



**BUILDING DEMOCRACY FROM THE BOTTOM UP:  
LESSONS FROM LATIN AMERICA**

**HOW NGO AND LOCAL GOVERNMENTS CAN PARTNER  
TO CARRY OUT DEVELOPMENT PROJECTS AND BUILD DEMOCRACY AS WELL**

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## EXECUTIVE SUMMARY

Creating local governments, giving them responsibility for public works and services, and mandating citizen participation in their decision-making has become a new goal and sector of international development. Decentralization of public works and services to local governments dramatically increases the number of projects that can be carried out. Also, at the local level, citizens can select and supervise public works and services, and discuss and choose local taxes, which builds democratic practice, attitude, and expectation. The poor and sometimes detrimental performance of national governments is an enormous cost to international development, and while national governments may behave poorly for a variety of reasons, one of the principal reasons is the lack of democratic practice and culture in these countries. Latin American countries have made significant advances in building democracy at the local level, and many NGOs choose to carry out projects with local governments both to improve project results and to further build democratic practice and culture. How effective are these partnerships? Are there lessons to be learned from them? And can these lessons be applied in other countries, especially in Africa, where the need is greatest?

**A Study of Seven NGO - Local Government Partnerships.** Strategies for International Development (SID) studied seven partnerships between Non-Governmental Organizations (NGOs) and local governments to answer two questions.

- Did the partnerships achieve results that could not have been gained had either partner carried out the project independently?
- Did the partnerships make a contribution to building democratic practice?

Three of the partnerships are in Bolivia, three in Peru, and one in Guatemala. The partnerships and their projects are:

1. SID/Bolivia and the Municipality of Pucarani:<sup>1</sup> Helping 16 associations of farmers to increase their sales of and income from specific crops and products, such as milk, cheese, freeze-dried potatoes, and others
2. Plan International/Bolivia and the Municipality of Ancoraimes: Providing maternal and child health services in 45 rural communities and improving the services and performance of 9 health posts and the municipal hospital
3. Interdisciplinary Center of Community Studies of Bolivia (CIEC) and the Municipality of La Paz: Restoring battered children to good mental health and academic performance and abusing parents to good mental health, as well as helping adolescents with alcohol and drug problems overcome such abuses

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<sup>1</sup> Local governments in Bolivia, Peru, and Guatemala are generally referred to as municipalities. The municipalities are about the size of counties in the United States, and the great majority of them are rural. Six of the seven municipalities (and partnerships) described in this paper are rural. The partnership between CIEC and the Municipality of La Paz, Bolivia, is completely urban.

4. SID/Peru and the Six Municipalities of the Manco Capac Municipal Association: Increasing rural income by helping residents increase productivity, product quality, and sales of agricultural products, handicrafts, and services to tourists
5. Instituto de Animación Campesina (IAC) of Peru and Three Municipalities in the Province of Chumbivilcas: Increasing farmer income by constructing irrigation systems
6. Caritas-Juli of Peru and the Municipality of Ilave: Increasing farmer income by reclaiming native grasslands and pastures
7. PAVA of Guatemala and the Municipality of San Martín Jilotepeque: Constructing needed infrastructure, such as schools, water systems, and access roads in rural communities.

The study does not analyze the extent to which NGOs in the three countries collaborate with local governments to carry out projects. Nor does it include NGO - local government partnerships that failed due to lack of interest or commitment. It is a description of the types of results that can be achieved when NGOs and local governments are interested and committed to carrying out projects together.

#### **Increases in Project Coverage or Impact Resulting from the Partnership.**

The projects of the seven partnerships are typical of the projects that NGOs carry out throughout the world, whether or not they partner with local governments -- increasing poor-farmer income, improving maternal and child health, or helping battered children and abusing parents return to good mental health. The NGOs found the funding for the projects, and they could have carried out the projects without partnering with local governments. Each NGO is working with a fixed budget, and any increases in project coverage or impact resulting from the partnership are measured in terms of the funding, staff, or other in-kind resources that the local government contributed to the project.

- 5 of the 7 local governments provided additional funding for the projects
- 3 of the 7 provided staff which helped carry out project activities
- 6 of the 7 provided meetings rooms for project activities, equipment, materials, and transport for project staff
- All 7 of the local governments promoted active participation in the project and adoption of the practices that were a key component of the project -- e.g., better farming practices, preventive health practices, or construction and maintenance of a water system.

The NGOs had annual grants and budgets for the projects that ranged from \$40,000 to \$142,495, and the average annual NGO budget was \$73,066. The cash contributions of the 5 local governments ranged from \$1,607 to \$54,226 per year. The value of the in-kind contributions made by 6 of the 7 local governments ranged from \$1,125 to \$11,688 per year. The local governments made cash contributions that increased project budget by 28% and in-kind contributions that increased the budget by another 10%, for a total of 38%.

These contributions were crucial in increasing the coverage and impact of the projects in several ways. For example, in Bolivia, Plan International funds its maternal and health project work with child sponsorships and only works in communities where it has these sponsorships. Plan only has sponsorships in 32 of the 54 communities of the Municipality of Ancoraimes, and therefore must limit its services to these communities. The municipality likes the project and provides funding to extend it to the other 22 communities. NGOs throughout the world help rural communities construct irrigation systems, classrooms, and other infrastructure by providing the cement, doors, windows, and other purchased materials, as well as the technical staff that design and supervise the construction. In Guatemala, PAVA requires that communities get their local government to provide some of the cost of the purchased materials as well as the technical staff that design and supervise construction, and they are able to help rural communities and local governments construct a lot more needed infrastructure.

**Increases in Democratic Practice Resulting from the Partnership.** The NGOs helped build democratic practice at both the local government level and at the community level. At the local government level:

- 5 of the 7 NGOs helped citizens participate in the preparation of the development plan for their municipality
- 5 of the 7 helped citizens select the public works and services to be provided by their municipality under the municipality's annual plan and budget
- 2 of the 7 helped municipal officials report progress on their provision of public works and services
- 2 of the 7 helped municipal officials report use of funds
- 2 of the 7 helped citizens supervise the provision of public works and services provided by their municipality
- 1 of the 7 helped citizens elect and operate a municipal health board
- 2 of the 7 helped municipal officials find funding for projects from donors.

At the community level:

- 2 of the 7 NGOs helped members of the communities prepare development plans for their communities
- 2 of the 7 helped citizens participate in the selection of the services provided by the project
- 4 of the 7 set up boards or committees which supervised the services provided by the project
- 3 of the 7 reviewed the use of project funds with community members
- 1 of the 7 helped community members to design and implement their own projects.

Some of the democracy-building activities were carried out at the request of the local government. For example, municipal officials wanted citizen participation in preparing a development plan for their municipality; they did not have the necessary staff time, and they called upon their NGO partner for help. Other activities were

undertaken at the initiative of the NGO. All the democracy-building activities were carried out by NGO staff as additional duties to the principal work of implementing an agricultural, health, social services, or construction project. The costs of the activities to each NGO ranged from \$6,800 to \$25,821 per year, and the NGOs spent an average of 28% of their annual budgets for the projects -- i.e., their budgets exclusive of any funding provided by the local government -- on these activities.

All seven NGOs made useful contributions to building democratic practice both at the municipal and community level by helping establish citizen selection of public works and services, allocation of public funds, and supervision of public works and services and use of public funds. The NGOs also found some creative ways to build democratic practice. For example, Plan International helped citizens establish a municipal health board that parallels some of the functions of a county school board in the United States. Municipalities in rural Guatemala tend to spend their budgets on public works and services for the town that is the capital of the municipality, ignoring the needs of the rural communities that comprise the majority of the municipality. PAVA is helping redress this imbalance.

### **Conclusions.**

1. The seven NGOs could have carried out their projects directly with rural communities, as they have done in the past. The partnerships with local governments increased project coverage and impact and appear to be well worth the effort that it takes to establish and maintain the partnership.

2. Two of the seven NGOs -- Plan International in Bolivia and IAC in Peru -- have gone even further in their partnerships with local governments and require significant co-funding in return for carrying out their projects in the municipality. The municipality has become less of a contributor of counterpart funding and more of a co-funder or donor.

3. The NGOs are content to help build democratic practice as an additional goal and responsibility of their partnerships. It is something they can achieve, especially at the municipal level, because of their partnership. Some NGOs, such as Plan International, also undertake this work for the additional benefit of gaining support for projects that suit their specific mission and interests.

## I. ANALYSIS AND FINDINGS

### 1. Research Hypotheses and Rationale

Strategies for International Development (SID) studied seven partnerships between Non-Governmental Organizations (NGOs) and local governments. The hypotheses of the study were:

- An NGO and a local government, collaborating on a project to improve the health, sanitation, education, or income of the residents of the local government area, achieve results that could not be gained if either carried out the project independently.
- The NGO - local government partners also make a contribution to building democracy, especially when they apply participative methodologies that include civil society in the decisions regarding the projects, and even more so when these methodologies are applied to all public works and services carried out in the area served by the local government.

Creating local governments, giving them responsibility for public works and services, and mandating citizen participation in their decision-making has become a new goal and program of international development. No central or regional government can begin to carry out public works and services in the thousands of rural communities and urban neighborhoods that make up the developing countries. Decentralization of responsibility for public works and services to local governments dramatically increases the number of projects that can be carried out, and citizen participation in the selection and supervision of the public works and services increases their effectiveness and impact.

In addition, the 'decentralization and citizen participation' programs are a major step forward in increasing democracy in developing countries. Voting in national elections every few years is crucial, but it is not a significant amount of democratic practice. Conversely, at the local level, citizens can select public works and services, supervise their provision, and discuss and choose local taxes. They can also oversee the use of any funds the local government may have, thus minimizing corruption. Citizens get to vote several times a year, and this builds democratic practice, attitude, and expectation. They act as legislators, and they begin to think of public officials as public servants who are responsible to them for producing public works and services they have chosen.

The fragile, failing, and failed states of Africa are an enormous cost to the international community, and while states may fail for a variety of reasons, one of the principal reasons is the lack of democratic practice and culture in these countries. Governments slide into corruption, incompetence, or gross neglect because citizens have low expectations for their public officials and are lax in holding government officials

accountable. Latin American countries have made significant advances in building democracy at the local level, and many NGOs choose to carry out projects with local governments both to improve project results and to further build democratic practice and culture. How effective are these partnerships? Are there lessons to be learned from them? And can these lessons be applied to countries in Africa? NGOs have played key roles in establishing maternal and child health services, family planning, prevention of HIV/AIDS, the environmental sector, micro-lending, agricultural development, and the protection of human rights. Can they also help build democratic local governments and, thereby, a society that refuses to tolerate public corruption, incompetence, gross neglect, and 'leaders for life'?

## 2. The Choice of the Seven NGO - Local Government Partnerships

Strategies for International Development (SID) studied three NGO - local government partnerships in Bolivia, three in Peru, and one in Guatemala. The partnerships, and the projects on which the NGOs and local governments are collaborating, are:

8. SID/Bolivia and the Municipality of Pucarani:<sup>2</sup> Helping 16 associations of farmers to increase their sales of and income from specific crops and products such as milk, cheese, freeze-dried potatoes, and others
9. Plan International/Bolivia and the Municipality of Ancoraimes: Providing maternal and child health services in 45 rural communities and improving the services and performance of 9 health posts and the municipal hospital
10. Interdisciplinary Center of Community Studies of Bolivia (CIEC) and the Municipality of La Paz: Restoring battered children to good mental health and academic performance and abusing parents to good mental health, as well as helping adolescents with alcohol and drug problems overcome such abuses
11. SID/Peru and the Six Municipalities of the Manco Capac Municipal Association: Increasing rural income by helping residents increase productivity, product quality, and sales of agricultural products, handicrafts, and services to tourists
12. Instituto de Animación Campesina (IAC) of Peru and Three Municipalities in the Province of Chumbivillcas: Increasing farmer income by constructing irrigation systems
13. Caritas-Juli of Peru and the Municipality of Illave: Increasing farmer income by reclaiming native grasslands and pastures
14. PAVA of Guatemala and the Municipality of San Martin Jilotepeque: Constructing needed infrastructure in rural communities.

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<sup>2</sup> Local governments in Bolivia, Peru, and Guatemala are generally referred to as municipalities. The municipalities are about the size of counties in the United States, and the great majority of them are rural. Six of the seven municipalities (and partnerships) described in this paper are rural. The partnership between CIEC and the Municipality of La Paz, Bolivia, is completely urban.

The initial aim of the study was to assess SID's own projects with municipalities in Bolivia, Peru, and Guatemala and draw conclusions from these partnerships. This, however, was too restrictive, and SID expanded the study in order to gain a broader view of the different types of partnerships in Bolivia, Peru, and Guatemala and their results. In Bolivia, SID expanded the study to include the partnerships that Yunta and Plan International formed with local governments. In Peru, SID expanded the study to include partnerships that Caritas-Juli and IAC maintain with local governments. The partnership between Yunta and the Municipality of Papel Pampa turned out to be weak, and there was little to study or report. This partnership was therefore replaced by the one between CIEC and the Municipality of La Paz. In addition, the partnership between SID/Guatemala and the Municipality of Poaquil was replaced with the partnership between PAVA and the Municipality of San Martin Jilotepeque. SID/Guatemala was carrying out the project with a local NGO as well as the Municipality of Poaquil, and the local NGO was responsible for most of the relations with the municipality. SID/Guatemala ended its relationship with the local NGO because of their activities on behalf of a political party, and SID/Guatemala is now building its own relationship with the Municipality of Poaquil, but there was little to analyze or report at the time of this study.

The study is not an analysis of the extent to which NGOs collaborate with local governments in carrying out development projects. Nor is it a study of the results of these partnerships, when NGOs and local government do choose to collaborate. It is a description of the several ways in which NGOs and local governments do collaborate and an analysis of the extent to which these collaborations have increased project results and/or democratic practice at the local level. As such, it is a description of the types of results that NGOs can achieve if they choose to carry out their projects with local governments.

### **3. Research Methodology**

SID began the project by preparing a detailed interviewing guide for collecting information on each partnership in the study. The interviewing guide contained sections and questions for collecting information on the objectives of the partnership, how and why it was formed, the division of labor between the NGO and the local government, any problems and how they were solved, the budget and sources of funding for the project, the costs incurred, benefits realized, and the lessons learned. The interviewing guide specifically addressed the first hypothesis of the study by asking for a detailed list of the activities required to achieve the objectives of the project and partnership, the ways in which the local government contributed to achieving these activities, and the dollar value of these contributions. The interviewing guide specifically addressed the second hypothesis by asking for a detailed list of the activities which the NGOs carried out to help citizens select and supervise public works and services and other democratic practices, as well as the dollar cost of these activities. SID field-tested the interviewing guide with two of the seven partnerships -- SID/Bolivia and the Municipality of Pucarani, SID/Peru and the Manco Capac Municipal Association -- and then

improved the interviewing guide based on these two tests. Annex 8 is a copy of the revised interviewing guide.

SID's investigators in each country organized meetings with the staff of each NGO and municipal government to collect the information indicated in the interviewing guide. Care was taken to ensure that both managerial and program staff of the NGO and municipality were present. The investigator also collected the proposal for the project, project reports, budgets, and any documentation that provided detailed information on the nature and results of the partnership. The investigator met with both NGO and municipal staff on several more occasions to answer questions resulting from a review of the project documentation, collect additional information, and clarify information.

Once the information was collected on each partnership, the investigator in each country prepared a description of each partnership of approximately ten pages in length, with sections covering each of the aspects of the partnership described above. SID's principal investigator and central office staff then reviewed these descriptions to draw conclusions from these descriptions. A table was prepared for listing the ways in which the partnerships contributed to increasing the coverage or impact of the project. Staff then developed a common classification for the different types of contributions and sought data on their value. In all cases, it was necessary to re-interview NGOs and especially local government staff to collect precise data on the value of these contributions. A table was also prepared for listing the ways in which NGOs helped establish or further democratic practice. Staff then developed a classification for these different activities and sought data on their costs. Once again, it was necessary to re-interview local governments and especially the NGOs to collect the data on these costs. This data was then used to draw conclusions regarding the two hypotheses.

#### **4. Increases in Project Coverage or Impact Resulting from the Partnership**

The NGO – local government partnerships described in this study were established to carry out the types of projects that NGOs carry out throughout the world, whether or not they partner with local governments. The projects reflect the missions of the NGOs -- increasing poor-farmer income, improving maternal and child health, or helping battered children and abusing parents return to good mental health. The NGOs found most if not all of the funding for the projects, and they could have carried out the projects without partnering with local governments. The question, therefore, is: Was value added to the project by carrying it out in partnership with a local government? In addition, do synergies result from these partnerships such that the NGO and the local government, working together, achieve results or impact that neither could have achieved by working alone?

SID took the following approach for assessing the increases in coverage or impact resulting from the partnership. SID identified the activities that were crucial for achieving the project's objectives, as stated in the plan for the project and in interviews

with the NGO and local government partners. The value-added resulting from the partnership is defined as the way in which the local government either helped to carry out these activities or expanded the scope of the project, thereby enhancing the coverage and impact of the project. Table 1 lists the value-added contributed to each partnership by the local government partner. Each NGO is working with a fixed budget and fixed resources. The assumption is that any funding, staff time, other in-kind resources, or supporting services contributed by the local government are net pluses, or value-added. If the NGO had to pay for these contributions, this would reduce the amount of services they could carry out. The contributions and value-added by the local government are best read and understood once one has read the list of key project activities. The first section of the description of each partnership is an overview which states the objective of the project carried out by the partners, the key activities of the project, and the contributions of the local government in carrying out the project. However, in Table 1 which follows, only the value-added provided by the local government is listed, since it would be extremely cumbersome to list activities and the value-added contribution by the local government. In addition, the value added by the local government is understandable as evidence in and of itself.

