	3	108000	5000	34176	147176	4.6	3.4	73.4	42.1
TUMBES													
29 San Juan de la Virgen	D	4000	1800	4	5	196140	18000	32292	246432	9.2	7.3	79.6	61.6
30 Zarumilla	P	18000	13000		43	756000	300000	136200	1192200	39.7	25.2	63.4	66.2
31 Tumbes	P	120000	90000	5	280	3600000	1080000	732000	5412000	30.0	20.0	66.5	45.1

(continues)

MUNICIPALITY	Type	Total pop	Urban population	N° of mun agents	N° of employees	MCF	Own resources	Vaso de leche	Total incomes	Own resour/ MCF in %	Own res / Total inc %	MCF/ % Total inc	Annual per % cap expense
APURIMAC													
32 Pacucha	D	12000	1000	23	14	780000	48000	132000	960000	6.2	5.0	81.3	80.0
33 Kaquabamba	D	5000	2800	8	3	132000	0	24000	156000	0.0	0.0	84.6	31.2
34 San Jeronimo	D	12000	3600	13	17	780000	60000	156000	996000	7.7	6.0	78.3	83.0
35 Andahuaylas	P	90000	27000		90	2880000	1440000	288000	4608000	50.0	31.3	62.5	51.2
36 Talavera	D	20000	7700	30	40	864000	324000	180000	1368000	37.5	23.7	63.2	68.4
37 Chincheros	P	48000	1400	18	17	996000	216000	60000	1272000	21.7	17.0	78.3	26.5
38 Anco Huallo	D	10000	3000	11	18	600000	108000	120000	828000	18.0	13.0	72.5	82.8
39 Uran Marca	D	3200	700		4	168000	1200	36000	205200	0.7	0.6	81.9	64.1
AYACUCHO													
40 Pichari	D	15000	3000	55	12	540000	120000	120000	780000	22.2	15.4	69.2	52.0
41 Kimbiri	D	18000	4000	43	10	996000	24000	204000	1224000	2.4	2.0	81.4	68.0
42 Sivia	D	23000	5000	96	23	1620000	6000	240000	1866000	0.4	0.3	86.8	81.1
43 Huanta	P	77000	18500	60	65	2640000	780000	300000	3720000	29.5	21.0	71.0	48.3
44 Ayna San Francisco	D	18000	4000	45	13	504000	36000	108000	648000	7.1	5.6	77.8	36.0
45 Santa Rosa	D	18000	4500	27	20	624000	36000	132000	792000	5.8	4.5	78.8	44.0
UCAYALI													
46 Campo Verde	D	18000	5000		57	716000	449000	157536	1322536	62.7	33.9	54.1	73.5
47 Nueva Requena	D	14000	3000		32	372000	150000	76332	598332	40.3	25.1	62.2	42.7
48 Aguatia	P	21000	11200		3	1200000	1200000	235164	2635164	100.0	45.5	45.5	125.5
49 Pucallpa	P	198000											
LORETO													
50 Nauta	P	60200	10300		80	1940000	2411000	366000	4717000	124.3	51.1	41.1	78.4
51 Fernando Loes	D	5000			125	1200000	888000	240000	2328000	74.0	38.1	51.5	465.6
52 Indiana	D	15000			58	840000	667200		1507200	79.4	44.3	55.7	100.5
53 Pebas	D	14000				970000	672000	115000	1757000	69.3	38.2	55.2	125.5
54 Caballococha	P	36000	6500			1400000	1330000	222000	2952000	95.0	45.1	47.4	82.0
55 Yavari	D	6500	650			650000	700000	72000	1422000	107.7	49.2	45.7	218.8
56 Punchana	D	60000				1620000	1820000		3440000	112.3	52.9	47.1	57.3

However, the LGDP has contributed to improve tax revenues in several municipalities as in Zarumilla, San Pablo, Mancos and Sanjanco. Here, technical assistance and distance education play a key role in allowing to define and to learn the details of municipal management and expansion of the income base of the municipalities. Several municipalities self-generate more resources from two activities: electricity generation and rental of machinery, but electricity generation often reports losses, since in many cases the users do not pay for this service. Given the current legal frame, this means that the possibility of self-generating more resources depends on upgrading the municipalities' technical capabilities, e.g. through the establishment of real-estate registers or development of certain entrepreneurial activities, strongly conditioned to leadership on the part of the mayors. In some places, as in Nueva Cajamarca, Tumbes, Picota, Soritor, to mention a few, the mayors have been able to generate more revenues on the basis of such activities.

In these circumstances, most municipalities—especially small ones, located in the rural and poorer areas—have no real possibilities of increasing their incomes. Therefore, sustainability of the LGDP model depends on obtaining more funds, either as a result of local initiatives, transfers of resources by the Executive, or donations. This means increasing receipts from General Sales Tax and other taxes that are poured into the Municipal Compensation Fund, more fiscal powers, or intensification of municipal business activities, and, consequently, reassignment of resources from programs such as the “Fondo de Compensación y Desarrollo (FONCODES) [Compensation and Development Fund], the National Food Assistance Program (PRONAA), of the National Institute for Educational and Health Infrastructure (INFES). These institutions make the same investments and perform the same activities currently made and performed by the municipalities with scant resources, which could be carried out more efficiently by the latter than by the central government.

4.2 Need and usefulness of training and education

In 95% of the municipalities—that is, except for the municipalities of Indiana (Iloeto), and Pucallpa (Ucayali) at the level of officers—, respondents were very satisfied with the

courses and workshops organized and conducted by ESAN. In general, training is seen as fundamental, since there is an increasing number of independent participants (with no political background or technical expertise) in local governments, and since career training as civil servants is not available for municipal officers or employees.

The various course packages and materials provided by ESAN are, according to the interviewees, very useful for municipal strengthening. Forty percent said that training contributes to strengthen local governments, not only because it improves municipal management but also because it provides clear information on the role of municipalities, their legal situation, competence and potentials. This is particularly important for new authorities and community leaders who participate for the first time in municipal office.

The workshops for municipal authorities (mayors and councilmen), officers and employees, and community leaders have also been very important because they offered an opportunity—for the first time in most cases—for exchanging different views on the same problems. This generates the idea of a “local common set of problems”, in which each social actor has to assume his/her role, but now equipped with broader and clearer information than any participant had prior to the workshop. For instance, when asked about the composition of municipal receipts and expenditures, no one seemed surprised and no authority tried to hide or distort the information, since these data were generally known. In those places where the mayor had committed irregularities—as in Ingo de Ponaza, Shapaja (San Martín)—or where the mayor could not be interviewed—as in Fernando Lores (Maynas-Loreto)—, there was less information available and therefore, participation by councilmen, leaders and the community at large was limited. In this sense, training contributes to more information, this promotes higher participation, and this in turn contributes to accountability.