**Table 1: Local Government Contributions to Project Coverage and Impact**

Partnerships	Local Government Contributions
<p><u>SID-Bolivia &amp; Municipality of Pucarani:</u> Increasing the Sales and Income of Producers' Associations</p>	<ul style="list-style-type: none"> <li>• Municipality provided the meeting space and sound system for all workshops</li> <li>• Local development committee of the municipality -- Departamento de Desarrollo Local (DEL) consisting of one agronomist and one social communicator -- helped identify the farmers that had organized producers' associations and could benefit from the assistance</li> <li>• Municipal officials helped organize and set the schedule for technical assistance workshops</li> <li>• Municipal officials used municipal radio to help promote and encourage participation in the workshops. Note: All members of the associations participated in the first two or three workshops on assessing markets, preparing a draft business plan, and setting management structures and bylaws for their association; two or three representatives of each association participated in the workshops to identify buyers, meet with them, negotiate sales agreements, and prepare the final business plans</li> <li>• The two members of the DEL helped carry out most of the workshops, approximately 70%. SID's three or four staff carried out all workshops, which increased the workshop staff by at least a third. The mayor and council members participated in the final workshop to review project results.</li> </ul>
<p><u>Plan Int'l &amp; Municipality of Ancoraimes:</u> Improving Maternal and Child Health</p>	<ul style="list-style-type: none"> <li>• Plan can only carry out project activities in the communities in which it has child sponsorships, which are 32 of the 45 communities. The Municipality provides funding to carry out the program in the other 12 communities</li> <li>• Municipal officials stress the importance of child health and education, and the importance of the project activities, in all public meetings</li> <li>• Municipal officials promote participation in the annual immunization campaign</li> <li>• Municipal officials provide counterpart funding for the construction of latrines in primary schools</li> <li>• The municipality also provides the equipment and drugs for 9 health posts and municipal hospital, as well as maintaining the physical structures. The salaries of the staff of the health posts and the hospital are paid by the national and departmental ministries of health.</li> </ul>
<p><u>CIEC &amp;</u></p>	<ul style="list-style-type: none"> <li>• Staff of the Office of Children and Youth Defense (OCYD) work with CIEC to</li> </ul>

<p><u>Municipality of La Paz</u>: Restoring Battered Children and Abusive Adults to Good Mental Health</p>	<p>identify cases of battered children that require highest priority tutoring and counsel</p> <ul style="list-style-type: none"> <li>• Staff of the OCYD work with children and parents who are referred to the CIEC centers for services</li> <li>• Staff of the OCYD meet with community leaders and neighborhood associations to help select sites for centers in areas of the highest incidence of battered children</li> <li>• Municipality provides construction materials and equipment for centers.</li> </ul>
<p><u>SID/Peru &amp; Manco Capac Municipalities</u>: Increasing Rural Income from Agricultural Production, Handicrafts, and Tourism</p>	<ul style="list-style-type: none"> <li>• Promotion of the project throughout the communities of each municipality</li> <li>• Provision of meeting rooms for workshops in project design</li> <li>• Municipal staff help carry out workshops to assist communities and producers' associations to design projects</li> <li>• Municipalities provide vehicles for transporting SID staff during field visits to help implement projects</li> <li>• Participation in panels of judges to help select projects</li> <li>• Leadership in carrying out periodic product fairs in each municipality.</li> </ul>
<p><u>IAC &amp; Chumbivillcas Municipalities</u>: Increasing Farmer Productivity and Income through Irrigation</p>	<ul style="list-style-type: none"> <li>• Funding of feasibility studies for each irrigation system and for project as a whole</li> <li>• Promotion of importance of projects and active community participation in the construction of the irrigation systems</li> <li>• Leadership and participation in securing funding for an expanded program from the department of Cusco's economic development fund and budget.</li> </ul>
<p><u>Caritas &amp; Municipality of Ilave</u>: Increasing Livestock Production and Income through Better Pastures</p>	<ul style="list-style-type: none"> <li>• Municipality subsidizes certain costs, such as the cost of using the 'technological package' and tractor services, to producers</li> <li>• Municipality provides technical staff to complement project staff</li> <li>• Municipality provides technical support and materials in training and technical assistance</li> <li>• Municipality provides technical support on capacity building and actions for plan implementation</li> <li>• Municipality provides funds for the purchase of seeds</li> <li>• Partners promote the importance of improved pastures, dairy livestock management, production practices, and marketing.</li> </ul>
<p><u>PAVA &amp; Municipality of San Martín Jilotepeque</u>: Community-Initiated Construction Projects</p>	<ul style="list-style-type: none"> <li>• The municipality provides approximately 20% of the total cost of each construction project in the purchase of building materials, the cost of transporting the materials to the construction site, and some direct funding.</li> <li>• The municipality provides one technical staff person on each project to coordinate project activities and supervise construction.</li> <li>• For the potable water system project, the municipality buys the right to use the water source from the community where it is located.</li> </ul>

Table 2 is a first step in characterizing or classifying the different types contributions that local governments make to increasing project coverage and impact -- for example, funding for expanding services to additional beneficiaries, local government staff help carry out some activities, or local governments provide other in-kind services. This classification permits comparisons among partnerships. Also, in some cases, the classifications are a direct answer to the question of whether or not the partners, working together, can achieve something that neither could have achieved by working independently. For example, Plan International is limited to working in communities in which it has child sponsorships. In the Municipality of Ancoraimas, Plan

has child sponsorships in only 32 of the 45 communities. The municipality likes the project, wants to see it benefit all 45 communities, and provides funding for the additional 13 communities. Providing services throughout the municipality is something that neither entity could have achieved independently, at least not with limited resources and other constraints. In other cases, when the municipality provides complementary activities, the case for synergy is less clear. Does municipal promotion of adopting preventive health practices actually increase the performance of these practices, or would the work of Plan have been enough? The table is a first step in classifying the ways in which partnering with local governments increases project coverage and impact.

**Table 2: Value of Local Government Contributions to Coverage or Impact**

<b>Types of Increased Coverage and Impact</b>	<b>SID &amp; Pucarani</b>	<b>Plan &amp; Ancoraimes</b>	<b>CIEC &amp; La Paz</b>	<b>SID &amp; Manco Capac</b>	<b>IAC &amp; Chumbivilcas</b>	<b>Caritas &amp; Illave</b>	<b>PAVA &amp; San Martín</b>
Funding for projects	--	--	--	\$33,820	\$54,226	\$30,300	\$1,607
Funding for pre-project studies	--	--	--	--	\$1,208	--	--
Staff for carrying out project activities	\$3,614	--	--	\$1,825	--	--	\$11,688
Other in-kind resources (space, equipment, materials, transport, etc)	\$1,633	--	\$1,125	\$11,534	\$2,000	\$2,470	\$9,107
Increased coverage of services	--	\$35,000	--	--	--	--	--
Promotion of project importance	--	--	--	\$2,270	--	--	--
Promotion of participation in Project	--	--	--	--	--	\$3,935	--
Promotion of beneficiary adoption of practices	--	--	--	\$800	--	--	--
<b>Total:</b>	<b>\$5,247</b>	<b>\$35,000</b>	<b>\$1,125</b>	<b>\$50,249</b>	<b>\$57,435</b>	<b>\$36,705</b>	<b>\$22,403</b>

Several initial conclusions can be made based upon the value-added in each of the partnerships, and these conclusions are best understood in terms of the sector addressed by each partnership and project. Governments -- national, regional, and local -- take primary responsibility for two sectors, health and education. If we view maternal and child health services throughout Ancoraimes as a total program, which makes good sense strategically and programmatically, Plan and the local government play crucial and unique roles. The Municipality of Ancoraimes (plus the Ministry of Health) can provide services in health posts and the hospital, but they cannot reach the community with their 'fixed-based' approach. Plan can and does reach the communities, and they are establishing public health education in schools. They are establishing a 'civil society' municipal health board that is an extremely interesting addition, both in terms of better health services and in terms of the democratic dividend provided. The same can be said of CIEC's project, since the child defense offices of the Municipality of La Paz only identify child abuse cases and take legal sanctions (putting battered children in foster care, putting abusive parents in jail). CIEC provides tutoring, counseling, and treatment services to restore the children to good academic

performance and mental health and their parents to good mental health. Projects to increase income are largely the domain of the NGO, whether they support micro-lending in cities and towns or agricultural extension to poor farmers. However, when projects provide agricultural extension to poor farmers, carried out of course in rural municipalities where municipal officials are farmers themselves, the local government (municipality) can nonetheless add a lot of value and impact to the project.

## 5. Increases in Democratic Practice Resulting from the Partnership

Local governments in Bolivia are required to include citizens in decision making, and citizen participation in selection and supervision of public works and services is a mandate of the law under which the local governments were established. Peru has copied many of the mandates of this law, and they too require citizen participation in preparing municipal development plans and in the selection of the public works and services to be carried out by municipalities each year. There is, therefore, a structure already provided -- i.e., a set of democratic practices -- that guides the NGO's contribution to building democracy at the local government level. In addition, NGOs can build democracy simply by mandating citizen participation in the selection of project objectives as well as evaluation of results -- i.e., build democracy at the community level as well as at the local government level. Finally, there are some creative ideas such as Plan International's formation of a municipal health board that represents civil society in health matters, which is not unlike school boards in counties throughout the United States. Table 3 lists the ways in which the NGOs either help establish these democratic practices or increase citizen participation in the practices.

**Table 3: Increases in Democratic Practice Resulting from the Partnership**

Partnerships	Increases in Democratic Practices
<p>SID-Bolivia &amp; Municipality of Pucarani: Increasing the Sales and Income of Producers' Associations</p>	<ul style="list-style-type: none"> <li>• Helped staff the first meeting to prepare the annual plan and budget to set criteria for the selection of projects and give priority to the economic development projects</li> <li>• Carried out meetings in each of the 9 cantons to train many more community members in criteria for selecting projects, especially for selecting economic development projects</li> <li>• Helped staff the second meeting to prioritize the projects for the annual plan and budget, one project per community</li> <li>• Helped staff the third meeting to confirm the final selection of projects and budgets for each project selected in each community (in relation to the size of a community's population)</li> <li>• Carried out workshop for all 20 municipal staff and 5 council members on the best methods for making DEL a successfully functioning local organization</li> <li>• Helped communities organize a local development committee to work with the unit for economic development projects</li> <li>• Helped establish the DEL</li> <li>• Helped municipal staff learn how to work most effectively with and support producers' associations and communities</li> <li>• Helped members of the producers' associations establish criteria and vote for the board of directors and representatives.</li> </ul>
<p>Plan Int'l &amp;</p>	<ul style="list-style-type: none"> <li>• Plan helps the children participate in selecting priorities and projects for the</li> </ul>

<p><u>Municipality of Ancoraimes:</u> Improving Maternal and Child Health</p>	<p>Municipal Development Plan</p> <ul style="list-style-type: none"> <li>• Plan helps communities prioritize and select projects for the municipality's annual plan and budget</li> <li>• Plan has helped establish a municipal health board, a civil society board similar to a school board in a U.S. county</li> <li>• Plan helps communities select the members of the municipal health board in a democratic fashion and requires that the health board report publicly on projects and expenditures</li> <li>• Plan helps members of each community elect its own health commission and participate with the community in selecting and carrying out projects.</li> </ul>
<p><u>CIEC &amp; Municipality of La Paz:</u> Restoring Battered Children and Abusive Adults to Good Mental Health</p>	<ul style="list-style-type: none"> <li>• Service centers are managed by a management board consisting of the center coordinator, a representative from the municipal government, a representative of the neighborhood association where the centers are located, a student representative who is elected by the children and adolescents attending the centers, a representative of the schools closest to the center, and the executive director</li> <li>• The center's management board oversees services and their improvement as well as the physical structure, equipment, supplies, and materials for the center</li> <li>• CIEC provides training in management to the center's management board such that they will be able to sustain the center after a year and a half of it being staffed and principally operated by CIEC. The aim is that the municipality pays the salaries of the center coordinator and psychologist, while other psychological tutoring and recreational services are provided by students from nearby universities and maintenance, equipment and materials for the center are provided by the community.</li> </ul>
<p><u>SID/Peru &amp; Manco Capac Municipalities:</u> Increasing Rural Income</p>	<ul style="list-style-type: none"> <li>• Assistance in preparing municipal development plans, especially the economic increasing component in each municipality</li> <li>• Assistance in increasing citizen participation in selecting projects for the municipality's annual plan and budget</li> <li>• Assistance in the actual preparation of the annual plan and budget for each municipality</li> </ul>
<p><u>IAC &amp; Chumbivillcas Municipalities:</u> Increasing Farmer Productivity and Income through Irrigation</p>	<ul style="list-style-type: none"> <li>• Assistance in preparing municipal development plans, especially the economic increasing component in each municipality</li> <li>• Helping community members prioritize needs and select projects for possible funding in the municipality's annual plan and budget</li> <li>• Assistance in increasing citizen participation in selecting projects for the municipality's annual plan and budget</li> <li>• Assistance in the actual preparation of the annual plan and budget for each municipality</li> </ul>
<p><u>Caritas &amp; Municipality of Ilave:</u> Increasing Livestock Production and Income through Better Pastures</p>	<ul style="list-style-type: none"> <li>• Caritas helps communities participate in selecting priorities and projects for the Municipal Development Plan</li> <li>• Caritas helps communities prioritize and select projects for the municipality's annual plan and budget</li> <li>• Caritas helps local producers establish criteria and vote for how assistance from the municipal government and Caritas-Juli are to be allocated between the three areas of the projects</li> <li>• Caritas trains staff of municipalities, grassroots organizations and other partners on how to effectively organize, orient and participate in strategic planning, civil society budgeting and the district Coordination Committees</li> <li>• Caritas helps communities establish communal transparency committees and local vigilance committees that monitor the agricultural activities of the Pasture and Forage Project, municipality and partnership.</li> </ul>
<p><u>PAVA &amp;</u></p>	<ul style="list-style-type: none"> <li>• Members of rural communities select construction projects that are, at least</li> </ul>

Municipality of San Martín Jilotepeque: Community-Initiated Construction Projects	<p>in part, funded by their municipal governments</p> <ul style="list-style-type: none"> <li>• Community members supervise the construction and related project activities</li> <li>• Municipal officials supervise the construction and related project activities</li> <li>• Community members and municipal officials oversee the management of project funds</li> </ul>
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Table 4 is a taxonomy or initial list of these practices at the local government level and at the community or project beneficiary level. It is important to note that the aim in democracy building is that citizens 'vote' as many times as possible for how the resources of their local government (or their development project) will be allocated. In addition, they should supervise the actual provision of public works and services, wherever possible. Citizens are, as in the New England town meetings in the United States, acting as the 'legislature', and the officials of the local government (or the project staff) are the 'executive branch' that carries out these decisions. The more they act as the 'legislature', the more likely they are to begin to treat public officials as public servants and refuse to tolerate corruption, other misuses of funds, or poor administration. Also, if they begin acting in this manner at the local level, they will eventually do so at the national level, and, as such, bring an end to the predatory governments that restrict or reverse economic and social development.

**Table 4: Cost to NGOs of Activities that Increase Democratic Practice**

Types of Increased Democratic Practice	SID & Pucarani	Plan & Ancoraimes	CIEC & La Paz	SID & Manco Capac	IAC & Chumbivilcas	Caritas & Illave	PAVA & San Martin
<b>INCREASED DEMOCRATIC PRACTICE AT MUNICIPAL LEVEL</b>							
Citizen participation in municipal development plan	\$3,360	\$1,000	--	\$8,965	\$1,760	\$4,134	--
Citizen participation in selecting annual public works and services	\$3,393	\$1,000	--	\$3,940	\$1,163	\$4,937	--
Municipality drafts operative plans and negotiates funding for priority projects	--	--	--	\$2,800	\$7,096	--	--
Municipal reporting of progress in providing services	--	--	--	\$400	\$100	--	--
Municipal reporting on use of funds	--	--	--	\$600	\$67	--	--
Citizen supervision of public works and services	--	--	--	--	\$233	\$1,280	--
Establish and assist democratic operations of health board	--	\$2,400	--	--	--	--	--
Local Administration of Development Funds <sup>3</sup>	--	--	--	\$1,075	\$50	--	--

<sup>3</sup> SID-Perú provided technical support to municipalities for meeting standards (democratic and administrative) established by FONCODES for municipal administration of development funds.