Although training has generally worked well, there are three weak aspects that could affect the sustainability of the LGDP model:

- a) in most cases, training courses for municipal authorities last three years. A permanent training system aimed at potential new authorities is required to ensure subsistence of the model, otherwise it is very likely that the progress achieved will not continue especially if the new mayor has different ideas on the role of local government or if the mayors are removed from office, as in Shapaja, Agua Blanca (San Martín) and Santa María de Chicmo (Aurimac),
- b) a possible means of lending continuity to municipal management is by training key officers and employees in each municipality. To this end, the training program should be addressed at permanent employees interested in municipal work. However, this requires material incentives for officers who participate in the training courses (either direct or distance education courses) and apply that knowledge to municipal management and
- c) the training of community leaders poses a problem in that the leaders who participate in training workshops are neither necessarily future authorities nor even future candidates to municipal office, especially under the current system whereby these participants are appointed by the mayor. A way of solving this problem would be to organize workshops for candidates to municipal office (mayors and councilmen) before the 1998 elections, as suggested in several municipalities.

An important issue detected during the fieldwork is that the mayor's leadership is fundamental for sustainability of the LGDP model. The Peruvian municipal system tends to concentrate many prerogatives on the mayor and assigns less weight to the body of councilmen. Therefore, a mayor may either dynamize or paralyze a local government. An association of provincial or departmental municipalities can play an important role in 'pulling back' or 'pushing forward' mayors who have no personal initiative.

LGDP's ability to turn out experts in local development and municipal management and/or to produce agreements with local institutions for transferring knowledge is a crucial aspect towards sustainability. In this respect, ESAN's role and strategy have been adequate in

terms of direction, but insufficient in terms of results. Starting from a centralist model of training and technical assistance during the first year (1996), ESAN later had to correct the excessive and perhaps unavoidable "Lima-based orientation" of its instructors and lecturers in 1997. In the San Martín region, sub-contracting ITDG as a local training organization gave very good results, especially in small rural district municipalities. The same happened with SER in other departments. ESAN's model, with lecturers from Lima, was highly appreciated in large and urban municipalities, where the educational level of the authorities and municipal officers is quite higher than in the districts and, therefore, there is greater language affinity between them and these lecturers. Theoretically, local speakers could be used in district and rural municipalities, while speakers from Lima could be used in provincial and urban municipalities. The problem arising here is the difference in costs. A workshop organized by ITDG costs approximately US\$ 3 000. The same workshop organized by Lima-based experts or institutions costs significantly more, on account not only of higher fees, but also of transportation and accommodation expenses.

4.3 *Quality of municipal bureaucracy*

To maintain and improve the level of training of officers and employees is a *sine qua non* condition for sustainability of the model. Interviewees informed the evaluation team that the LGDP has had an important initial impact on the training of municipal workers. Moreover, in most municipalities of San Martín, workshops were supplemented with distance education courses, this was not the case in the municipalities of Ancash, Tumbes and Apurímac. Direct and distance training are inseparable, since two or three day-long workshops serve as a basis for motivation and learning of general aspects of each subject or topic, but distance education courses provide in-depth and specialized training required by workers or officers.

The evaluation team was not able to assess the actual impact of the contents of the training courses on the daily work of employees and officers or the quality of their services. Opinions vary, depending on the source. According to municipal authorities and employees, the impact is positive, while the general public and users of municipal services

have not noticed a marked change in the quality of attention to the public or of the services furnished, as stated in the next section

What is certain is that special attention and closer monitoring of the training offered to officers and employees are required to achieve training goals not only in terms of one, but of every municipality within a department, or group of municipalities in several provinces. That is, the training goal should be set by a "critical mass" of municipal officers in each department, so as to create an employment market that may in turn contribute to raise salaries in consistency with new abilities, skills and expertise. In this way, municipal officers and employees would be able to enjoy work stability and/or develop careers in civil service.

4.4 Institutional mechanisms to promote community participation

Community participation is crucial for the model's sustainability. Until now the LGDP participation model has relied on the incentive of construction of basic infrastructure, and could continue to operate in this way due to the need for basic infrastructure in many areas as well as to the rule mandating that 80% of the Municipal Compensation Fund must be assigned to investments, that is, to infrastructure. In other words, even with no USAID support, basic infrastructure works will continue to be carried out by local governments or central government agencies, such as FONCODES or INFES which provide support to the municipalities in this area.

However, two problems may affect this process:

- a) In those places where the works are larger, and no longer consist in basic infrastructure, there is less interest in the participation of unskilled voluntary workers since the marginal cost of participation may be higher than the marginal benefit received from the works. This problem has been observed during the field work: participation was higher in the districts, hamlets or poorer areas where public services are lacking, while in urban areas participation occurs in limited specific areas, and non-existent in other cases. In

short, it is necessary to take into account the incremental character of the works and their limited appeal as an incentive for community participation. The works can not be central to community participation, especially when they are based in voluntary and they involve opportunity costs for the people.

- b) In the model implemented by FONCODES and other government agencies, the people who contribute with work are compensated. This creates competition with the LGDP, which conceives community participation as voluntary work. The desire to earn money is understandable in the districts, hamlets or poorer areas where there are not many possibilities of employment and earnings. The evaluation team found that in several districts covered by the LGDP, the municipality had had to compensate the people in cash or in food to get them to participate in construction works, as they had to compete with agencies such as FONCODES which set the rules for community participation by paying salaries.

In many municipalities, the evaluation team was informed that local governments were expected to promote small and micro-enterprises through business training, access to credits and technical assistance. This is a vein that could be explored as an alternative means of community participation in municipal activities.

5 Monitoring

The lack of a joint executive board of three institutions, USAID-INADE-ESAN, with the eventual participation of mayors representing each region, has caused several problems for the LGDP, including the sudden withdrawal of INADE from several areas, parallel training by ESAN and INADE (although not on the same subjects, but sometimes with the same trainees), deficient communications (only in January 1998, several municipalities received letters from ESAN informing them of the cancellation of training courses, but never received notice in writing from INADE).

The process of implementation of the Project was faster in INADE—where they developed an intervention model similar to LGDP—than in ESAN, which had to redraft its work plan four times in 1996 and was only approved in May. This aspect was critical for monitoring of the Project by each institution.

During the two years covered by the evaluation a set of indicators was developed to measure the evolution of the Project objectives. ESAN has carried out a baseline study, which has only been implemented since May 1997, that is with certain delay. An intermediate monitoring system and a survey of potential impacts of the LGDP were also implemented. The idea is to establish a monitoring and evaluation system (MAES) based on the necessary information. In addition, the Universidad Nacional Agraria was entrusted to do the intermediate monitoring.