<b>INCREASED DEMOCRATIC PRACTICE AT COMMUNITY LEVEL</b>							
Members prepare Community Development Plan	--	--	--	\$4,200	\$1,400 <sup>4</sup>	--	--
Community members select project staff <sup>5</sup>	--	--	--	--	--	--	--
Community members select project services to be provided	--	--	--	\$4,800	--	\$13,403	--
Community members (boards) support and supervise services	--	--	\$9,458	--	\$600	\$2,067	\$10,560
Community members review use of funds	--	--	--	\$190	\$200	--	\$6,600
Community members design and implement projects	--	--	--	\$11,480 <sup>6</sup>	--	--	--
Members Establish Community Health Committees	--	\$2,400	--	--	--	--	--
<b>Total:</b>	<b>\$6,753</b>	<b>\$6,800</b>	<b>\$9,458</b>	<b>\$33,950</b>	<b>\$12,670</b>	<b>\$25,821</b>	<b>\$17,160</b>

## 6. Summary of Results

Table 5 summarizes the results of the value added to projects by local government partnerships and the increases in democracy that occur when NGOs help build democratic practice at the local level as an additional product (or by-product) of their partnerships with local governments. Since the NGO - Local Government partnerships are of varying durations, all figures are annual costs -- e.g., the average annual cost of the project to the NGO, the average and the average annual value-added provided by the local government. The costs of the democratic dividend are the portion of the NGO's average annual budget that is dedicated to activities which build democratic practice as opposed to the normal activities that achieve the health, agricultural, or income-increasing goal of the project.

<sup>4</sup> IAC provided intensive assistance in preparing Community Development Plans in the late 1990s, but data on costs is not available. The listed costs are for updating Development Plans in communities in current project areas.

<sup>5</sup> For all the Peru cases, community members do supervise project services provided via the implementation of winning local projects, but these are no cost actions for the project.

<sup>6</sup> This is the cost of training 22 organizations in project design and 7 organizations in project implementation.

**Table 5: Summary of Results, Value-Added and Democratic Dividend**

Partnerships	Value of Local Government (LG) Contributions to Coverage or Impact			NGO Costs of Activities to Increase Democratic Practice		
	NGO Budget	LG Value-Added	% of NGO Budget	NGO Budget	Cost of DD	% of NGO Budget
<b>SID &amp; Pucarani</b>	\$42,000	\$5,247	12%	\$42,000	\$6,753	16%
<b>Plan &amp; Ancoraimes</b>	\$40,000	\$35,000	88%	\$30,000	\$6,800	17%
<b>CIEC &amp; La Paz</b>	\$113,153	\$1,125	1%	\$113,153	\$9,458	8%
<b>SID &amp; Manco Capac</b>	\$142,495	\$50,249	35%	\$142,495	\$33,950	24%
<b>IAC &amp; Chumbivilcas</b>	\$71,687	\$57,435	80%	\$71,687	\$12,670	18% <sup>7</sup>
<b>Caritas &amp; Ilave</b>	\$97,515	\$36,705	38%	\$97,515	\$25,821	26%
<b>PAVA &amp; San Martín</b>	\$39,610	\$22,403	57%	\$39,610	\$17,160	43%
<b>Averages</b>	<b>\$78,066</b>	<b>\$29,738</b>	<b>38%</b>	<b>\$78,066</b>	<b>\$21,802</b>	<b>28%</b>

## 7. Conclusions

1. NGOs have often criticized national ministries for receiving major loans and grants for agricultural and health projects, and then never providing services that actually reached poor rural communities. None of the seven NGOs are critical of the local governments with which they work, at least not in the same way. The local governments, at least the six rural ones, are closer to the people they serve and municipal officials are often poor farmers themselves. The NGOs appear to be sincere in their appreciation of local governments and in their desire to serve their populations, even though their efforts may be extremely limited.

2. The contributions by the local governments to project coverage and/or impact is significant. NGOs could carry out their projects directly with the communities, as they did in the past, but the value-added provided by partnering with local governments appears to be well worth the effort that it takes to establish and maintain the partnership.

3. Some NGOs, such as Plan International, have gone even further in their partnerships with municipalities by requiring a significant financial counterpart in return for Plan carrying out its maternal and child health program or other activities in the municipality. Municipalities in Bolivia have funds that they spend for a wide variety of projects, and Plan has gone beyond the relationship of thinking of the municipality as value-added or counterpart funder of a project to actually being a donor and co-funder.

<sup>7</sup> Although the cost of democratic activities is only 18% of total activities, IAC's staff dedicates much time, both during their workday and after hours, to democracy support activities. Figures for staff time are estimates, not only because of unpaid overtime, but also because institutional accounting procedures do not divide salary according to activities.

4. All the partnerships studied under this research project help build or expand democratic practice and culture within the areas served by the local governments. NGOs help build this practice at the municipal level when it comes to selection of public works and services. They also build democracy at the communal level by including citizens in project plan, administration, and evaluation. In addition, at least one NGO, Plan International, has some extremely creative activities to promote and build democratic practices, such as a municipal health board or youth parliament. The NGOs do not find these democracy building activities onerous, and they can in general be carried out as an additional activity with a modest portion of project staff time.

5. Most of the NGOs appear content to help with the democratic practice as an additional responsibility that results from their partnership with the municipality. Some, however, such as Plan International, undertake this work for the additional benefit of gaining support for projects that suit their specific mission and interests.

## **8. Organization of this Report**

Section II is an overview of the state of local governments in Bolivia, Peru, and Guatemala. Annexes III through IX of this report are summaries of each of the seven NGO - Local Government partnerships. The summaries consist of a brief description of the objectives of each of the partnerships and the partners, a list of key project activities, a list of the value-added contributed by the local government, a list of the contributions of the NGO to building democratic practice, and a brief summary of the results, costs, and benefits of the project carried out by the partners.

Annexes 1 through 7 provide more detailed descriptions of each of the partnerships. The annexes describe the history of the partnerships, the roles and responsibilities of the partners, the results of the partnership, the costs and benefits, and the lessons learned from the viewpoints of both the NGOs and the local governments. Annex 8 is a copy of the interviewing guide.

## II. AN OVERVIEW OF LOCAL GOVERNMENTS IN BOLIVIA, PERU, AND GUATEMALA

**Bolivia.** The Popular Participation Law of April 20, 1994 divided Bolivia into 311 municipalities, gave them 20% of national tax revenue on a per capita basis, and gave them responsibility for several public services as well as economic development projects. The popular participation law also mandated citizen participation in the selection and supervision of the services and projects and abolished departmental development corporations. The corporations that were in place prior to the popular participation reform, one for each of the nine departments, produced approximately 200 public works and services projects a year. In 1995, the first full year of the implementation of the popular participation reform, the municipalities produced nearly 9,000 projects, and in 1996 they produced more than 16,000 projects. The municipalities continue to produce a large number of projects, but citizen participation in decision-making and oversight has gradually declined in many municipalities while municipal corruption has increased.

The selection of public services and projects was easier in the early years of the popular participation reform, especially in rural municipalities. Most rural communities wanted social infrastructure -- classrooms, a health post, community centers, or a central plaza -- because it made them feel like a community and slowed rural to urban migration and the decline of their community. Also, it was easier to calculate the cost of such standard projects and determine the recipients of the projects in any given year. For example, a typical rural municipality comprised of 60 or 70 communities would only have enough revenue for 20 or 30 projects in a given year. Nonetheless, representatives of all the communities found it relatively easy to negotiate which communities would get a project the current year and which communities would have to wait until the following year. Now, several years later, current demand is for projects that help farmers increase their productivity and income, but these projects are much harder to select, design, and budget, and the municipality is often not the best structure for these types of projects. The municipalities are in a transition to a new class of projects, and citizens (and municipal officials) need help in selecting, designing, and budgeting these projects. There is a need for assistance, and the NGOs are the best vehicle for providing it.

**Peru.** Peru is characterized by dual development realities. While the country has experienced a 4% growth rate in recent years, more than half the population is poor and chronic poverty is common (64%) among the rural population of the predominately indigenous highlands. The limited presence of the national government in much of rural Peru only reduces its ability to meet its development challenges. According to Peruvian law, municipal governments are responsible for promoting development within their district's borders, yet their budget allotment (6.5% of the national budget in 2006)<sup>8</sup> is hardly enough to meet basic operational expenses.

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<sup>8</sup> Law Number 28652, Public Sector Proposal, 2006 fiscal year.

The natural alliance between local governments and other institutions that promote rural development has become even more appealing with President Toledo's (2001-06) ambitious program to restore democracy and decentralize resources. The program has placed new demands on municipal governments but without providing sufficient training or increasing their financial resources<sup>9</sup>. Stronger municipal governments became a priority in national government programs and for international development donors, especially when newly elected mayors took office in January 2003. The newly installed government of Alan Garcia Perez (2006-2011) has promised to accelerate decentralization. The decentralization and citizen-participation-in-decision-making policies implemented by the Peruvian government during the past five years is essentially a poverty reduction strategy, and municipal governments are charged with promoting development in their municipality. Citizens are required to participate in the preparation of municipal development plans, as well as the selection of the public works and services to be provided by their municipal government each year.

**Guatemala.** There are 331 municipalities in the 22 departments of Guatemala. In the Municipal Code of 2002, the municipality is defined as "the basic unit of the territorial organization of the State and immediate space of citizen participation in public affairs." The municipal mayor and the municipal council are both elected into office by popular vote, and the mayor is responsible for executing municipal policies, plans, programs and projects authorized by the municipal council. The municipality receives its revenues from municipal taxes as well as from the central government, which allocates 10% of national tax revenues to the 331 municipalities on a per capita basis.

Municipal strengthening has been an ongoing initiative in Guatemala since at least the 1950's, signified by the creation of the National Association of Municipalities (ANAM) in 1960 to support municipalities. However, with the onset of the civil war that lasted for 36 years and ended in 1996 with the signing of the peace accords, the decentralization process has only recently taken hold. The process is helped along by several international initiatives that are focusing on improving governance at the municipal level. For example, the European Union recently launched a five-year project in 12 departments and 189 municipalities to increase citizen participation in municipal decision-making and the ability of municipal governments to provide public works and services.

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<sup>9</sup> Changes in the distribution of mining royalties led to a dramatic budget decrease in poor, non-mining districts in mid-2005.

### III. SID/BOLIVIA - MUNICIPALITY OF PUCARANI HELPING PRODUCERS' ASSOCIATIONS INCREASE SALES AND INCOME

#### 1. Objectives of the Partnership

SID/Bolivia and the Municipality of Pucarani work together to help members of 16 producers' associations increase their sales and income. The second objective of the project is to increase municipal support for economic development projects. The producers' associations are groups of farmers that have banded together to increase their sales and income from a particular crop or product such as milk, cheese, or yogurt. Their memberships range from 10 to 100 farmers or farm families. The associations are pre-cooperatives that start informally and function essentially as solidarity groups; but as their sales and business grow they become more formal. They are called OECAs (Organizaciones Económicas Campesinas, or Rural Economic Organizations), and farmers are forming them throughout Bolivia's Altiplano and Inter-Andean Valleys.

Pucarani is located in the Northern Altiplano, on the southern edge of Lake Titicaca, and little more than an hour away from the major markets of La Paz and El Alto, halfway between La Paz and Oruro. Pucarani had a population of 29,311 in 2005, living in 54 rural communities and the small town of Pucarani. The land is flat, and there is good water from the mountain range that forms the eastern border of the Altiplano. Farmers produce milk, cheese, and yogurt for commercial markets, and potatoes for home consumption. They also produce freeze-dried potatoes (*chunyo* and *tunta*) for the commercial market as well as home consumption.

#### 2. Project Activities

The principal activities are to help the members of each of the 16 producers' association to:

- Assess the market and value-chain for their crop or product
- Prepare a business plan for the product and quality they can offer buyers
- Meet with major buyers, learn the market and sales possibilities from them, and negotiate sales agreements wherever possible
- Prepare a business plan based upon the quantity, quality, and price of the product they have agreed to sell
- Prepare a production and marketing plan for meeting these agreements
- Improve their organizational structure by establishing bylaws, assignments of responsibility, and other rules of operation
- Carry out their production and marketing plan and adjust it as required.

#### 3. Value- Added

The partnership with the municipality has resulted in the following value-added:

- Municipality provided the meeting space and sound system for all workshops
- Local development committee of the municipality -- Unidad de Desarrollo Económico Local (DEL) consisting of the one agronomist and one social communicator -- helped identify the farmers that had organized producers' associations and could benefit from the assistance
- Municipal officials helped organize and set the schedule for technical assistance workshops
- Municipal officials used municipal radio to help promote and encourage participation in the workshops. Note: All members of the associations participated in the first two or three workshops on assessing markets, preparing a draft business plan, and setting management structures and bylaws for their association; two or three representatives of each association participated in the workshops to identify buyers, meet with them, negotiate sales agreements, and prepare the final business plans
- The two members of the DEL helped carry out most of the workshops, approximately 70%. SID had three or four staff carrying out all workshops, which increased the workshop staff by at least a third. The mayor and council members participated in the final workshop to review project results.

#### **4. Democratic Dividend**

The most democratic process for citizen selection of the public works and services to be provided in the annual plan and budget consists of three summit meetings to select the projects, attended by four representatives from each community. The first summit meeting is essentially for organizing the selection process, as well as setting criteria for the selection of projects by each community. The second meeting is for helping members of each community to prioritize and select the best project from four or five projects that they would like. In the third meeting, municipal officials confirm and award budgets based upon the size of the community as well as other criteria. In addition, it is helpful to have meetings in each canton so that many more members of each community can participate in the criteria for project selection. Pucarani has 65 communities, and 5 to 10 members from each community participate in the summit meetings such that an enormous number of staff persons are required to staff and manage the workshops. The municipality provided four staff persons: the two members of the DEL, plus an agronomist and an accountant. The Association of the Departments of La Paz (AMDEPAZ) provided 6 staff persons and SID provided 6 staff persons for these meetings. Thus, SID provided at least a third of the staff for helping make the three summit meetings possible. In addition, SID was the only organization staffing the cantonal meetings which occurred between the first and second summit meetings and the orientation workshop on best roles and responsibilities for the DEL, as well as helping communities select representatives to work with the DEL.

The democratic dividend resulting from SID's partnership was:

- Helped staff the first meeting to prepare the annual plan and budget to set the criteria for the selection of projects and give priority to the economic development projects
- Carried out meetings in each of the 9 cantons to train many more community members in criteria for selecting projects, especially for selecting economic development projects
- Helped staff the second meeting to prioritize the projects for the annual plan and budget, one project per community
- Helped staff the third meeting to confirm the final selection of projects and budgets for each project selected in each community (in relation to the size of a community's population)
- Carried out workshop for all 20 municipal staff and 5 council members on the best methods for making DEL a successfully functioning local organization
- Helped communities organize a local development committee to work with the unit for economic development projects
- Helped establish the DEL
- Helped municipal staff learn how to work most effectively with and support producers' associations as well as communities
- Helped members of the producers' associations establish criteria and vote for the board of directors and the associations' representatives.

## **5. Project Results, Costs and Benefits**

The annual cost of the project is \$42,000, not counting the value-added provided by the municipality. The combined membership of the producers' association is nearly 600 farm families. The cost of the project per producers' association is approximately \$2,625, and the cost per family is \$70.

The project helps farmers develop better links with their markets, especially for products such as cheese, where the market consists of a variety of buyers, or new products such as yogurt, where the market is growing rapidly. The project focuses on the business management aspects of farming, such as assessing markets, meeting with buyers and learning from them, and making and using business plans. The project also diverges from projects in which the NGO took responsibility for marketing functions on behalf of the farmers. Here, the emphasis is on helping the members of each association establish and maintain their relationships with major buyers, as well as make their own business decisions.

Information on increases in sales is not yet available, but some anecdotal information is included in Annex 1, which describes the partnership in greater detail. The initial results are positive. In addition, the project has also been successful in helping the Municipality of Pucarani to establish its Local Economic Development office and program and improve municipal support for economic projects.

## **IV. PLAN INTERNATIONAL - MUNICIPALITY OF ANCORAIMES IMPROVING MATERNAL AND CHILD HEALTH**

### **1. Objectives of the Partnership**

Plan International works with the Municipality of Ancoraimes to improve the health of pre-school and primary school age children, as well as improve the performance of the municipal health services system as a whole. This is a standard, community-based child survival/maternal and child health program, with some interesting additions, which Plan carries out in 45 municipalities throughout Bolivia. Plan is an international NGO, headquartered in London, which gains most of its funding through child sponsorships. Ancoraimes is located in the Northern Altiplano, on the eastern shore of Lake Titicaca. Ancoraimes had a population of 15,199 in 2005, living in 55 rural communities and the small town of Ancoraimes. Plan has child sponsorships in 23 of the 55 communities, and it uses its own funding to carry out the community-based program in these communities. Ancoraimes provides funding to extend the project to the remaining communities. A great majority of the people of Ancoraimes earn their living from fishing and farming. Ancoraimes has 9 health posts and a small municipal hospital. Ancoraimes has 14 primary schools but no secondary school.

### **2. Project Activities**

Health services preventative and curative are delivered in four ways in the municipalities. In the communities where there are 1 to 3 community health promoters plus a community health committee, the community health promoters are actual service providers that treat simple cases and refer serious cases to the health posts. The community health committee takes up central health issues from a managerial standpoint such as getting a better garbage dump, building latrines, trying to get drinking water system. There are 10 or 11 health posts, each one staffed by an auxiliary nurse that provides all preventative care and initial curative care. There is a small hospital in Ancoraimes staffed by 15 people, 4 or 5 doctors, several nurses or auxiliary nurses. There is a health education and preventative health practices program in all 11 primary schools.