Both institutions —INADE and ESAN— have laid down annual goals and hired necessary personnel in each area for adequate monitoring of the Project. Institutional performance has been uneven. On one side, INADE has delegated implementation of the Project on local experts, several engineers and other specialists, very eager to perform development work but inadequately equipped by INADE, especially in the areas of Tumbes, Apurímac, Ancash, Loreto and Ucayali. In San Martín, support was good and effective and personnel were qualified. On the other hand, ESAN is the institution that has achieved better monitoring of its programs, with better planning. It also has in place an automated system for the follow-up of training activities.

When the evaluation team inquired about regional coordination among USAID, INADE and ESAN, interviewees in nearly fifty municipalities (except in the case of Ucayali) said that coordination between ESAN and INADE was adequate, USAID was seen as the sponsor institution and all respondents remembered the names of USAID officers, as they had seen them at some point.

The results of institutional interviews were not the same. Each of the three institutions involved has critical views on the other two. Apparently those problems have not been

aired, detracting from the Project. Apparently, ESAN felt disauthorized by INADL and USAID during the first semester of 1996 and in October 1997 later INADL withdrew from Tumbes, Ancash and Apurimac without notifying ESAN. There was also overlapping of training activities carried out by ESAN and INADE and there is no longer steady dialogue between USAID and INADI.

The biggest problem of INADP seems to have been the turnover of Project leaders (there were even three changes), the incorporation of a training component without consulting ESAN and, additionally, difficulties in management (due to the absence of the director), which affected the institutional vision of development.

In turn, ESAN experienced difficulties the first year to offer courses that were acceptable by all the municipalities. For the large urban or coastal municipalities, the courses and lecturers provided by ESAN were fine but in the small municipalities in rural areas, in the highlands, and in the jungle region there were problems with the instructors and the language. These problems seem to have been solved, as in San Martín with the hiring of ITDG, and in other departments with SER, both of which use local instructors who have been generally well commented upon. Moreover, ESAN did not adjust its objectives to those of its counterpart, USAID, due to differences in their conceptions of the Project.

USAID has two problems. The first is that it is subject to certain conditions arising from the funding source, which intertwines the Alternative Development Program with the LGDP. This combination creates a problem that must be resolved. As efficient as they may be, local governments lack the power, competence and resources to promote alternative development, even though they can take part in a regional or national development strategy. Consequently, this is a bottleneck that should be resolved in the future. The second problem is that, given the first problem, there is conflict between those who believe that development is achieved through concrete works, and those who believe that development is achieved by strengthening the institutions that are nearer to the poor such as local governments.

Despite these internal coordination and monitoring problems of these institutions, the specific objectives —of works by INADE and training by ESAN— have been achieved. The evaluation team considers that with better coordination among the institutions involved in the Project, there would have been more cooperative and effective monitoring and the results would have improved the prospects of sustainability of the LGDP.

III CONCLUSIONS AND RECOMMENDATIONS

A CONCLUSIONS

1 Global Conclusion

The LGDP has met its scheduled goals. It is strengthening democratic municipal governance and community participation. It has great potential, beyond the term of the Project itself, and therefore deserves to be perfected bearing in mind the recommendations set forth in this evaluation, if they are deemed helpful.

The principal impacts acknowledged by the persons who were interviewed are increased community participation and reinforcement of municipal management. Moreover, most of the municipalities that were visited appreciated the advantages of education on the subject of civil rights, combined with voluntary community participation in the construction of basic facilities.

2 The LGDP Model

2.1 The LGDP contributed to the creation of a virtuous circle for reinforcing democracy, laying the foundations for development, and reducing the possibilities of sustenance of a drug-based economy, by means of institutional strengthening of local governments and community participation in development and management through community work and enhancement of civil rights.

2.2 However, the LGDP alone is not sufficient to achieve the general goal of consolidating democracy and eradicating the "coca sector." The evaluation has verified that, despite certain limitations, the Project has contributed to strengthen the State and the economy against the menace of illegal drugs and internal warfare, as the activities performed thereunder have helped to consolidate the underlying structure of the State apparatus without which it is not possible to create a referent of legality for the population.

2.3 It has been verified that the municipalities —participants in the Project— are subject to growing pressures as the population demands not only community works but also the promotion and implementation of productive projects, credits, and more technical assistance.

2.4 The model has to overcome challenges, because it represents, with respect to training and voluntary participation in the works, a standard proposal for a very heterogeneous universe of municipalities and populations with very different demands and needs.

3 General Results (halfway through the Project)

Decentralization

3.1 The LGDP has made every effort to develop a good relationship with the Congressional Committee on Decentralization and Local Governments, particularly during the period of July 96-July 97 when the Frame Decentralization bill was debated in Congress and regional assemblies.

3.2 The government's centralist policy has prevented the sanctioning and enactment of a law that will effectively promote nation-wide political and fiscal decentralization. This is evident from the recent sanctioning of a Frame Law that perpetuates the Ministry of the Presidency and the Interim Regional Administration Councils. Low funding from the central government to the municipalities also hinders the consolidation of this sphere of the State.

3.3 The LGDP unfolds in a national context that is not conducive to decentralization. Therefore, the efforts to bring to light positive examples of good management of local governments have become the core object of our work.

3.4 The relationship between the LGDP and the Peruvian Association of Municipalities has been smooth, especially under the new executive board headed by the engineer Luis Guerrero. This has allowed the Project to collaborate in the effort to design draft decentralization bills.

Main impact: districts and provinces other than departmental capitals

3.5 As indirectly set forth in the general goals, and considered – albeit without sufficient emphasis – in the workplans, the main impact of the Project has been upon local provincial governments that are not departmental capitals and in districts within these provinces. This can be confirmed in the monitoring surveys carried out by LSAN. The impact was lesser upon local governments based in departmental capitals and in districts within the capital province. Experiences with certain municipalities located in departmental capitals were unsatisfactory or negative. Three seem to be the main reasons therefor: the conviction of so-called large municipalities that they are not in urgent need of the training offered by the LGDP, the small volume of works proposed, and their disconformity with the model of community participation proposed for their implementation.

Democratic Participation

3.6 The immense majority of municipal agents — municipal representatives in hamlets and communities — are democratically designated by the population, individually or from a group of three candidates, and later ratified by the district or provincial mayor.

3.7 In most of the city or town halls that were visited, women were present, as either mayors, deputy mayors, councilwomen or employees. But the female population is represented mainly by grassroots leaders. The political or professional participation of the women does not match yet the specific weight of the female population in society.