The principal activities of the partnership are:

- Training the community health promoters in 3-day health workshops every 3 months (1 to 3 promoters per community)
- Organizing the health committees in each community and then plan and implement projects that resolve their most pressing health needs
- Preparing educational materials and radio spots for a broader based community health education
- Helping build bathrooms in all 11 primary schools
- Training teachers in the 16 basic preventive health practices and helping making education in those practices part of primary school education

- The municipality supports 9 health posts, each staffed by an auxiliary nurse, and one hospital, staffed by 15 persons, consisting of 4-5 doctors nurses, and auxiliary nurses. Plan helps establish additional training for these staff persons in a major hospital in the City of La Paz
- Plan gives a budget of \$30,000 to \$50,000 a year to a municipal health commission of 5 persons elected by the communities of the municipality

### **3. Value- Added**

The partnership with the municipality has resulted in the following value-added:

- Plan can only carry out project activities in the communities in which it has child sponsorships, which are 32 of the 45 communities. The Municipality provides funding to carry out the program in the other 12 communities.
- Municipal officials stress the importance of child health and education, and the importance of the project activities, in all public meetings
- Municipal officials promote participation in the annual immunization campaign
- Municipal officials provide counterpart funding for the construction of the latrines in primary schools
- The municipality also provides the equipment and drugs for the 9 health posts and municipal hospital, as well as maintaining the physical structures. The salaries of the staff of the health posts and the hospital are paid by the national and departmental ministries of health.

### **4. Democratic Dividend**

The democratic dividends are:

- Plan helps the children participate in selecting priorities and projects for the Municipal Development Plan
- Plan helps communities prioritize and select projects for the municipality's annual plan and budget
- Plan has helped establish a municipal health board, a civil society board similar to a school board in a U.S. county
- Plan helps communities select the members of the municipal health board in a democratic fashion and requires that the health board report publicly on projects and expenditures
- Plan helps members of each community elect its own health commission and participate with the community in selecting and carrying out projects.

### **5. Project Results, Costs and Benefits**

Plan provides \$40,000 a year to carry out the project in the 23 communities where it has child sponsorships, as well as the ancillary activities such as the training of staff in the health centers and municipal hospital. The Municipality of Ancoraimes provides \$35,000 a year to extend the program to the remaining 32 communities in

which Plan does not have child sponsorships. (Note: the funding that Plan gives as a budget for the municipal health board is not included in these amounts.) The cost of the ancillary activities varies between \$10,000 and \$20,000, so the cost per community of the community-based child survival/maternal and child health program is approximately \$1,000 per year. There are approximately 2,000 rural families living in the 55 communities, so the cost per family is approximately \$27.50 per family per year.

Immunization-preventable diseases, dehydration resulting from diarrhea, and upper respiratory infections are the major killers of small children on the Altiplano, and the Plan -Ancoraimas program focuses on these practices, along with promoting pre-natal and post-partum visits, detection of high-risk deliveries, family planning, and clean water and sanitation. Good quantitative data on the increases in these practices in these practices each year is still unavailable, but there is clear indication that they are increasing and that maternal and child morbidity and mortality are decreasing. The average distance between homes and the nearest health post is significant, and families don't often visit health posts for preventative health services. The cost of \$27.50 per family is modest compared with the potential benefit.

**V. INTERDISCIPLINARY CENTER OF COMMUNITY STUDIES (CIEC) -  
MUNICIPALITY OF LA PAZ:  
RETURNING BATTERED CHILDREN, HIGH-RISK ADOLESCENTS, AND ABUSIVE  
ADULTS TO A HEALTHY LIFESTYLE**

### **1. Objectives of the Partnership**

The objective of the program is to return battered children and abusive parents or teachers to a healthy lifestyle as well as adolescents suffering from alcohol and, to a lesser extent, drug abuse. CIEC operates four centers in areas of La Paz where cases of child battery and adolescent drug and alcohol abuse are highest. Each center is staffed by a coordinator, a psychologist, two educational psychologists, and a sports and theater activities coordinator. The centers serve an area covered by 11 or 12 primary and secondary schools. The municipality of La Paz has a team of 3 persons called defenders of children and adolescents consisting of a lawyer, a psychologist and a social worker in the 4-5 districts of the city that handle the legal aspects of battered children but who are unable to provide many services such as tutoring and counseling to resolve the children and parents to good mental health.

### **2. Project Activities**

The principal activities are:

- Work with the child defense staff and get them to identify battered children and the parents or teachers who abuse them
- Provide tutoring and counseling to children who have been abused
- Provide counseling to the parents or teachers who have been abusing them
- Work with school authorities and teachers to identify students that are alcohol or drug abusers
- Provide counseling to these adolescents
- Carry out leadership and self-esteem projects with the abusing adolescents and carry out a sports, theatre, activities and other similar activities with these students.

### **3. Value- Added**

The partnership with the municipality has resulted in the following value-added:

- Staff of the office of the children and youth defense work with CIEC to identify cases of battered children that require highest priority tutoring and counsel
- Staff of the office child defense work with the children and parents themselves referring to the CIEC centers for services
- Staff of the office of child defense meet with community leaders and neighborhood associations to help select sites for centers in areas of the highest incidence of battered children

- Municipality provides construction materials and equipment for centers.

#### **4. Democratic Dividend**

The democratic dividends are:

- Service centers are managed by a management board consisting of the center coordinator, representative from the municipal government, representative of the neighborhood association of associations where the centers are located, a student representative, who is elected by the children and adolescents attending the centers, a representative of the schools closest to the center, and the executive director
- The center's management board oversees services and their improvement as well as the physical structure, equipment, supplies, and materials for the center itself
- CIEC provides training in management to the center's management board such that they will be able to sustain the center after a year and a half of it being staffed and principally operated by CIEC. The aim is that the municipality pays the salaries of the center coordinator and psychologist, with the other psychological tutoring and recreational services to be provided by students from nearby universities, and that the community provides the maintenance, equipment and materials for the center.

#### **5. Project Results, Costs, Benefits**

CIEC estimates that each battered child, abusive parent, or alcohol or drug abusing adolescent needs approximately three months of services in a center in order to be returned to good mental health and, for the abused children, good performance in school. Each center can handle about 100 battered children, 100 physically abusive adults, and 100 alcohol abusing adolescents at a time. The aim, therefore, is to serve approximately 1,200 battered children, 1,200 abusing adults or relatives, and 1,200 adolescents using alcohol or drugs, each year.

The costs of the project are approximately \$113,000 per year for all four centers, or approximately \$28,000 per center. The cost of 3,600 people served per year per center is less than \$8 per person. There is, as yet, no clear data on the extent to which battered children stop getting battered and improve their school work or abusive parents stop the battering or alcohol abusing teenagers stop their drinking. However, there is good initial, anecdotal information that indicates that the counseling services and attention to these problems is helping to eliminate them.

Most NGOs address the crucial problems or basic human needs, such as health, education, employment, and preservation of the environment. Also, most NGOs work in rural areas, where needs are greatest and services are fewest. Also, few NGOs partner with a large municipality, such as the City of La Paz, which is the second largest local government in the country and has an annual budget of millions of dollars. However,

there is a clear need for psychological counseling and services in the poor areas of La Paz, which are populated by migrants from various rural areas and which often lack the social cohesiveness of more established neighborhoods and communities. There is strong support for the centers and a lot of neighborhood collaboration in equipping them and in carrying out the recreational aspects of their programs. Psychological counseling is a rarity in poor urban neighborhoods; it is greatly appreciated and it appears to be having an extremely positive impact upon marginal urban neighborhoods at a very modest cost.

## **VI. SID/PERU - MUNICIPAL ASSOCIATION OF MANCO CAPAC: INCREASING INCOME FROM AGRICULTURE, HANDICRAFTS, AND TOURISM**

### **1. Objectives of the Partnership**

Strategies for International Development's program in Peru (SID/Peru) is carrying out an economic development project with six municipalities in a rural region of the department of Puno adjacent to Lake Titicaca and Puno. The objective is to increase the income of the rural residents of these six municipalities through increased production and sales of agricultural products, handicrafts, and the services associated with tourism.

The six municipalities are located on the western shores of Lake Titicaca, near the City of Puno. Most of the residents of the municipalities are farmers who raise alpaca for wool and dairy cattle for milk, cheese, and yogurt. However, the municipalities also lie along the major road to the Lake, and they are the municipalities most frequented by tourists visiting the Lake. Also, two of the municipalities include the islands in the Lake that are most visited by tourists. The six municipalities formed their association to improve the road to the Lake and other projects, and collaborate in their joint economic development. In 2003, SID/Peru helped the municipalities prepare annual plans and budgets with the participation of their citizens, and the project and partnership to help residents to increase income from agriculture, handicrafts and tourism was an outgrowth of this initial collaboration.

### **2. Project Activities**

The principal activities are:

- Technical assistance to farming communities and producers' associations in designing projects to increase productivity, product quality and sales
- Technical assistance to agricultural communities and producers' associations in carrying out projects that increase productivity, product quality and sales
- Technical assistance to producers' associations in designing projects that improve designs and increase product quality and sales of handicrafts
- Technical assistance to producers' associations in improving product quality, and improving designs product quality and sales of handicrafts
- Technical assistance to communities, principally those on Lake Titicaca or on islands on the lake itself, in designing tourism projects
- Technical assistance to communities in implementing tourism projects
- Organization of project competitions to promote the design and implementation of self-help agricultural, handicraft, and tourism projects
- Organization of panels of judges that review projects submitted for the competition
- Provision of modest grants to communities or producers' associations that win the competitions

- Provision of small amounts of credit to projects
- Assistance in organizing periodic product fairs in each of the municipalities
- Development of a website for promoting tourism in the Manco Cápac region
- Assistance to communities in registering archaeological sites with the national institute of culture.

### **3. Value- Added**

The partnership with the municipality has resulted in the following value-added:

- Promotion of the project throughout the communities of each municipality
- Provision of meeting rooms for workshops in project design
- Municipal staff help carry out workshops to assist communities and producers' associations to design projects
- Municipalities provide vehicles for transporting SID staff during field visits to help implement projects
- Participation in panels of judges to help select projects
- Leadership in carrying out periodic product fairs in each municipality.

### **4. Democratic Dividend**

The democratic dividends are:

- Assistance in preparing municipal development plans, especially the economic increasing component in each municipality
- Assistance in increasing citizen participation in selecting projects for the municipality's annual plan and budget
- Assistance in the actual preparation of the annual plan and budget for each municipality

### **5. Project Results, Costs and Benefits**

The project encourages and helps communities and producers' associations to design projects that increase their sales, and income. The project then helps the communities and associations to implement the projects by providing small grants, credit, and technical assistance which aids their implementation. Communities and producers' associations compete to see who can design the best "self-help" economic development project. The communities that win the competitions get small grants and/or credit that help them implement their projects. Any community or producers' association that is interested in carrying out a project receives technical assistance in designing its project and in implementing it. All communities and producers' association are winners. The competitions simply serve to mobilized interest and participation in self-help economic development projects.

The project carries out a competition approximately every nine months, and 12 communities or producers' associations participate in each competition. Thus,

approximately 16 communities or producers' associations receive assistance each year. The annual cost of the project is approximately \$142,500, and the cost per community or producers' association for the technical assistance in project design and grants, credit, and technical assistance in project implementation is approximately \$8,900. (The annual project cost also includes the cost of assistance in citizen selection of public works and services, other democracy-building activities, and ancillary project activities, so the cost per community or producers' association is actually less than \$8,900.) The average number of families that participate in the community or producers' association projects is 45, so the cost per family is less a bit less than \$200 per year.

Communities and producers' associations have designed and are implementing some very interesting projects as a result of the competitions and assistance provided by the partnership. Farming communities have focused on improving pastures and animal health in order to increase productivity, production, and sales. Communities and producers' associations that produce handicrafts have incorporated "museums" and demonstrations on how the handicrafts are made in order to educate tourists and boost their sales. Communities on the islands in the Lake are improving their guest facilities and restaurants in order to charge more for food and lodging. Data on increases in sales and income are in the process of being collected, and SID/Peru and the Municipal Association anticipate a favorable cost-benefit ration is anticipated.

## **VII. INSTITUTO DE ANIMACION CAMPESINO (IAC) - MUNICIPAL GOVERNMENTS OF CHUMBIVILCAS: IMPROVING INCOME AND QUALITY OF LIFE IN THREE MUNICIPALITIES**

### **1. Objectives of the Partnership**

IAC works in three municipalities -- Yusco, Quiñota, and Chumbivilcas -- in one of the very poorest regions in the department of Cusco. The objective of the partnership is similar in each of the three municipalities: increase farmer productivity and income by helping communities build and efficiently operate irrigation systems. The irrigation systems help improve grasslands for dairy cattle as well as permit production of a wider variety of agriculture crops and products. The municipalities are extremely small, with staffs of three or four persons consisting of the mayor, secretary and accountant, and perhaps a civil constructor. Each of the municipalities consist of 10 -15 communities and project staff work in no more than four or five communities and approximately 200 families in total in each of the municipalities. The project has had good success and IAC and the three municipalities are now processing funding for project that will serve all of the communities of the municipalities.

### **2. Project Activities**

In each community in which an irrigation system is constructed:

- Assist members of each community in selecting the best source or sources of water in the hills above the community
- Designing the intakes and holding tanks, the transport canals, and the field distribution system for the irrigation system
- Organizing the teams of community workers that will collect local construction materials (stone gravel, sand) and construct the water intakes and tanks, transport channel and irrigation distribution canals
- Purchase of cement and other non-local materials
- Construction of the irrigation system
- Training of farmers in adequate and efficient irrigation of crops and pastures.

### **3. Value- Added**

The partnership with the municipality has resulted in the following value-added:

- Funding of feasibility studies for each irrigation system and for project as a whole
- Promotion of importance of projects and active community participation in the construction of the irrigation systems
- Leadership and participation in securing funding for an expanded program from the department of Cusco's economic development fund and budget.

#### **4. Democratic Dividend**

The democratic dividends are:

- Assistance in preparing municipal development plans, especially the economic increasing component in each municipality
- Helping community members prioritize needs and select projects for possible funding in the municipality's annual plan and budget
- Assistance in increasing citizen participation in selecting projects for the municipality's annual plan and budget
- Assistance in the actual preparation of the annual plan and budget for each municipality.

#### **5. Project Results, Costs and Benefits**

It is difficult to separate project activities by municipality. IAC works with the rural communities of each of the three municipalities at once, and the results, costs, and benefits are best viewed in terms of the three municipalities at once.

The cost of the project for all three municipalities is approximately \$72,000 per year. Since IAC works in four or five communities and serves approximately 200 families per municipality participate in the project, the total number of direct beneficiaries is 14 communities and 600 families. Project cost per community is a bit more \$5,000 per year and cost per family is \$120 per year.

IAC itself help communities build irrigation systems for watering 90 hectares of land, and IAC, the municipal governments, and the communities used the project and its results to leverage irrigation construction for another 621 hectares by governmental and para-statal programs such as PREDES, FUNDODES, and Plan Meriss. The irrigation helped families to improve 200 hectares of native pastures, plant 175 hectares of cultivated pastures (primarily alfalfa), and improve the productivity of 390 hectares of oats. The carrying capacity of pastureland increased from 0.8 to 2.1 cows per hectare. In addition, milk production per cow increased by 680%. The increase in cattle and especially the increase in productivity have resulted in increases in income of at least 700%. Finally, IAC has also been instrumental in increasing health services in the three municipalities.

## **VIII. CARITAS-JULI AND THE MUNICIPAL GOVERNMENT OF ILAVE DISTRICT: INCREASING INCOME FROM LIVESTOCK**

### **1. Objectives of the Partnership**

Caritas - Juli and the Municipality of Ilave have formed a partnership to increase farmer income from livestock. Ilave lies midway between the City of Puno and the southern border of Peru with Bolivia. The region is a large natural grassland (pure Altiplano), and farmers make their income from their dairy cattle and, to a lesser extent, wool-producing alpaca. Caritas - Juli and the Municipality of Ilave are carrying out a seven-year (2002 to 2009) Pasture and Fodder Project to improve animal feed and health, increase productivity, increase cheese and yogurt production, and, thereby, to permanently increase farmer income.

The project and partnership is also supported by the Ministry of Agriculture (Agrarian Agency, PRONAMACH, INIEA), Producers' Association, the NGO SOLARIS and the Catholic Parrish of Ilave. This inter-institutional group works together to achieve a common goal of reducing poverty in El Collao province by improving livestock production and turning Ilave into Southern Puno's dairy producing zone. Cultivation of pastures and development of the dairy value chain are the strategic foundations for economic development in this agro-pastoral zone.

### **2. Project Activities**

The principal activities are:

- Training and technical assistance of livestock promoters to assist producers in increasing productivity and sales
- Training farmers in preventative livestock health practices (parasite removal), and improved nutrition (administering vitamins and alfalfa and oats feed in critical months)
- Training farmers to process milk to cheese and yogurt
- Conduct market study of local and regional buyers for the products

### **3. Value- Added**

The partnership with the municipality has resulted in the following value-added:

- Municipality subsidizes certain costs, such as the cost of using the 'technological package' and tractor services, to producers
- Municipality provides technical staff to complement project staff
- Municipality provides technical support and materials in training, technical assistance
- Municipality provides technical support on capacity building and actions for plan implementation

- Municipality provides funds for the purchase of seeds
- Partners promote the importance of improved pastures, dairy livestock management, production practices, and marketing.

#### **4. Democratic Dividend**

The democratic dividends are:

- Caritas helps communities participate in selecting priorities and projects for the Municipal Development Plan
- Caritas helps communities prioritize and select projects for the municipality's annual plan and budget
- Caritas helps local producers establish criteria and vote for how assistance from the municipal government and Caritas-Juli are to be allocated between the three areas of the projects
- Caritas trains staff of municipalities, grassroots organizations and other partners on how to effectively organize, orient and participate in strategic planning, civil society budgeting and the district Coordination Committees
- Caritas helps communities establish communal transparency committees and local vigilance committees that monitor the agricultural activities of the *pasture and forage project*, municipality and partnership.

#### **5. Project Results, Costs and Benefits**

The annual cost of the project is approximately \$98,000. The project serves all 57 communities and 4,225 of the Municipality of Ilave. The cost per community is approximately \$1,700 per year and the cost per family is \$23.

The project has sown a total of 1,185 hectares of alfalfa (50 in 2003-2004, 115 in 2004-2005, and 1,020 in 2004-2005). The average weight of cattle has increased by 60% as a result of better feed and better animal health practices, and milk per cow per day has increased from an average 1.75 liters per day to 5 liters per day. Eight community cheese-processing plants have been established. Increases in income have yet to be measured, but overall averages are estimated to be at least 50%, and those families that have taken full advantage of increasing pastures and productivity or begun processing cheese have had much higher increases.

## **IX. PAVA - THE MUNICIPALITY OF SAN MARTIN JILOTEPEQUE: COMMUNITY-INITIATED INFRASTRUCTURE PROJECTS**

### **1. Objectives of the Partnership**

The *Programa de Ayuda a los Vecinos del Altiplano* (PAVA) began its work in 1983 by providing emergency relief to isolated communities that were severely affected by the civil war between Mayan military groups and the Guatemalan army. PAVA carried out several relief projects in the Municipality of San Martín Jilotepeque of the Department of Chimaltenango. After the initial assistance, PAVA began accepting requests from community leaders and community associations for projects that deliver longer lasting responses to the needs of the communities. PAVA developed a methodology of sponsoring community-initiated projects in the 1980's and early 1990's, when it helped provide relief from the affects of the civil war. Since then, PAVA has expanded upon that methodology and now helps communities and municipal governments to construct needed infrastructure such as water systems, schools, and bridges. The community must take the initiative in requesting the infrastructure and provide the local materials and unskilled labor for constructing it. In addition, the municipal government must also take the initiative in requesting the infrastructure and must provide critical financial and technical support, such as a trained construction chief and purchased materials such as cement and reinforcing rods.

PAVA and the Municipality of San Martin have formed a partnership to construct infrastructure in needy rural communities of the municipality, and they are currently constructing a potable water system in Retiro Las Canoas, a school in El Sauce, and a bridge in Chiva Mine. The objectives of the construction projects are:

- Reach communities that have urgent needs but receive little or no assistance from the government or from non-governmental institutions.
- Community members and municipal officials work together and restore trust.
- Community members develop the skills to bring further economic development to their communities.
- For the school project, parents realize the value of education and allow both male and female children to pursue an education.

PAVA is also helping to add basic sanitation to the school curricula, such that children and their families understand the importance of basic health and sanitation practices such as boiling water for drinking, using clean water for washing and cleaning, and washing of hands before eating.

### **2. Project Activities**

PAVA has standard construction plans for each of its construction programs, and San Martin's municipal officials are in agreement with these plans. For example, PAVA constructs 3 or 4 classroom schools based on the number of students. The standard

school building includes four latrines, two for girls and two for boys, two hand-washing stations, running water from a municipal water source, a kitchen and a meeting hall, which also serves as a public meeting hall for the community.

The key activities of all construction projects are:

- Community leaders or members of a community committee present a project request to PAVA.
- PAVA meets with community leaders and municipal officials to discuss project feasibility and requirements. At this time, community leaders and municipal officials commit their effort and resources to the project. It is important to note that the community provides almost all the labor for the project, which normally takes 3 - 4 months, without receiving compensation.
- PAVA then helps the community to organize and divides the responsibilities among all the parties involved.
- PAVA presents the project to their board of directors for approval.
- Once the project is approved, PAVA schedules the project according to the available funding and the number of solicitations on hand.

### **3. Value-Added**

The partnership with the municipality has resulted in the following value added:

- The municipality provides approximately 20% of the total cost of each construction project in the purchase of building materials, the cost of transporting the materials to the construction site, and some direct funding
- The municipality provides one technical staff person on each project to coordinate project activities and supervise construction
- For the potable system project, the municipality buys the right to use the water source from the community where it is located.

### **4. Democratic Dividend**

The democratic dividends resulting from PAVA's partnership with the municipality of San Martín Jilotepeque are:

- Members of rural communities select construction projects that are, at least in part, funded by their municipal governments
- Community members supervise the construction and related project activities
- Municipal officials supervise the construction and related project activities
- Community members (and municipal officials) oversee the management of project funds.

The selection of projects funded by the municipal government, at least in part, is extremely important, since Guatemala does not yet require citizen participation in the selection of the public works and services provided by their municipality. In addition,

rural municipalities tend to spend most their money on the municipal capital (electrification, water and sanitation, paved streets and sidewalks, stadiums, etc.) and spend very little money on the many rural communities of the municipality. PAVA is using its money to slowly build citizen participation in the selection of public works and services and a greater commitment on the part of municipal officials to serve the needs of all residents of the municipality equally.

## **5. Project Results, Costs, and Benefits**

The cost of the three projects recently constructed by PAVA and the Municipality of San Martin Jilotepeque is \$62,013. \$39,610 of this amount was provided by PAVA and \$22,413 was provided by the municipality. The three projects were constructed in the same 12-month period, and \$62,013 represents an optimum annual volume of projects that PAVA, the municipality, and rural communities can construct in a year.

The cost of the potable water system project in Las Canoas is \$30, 526. The water system will benefit 53 families as a cost of \$580 per family. The cost of the school in El Sauce is \$21,431. It will serve an estimated 75 children at a cost of \$286 per child for the lifetime of the school, excluding maintenance. The cost of the bridge for Chiva is \$10,156. The bridge benefits 400 members of the community at a cost of \$25 per member.

## **ANNEXES:**

**DETAILED DESCRIPTIONS OF EACH OF THE SEVEN CASE STUDIES,  
CONSISTING OF**

- 1. HISTORY OF THE PARTNERSHIP**
- 2. ROLES AND RESPONSIBILITIES**
- 3. RESULTS TO DATE**
- 4. COSTS AND BENEFITS**
- 5. LESSON LEARNED**

## **Annex 1: SID/Bolivia and the Municipality of Pucarani**

### **1. History of the Partnership**

Strategies for International Development (SID) has two programs in Bolivia: (1) helping poor farmers reclaim their eroded soils and pastures at the same time as they increase their productivity and income, and (2) helping citizens in rural municipalities to select public works and services and helping municipal officials to provide them. SID first worked in Pucarani in 1996, shortly after the municipality was formed. From 1996 to 1998, SID helped citizens select public works and services and establish "vigilance" committees that oversaw the supervision of the public works and services that citizens had selected. SID also helped municipal officials provide the public works and services, establish an accounting system, and prepare program and financial reports. In 2002, SID began a program to help farmers reclaim eroded land and increase productivity and income, using competitions among communities and other innovative extension methods to mobilize farmers to rapidly adopt better farming practices. The project described in this partnership takes a very different approach to helping farmers increase their incomes. It works exclusively with associations of producers and focuses almost entirely on the entrepreneurial or business practices that farmers need to adopt in order to manage their micro-businesses for maximum profit and sustainability.

Pucarani had a population of 29,311 in 2005. The town of Pucarani has a population of approximately 5,000 people, and the rest of the inhabitants live in 54 rural communities that make up the municipality. Pucarani is located on the eastern edge of the Altiplano, just to the south of Lake Titicaca. Four of Pucarani's communities are on the southern shore of the Lake, and they make more of their living from fishing and trout farming than they do from their crops. The mountain range that forms the eastern border of the Altiplano collects a lot of snow in the winter and has a number of springs, and farmers have begun channeling this water to their pastures and cropland. The majority of Pucarani's farmers keep dairy cows and make most of their living from milk, cheese, and yogurt. They grow potatoes for home consumption and they also freeze dry potatoes for home consumption and commercial sale. Pucarani is about an hour's drive north of La Paz and 45 minutes north of El Alto, and farmers sell most of their products in the markets of La Paz and El Alto. La Paz and El Alto had estimated populations of 839,000 and 800,000 respectively in 2005, which was 17% of Bolivia's total population of 9.4 million and 28% of Bolivia's urban population of 5.8 million. Pucarani's farmers are located next to the best regional market in the country.

Pucarani's officials were pleased to carry out the project to link producers' associations with farmers. They would have preferred a project that provided services in communities throughout the municipality, since they are responsible for providing equal help and opportunity to all the communities. However, there are not enough NGOs or funding to provide services to poor farmers that help them increase their income, and probably less than 2,000 of the 6,000 rural communities on the Altiplano

benefit from such services on a regular basis. Farmers are not waiting for an NGO or donor to provide them help, and many are forming producers' associations.

The associations are groups of farmers that have banded together to increase their sales of a particular crop or product such as milk, cheese, or yogurt. They range from 10 to 100 farmers or farm families. Small associations consist of farmers from a single community; larger ones include farmers from two or three communities. The associations are pre-cooperatives that start informally and function essentially as solidarity groups; but as their sales and business grow they become more formal. They are called OECAs (Organizaciones Económicas Campesinas, or Rural Economic Organizations), and they are becoming increasingly popular throughout the Altiplano.

Pucarani has 16 producers' associations, and Pucarani's officials were interested in providing services to them as another class and grouping of citizens. Also, linking farmers with markets has quickly become a new and very popular approach to helping reduce rural poverty, and Pucarani's officials were interested in participating in the program for that reason as well. Finally, SID agreed to incorporate the staff of Pucarani's newly formed Local Economic Development office, and help them establish their office and program during the course of the project.

The annual cost of the project is approximately \$42,000. The first five months of the project were funded by USAID's Office of Transition Initiatives and USAID/Bolivia for the purpose of demonstrating ways in which economic and democratic development activities could be combined to create greater political stability. Pucarani was one of the centers of demonstration and dissent, in which roads were blocked, helping bring about the downfall of the Sanchez de Lozada government in 2003 and the Carlos Mesa government in 2005. Milk producers that had to dump their milk at the roadside when roads were cut were becoming greater advocates for more reasonable and less economically damaging demonstrations. USAID's Office of Transition Initiatives and USAID/Bolivia also funded the Association of the Municipalities of the Department of La Paz (AMDEPAZ) to carry out a correlative project to help Pucarani's citizens to improve their selection of public works and services for the 2006 program plan and budget. Thereafter, SID has continued the project with funding from the Tinker Foundation.

## **2. Roles and Responsibilities**

The project has two principle goals:

- Increase the sales and income of the producers' associations
- Increase municipal support for economic development projects.

SID and two staff of Pucarani's Local Economic Development office helped each of the 16 producers' associations to:

- Assess the market and value-chain for their crop or product

- Prepare a business plan for the product and quality they can offer buyers
- Meet with major buyers, learn the market and sales possibilities from them, and negotiate sales agreements wherever possible
- Prepare a business plan based upon the quantity, quality, and price of the product they have agreed to sell
- Prepare a production and marketing plan for meeting these agreements
- Improve their organizational structure by establishing bylaws, assignments of responsibility, and other rules of operation
- Carry out their production and marketing plan and adjust it as required.

Farmers in Pucarani and Sica Sica produce milk, cheese, yogurt, beef, potatoes, and onions for the markets in El Alto and La Paz. They also produce livestock and hay for markets within their municipality. There is general knowledge of these markets, but the markets are dynamic and no one has a good grasp of how they have been growing and changing. For example, for years Pil Andina was the only buyer of milk. Now Delizia and a new processor (ILPA) have entered the market. There are many more buyers for cheese, making it difficult to identify a good buyer, but it does appear that there are more buyers for half-kilo cheeses of good quality rather than for the cheeses of 200 or 300 grams and lesser quality produced in Pucarani and Sica Sica. There are several new retailers in El Alto and La Paz who buy yogurt directly from farmers, but few producers know them or whether they require uniform bottles, labels, and seals. Most farmers raise their beef cattle from birth and sell them on the hoof in local livestock fairs. Some farmers, however, are buying young calves -- mostly males that dairy farmers do not need -- fattening them, and then selling them on the hoof.

The aims of the activities listed above are to help producers associations learn as much about their markets as possible in order to make the decisions that most reliably increase their sales and profitability and, thereafter, put such changes into practice. Project staff first help farmers assess their markets and prepare draft business plans for the quantity and quality of product they can offer. The buyers, rather than project staff, instruct farmers on standards of quality, quality control, potential volume of sales, prices, market stability, and any sharing of transport costs. The meetings are an excellent way to take better advantage of existing markets as well as assess and develop new ones. After the meeting, project staff help the members of the producers' association to prepare their actual business plan, based on the realities of their market, as well as a production and marketing plan. The business plan is the goal: the level of sales and profitability the association aims to achieve. The production and marketing plan is the means: the activities and assignments that members have to carry out in order to achieve their proposed sales and profitability. Project staff then help members to carry out their production and marketing plan.

SID has primary responsibility for carrying out the activities of the project. Two staff persons of the four-person Local Economic Development Committee work together with SID in carrying out each of these activities. This collaboration has been a great advantage, because some of the assistance is provided to all of the producers' associations in Pucarani at once in a group assistance workshop -- for example,

assistance in drafting business plans. After some examples in a plenary session, representatives of each association form their own small group to draft a business plan for their association, and a number of staff persons are needed in order to give them the individual assistance that they need. In addition, the use of the municipal meeting hall and sound system and the help provided by municipal officials in convening the technical assistance sessions has been invaluable.

The activities to increase municipal support fall into two categories: (1) training of the staff of the Local Economic Development office of the municipality and (2) assistance to citizens in selecting the public works and services for their annual plan and budget. The purpose of the Local Economic Development office is to promote community-level economic activity. The office was established at the time SID and Pucarani began its partnership to help the producers' associations, and the collaboration of the office's staff in carrying out the project was the major means for orienting and training them for their work. SID bears primary responsibility for this training, in the sense that SID is responsible for providing technical assistance to the producers' associations. However, since the work is carried out in full collaboration with the two staff persons of the Local Economic Development office and is done so with the full agreement of the mayor and members of the municipal council, the responsibility for the training is equally shared by SID and the municipality.

Municipal officials bear full responsibility for citizen selection of public works and services, and they fulfill this responsibility in three "summit meetings" for representatives of each of the communities in the municipality.

- The first meeting is used to organize the selection process, and set criteria for the selection of projects by each community
- In between the first and second meetings, members of each community meet one or more times to select the project that they would like to be funded in the next annual plan and budget
- In the second summit meeting, representatives of each community discuss, negotiate, and select the projects they would like funded in the next annual plan and budget
- Thereafter, municipal officials estimate the costs of each of the projects that have been selected and list the projects and their budgets for the annual plan and budget
- In the third summit meeting, municipal officials confirm the projects that will be funded in the next fiscal year and inform all participants of their estimated budgets.

This is a well-established process. It is also a cumbersome one, given that Pucarani has 54 communities, and municipal staff need all the help they can get in carrying it out. SID's contribution to democratic practice is to help municipal officials carry out the process as effectively as possible, which SID did.

In addition, since SID was active in the communities of the municipalities during the course of its work with the producers' associations, SID also gave training to representatives of communities in the types of projects that they could select that would contribute to their economic well-being, such as projects to bring water to pastures and improve cattle feed, the construction of bridges and access roads, and so forth. Since 2004, when local governments and citizen participation were established, citizens have invariably selected health posts, classrooms, community centers, and other social infrastructure. The municipalities are ideally structured for constructing public works but are poorly structured for providing services such as technical assistance to farmers in changing farming practice. There is a growing demand for economic projects. It takes careful thinking and design to select the types of projects that the municipality can carry out to support and encourage increases in productivity and income and help farmers directly bring about such improvements.

### **3. Results to Date**

There is no information, as yet, on how the 16 producers' associations have increased their sales, income, and profitability as a result of the project. There is, however, some anecdotal information on how the producers' associations have profited from the technical assistance, and three examples are presented as follows.

Cheese Producers' Association of Chipamaya. The cheese producers' association consists of 20 women from 18 different families who have chosen to specialize in producing cheese. They all have dairy cows, and they have sold their milk for 1.40 to 1.50 Bolivianos a liter to one of the three milk processors in El Alto and La Paz - Leche PIL, Delicia, or ILPA. Several have produced cheeses and sold them informally in the Pucarani town market or on occasional trips to El Alto to sell them in open-air markets. In March 2006, the cheese producers met with Quirquiña, an agro-marketing firm, and agreed to sell 50 cheeses to Quirquiña as a trial. If Quirquiña is satisfied with the quality of the cheeses, they will then likely establish a regular contract for purchasing cheeses. Quirquiña was very clear in its desire to only buy cheeses of one kilo, since this is the standard product in the market these days. (The Chipamaya producers have been making cheeses of 300 to 500 grams.) The members of the association also participated in Pucarani's agricultural fair where they presented one-kilo cheeses in plastic bags with a rudimentary label. They have identified two buyers of cheeses on their own, and they are attempting to establish contracts with these buyers. Currently their production consists of making a lot of cheese, going to weekly open-air markets in El Alto or La Paz, and selling their cheese. In their business plan, they aim to establish a standard weekly level of production and sales, as a first level of normal business operation.