3 8 The number of representatives from indigenous populations is reduced by the general impact of the blend of races in San Martín (Lamas and Rioja), in the Apurímac River Valley (Pichari and Kimbiri), and in Loreto and Ucayali, it was reported that there were groups of native communities in small population centers but they have no specific weight in the municipalities that were visited

3 9 The grassroots leaders who participated in the Project — as seen during the interviews— are representatives of “Comites del Vaso de Leche (milk distribution programs for children), Mothers’ Clubs or Soup Kitchens. This has had an important repercussion on the efforts to democratize and make local governments more open. It was also seen that due to the mode of assembly or the political weight of mayors within their jurisdictions, many leaders are linked to the municipal management, which deprives them of independence. So-called “grassroots leaders” in the Project are not necessarily the principal alternative leadership vis-a-vis the current municipal managements, and do not necessarily form part of the local central controlling nucleus

3 10 There are no participants in the Project from the productive sectors, both urban as well as rural merchants, businessmen and farmers’ associations. No appeal has been made to the Chambers of Commerce or Associations of Small and Micro-entrepreneurs, or their farming counterparts, despite the interest shown by some of them and the unique role of private initiative towards alternative development and employment generation in each region

General Opinion of Beneficiaries

3 11 Of the direct beneficiaries, 86% answered during the field work that the LGDP helps their municipalities and the communities. No negative opinion was heard, even though 13,6% do not have a clear opinion of the Project. The direct beneficiaries see the two main components, works and trainings, as being greatly important. In their opinion, the most important impacts have been enhanced community participation and the strengthening of municipalities. Other aspects mentioned were personnel training,

construction of works, enhanced awareness of the citizens, anti-poverty efforts, and, finally, the reduction of drug trafficking and employment generation

3 12 The opinion of the population in the Project area, reflected in the surveys made by ESAN in 1996 and 1997 as part of the Monitoring System, reveals recognition of the fact that municipalities are giving better service to the population, although a growing number criticizes the lack of democratic participation and consultation with the people of municipal plans and projects, particularly in departmental capitals

3 13 The surveys prepared by Apoyo (1996) and later by the Fundación para el Desarrollo Agrario (1997), commissioned by ESAN show a very significant phenomenon while the grassroots leaders who were questioned increasingly approve the work of mayors and the capacity of the municipality to solve problems and feel better informed, the general population has a less favorable opinion

Local Leadership

3 14 The decision and involvement of the mayors is critical for the success of the Project. When the mayor is reluctant and shows little interest, does not participate in the workshops, concentrates the information and acts discriminatingly in favor of those who surround him, there are almost unsurmountable difficulties for the success of the Project

3 15 For the success of the Project, or in some cases, to balance the aloofness of the mayor, the quality of the municipal team – particularly the deputy mayor – is of utmost importance. Without a good mayor, or else a good municipal government team, the Project can not evolve successfully

3 16 It is remarked that there is a new wave of young municipal authorities —between 25 and 40 years of age— which means that there are new generations of cadres after the war years, with great expectation of renewal of their mandates in the coming elections

4 Results of the Community Development component works and participation

4.1 The most important achievements of the LGDP have been the construction of works with the participation of the neighbors and the institutional strengthening of municipalities through training, especially direct training. INADE supported the construction of 216 works during 1995. As the national counterpart responsible for the works component, INADE cooperated with 171 works during 1996. That same year, the highest investments in works under the Project Budget were concentrated in the San Martín region with 22,1%. Of the 122 works planned in 1997, INADE had completed 118. We highlight the high level of voluntary community participation in construction of the works, especially in districts and in provinces other than departmental capitals.

4.2 The model of participation by the community with voluntary work in the works sponsored by the LGDP (unlike FONCODES, for example, which pays a salary) is positive to mobilize the efforts of the people, but it has not been equally successful everywhere. From what we have seen, the population—especially in departmental capitals and some provincial capitals—has been reluctant to participate with voluntary work. This model has been more successful in most districts, and especially in hamlets or rural communities. The main reason is that the latter have a more pressing need of the type of works built by the LGDP.

5 Results of the Institutional Strengthening Component

Training: general results and opinions of beneficiaries

5.1 ESAN held 146 workshops in 1996 and 104 the following year. Global attendance at these workshops was 5,158 and 5,442, respectively. The participants included municipal authorities, officers, employees and grassroots leaders. ESAN has fully met the goals of direct training with respect to the number of workshops, the contents of the seminars, and the number of participants trained in the process.

5.2 The mayors and councilmen who were interviewed recognized the quality and importance of the training for their work. During the interviews, most said that the two main benefits had been the acquisition of more elements for institutional strengthening of municipalities and recognition of the importance of community participation.

5.3 Most municipal officers were appreciative of the works carried out with community participation and of the direct and distance training. Many demanded workshops dealing more precisely on subjects of direct interest to them. Haste in preparation of the agenda led to some complaints. It should be noted that a large number of municipal officers hold trust positions, and are therefore removable by a new municipal administration. The absence of a municipal career is a big handicap.

5.4 The interest in the interviews expressed by provincial authorities outside capital cities, as well as by district authorities, their participation in direct training and distance education, as well as the commitment of those mayors with the LGDP, are evidence of the greater impact of the Project on those local jurisdictions.

Balance of direct training and distance education

5.5 We found a positive opinion among the persons who were interviewed concerning the merits of the workshops, with very pointed exceptions. We also received favorable comments on three methodological aspects of these workshops: the decision to implement them on a territorial, not sectoral, basis; the effort to decentralize the workshops to permit greater access by participants from provinces and districts; and the hiring of local counterparts by ESAN, such as ITDG in San Martín, or SER in other departments.

5.6 The municipal authorities did not have uniform opinions regarding the need of continuous participation by councilmen, municipal officers and local leaders in Project workshops. In some cases, it was deemed convenient to "rotate" participation to permit

access by everybody, but this has caused gaps the creation of heterogenous groups, and weakening of accumulative knowledge

5 7 The hiring of local counterparts was highly beneficial, not only because of their better knowledge of the region and easier flow of communication with the beneficiaries, but also because it implied the mobilization of qualified human resources of the same area

5 8 The interviewed persons often emphasized the need of a special program for candidates in municipal elections, or else intensive courses for newly elected authorities

5 9 Distance education is highly valued by most of the beneficiaries who were questioned however, initially it was offered only in one-third of municipalities In some provinces and districts the officers involved have met the timetables and sheduled goals In others, there were delays and evident deficiencies Three reasons seem to explain these deficiencies lack of smooth communication between the coordinator and the trainees, unclear messages and/or low willingness to work on the part of the same beneficiaries

Technical Assistance

5 10 Technical assistance, where it was offered selectively was welcomed and enabled the Project to collaborate directly in the conduct of the municipality Certain complaints were received on account of unfulfilled promises or deficient assistance

5 11 However, it was seen that the technical assistance supplied by ESAN is still limited Only 18,2% of the municipalities questioned said they had received assistance, while 56,8% affirmed that they had not, and the other 25% "was not informed of the program"

School Municipalities

5 12 In the opinion of the interviewees, school municipalities play an important role in building civic awareness among high-school youths, and in the consolidation of the experiences of local government The limited experience acquired in the promotion of

school municipalities – these exist in 23% of the municipalities that were visited – shows that there is ample scope for the participation of teachers and high-school students. In places like Andahuaylas, we received reports of excellent political-teaching experiences during 1997.

Dissemination

5.13 The aspect of dissemination of the Project was limited. Initiatives in this direction were found to exist in Picota, Tarápoto and Huanta. The Association of Social Communicators called “Calandria” was hired for this purpose. Aside from preparation of public plans and efforts to design an image for the future, the evaluators do not have a clear idea of the purpose of the dissemination work, nor of the role this must play in institutional strengthening and increasing community participation.

6 Objectives and General Conduct of the Project

6.1 The field interviews, conversations with Projects managers, review of the documentation, permit to assure that progress has been made, in the essential aspects, towards achieving the main object of the LGDP, taking as a basis the objective outlined in the Donation Agreement between the Republic of Peru and the United States of America:

“Strengthen the democratic institutions that promote community participation, support the rights and freedom of people, are open and respond to the needs of their constituents. The purpose is to reinforce the institutional capacity of local governments and to develop participation mechanisms that foster sustainable democracy, both nation-wide and locally []” (Agreement between the Republic of Peru and the United States of America for the LGDP, 9/30/94)

6.2 The original agreement between the Republic of Peru and the Government of the United States of America affirms that the Project

"will contribute to the anti-narcotics strategy of the Government of the United States of America by promoting economic growth, led by the private sector, through an active and efficient local government, responsive to the needs of its members, through the provision of basic services required by the Law [] As the communities participate democratically in local government affairs and the level of civil participation increases to understand the harmful effects of coca production and narcotics trafficking, compounded with a more effective local government, the citizens will seek lawful economic alternatives to the production of coca leaves "

The evaluation reveals that not all the managing institutions have combined both purposes with enough clearness strengthening of democracy and anti-drug strategy This is due to the ambiguity of the Project, which during most of 1996 and until mid-1997 could have appeared as a proposal of national dimension, not necessarily related to coca production areas One practical expression of this ambivalence was the expansion of the work area to non coca areas, and later re-constriction to the coca sector" regions This was due, among other reasons, to budgetary restrictions of the LGDP

6.3 One of the main consequences of this ambiguity is reflected in the different emphasis placed by Project managing institutions upon defining their objectives

The Escuela de Administracion de Negocios para graduados (ESAN) in its Work Plan and Budget for 1996 (January 1997), quoting the Logical Frame End, Purposes, Products and Indicators of the Monitoring and Evaluation of the LGDP, 1996, annex N° 1", states that the Project goal is to

" 'expand the participation of the citizens in democratic processes' in local governments, expressed in the purpose of reinforcing the institutional capacity of local governments and developing participant mechanisms that will promote a sustainable development, both locally and nation-wide, to improve the quality of life of the citizens' "

The abovequoted text of ESAN refers only secondly to drug trafficking and to the objective of developing the Project as part of the anti-narcotics strategy. In annex No 3 of said document, where it defines the seven criteria for selection of the municipalities, the "presence of narcotics trafficking" is listed next to the last place. "In the selection of municipalities, a percentage of the selected districts shall have as characteristic features a combination of extreme poverty, narcotics trafficking, and situations that reveal a sequence of terrorist activity"

This lack of clarity in linking the institutional strengthening of local governments with the struggle against illegal narcotics trafficking is also reflected in the "Indicators for Follow-up and Evaluation of Activities under the LGDP 1995-1999" (September 1996, INADE, ESAN, USAID), a document that defines rigorously the indicators of the ends, purposes, and the products of goals of the Project.

6.4 The Project has lacked organic and homogeneous conduction. There was no executive board or similar body to give guidelines and make corrections, observing the appropriate formalities. However, each participating institution had clear operating standards, which permitted the global operation of the Project and the achievement of very important goals. One consequence of the abovementioned deficiency was very poor communication between INADE and ESAN, the agencies responsible for the two central components of the Project: construction of works with community participation and training. Two central aspects of community participation were not coordinated by these two institutions. INADE placed emphasis on the participation of the population in the construction and maintenance of the works, while ESAN focused on community participation in municipal decisions as a whole. These two fruitful experiences were not potentiated because they were not combined or systematized.

6.5 We found evidence of regional coordinations derived from the need to serve the same populations and to cope with similar problems. However, we also found that in certain cases the national institutions, like INADE, blocked essential communications.

6.6 Up to two designs for the conduction and implementation of the Project were drawn up. The first design had ESAN and INADE as implementators, supporting the municipalities, with USAID and the Peruvian Government acting as promoters. This design, especially since INADE's presence was weakened in 1997, reinforced the presence of ESAN, creating in some work areas a second design: ESAN-municipalities. This year 1998 the design ESAN-AMRESAM-municipalities was institutionalized in the department of San Martín, and reportedly in other departments. INADE would be replaced by representatives of its Special Projects in each area (Pichis-Palcazu in Junín, Napo-Putumayo in Loreto and Central-South Sierra en Ayacucho).

7 Monitoring

7.1 The set of indicators for follow-up and evaluation approved by INADE, ESAN and USAID in September 1996 is a highly valuable tool for implementing the monitoring system of the LGDP.

7.2 The monitoring system prepared by ESAN which included the preparation of a "baseline" and intermediate monitoring (a new survey) is an important tool for evaluating the progress and weaknesses of the LGDP, which should serve for the final design of a monitoring and evaluation system (MAES).

8 Sustainability

8.1 The key to sustainability of the Project lies in having the municipalities build the capacity to self-finance it, assign priority to the objectives of the LDGP, and strengthen their technical skills. This implies creating the conditions for substituting INADE, USAID and ESAN.

8.2 The effort to strengthen the sustainability of the Project should focus on progress in four central areas: expand municipal resources, increase the usefulness and use of training,

improve the quality of municipal employees and consolidate community participation mechanisms by institutionalizing them

8.3 The mayors, councilmen and municipal officers may be removed as a natural result of elections. The creation of a public municipal career and the consolidation of grassroots leaderships would offer better prospects of sustainability. The effort to consolidate the institutionality of local governments and the democratic exercise of citizenship rights is critical. Due to its slow maturity, the Project can not obtain sustainable results in only two years.

8.4 The desire to build a culture of peace among the groups and populations within the "coca sector" and/or mutually confronted until recently, contributes directly to the exercise of democracy by the citizens through the local governments in those areas and to enhance the possibilities of sustainability of the Project.

8.5 In part, this sustainability depends on the willingness of the central government to increase the transfers of funds from the Municipal Compensation Fund and to strengthen the political and administrative autonomy of local governments.

B RECOMMENDATIONS

1 On the Overall Plan

The general orientation of the Project should be maintained. To improve the implementation of the Project, the following recommendations should be followed:

2 On the LGDP Model

2.1 The model faced two great limitations: shortage of municipal resources and ambiguity on and/or lack of autonomy for decisions. The effort, therefore, to expand resources and consolidate the autonomy of local governments becomes a permanent

challenge of the Project. This effort is closely linked to the recommendations of the section on Decentralization.