Compuerta Fish Producers' Association. The Compuerta Fish Producers' Association is located in Patamanta, near Lake Titicaca. They have 48 members, made up of men and women, representing nearly 40 families. The association plans to produce lake trout in cages, a practice that the Japanese started in a nearby part of the

lake, and several of the members have experience in producing trout in cages. The trout (*trucha*) are large fish that resemble Coho salmon, and they have a nice reddish meat like the salmon. Each fish can be cut into several portions. Trout is popular in La Paz and lake-side restaurants, and it is also exported to Japan for sushi. The trout producers met with Ricafruit, an agro-processor, which offered to train them to smoke the trout salmon and guaranteed them a market and signed contract for a period of two years. The association is now selling its trout to local intermediaries who come to the community and buy whatever they have to offer at a price significantly lower than that which Ricafruit offers. The producers' association does not have enough cages to produce the quantity and quality of fish that members would like to produce, and they are preparing a project for purchase of cages for funding by the municipality or another non-profit donor. The association has participated in several product fairs in La Paz, and they have received a good response to their product. They are looking for buyers for fresh fish in addition to Ricafruit, since Ricafruit prefers to buy smoked trout.

Cereal Producers' Association of Machacamarca. The cereal producers association has 26 members representing 26 farm families that produce broad beans, also known as Fava beans. The broad beans are like extremely large Lima beans with a semi-hard shell. They are boiled in the shell, but the shell is removed when they are eaten. The broad beans are extremely popular in a variety of dishes in La Paz, and there is a growing export market for them to Taiwan, Japan, and South Korea. In addition, the Japanese recently established a broad bean project in the nearby Municipality of Achacachi for the purpose of exporting broad beans to Japan. The Machacamarca producers met with the master buyer/seller (*maestra mayor*) of the Yungas Market in La Paz, and she has agreed to buy three quintals of broad beans each week from the producers. (A quintal is 100 pounds.) There are two large produce markets in La Paz, the Yungas Market and Rodriguez Market. The senior seller has also offered to pay a premium for the three quintals if a larger broad bean can be produced. The Machacamarca producers also met with CEPROBOL, who has offered to buy their broad beans subject to a quality control, which has not yet been realized. The Machacamarca producers are also conducting some of their own meetings with buyers.

The influence of the project on helping municipalities provide more support to economic development projects is much clearer, since the number of economic projects funded by the municipality can be measured. In Pucarani, the annual municipal budget increased from 10.8 million Bolivianos (Bs) in 2005 to just over 12 million Bs in 2006. (The current exchange rate is approximately 8 Bolivianos to the US dollar.) The total number of projects in Pucarani during that period increased from 188 to 219. Local Economic Development projects increased from 2 to 7 projects, with a major emphasis on enhancing the tourism industry. Productive projects increased from 11 to 15 projects, with a major emphasis on increasing agricultural productivity and production. Funding for both types of economic projects increased from 390,551 to 1,167,420 Bs., nearly tripling the amount spent on economic projects.

#### 4. Costs and Benefits

As mentioned, the cost of the project is approximately \$42,000 a year. The benefits can eventually be calculated in increases in sales resulting from the project, and the benefits of the increased sales can be compared with the costs. It is, however, too early to have good data on increases in sales; although some initial data is now available, as illustrated by the three descriptions above. In addition, SID is pursuing funding from the Inter-American Development Bank which will permit SID to continue the project over several years, and this will permit the careful collection of data on increased sales and comparisons with project costs.

#### 5. Lessons Learned

The partnership is a successful one, because municipal officials want what the project has to offer and they are willing to help fund and carry out the project with staff time and other in-kind assistance.

Producers' associations are forming throughout the Altiplano, especially in municipalities such as Pucarani that are close to major markets, and they are asking for help from their municipality. Pucarani is organized by provide help to communities, not associations. However, most of the members of each association come from a single community, and they are often the most aggressive farmers in that community. The difference between an association and a community is not always so clear, especially when the association plays a major role in selecting a community project to be funded by the municipality's annual plan and budget. The SID - Pucarani partnership allows municipal officials to support producers' associations without having to provide projects to them, at least not directly. Also, the project is an important vehicle for establishing the Local Economic Development office. Finally, linking farmers with markets is the new approach to rural development, and the project allows the municipality to be part of the approach. Conversely, Pucarani's help in organizing and staffing the technical assistance has made the work of the project much easier for SID. As one of the staff of the Local Economic Development office said: "The project is like *café con leche*, a good match that helps both SID and Pucarani get something they couldn't get alone."

## **Annex 2: Plan International and the Municipality of Ancoraimes**

### **1. History of the Partnership**

Plan International began its work in Bolivia in 1969. Plan funds most of its projects through child sponsorships, and Plan currently has sponsorships for approximately 45,000 children living throughout 1,000 rural communities in 45 rural municipalities in the Departments of La Paz, Cochabamba, Chuquisaca, Potosí Santa Cruz, and Tarija. The program in the Department of La Paz is the largest, where Plan works in 15 municipalities and 354 rural communities with funding from approximately 15,000 child sponsorships. Plan uses the child sponsorship money to provide services to all the children in the rural community in which the sponsored children are located -- for example, the community-based maternal and child health program described in this study serves all the women, children, and families in communities in which sponsored children are located.

However, Plan does not have child sponsorships in all the communities of these municipalities. In many of the 15 municipalities, Plan only has sponsored children in half of the communities, and Plan limits the majority of its activities to these communities. For example, in the Municipality of Ancoraimes, Plan only has sponsored children in 23 of the 55 communities. In the case of the community-based maternal and child health program, the Municipality of Ancoraimes has provided funding that permits Plan to extend the program to all the communities in the municipality. Also, Plan funds training for staff of the municipality's nine health posts and hospital and thereby makes an indirect contribution to the entire population of the municipality.

Ancoraimes is a small municipality located in the northernmost part of the Altiplano on the eastern shore of Lake Titicaca. It is made up of 55 rural communities and the small town of Ancoraimes. It has a total population of 15,199. The great majority of the population earns its living from farming and fishing. Farmers raise alpaca for wool and llama for wool, meat, and hides. They grow potatoes for their own consumption. They also grow potatoes, onions, radishes, and broad beans for the markets in La Paz and El Alto. Many families along the lake make most of their living from fishing, and some grow trout in cages for the La Paz market and for export to Japan. Families also produce handicrafts, and there is some mining of gypsum.

Plan Altiplano began working with the municipal government of Ancoraimes more than 10 years ago, when the municipality was first established as part of the Popular Participation Law in 1994. Plan carries out four programs in Ancoraimes:

- A community-based maternal and child health program, which includes activities to strengthen services at the health post and hospital level as well
- Water and sanitation projects
- Activities to improve the quality of primary school education

Plan's annual budget for Ancoraimes is approximately \$40,000, and most of this is spent on a maternal and child health program. In addition, this program is the most clearly defined. The water and sanitation projects consist of drinking water systems for rural communities and construction of latrines for primary schools. Most of these are funded by the municipality, as part of its normal production of public works and services selected by the communities for the municipality's annual plan and budget. Plan is gradually forming community health committees as part of its maternal and child health program, and Plan helps these committees (and community members as a whole) to select projects for funding in the annual plan and budget. Plan helps primary school teachers add health education to the curriculum and, as mentioned above, promotes the construction of latrines in primary schools by the municipality. Plan has no formal income-generating program in Ancoraimes, and the water and sanitation and primary education projects are essentially an ancillary activity of the maternal and child health program. Thus, the partnership between Plan and the Municipality of Ancoraimes can be best viewed from the perspective of a collaboration to add preventive health services at the community (and primary school) level, and help improve them at the health post and hospital level.

There is, however, one exception to this view. Prior to 1994, Plan worked directly with communities. There were no rural municipalities. Plan began its work in Ancoraimes in 1994, the year in which local municipalities were created throughout the country under Bolivia's Popular Participation Law and Reform. NGOs were required to obtain permission from the newly formed municipal governments in order to work in their municipalities, and NGOs were asked to help explain the new law to citizens, especially the requirements for citizen selection and supervision of the public works and services provided by their municipality. In addition, wherever possible, NGOs were called upon to help citizens work with municipal officials to select the public works and services. Plan began providing this assistance as an additional component of its program for two reasons. Citizen selection of public works and services is an ambitious undertaking. Ancoraimes has 12 to 15 paid staff, and the NGOs that already work or propose to work in the communities of a municipality are the most likely source of help for carrying out this activity. Also, Ancoraimes receives approximately \$100,000 a year -- its share of the 20% of national tax revenue shared among 311 municipalities -- and Plan is a constant advocate for how this funding can be used to improve maternal and child health and the well-being of children as a whole.

## **2. Roles and Responsibilities**

The Maternal and Child Health Project and Related Activities. The roles and responsibilities of Plan and the Municipality of Ancoraimes vary by project and source of funding. Plan is responsible for the technical, operational, and financial management of the community-based maternal and child health program. Plan's mission is to provide child healthcare (plus child education and rights), and this is Plan's contribution to the people of Ancoraimes. Also, the program is carried out with Plan's own funding, at least in the 23 communities where Plan has child sponsorships, and Plan wants to manage its own funding to best advance its mission. The municipality adds funding so that Plan

can carry out the program in the communities where Plan has no child sponsorships. However, the municipality has a limited ability for providing community health services; moreover, it is prohibited by law from carrying out such service projects. If the municipality wanted to carry out a community health services project, it would have to design a project, request proposals, and select a contractor. It is far simpler for them to co-fund Plan's project, which they can do under municipal law. The key role for municipal officials, other than co-funding, is promoting the project and preventive health practices in general.

Plan is also directly responsible for helping add (or improve) health education in primary schools and securing additional training for the staffs of Ancoraimes' nine health posts and its municipal hospital. Here, however, Plan is enhancing or improving services provided by the ministries of education and health, and Plan must coordinate its contributions with the departmental and provincial delegations of the ministries of education and health. Education and health are responsibilities of the national ministries of education and health and their departmental and provincial representatives. They exercise this responsibility by setting the educational curriculum and program of health services and paying the salaries of teachers and staff of the public health posts and hospitals. The municipal government is responsible for constructing and maintaining schools, health posts, and hospitals and has been taking increasing responsibility for providing health equipment and basic drugs for health facilities.

Plan may promote the importance of constructing latrines in a primary school, but the project must be requested by the communities served by the school, incorporated in Ancoraimes' annual plan and budget, and constructed by a private contractor selected by the municipality, based on a public tender. Plan did construct some latrines early on in its relationship with Ancoraimes, but it only has a budget of \$40,000, construction projects can cost a few thousand dollars, and the municipality has the responsibility and budget for constructing them.

Plan uses its modest budget as strategically and efficiently as possible to fulfill its mission of child health (and education and rights) by adding the community-level component that is impossible for governmental providers to undertake, improving child health in schools, and supporting the improvement of all health services provided through health posts and the municipality hospital. Municipal authorities share these same goals, and they collaborate with and support Plan's work in any way they can.

Democratic Practice and the Democratic Dividend. Municipal officials bear full responsibility for securing citizen participation in selecting the public works and services provided each year under the annual plan and budget of the municipality, and for periodically updating the municipality's multi-year development plan. As mentioned above, citizen participation is a cumbersome and time-consuming process, and NGOs working in the communities of the municipality are often called upon to help. Plan is happy to assist, because this gives Plan an additional opportunity to advocate for the priorities and projects that support child health and well-being. In 2005, Plan made

"social governance" a key component of its program, with the goal of facilitating the participation of boys, girls, their families, and their communities in deciding how to improve their health and well-being. Plan has a growing appreciation for the importance and influence of the municipal government in improving childrens' health and welfare, which helps Plan to extend its program to communities in which it has no child sponsorships.

Plan recently received funding from the Government of Finland for a child, family, and community health and social governance program. The new funding will complement Plan's funding from child sponsorships, and it will allow Plan to improve some of its health work while adding activities which further social governance. The new program is entitled "Municipalities: Friends of Children", and the objective is to help all 45 municipalities in which Plan works to "strengthen administrative and managerial capacities to develop participative programs and projects with and for children, adolescents and their families." In Ancoraimes, Plan proposes to establish a community development committees which will be responsible for helping citizens prepare a development plan for their community, select development projects, find funding, and implement the projects. Plan also proposes to help citizens and municipal officials develop a new multi-year plan, with extension participation of rural communities (and children) in identifying needs and priorities. Plan also proposes to establish a Youth Parliament, in which six children from each community are elected by their peers to participate in a youth parliament. The children from each community will write a proposal for their municipality, then meet with the representatives of all other communities, listen to each others' proposals, and select the three best proposals and present them to municipal officials on April 12, the Day of the Child. Finally, Plan is proposing that an Office of Children and Adolescents' Defense be set up within the municipality.

The municipal government of Ancoraimes is very willing to participate in these social governance activities. Ancoraimes is small and has few financial resources. Municipal officials acknowledge that they need financial and technical help from other institutions, and for this reason they rarely reject any NGO's solicitation to implement a project in their municipality. Municipal officials state their appreciation of Plan's new "social governance" approach. It is their perception that under this approach Plan will be more willing to listen to the needs and priorities as outlined by the municipal government and will be more willing to help achieve the municipality's objectives, rather than implementing projects that are of most interest to Plan and its specific agenda.

The social government or democratic development activities described immediately above have yet to be implemented in any significant way. However, Plan has helped increase citizen participation, especially among children, in preparing previous Municipal Development Plans. Plan also helps communities prioritize and select projects for the municipality's annual plan and budget. Finally, as part of its community-based maternal and child health project, Plan helps members of each community elect their own health commission and participate with the community in selecting and carrying out projects. Note: these commissions are Plan's version of the

village health committees that are common to child survival programs the world over. The projects selected are health, water, and sanitation projects, not the more ambitious community development committees that Plan proposes to establish with the funding from the Government of Finland.

Finally, as part of its current health project, Plan has helped establish a municipal health board -- a civil society board similar to a school board in a U.S. county -- in the Municipality of Ancoraimes. Plan gives the board a budget of approximately \$10,000 per year, which allows it to carry out three or four small projects a year. Plan helps communities select the members of the municipal health board in a democratic fashion and requires that the health board report publicly on projects and expenditures

### **3. Results to Date**

Bolivia has a typical maternal and child health/child survival program, in which both NGO and governmental providers address the causes of child and maternal mortality and morbidity through vaccinations, oral rehydration therapy, early detection and treatment of upper respiratory infections (especially important on the Altiplano), efforts to improve nutrition, prenatal and postpartum visits and care, detection and delivery of high-risk pregnancies in hospital, and family planning. Some providers also help improve water and sanitation. A few NGOs, such as Plan, also work to improve health education in schools. Most international and national NGOs working in maternal and child health/child survival are members of the Association of Child Survival Organizations (PROCOSI), which helps association members upgrade their monitoring and evaluation of results as well as their programs.

The community health commissions' purpose is to promote and help establish each of the key maternal and child health/child survival practices in their community. For example, the commissions promote vaccinations and keep track of children that have not yet been vaccinated. They promote oral re-hydration, and they attend to children with upper respiratory infections. They also report infant and maternal mortality to health officials. There is gradual increase in the maternal and child health/child survival practices, and the rates of infant and maternal morbidity and mortality are gradually falling in Ancoraimes.

### **4. Costs and Benefits**

Plan's new policy requires that each project obtains counterpart funds from the municipal government. The quantity of counterpart funding depends on the project as well as the region in which the project is carried out. For example, in the Department of Tarija, municipalities have more funding due to income from their reserves of natural gas, and in Tarija, Plan and municipal governments fund projects on a 50/50 basis. The municipalities of the Altiplano have less funding, and municipalities provide only 10 to 15% of project budgets. Municipalities are poorly structured for funding health services or technical assistance to farmers. They are, however, ideally structured for constructing public works, and the great majority of their funding goes toward

construction of classrooms, health posts, latrines, water systems, and a wide variety of other infrastructure. In this case, they pay 100% of the costs of the projects. The partnership between Plan and Ancoraimes is attractive for both partners, in that the municipality achieves a community-based maternal and child health project with a small amount of counterpart funding, and Plan influences the construction of health and sanitation that supports the program, with the cost of construction being borne by the municipality.

It is difficult to assess the costs and benefits of the project quantitatively. A qualitative assessment indicates a very favorable ratio between benefits and costs. This is a preventive health program, and that means that women, men, and children need to change their practices in order to improve their health. The distances between their homes and the nearest health posts are significant, and they generally do not visit health posts for preventive services -- for example, for vaccinations against preventable illnesses, treatment of diarrhea and dehydration, or detection and treatment of upper respiratory infections, which are the three major causes of infant mortality on the Altiplano. A community-based program, staffed by community volunteers and aimed at helping families adopt preventive health practices, makes extremely good sense. Also, because the program is staffed primarily by community volunteers, Plan can implement the program with a budget of \$40,000, at least for the 23 communities in which it has child sponsorships, and still have enough funding for ancillary activities such as improving health education in schools and supporting the municipal health board.

## **5. Problems Encountered**

Plan has not always had such good partnerships with municipal governments. When they first began their partnership policy, Plan officials believed municipal governments handled most situations in ways that only served their political interests. Their relationships have improved in recent years, and this may be based, in part, upon Plan's changed focus from working directly with communities to working more in synergy with municipal governments.