2.2 In accordance with its resources and objectives, the Project should clearly set and define the terms of its relationship with the municipalities, to avoid inordinate expectations and demands. It should also place special emphasis on its relations and work with local governments at the level of districts and provinces that are not departmental capitals, which on account of their size, resources, poverty levels, and weak management have shown special interest in the LGDP.

2.3 The LGDP should try to take into account, particularly in connection with training, not only regional specificities, but also the diversity of demands and levels of requirements. It is necessary to draw general guidelines that may be adapted to the multiplicity of the demands. The agreements with local counterparts become essential, especially now that INADE's presence has weakened.

3 On the General Outcomes

Decentralization

3.1 Despite limited results, the Project should pursue the work with the Congressional Committee on Decentralization.

3.2 The Project should continue to assign priority, at this stage, to work with AMPE, and particularly with the AMRES, especially if it wishes to duplicate the experience in San Martín in other departments within the Project area.

3.3 It is also urgent to explain to leaders and authorities the reasons for the importance of a decentralization process, mainly because many of them have a strictly local understanding of the process.

Priorities of the LGDP

3.4 On account of the volume of resources of the Project and the existing requirements, it is convenient to concentrate efforts in districts and provinces other than the departmental capitals. The response of the beneficiaries is better and the impact is greater.

Participation and population

3.5 It is essential to investigate and to explore in greater depth why the population in the Project area has a critical opinion of certain central aspects of municipal management, especially in connection with the low participation of the citizens.

3.6 A core aspect that should be substantively improved by the Project refers to relations between the municipalities and the population. More emphasis should be placed by them in social communications to increase the participation of the citizens in municipal management.

3.7 It would be useful to supplement regularly the evaluation of the progress or difficulties of the Project carried out with the direct participants (authorities, officers and leaders), with the opinions of the inhabitants of the provinces and districts covered by the LGDP. Mechanisms should be sought for this purpose: participation of Project personnel in local assemblies, smaller local surveys, *focus groups* with local people, and discussion of the results with the authorities, municipal officers and grassroots leaders.

Local Leadership

3.8 In order that the Project may succeed, it is convenient to work specially with the majors. Their weight in the municipalities calls for a treatment that permits to combine their participation as one more authority in the workshops or other Project activities, with the contact, information, and direct work with them. Specific meetings may be required to evaluate the progress of the Project, its achievements and setbacks, as well as to define

responsibilities and listen to their views. The political and local responsibility inherent to their office can not be forgotten.

3.9 The Project leaders need to find allies among the deputy-mayors and councilmen, to support the mayor in his work if the latter is absent or shows only scant interest in the Project. There is need for certain *lobbying* which is only possible with the continuous presence on the site of the Project staff.

4 On the Community Development Component

One concern to be dealt with in the short term is the withdrawal of INADE from certain areas, because it affects the image of the Project vis-a-vis the authorities and the population. The new relationship to be established by USAID with INADI through its Special Projects, should take care not to affect the smooth exchange achieved with most municipalities (the work areas of the LGDP do not necessarily coincide with the scope of the aforementioned Special Projects).

5 On the Institutional Strengthening Component

5.1 The workshops should strive not to cover too many subjects in each session. This would avoid lapsing into generalities and lack of precision, especially in the case of municipal officers, who are the ones who demand precise information.

5.2 The trend toward decentralization of the overall training and technical assistance program, making more and better use of local human resources, should be promoted. Both in San Martín and in Ayacucho, university authorities expressed their interest in contributing to the formation of municipal cadres in their respective localities. Regionally-based non governmental organizations are also very interested in regional training courses.

Participation and local leadership

5.3 It is necessary to find a plural way to involve representative leaders in the workshops, to avoid having most of the participants subordinated to the municipal authority in office. It is convenient to emphasize the need of participation by representatives of parent-teacher associations, farmers, merchants, and professional associations. Efforts must be made to expand the range of participation by representatives of civilian society, as a holistic approach to work with the local elites.

Direct training, technical assistance and distance education

5.4 The work with municipal officers must have a certain degree of specificity. As opposed to mayors and grassroots leaders, the former are interested in training as civil servants or specialists in their areas of employment. The collective workshops should not lose sight of this fact. It is necessary to make every effort not to lose touch with those who are farther ahead, are more knowledgeable and more eager, so as to provide the best possible training.

For example, topics such as Planning and Budget, including accounting and audit, real-estate registration and tax collection, require an analysis based on local realities while topics such as Administration and Management, including strategic planning, human resources and municipal services, social communications, require concrete applications.

5.5 Distance education must be structured in the form of tutorships and must be as decentralized as possible. It is necessary to depend less on communications and to provide effective tutoring capacity.

5.6 It is convenient to increase technical assistance, bearing in mind its positive and exemplary impact. Local governments require not only workshops – as important as these may be – but side-by-side assistance and practical counselling in their daily activities. As it has already been done in some departments, technical assistance should be provided by

small groups of well-qualified technicians, assigned for a relatively long term (not less than one month) to a certain area

School Municipalities

5 7 Upon verification of the results the Project should strive harder to promote school municipalities, because they encourage the participation by, and the democratic education of, teachers and high-school students. School municipalities can become excellent schools for the training of new democratic leaders. One possible way of collaboration between the municipality and school municipalities is the execution of bilateral agreements defining their relation and their commitment to promote a fair exchange and to avoid paternalist attitudes on the part of both the authorities and the students.

Extension

5 8 Extension activities are a vital component to obtain recognition for the Project and, above all, to gain the appreciation of the community for the work performed by the participants. However, in accordance with our observations, the extension work must contribute particularly to improve community participation, give wider information on the municipal activities, and increase the control of the population over their authorities. In addition to the foregoing, and as part of a system of incentives for the authorities, municipal officers, grassroots leaders and the people in general, awards and prizes should be granted to the most outstanding participants in recognition of their efforts.

6 Project Objectives and Management

6 1 USAID and INADE—or the agency that represents the government of the Republic of Peru— should define clearly and explicitly the relationship between the objectives of the LGDP and anti-drug efforts and/or the Alternative Development Program. It is necessary to define the margins of autonomy of the Project and its role in the frame of the anti-drug strategy.

6.2 The Project managers must reach a definitive agreement regarding the objectives and emphasis in the design and implementation of the LGDP. Since the outset of the Project, significant strides have been made in this direction but it is worthwhile to align views further to enhance efficiency,

6.3 It is necessary to find a solution to the lack of a centralized regular institutional direction for the Project in order to determine the short-term and medium-term objectives in a formal, cooperative and responsible manner, as well as any necessary amendments that will permit the Project to progress correctly

6.4 A clear strategy (or strategies) should be defined to direct and implement the Project. The experience launched this year in San Martín by USAID and AMRESAM, if successful, could be used as a pilot project to be duplicated in other departments. This new system of administration of the project should be as formal as possible organization, functions and responsibilities of the parties. The services to be provided under this new direction should also include legal and technical assistance to the municipalities (especially the smallest), not merely in connection with the works

7 Monitoring

7.1 It is convenient to consolidate a system of permanent consultations between the various Project administrators as a space for the evaluation of progress and level of achievement of the objectives set out in the Annual Work Plans

7.2 It would be positive to consolidate the monitoring work of ESAN and to create a monitoring and evaluation System (MAES), as planned, as well as to check periodically the indicators for the follow-up and evaluation of the activities of the LGDP, and their verification methods, approved in September 1996, so that they may be assimilated, simplified and perfected, and applied on a practical and daily basis

7.3 It is recommended to involve the systematic participation of the beneficiaries and regional teams of INADE and ESAN in the monitoring and evaluation process, as well as in the debate on the conclusions and proposals, as in the case of the results of the surveys made by ESAN

8 Sustainability -

8.1 To obtain more municipal funds, make better use of training, make civil servants more efficient, and encourage community participation, the Project must persuade the municipalities to adjust their priorities, improve their managerial and organizational capacity, and institutionalize community participation not only to build works, but also to design annual programs and strategic plans, and develop accountability

8.2 One fundamental factor is to build own resources and make collective efforts to have the central government redistribute fiscal resources equitably and democratically, taking into account the fact that local governments are fundamental spheres of the State and models of governance

ANNEXES

Work Plan for the Evaluation of the Local Government Development Project

I Evaluation Guides

- 1 Is the project, with the programs that have been considered, sufficient to generate a virtuous circle (sustainable alternative development within democracy) in the selected areas?
- 2 Are the general and specific objectives set forth in the GOP-USG agreement being met?
- 3 What is the level of coordination and consistency of purpose of the promoting institutions, INADE, USAID and ESAN, and how is that coordination reflected in the direction of the project? Are the bodies created in each of these institutions effective for this purpose?
- 4 Are the Project strategy and components adequate and viable for achieving its objectives?
- 5 What is the level of acceptance and satisfaction of the target population, at various levels a Individuals and entities in charge of the project local governments, mayors, councilmen, municipal officers, b Direct beneficiaries, citizens, grassroots leaders, the poor, women, and students?
- 6 What elements of the project allow the project to be replicated in other localities and what elements prevent this? What should be improved so that the project may be easily replicated elsewhere?
- 7 How much progress has been made regarding project sustainability mechanisms and what are their main limitations?
- 8 Is the model of sustainable legal alternative development adequate to offset illegal coca-based development, for the poorest beneficiaries?
- 9 How much real power do local governments wield, before and after the project, vis-a-vis the power of the central government (INADE, political-military authorities, ministries), to play a decisive role in the model of participant development with the community?
- 10 What could be the role of the private sector (business sectors and professional associations), absent in the present design of the project?
- 11 What other popular initiatives exist, aside from the project? Who promotes them?

II Evaluation Methodology

The evaluation team will proceed to

- a review Project-related materials
 - USAID
 - INADE
 - ESAN
 - APOYO
- b review supplementary and reference materials
 - legal texts
 - municipal plans and budgets
 - academic papers
 - evaluations of similar experiences
 - others
- c contents of final document
 - 1 Executive Summary
 - 2 Core Document
 - Purpose of evaluation
 - Background
 - General context
 - Analysis and results
 - Conclusions and recommendations
 - 3 Annexes
 - Scope of work
 - Methodology
 - Composition of team
 - List of reviewed documents
 - List of persons and institutions visited

- d interviews with representatives of institutions in charge of direction and implementation of project
- official agencies, USAID and INADE, in charge of the LGDP,
 - national consultant, ESAN, in charge of training and technical assistance,
 - regional and topic consultants ITDG, Calandria, SER, CEAPAZ
 - regional bases of AMPE

Guidelines for institutional interviews

Evaluation of current impact of Project in two basic areas

- transparency in management by local government
- democratic participation in community projects

- 1 What are the achievements thus far in connection with
- scheduled goals (qualitative and quantitative data)
 - final products obtained
 - tools applied by beneficiaries mayors and councilmen
municipal officers and employees
grassroots leaders and population
teachers and students?
- 2 What comments have been received from neighboring non-beneficiary sectors or local private and public institutions?
- groups of people not related to the project
 - districts and provinces outside the project area
 - religious, military, police and judicial institutions?
- 3 What criteria have prevailed for deciding to reduce the original area of activities?
Are any ties maintained with abandoned areas?
What is the balance of project results in those areas?

For the evaluation of deficiencies in implementation of the Project

- 4 What difficulties were encountered in the course of activities?
- 5 What corrections were proposed to overcome them?

For the evaluation of the role of each institution involved

- 6 How does institutional cooperation work
 - at country level,
 - at zonal level?
- 7 How does the monitoring system work for the follow-up and evaluation of activities?

For the evaluation of viability after the Project

- 8 What is the prospect of continuity, in the beneficiary areas, after the Project?
- 9 What is the possibility of reproducing this type of Project, nation-wide?
- 10 What comments have been received from the target population?

For completing the suggestions and comments in order to optimize the resources of the LGDP at the levels of

Local,
Regional, and
National realities

- 11 Personal observations of interviewed person regarding the following
 - institutional framework,
 - human resources,
 - technical resources,
 - financial resources,
 - legal proposals

- e Interviews with mayors, councilmen, municipal officers, employees and grassroots leaders

The following guides will be used for the interviews

1 General Data

- Name
- Place and date of birth
- Profession/occupation
- Title (and/or position in the community)
- Current or former political affiliation
 - Independent
 - Party member

2 Description of relation to project

- How did he/she learn of the project?
- Since when is he/she acquainted with the project?
- Since when does he/she participate in or coordinate the project?
- What activities has he/she performed with or as part of the project works, courses, workshops, community organization?
- Can he/she distinguish different periods or phases in his/her relation with the project?

3 General valuation of the project

- Does the project seem positive or negative? Why?
- What project components are considered to be or have been positive?
- What project components are considered to be or have been negative?

85

4 Assessment of impact in his/her locality

- Do you think the project has had a positive impact in your district or province?
- In what areas has your community benefited most from the project reduction of poverty? Participation? Strengthening of municipality? Enhanced citizen awareness? Anti-drug efforts? Employment? (list in order, from highest to lowest impact)

5 Personal opinion on project administration

- Which institution in charge of project (INADE, AID ESAN) is closest to you?
- How do you see coordination between them?
- With which of the three institutions do your work better?

6 Opinion on institutions outside the project

- What is the attitude of the political-military command towards the project?
- What is the attitude of the Catholic Church –and other churches- towards the project?
- What is the attitude of other mayors (or leaders) towards the project?
- What is the attitude of business people and merchants towards the project?