The limited decentralization of health and education services also hampers the partnerships. For example, while the municipality is in charge of school building and maintenance, it is not its responsibility to ensure fulfillment of the curriculum and the number of days worked by teachers.

Plan has also had difficulty in achieving the acceptance of municipal governments, including Ancoraimes, to turn over the administration of project funds to community committees. It is likely that governments did not want communities to know how much funding projects received, or how much resources were designated to which communities. Because it was a condition of Plan's partnership, however, municipal governments eventually agreed. Now, municipal governments are pleased that communities administer project funds. Instead of the government accounting for its expenses to the communities, the community accounts for project expenses, first to the rest of the community, and then to the municipal government itself.

## 6. Lessons Learned

The political will of municipal governments is a very important factor in the success of partnerships. Projects can be successful without the active participation and support of municipal officials, since the NGO is generally providing most of the funding for the project and bears primary responsibility for implementing the project. However, as in the case of Ancoraimes, if the mayor and the municipal council are committed to the project and are active participants in its leadership and decision-making, then many more activities can be added to the project. The value-added of a true collaboration, and active participation of the municipality, is extremely high.

The inclusion of communities in partnerships with important functions and responsibilities improves the impact of projects and strengthens democratic practices. The creation of community financial committees to control and administer project funds has been a great success, though it is not a project objective. These committees have values on many levels, especially on a democratic level. Not only do these committees allow citizens to be personally and operationally involved in their own development projects, which is a democratic practice in itself, but committees also greatly increase the transparency of the project and government funding, which in turn encourages the transparency of other government actions. Furthermore, the training of these committees in new skills equips them with abilities they may apply to other economic generating activities, and it empowers them not only with new knowledge, but also to overcome previous discrimination barriers and integrate more fully with society.

Project contracts are important for two reasons. First, Plan and the municipal government outline very carefully the responsibilities of each party in writing, so that the relationship is clear and is not easily distorted. Second, project contracts are important in terms of project sustainability, since it is the base from which the project is constructed, and the municipal government may have a very clear role in what it will do to sustain the projects' activities and effects.

Public policy can be constructed from a community base. Public policy and development visions are usually constructed by municipal authorities. However, through its partnerships with municipal governments, Plan is proving to communities that it is not only possible, but effective and empowering, for communities to participate in their own development plans. Also, in cooperation with the municipal government, communities can make effective plans and designate effective partnerships. Plan believes an important lesson learned on the part of municipal governments is that children and adolescents can be part of the construction of public policy. Municipal governments have learned to listen to their perceptions, as well as distinct development needs.

### **Annex 3: Interdisciplinary Center of Community Studies (CIEC) and the City (Municipality) of La Paz**

#### **1. History of the Partnership**

The Interdisciplinary Center of Community Studies (CIEC) was founded in 1984 to promote the sustainable development of urban and rural communities. CIEC's staff consists of professional psychologists, teachers, and communication specialists who work in the fields of mental health, the environment, and community development. CIEC focuses on the psychosocial factors that affect community life and tries to improve these factors or promote their changes. In the past four years, CIEC has dedicated its efforts to providing needed social services such as counseling for battered children and adolescents and counseling for adolescents with drug or drinking problems.

The partnership between CIEC and the City (also the Municipality) of La Paz is interesting from at least two perspectives. CIEC is one of the few NGOs that provide mental health services. The great majority of NGOs dedicate themselves to providing what might be called "front line" services -- maternal and child health services, basic education, increasing income through micro-lending or assistance to poor farmers, protection of the environment, civil rights. Many would give second priority to mental health services, such as counseling to reduce adolescent drug abuse and alcoholism, since they are essentially urban problems and characteristics of a higher degree of affluence. Also, few NGOs form partnerships with large cities to carry out projects.

In 2004 and 2005, CIEC and the City of La Paz partnered to carry out a pilot project: to establish counseling and other services for battered children, their parents, and adolescents with drug and alcohol problems. CIEC and the City of La Paz established community centers in the city's Districts 5 and 7 -- areas of high poverty, physical abuse of children, and adolescent drug and alcohol abuse. The centers served as the site for the counseling for battered children and their parents, as well as the counseling for adolescents with drug and alcohol problems. Center staff also provided tutoring for battered children and recreation programs for children and adolescents. The pilot project was funded by the City Council of Madrid, Spain and the Foundation for Help against Drug Addiction (FAD), a Spanish NGO. The program in the three centers has been expanded, and a fourth center has been established with funding from these two donors.

The City of La Paz had a population of 839,168 in 2005 and is Bolivia's second largest city.<sup>10</sup> Bolivia has an annual budget of more than \$70,000,000. La Paz is divided into 7 districts, and representatives of the neighborhood associations throughout each district meet to select the public works and services that they would like to see

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<sup>10</sup> Santa Cruz is the largest city and had a population of approximately 1,425,000 in 2005. The City of El Alto is the spillover of La Paz onto the Altiplano. It was once part of the City of La Paz but became its own city in the late 1980's. El Alto had a population of approximately 800,000 in 2005, and La Paz and El Alto, taken together, are slightly larger than Santa Cruz.

funded in the annual plan and budget for the city. Each district has a *sub-alcaldía*, sub-city-hall, and each of these sub-city-halls has a Children's Defense Office, staffed by a psychologist, a lawyer, and a social worker. Cases of battered children are referred to the Children's Defense Offices by schools or by neighborhood associations. Sometimes battered children come directly to their office. Staff of the office can summon a parent or relative who abuses his/her child and threaten him/her with jail if he/she does not desist. Staff can also take the case to court and seek jail time for the abusive parent or relative. However, they have no capacity to provide counseling and tutoring for the children or counseling for the parents. Also, they do not deal with drug or alcohol abuse. Thus, the collaboration with CIEC is ideal for the staffs of these offices.

## 2. Project Objectives

The objectives of the current project are

1. Improve the counseling, tutoring, and recreational services provided in the three community centers (Miraflores, Bella Vista, and Virgen de Copacabana), and establish a fourth center in Municipal District No. 1.
2. Provide the following services in each center:
  - Counseling for battered children referred to the center by the Children's Defense Office
  - Counseling for parents of battered children -- i.e., the parents who are responsible for the physical abuse -- referred to the center by the Children's Defense Office
  - Tutoring for battered children, the majority of whom are doing poorly in school
  - Counseling for adolescents with alcohol and drug abuse problems
  - Arts, athletics, and other recreational activities which help increase the joy and self-esteem of battered children and adolescents with alcohol and drug-abuse problems.
3. Build a board of directors for each center which elicits the support of nearby neighborhood associations in maintaining the center (its physical structure and equipment) as well as its programs.

## 2. Roles and Responsibilities

CIEC carries the majority of responsibility for providing the services administered under the project. The municipality provides the four community centers, equipment and materials, and political support for the project. In addition, although it is not stated in the following project contract, CIEC maintains that another responsibility of the

municipality is to help find a way to make the project continue once the project period and funding has ended.

As detailed by the project agreement, the CIEC and the City of La Paz have divided responsibilities for the project as follows:

CIEC assumes the following responsibilities:

1. Designate a Coordinator who will be directly responsible for the project and will act as the link between all parties.
2. Hire staff and provide the counseling, tutoring, recreational, and other services outlined in the proposal approved by the City Council of Madrid.
3. Inform the City of La Paz of project activities, advances, and results in quarterly monitoring meetings and an annual review of results.
4. Evaluate results and issue the final report.
5. Coordinate all activities related to project implementation.
6. Encourage the coordination of the project with other community development projects and initiatives and work favoring children and adolescents in the municipality.
7. Equip the community centers with furniture and office materials, which will be given as a donation to the City of La Paz for exclusive use of the community centers.

The City of La Paz, through districts 1, 5 and 7, assumes the following responsibilities:

1. Designate a staff person responsible for monitoring the project.
2. Designate an employee from the Children's Defense Office in each district to assume the function of District Counterpart for the execution of project activities.
3. Establish the sites of the three community centers in coordination with the Vigilance Committees and Councils of Neighborhood Associations in districts 5 and 7.
4. Coordinate all activities related with project implementation, as well as those allocated in the project proposal.
5. Preside over project monitoring and evaluation meetings.
6. Manage the coordination of the project with other community development projects and initiatives and work favoring children and adolescents on local and departmental levels.

The Foundation for Help against Drug Addiction (FAD), the Spanish NGO, has the following responsibilities:

1. Provide technical assistance to the project to ensure correct project implementation.

2. Participate in the partnership and be guarantor of the project together with the City Council of Madrid.
3. Administer requests and changes to the project proposal to the City Council of Madrid (objectives, results, indicators, sources of verification, budget) that are necessary to facilitate project activities.
4. Be responsible for timely financial deposits for project costs.
5. Carry out project monitoring and evaluation activities.
6. Supervise CIEC's preparation of quarterly and annual reports.

The project partnership agreement states that the City of La Paz should participate in evaluating the results of the project and that CIEC should be responsive to the suggestions and observations of the city government.

### **3. Results to Date**

The pilot project in the three community centers obtained over 90% of the intended results, and this justified the continuation and expansion of the project. The community centers have become a place of reference for children, youth, and parents, where they find the services and support that address the physical abuse, alcoholism, and drug abuse that plague marginalized urban populations.

The level of services of the four centers is estimated to be the following:

- 4 counseling and service centers operating in marginalized areas of La Paz
- 400 battered children provided with psychological counseling services at any give time (services are provided for an average of 3 months, so approximately 1,200 children may be served per year).
- 400 parents or relatives of battered children provided with counseling services to control their anger and aggression (services are provided for an average of 3 months, so approximately 1,200 abusive parents may be served per year).
- 400 battered children provided with tutoring services.
- 400 adolescents with alcohol or drug problems provided with counseling services at any given time (services are provided for an average of 3 months, so approximately 1,200 adolescents may be served per year).
- 800 children and adolescents participating in associated cultural, artistic, and sport activities.
- 45 city officials, local NGO staff, and leaders of neighborhood associations trained and making referrals to the project and leading artistic and athletic activities.
- 20 primary and secondary school directors, invited to participate in presentation and diffusion workshops detailing the project's experience
- All NGOs and institutions that wish to acquire information produced by the project, through the database and FAD's documentation
- 2,000 copies of an informational bulletin produced and distributed each quarter.

#### **4. Costs and Benefits**

The annual cost of the project is \$113,153, or approximately \$28,000 per center. Each center serves an average of 300 battered children a year, providing them with counseling services and with tutoring services as well, since the great majority of them are having difficulty in school as a result of their troubles at home. The aim is to provide counseling to an average of 1,200 abusive parents or relatives as well, in order to help them control their aggression, and thus solve the problem at its cause. Finally, each center also provides counseling services to approximately 1,200 adolescents with alcohol and drug abuse problems. In addition, all children and adolescents are involved in artistic and sports activities which are recreational but which also promote self-esteem. The cost per person served is less than \$8 dollars, which is a modest cost for rehabilitating a battered child, a physically abusive parent, or an adolescent with an alcohol or drug problem. (Note: the majority of the adolescents have drinking problems; only a few have drug problems.)

The centers have some difficulty in getting all the abusive parents to the center, and data on the extent to which battered children, abusive parents, and alcohol and drug-abusing adolescents are returned to normal mental health and behavior is lacking. However, even if the 3,600 persons are only partially rehabilitated, the cost is still modest. In addition, the centers elicit broad community involvement in their services and operation. Poor urban residents have little access to psychological counseling and services, and the centers are viewed as an important asset in the poor neighborhoods they serve. Many of the residents are migrants from different rural areas, and the community involvement, in turn, helps establish a culture in which beating children and alcohol and drug abuse are frowned upon and considered problems which require psychological counseling.

#### **5. Lessons Learned**

The centers are viewed as an important social service and resource for the citizens of poor areas of the city. These citizens have traditionally selected public works such as classrooms, health posts, water and sewer lines, curbs and sidewalks, and sports fields for construction under the city's annual plan and budget. They are now requesting that the four centers be equipped and improved and the counseling services be expanded.

The very clear delineation of responsibilities in project agreement, as well as the quarterly monitoring meetings and the annual evaluation for all parties, maintain the efficiency and utility of the partnership.

## Annex 4: SID/Peru and the Manco Capac Municipal Association

### 1. History of the Partnership

The Manco Cápac partnership began in 2003 - the year the mayors formed an association and also formalized their relationship with SID-Peru. Mayors from five adjoining lakeside districts<sup>11</sup> of Capachica, Huatta, Coata, Pusi and Amantani (Amantani and Taquile Islands) formed the Manco Capac Association to promote their common interests, especially those of road improvements and tourism. The mayor of the largest district, Capachica, was named president and mayors of Coata and Huatta were named vice-president and treasurer of the Municipal Association. In May 2003 they were joined by the more-distant Tiquillaca district, but this sixth district lost interest in the association in 2004. The Municipal Association regained a sixth member in September 2005 when Caracoto District joined. This association of neighboring districts now expects to expand in a more orderly manner by absorbing only adjacent districts.

On taking office in January of 2003 the new mayors found they faced budget limitations<sup>12</sup> as well as daunting new tasks, including staff selection, strategic planning and participatory budgeting. Like many others, they began to look for assistance, and they quickly found that doors opened wider for their municipal alliance. Many NGOs work with local governments to carry out development projects in Peru, and both belong to regional and provincial inter-institutional anti-poverty groups (*Mesa de Concertación en la Lucha Contra la Pobreza*), formed during President Paniagua's transition government. The mayors who took office in 2003, especially those from rural districts, formed close alliances with NGOs in order to meet new participatory planning (2003) and budget (2004) requirements instituted by President Toledo's government.

By mid-2004, when the central government modified its budgeting rules and began requiring citizen participation in the strategic planning and annual budgeting for all districts, partnerships with NGOs became critical for small districts. Districts were expected to implement these changes in a month, thus making a difficult task nearly impossible. Many NGOs responded to requests for assistance by preparing strategic plans, with differing degrees of citizen participation, in districts where they were already working. The high demand for NGO and consultant services meant that many rural districts, especially those most distant from urban centers, did not receive assistance.

Strategies for International Development (SID) began working in southern Peru in 2001, with funding from a USAID matching grant program, helping NGOs increase the coverage and impact of their projects and services. SID's focus on helping NGOs

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<sup>11</sup> Local municipal governments are often called districts in Peru. Several of these local municipalities, or districts, make up a province. The local municipality which includes the provincial capital is also a local municipality, responsible for projects and services within its "district". However, it also has some responsibilities for the province as a whole. For this reason, it is usually referred to as a provincial municipality and the other municipalities in the province are referred to as district municipalities, or simply districts.

<sup>12</sup> The FONCOMUN has increased 41% between 2003 and 2006.

improve the planning, implementation, and evaluation of their projects proved useful to the NGOs, and SID found that it was very helpful for staff of municipal governments as well. SID received many requests for assistance from rural municipal governments in 2003, but most were interested in contracting services rather than having their own staff trained to do the work. Even fewer municipal governments were interested in joining together with other districts for training sessions. The Manco Capac Association was the only group of districts to request assistance, and the only group to offer to pay all local costs, except trainers' salaries.

The agreement SID signed with the Association in 2003 formalized a relationship based on: 1) provision of training services for strategic planning and budgeting and 2) design of development projects and donor search. SID provided training in three multi-district events, one in each of three district capitals. The training process gave SID's team the opportunity to get to know representatives of the municipal governments and local organizations, as well as the project priorities of different communities and districts. This knowledge proved important for developing subsequent multi-district development project proposals.

Two proposals, linking economic development and capacity-building, were quickly prepared by SID in mid-2003 and include counterpart commitments from six municipal governments and various producer associations. In early 2004 the Inter-American Foundation elected to fund the three-year project *Strategic Alliances for Managing Local Development in Coordination, in the Manco Capac Municipal Association's Territory*. The implementation of this project, begun in August 2004, sealed the partnership between SID and the Municipal Association and offered the opportunity to work with a new group of development actors: local producer associations and communities. These associations, though partners in the Manco Capac project, are groups that oppose the current municipal government and even its proposals for local development. The challenge of efficient and effective local development, supported by a variety of actors, proves especially difficult when those actors have opposing political interests.

The efforts of the Manco Capac Municipal Association are most visible in their search for complementary resources. The mayors, though competitors for some resources, also share information concerning funding sources and have organized joint visits to public and private offices in Lima. In late 2004 the Municipal Association documented their intention to participate in the MIMDES *Procuena*<sup>13</sup> program – motivated by access to training and other resources it seemed to offer. The Association named their combined districts the *Manco Capac Economic Corridor* and began preparing an overview and strategic plan for this territory. Just as the Association survived recall elections for two of its mayors in 2004, the Corridor survived the restructuring of COOPOP and FONCODES, the two government entities who helped them most during the Corridor's first year. Indeed the inter-institutional nature of the Corridor has made it an effective space for broadening the Association's support base.

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<sup>13</sup> This national program – named *pro watershed* – is designed to promote inter-institutional decision making in support of development in larger territorial spaces, such as a watershed or municipal association.

Their experience has convinced the mayors that by being in association they attract the interest of more institutions. In addition to SID, the association benefits from the frequent support of FONCODES staff. Other NGOs typically assist specific districts within their program territory, but they only occasionally provide support to the entire Association.