7 Opinion on democracy, decentralization and development

- How would you define democracy? (arrange options in order)
- How would you define decentralization?
- Do you think the government supports centralization or decentralization?
- Is the current government more or less centralist than the former?
- How would you define development?

8 Suggestions

- How could administration of the project be improved?
- What aspects should be more emphasized? Why?
- What aspects should be eliminated? Why?

III Sample and routes for visits to municipalities in each department

Joint visit of all the team to test the evaluation instruments

Department of San Martín (along the Marginal highway), from 15-21 January

Interviews with

- political-military commander of the North-Eastern Front in the Marañón,
- local counterpart ONG, ITDG
- zonal coordinator of INADE
- AMRESAM
- National University authorities
- Bishop
- Chamber of Commerce

Province of San Martín

Districts of

- Tarapoto
- Morales
- Chazuta
- Shapaja

Province of Picota

Districts of

- Picota
- Buenos Aires
- Pucacaca
- Tres Unidos

Province of Lamas

Districts of

- Lamas
- Cununbuque

Province of Moyobamba

Districts of

- Moyobamba
- Soritor
- Habana
- Calzada

Province of Rioja

Districts of

- Rioja
- Nuevo Cajamarca

Separate programs in other departments

Persons in charge

Santiago Pedraglio - Loreto, Ucayali and Tumbes

Department of LORETO

Province of Maynas

Districts of Fernando Lores

Indiana

Punchana

Province of Loreto

District of Nauta

Department of TUMBES

Province of Tumbes

Districts of San Jacinto

San Juan de la Virgen

Province of Zarumilla

Districts of Papayal

Matapalo

Department of UCAYALI

Province of Coronel Portillo

Districts of Campo Verde

Nueva Requena

Person in Charge E Gonzales – Junin and Ancash

Department of JUNIN

Province of Satipo

Districts of Satipo

Mazaman

Province of Chanchamayo

Districts of San Ramon

San Luis de Shuaro

Province of Tarma

Districts of Tarma

Acobamba

Province of Jauja

District of Molinos

Department of ANCASH

Province of Huaraz

Districts of Olleros

Parica

Province of Yungay

Districts of Mancos

Matacoto

Province of Santa

Districts of Samanco

Nuevo Chimbote

Persons in Charge

Et Durt – Ayacucho and Apurimac

Department of AYACUCHO

Province of Huanta

Districts of Huanta

Sivia

Province of La Mar

Districts of Ayna

Santa Rosa

Province of Huamanga

Districts of Quinua

Carmen Alto

Department of APURIMAC

Province of Andahuaylas

Districts of Pacucha

Talavera

San Jeronimo

Santa Rosa de Chicmo

Province of Chincheros

District of Anccoahuaylo

In each department, interviews will be held with the actors involved in the project with all the members of the municipal council and most district representatives in provincial capitals, as well as with a majority of grassroots and school leaders in each district, beginning with the municipal council. In all the municipalities that are visited, interviews will be held with municipal officers and representatives of the workers. Other interviews will be held with representative individuals and institutions not involved in the project.

The selected districts are located in urban marginal areas or rural areas. Each evaluator may decide, based on his own criteria, to visit other provinces or districts in addition to those selected as beneficiaries under the Project, as well as to introduce any modifications in the proposed sample, according to circumstances.

IMPORTANT NOTE

According to the proposal approved by each department, the USAID office must designate who will be responsible for coordination between the evaluation team, the authorities and local persons in charge. This will permit coordination for transportation (vehicles and/or drivers) to ensure optimal contacts and rational use of time, as long as the budget works well.

This is vital to achieve results within the scheduled term.

Evaluation team

Etienne Durt, team leader,

Efrain Gonzales de Olarte,

Santiago Pedraglio

ANNEX 3

LGDP Evaluation Team

Etienne DURT V – team leader

Sociologist

Visiting professor at the Universidad Nacional Agraria La Molina,

Consultant on regional development, adult education, and transfer of projects

Efrain GONZALES DE OLARTE

Economist

Senior researcher at the Instituto de Estudios Peruanos

Professor at the Pontificia Universidad Católica del Perú

Expert in regional development, decentralization, and institutional analysis

Santiago PEDRAGLIO M

Sociologist

Executive Coordinator of Grupo Propuesta Ciudadana

Editorialist

Political analyst, expert in grassroots organizations, regional and institutional development

ANNEX 4

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95

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Huanta y ESAN*

Picota de mis sueños Concejo Provincial de Picota y ESAN

Planificación de Desarrollo Línea de difusión, ESAN

ANNEX 5

LIST OF INTERVIEWS

A Institutional Interviews

USAID

Michael Maxey

Beatriz Cobian

Esau Hidalgo

Hal Lippman (Washington)

Myriam Choy

Margaret Sharlees (Washington)

INADE

Eng Luis Nina (Lima)

Eng Alejandro Vasquez (Tarapoto)

Eng Carlos Rojas (Tarapoto)

Prof Consuelo Rovero (Tarapoto,
Currently at AMRESAN)

Eng Hugo Sanchez (Tarapoto, currently
At AMRESAN)

Ms Silvia Ushñahua (Tarapoto, currently
At AMRESAN)

ITDG (Tarapoto)

Carlos Frias

Eduardo Neyra

Isaac Arce

Jose Luis Carranza (CISCAP)

Humberto Rodriguez (Pastoral)

Irma Hidalgo

Carlos Vasquez

ESAN

Ana Maria Romero

Julio Diaz Palacios

Maruja Boggio

Federico Dejo

Alejandro Ortega

Ruben La Serna (Andahuaylas)

Alberto Rios Garro (Huaraz)

Irene Zapata (Tumbes)

TARAPOTO CHAMBER OF COMMERCE

Juan Carlos del Aguila (President)

Jhonny Grieve

Emiliano Reategui

Oscar Orbegoso Motalva

Quinto Cardenas

UNIVERSITIES

Prof Leoncio Villar (San Martin)

Dr Enrique Gonzalez Carre (Rector UNSCH
Ayacucho)

PERSONALITIES

Alberto Chirif (Anthropologist, Iquitos)

Joaquin Garcia (Priest, CETA - Iquitos)

B MUNICIPALITIES

Municipal authorities officers, employees, leaders, other citizens

	Ancash	Apurimac	Ayacucho	Loreto	San Martin	Tumbes	Ucayali	Totals
Mayors								
Provinces	2	2	1	1	4	1	1	12
Districts	3	5	4	4	9	2	1	28
Councilmen	3	17	14	7	44	4	17	106
Officers	5	2	6	4	15	3	6	41
Employees	5	2	15	13	27	2	17	81
Grasroots leaders	2	-	22	7	39	2	4	76
Others	2	3	1	-	24	1	-	31
Total	22	31	63	36	162	15	46	375