Improvement (paving) of the shared access road and promotion of tourism was the Association's stated goal at its initiation in 2003, though most mayors expressed their interest in attracting support in general. Capachicha, the largest district, also expressed interest in forming a province consisting of the Association's territory. Tourism is an unequal motivator – strong only in Capachicha and Amantani Districts. Even the primary road competes with alternate routes in Pusi, Coata and Caracoto. The Association's most successful actions revolve around the search for finances and other forms of assistance. The creation of the Manco Capac Economic Corridor (2004), and the requirements of strategic planning have kept the Association focused on concrete actions during the past 3.5 years even though they have not yet achieved their initial goal of paving their secondary road that links the Puno-Juliaca highway with Lake Titicaca in Capachicha District.

## **2. Roles and Responsibilities**

This NGO-Association partnership was formed on the basis of a self-help strategy. Early in the partnership, SID provided trainers for three workshops, which were organized and paid for by municipal governments. This self-help strategy inspired mayors to complete their strategic plans, taking advantage of local resources such as local promoters, university students, and municipal council members. The roles of partners changed in mid-2003 when SID led a funding search and, together with Association mayors, began to design development projects. The project's design would bring on a fundamental change in roles given that the association, municipal governments, and the population were conceived as project beneficiaries rather than leaders. The districts' mayors also agreed to provide counterpart funding for these projects. During the first 18 months of the partnership, SID did not have a permanent presence in Puno but opened an office in Puno in October of 2004.

The roles and distribution of responsibilities among partners were significantly altered in September 2004 when the Inter-American Foundation began funding the *Manco Capac* project. SID is not an exclusive service provider in this area, and the project is designed to complement the services and resources provided by other public and private institutions. The project is constructed on a broad distribution of responsibilities, though SID remains a primary service provider. The project structures roles for local organizations, NGOs, and public entities. Their participation is vital for the strategic planning and project development processes, and both also provide training services, via community promoters in the case of local organizations.

The partners, both primary and secondary, have primary responsibility in their own realm. SID is responsible for project implementation while the mayors' are

responsible for managing their own districts as well as their association and its strategic plan. The partners work together in organizing training and other events, designing and undertaking strategic planning, sponsoring competitions, and supporting economic promotion areas within municipal governments.

**CHART 1: Stakeholder Roles and Contributions**

STAKEHOLDERS	ROLES
<b>MUNICIPAL ASSOCIATION MANCO CÁPAC &amp; DISTRICT GOVERNMENTS</b>	<ul style="list-style-type: none"> <li>- Obtain additional resources to resolve inter-district problems</li> <li>- Offer support services for decentralization and economic activities</li> <li>- Inter-district cooperation to resolve problems, attend to emergencies</li> <li>- Counterpart funding for training, promotional materials, etc.</li> <li>- Promote citizen participation for local development</li> <li>- Effective and transparent district administration</li> <li>- Convoke grassroots organizations and leaders in each district.</li> </ul>
<b>Resources Contributed:</b> \$57,100	
<b>SID PERU – IAF PROJECT</b>	<ul style="list-style-type: none"> <li>- Practical training for municipal associations, local governments, producer associations, and other organized groups in diverse development topics</li> <li>- Strengthen structures and spaces of intra- and inter-district coordination</li> <li>- Train and provide technical assistance in support of small development projects/loans presented by organized groups and municipal governments</li> <li>- Create an information network (intranet) for the Association and districts</li> <li>- Provide counterpart funding for municipal initiatives.</li> </ul>
<b>Resources Contributed:</b> \$268,990 (IAF donation) \$52,000 (SID-Peru)	
<b>GRASSROOTS ORGANIZATIONS or PRODUCER ASSOCIATIONS</b>	<ul style="list-style-type: none"> <li>- Convoke members, organize events and appoint local promoters</li> <li>- Organize training, practical application, and evaluations</li> <li>- Participate in project design, implementation, and evaluation</li> <li>- Organize solidarity loan groups</li> <li>- Support municipal government in participatory planning and budgeting.</li> </ul>
<b>Resources Contributed:</b> \$102,200	
<b>FONCODES</b>	<ul style="list-style-type: none"> <li>- Co-leader in process of inter-district strategic planning</li> <li>- Help for accreditation for local administration of FONCODES funds</li> <li>- Promote government training programs in Manco Capac territory.</li> </ul>
<b>Resources Contributed:</b> \$6,000 (est.)	
<b>GOVERNMENT ENTITIES</b>	<ul style="list-style-type: none"> <li>- Training (DIRCETUR, SENASA, MINAG, MEF, Proyecto Corredor Puno-Cusco, MIMDES, etc.)</li> <li>- Subsidized costs for plowing fields for alfalfa and genetic improvement.</li> </ul>
<b>PRIVATE ENTITIES</b>	<ul style="list-style-type: none"> <li>- Training and technical assistance (CARE, Caritas, CEDES, CIED, Prisma, etc.)</li> <li>- Project execution (complementary) for local development.</li> </ul>

The partnership has resolved various problems during its three year history. The involvement and counterpart contribution of the six mayors and municipal councils is not uniform. The partnership has worked well in emergency response, road maintenance, information sharing and promotion of inter-district development. The mayors organize Association events, but not all attend regularly. Decision-making is more difficult in an Association due to indirect communication and the need for municipal council approval. Delay in formalizing the municipal association's legal status has cost it support from the CND and private institutions. The mayors continue to focus primarily on their own

districts, where they have become effective promoters of citizen participation and economic development.<sup>14</sup>

The project is designed to evade the free-rider problem, responding to local initiatives rather than expending resources to convince actors to participate. As the project works with six districts and three types of groups, as well as families, there are always groups or persons eager to work. During its first two years, the project worked with more than 50 organized groups, including communities, sectors, and diverse producer associations. The project design and production competitions have been highly effective in mobilizing diverse participation.

One of the difficulties in project execution is traced to its design. Not only do all actions require counterpart funding (in-kind or cash), but the project depends on local initiatives. This highly-flexible project design runs counter to previous projects carried out in the area and many have been slow to understand the partnership and processes underway. However, the contributions of local counterparts in the project's fourth semester were more than four times those in the first year. The project design training and competitions with local governments and organized groups have allowed groups to translate vague ideas into concrete development actions and counterpart contributions. The projects designed in conjunction with SID staff have also been presented to other donors and for consideration during the district participatory budgeting process.

### **3. Results to Date**

Partnership accomplishments vary depending on the involvement of different districts, communities, and organized groups in the project. Amantani District was the least involved during the first 20 months of the project, but in mid-2006 the municipal government and seven organized groups from Amantani Island became more active in the project. Caracoto district is the most recent partner (joining in September 2005) and is currently the most active municipality. Twelve associations, and the project as a whole, benefit greatly from the organization skills and the commitment demonstrated by Caracoto municipal staff. Producer associations are most active in Coati (15) and Capuches (11) districts, even though their municipal governments are less involved.

#### Development Planning

The municipal governments, alone and in association, have worked to promote economic development in the joint territory they have named the Mancos Capac Economic Corridor. The partners organized training of 19 local facilitators to lead strategic planning in their districts. During the processes of updating their strategic development plans, all six districts increased civic participation. These plans were useful in orienting development decisions during annual participatory budgeting and inter-district planning. The inter-district planning process (2005) involved 10 public entities, 6 NGOs and some 100 representatives of local governments and grassroots organizations from the six districts.

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<sup>14</sup> Huatta and Caracoto created offices to offer livestock management services; Capachica created a tourist promotion office.

### Project design

One of the great weaknesses in Peru's participatory development processes has been an overwhelming emphasis on planning. In contrast, this partnership gives equal emphasis to strategic planning and to project implementation. Five municipal governments and 25 grassroots groups have been trained in project design and participated in the design competitions. The project design competitions have been the best motivators of more strategic analysis of development priorities and of greater local contributions. As a result of these competitions, seven grassroots groups have implemented or are implementing the projects they designed, and three municipal governments have opened economic development offices. Leaders trained in project design have made excellent use of their projects in soliciting assistance from other institutions and in promoting more accurate participatory budgeting in their own districts.

### Capacity Building

Peru's decentralization process has placed new administrative demands on poorly prepared rural municipalities. Partner municipal governments have responded well to these demands not only by increasing civic participation in planning and budgeting, but also by improving municipal administration. Five districts were certified for direct administration of FONCODES funds after meeting a series of requirements – from annual institutional plans to feasible project design. The districts have made good use of training resources offered by both the public and private sector. Work with grassroots organizations is also designed to build local capacities, as can be seen in the training of 38 livestock promoters from 15 communities who have led 40 training events.

### Economic Growth

The participation of grassroots organizations is focused on promoting improved production and sales from farm, handicraft, and tourism activities. Families belonging to 28 groups have improved livestock management practices, including animal health and nutrition, forage conservation, and infrastructure. The project complements Caritas' much larger forage project by promoting planting of alfalfa on a small-scale via training and prizes (seed for 100 acres of alfalfa has been awarded). A small-scale loan program has allowed producers of 12 solidarity groups to earn 30 to 50% profit from cattle fattening. Artisan groups have increased the price received for handicrafts of higher quality by one-third. Rural tourism requires longer-term investment and promotion of the type only recently begun by local governments in Capachica and Amantani.

### Results Sustainability

The partnership is recent and the sustainability of project results is not yet known. The current municipal elections (November 19, 2006) will be the first test of the durability of the municipal association and the inter-institutional partnership. The diversity of stakeholders and the complementarity of their roles bode well for a sustainable partnership. The participation of local groups and families is increasing, as is their understanding of strategic development and their willingness to contribute to the process. The training of local leaders and promoters has broadened the base of stakeholders – most of whom identify with the project. The general population has little

knowledge of or relationship with the Municipal Association and the Manco Capac Economic Corridor (the inter-district partnership of municipal governments and other institutions) and thus cannot be considered stakeholders.

#### **4. Costs and Benefits**

The mayors have not established monthly contributions to support their association, preferring to contribute to specific association activities or purchases. Cash support of the partnership's project, as agreed to by the mayors in 2004, has not been forthcoming. The costs of the partnership are designed to correspond to the benefits received. Thus, partner participation in the project requires a counterpart contribution that ranges from 20 to 50% of cost, depending on the activity. The total investment of different stakeholders in the partnership is highly variable. Municipal governments and local participants assume 90% of the costs of strategic planning and budgeting in their districts, but their joint contribution to inter-district strategic planning is estimated at 30% of costs incurred. Local organizations and governments have shared the cost of their training in project development and, more importantly, the costs of project implementation. Groups contributed 68% and governments 40% of their project's costs. Estimated contributions to on-site training events, a minimal 2% from municipal governments, are greatest from SID's IAF funded project (58%) and the participants (40%). Those groups that have solicited the most training have not only contributed more to building their capacity but also to the partnership for local development and the project that supports it.

In addition to direct out-of-pocket costs of training materials, transportation, per-diem and event hosting, time is the principal partnership cost. Mayors, municipal staff, and institutional partners spend time in inter-district meetings, strategic planning and training sessions, and other events. Community authorities and leaders of grassroots organizations spend time in meetings, training, planning, design, organizing events, and coordinating with their members. The shared decision-making that characterizes partnerships is more time demanding and typically results in delayed actions. Other partnership costs, more difficult to measure, include potential conflict of interests, loss of autonomy, and unmet political demands. The majority of stakeholders, while conscious of their own benefits, are not as aware of all the development benefits that are, potentially, attributable to the partnership.

Local organizations have shown greater willingness to invest time and resources in the partnership than have municipal authorities. Project support of productive-economic activities and frequent contact with public and private institutions provide grassroots organizations with clear-cut benefits to the partnership. The investment of time and resources by municipal governments is less uniform and subject to different benefit measures. Success for municipal governments is usually measured in the short-term and within district boundaries, while the partnership focuses on mid-term and inter-district development goals.

Local mayors cite their association as the best method for obtaining external resources, but the weak operational capacity of these rural municipalities places a limit on their ability to obtain and make efficient and effective use of such resources. Contracting professionals, with shared responsibility to the districts in the municipal association structure, is an option for improving administrative and operational capacity. Individual districts have not been willing or able to sacrifice their decision-making autonomy as would be necessary for sharing positions. They continue to contract consultants – some excellent professional, some not – as needed and as their budgets permit.

The principal added value to the partnership has come from the successful promotion of small, rural districts via the municipal association and improved access to information. The association and other local partners are better informed of and have been able to access more resources and low-cost, practical training because of the partnership. Both NGOs and government entities have provided financing and services to the six districts, via their municipal governments, thus allowing them to reduce expenditures for professional services and to increase the services available to local communities and households.

The mayors have not, however, always taken advantage of opportunities. For example, the promise of preference in resource distribution from the CND and MIMDES stalled in mid-2006 due to the association's failure to formalize its legal status and finalize its inter-district strategic plan. The municipal association has not yet achieved its initial goal of paving the road linking three founding districts, but it did complete feasibility studies and maintain and make improvements to the road. The final project is stalled in the Ministry of Transportation and the Puno regional government because medium traffic volume makes it a relatively low priority. The other three association members never showed much interest in the road. By 2006 the road was no longer the focal point of association activities, replaced by inter-district strategic planning and accreditation for local administration of FONCODES development funds.

## **5. Lesson Learned**

The principal lessons learned during the three years of this partnership between Municipal Association members, grassroots organizations and SID concern capacity building and the promotion of local development. This partnership is built on the premise that diverse actors must contribute to local development if it is to be efficient, effective, and enduring. Mayors, NGO directors, government representatives, and leaders of grassroots organizations are considered equal partners and are offered technical assistance and other support by the IAF funded project. Identification and emphasis on weak links in democracy and local development processes are underway, including broad-based capacity building, strategic planning relevance, and confusion about roles and benefits.

Capacity building is most effective when based on needs and potentials.  
Technical assistance is programmed according to requests made by municipal

governments and grassroots organizations and then provided on-site by SID staff or partners. Local organizations and governments assume responsibility for organizing events, providing food and lodging, nominating promoters, and evaluating progress. These tasks are considered part of capacity building, as well as counterpart costs. All training is a mix of theory and practical applications. Training has been most successful when it is directly linked to opportunities for applying new knowledge - for municipal governments to use managerial instruments in compliance with decentralization norms, for expert producers to provide livestock services, for local groups to design and implement projects, for municipal governments to set-up economic development offices, for artisans to knit high-quality goods for export, etc. The application of improved practices is also motivated using competitions to inspire innovations in a broad spectrum of the population.

Capacity building has been very effective with grassroots organizations but less so with local governments. Thus, we recommend structuring technical support for project planning and implementation differently in these two groups. The effect of the training and technical assistance provided by SID on the limited operational and financial capacity, administrative inadequacies, and political biases of municipal governments has been partial. The tendency to hire temporary consultants and to frequently replace municipal staff makes it difficult to build municipal capacity. Rural municipal governments do not have planners or development experts on staff – and their staff has shown less interest in these topics than have grassroots organizations. The municipal staffs, however, have been very responsive in complying with government decentralization norms. In 2007, the partnership will establish a project planning office to provide support services to municipal governments and grassroots organizations.

A combined focus on democratic and economic development heightens partnership relevance and effectiveness. Peru's decentralization policies focus on increased civic participation in development planning and municipal oversight. The local priorities established in participatory planning and development project implementation are imperfectly linked. As a result, most of the population is indifferent to processes of civic participation. The partnership works together to formulate detailed strategic plans for district and inter-district development. SID complements this work by focusing on the weak link – the economic relevance of planning for the population - by reducing the delay between strategic analysis and project implementation and ensuring that priority projects are carried out. Priority economic concerns are translated into projects by organized groups and local governments, selected for implementation in competitions and then carried out by the winning groups. This process requires budgets of only \$1,000-\$6,000 and inspires cost sharing of 40-85% per project. During this process, the population and local leaders become more familiar with strategic development, project planning, and budgeting. The winning project teams learn hands-on about project implementation, evaluation, and reporting. These new skills are applied to their projects and to democratic processes in their districts.

Need for more clarity concerning partner roles and demonstration of benefits among the population. Decentralization, a new process for most Peruvians, is characterized by new roles and responsibilities. Most rural inhabitants are uncertain about decentralization – what it means, what it offers, and what it requires. This confusion is compounded in this partnership by new structures – the Manco Capac municipal association and economic corridor, a six-district territory – which suggests that partners should have first clarified decentralization aspects before promoting new structures. Modification of traditional roles and politics is always slow, and this partnership demands even more changes in the roles of local governments, grassroots organizations, and NGOs. Mayors, municipal staff, and local groups belonging to the CCL all participate in decision-making on annual development expenditures in the district. Mayors must promote broad civic participation in their district as well as conform to the strategic development priorities of all six districts. Abandoning political favoritism and reaching consensus within the district is difficult enough. Respecting district decisions, while contributing to inter-district consensus, is all the more challenging. The mayors continued promotion of inter-district strategic planning is undermined by local leaders' limited understanding of the resource benefits of the municipal association and the difficulties the small, rural districts have in obtaining resources.

It has been difficult for mayors to abandon their clear leadership and autonomy within district borders, for shared decision-making and responsibilities within a larger multi-district territory. The partnership is weakened by the lack of clear leadership in representation of the municipal association, grassroots organizations or NGOs. The mayors have looked to SID to provide leadership and direction, which many NGOs have provided in the past, but this runs counter to SID's perception of their role in providing support to local government and organizations. The association works well together as long as there are clear objectives, tasks, and responsibilities.

The fairly straightforward relationship between NGOs, state entities and municipal governments becomes a more difficult partnership with the addition of grassroots organizations. These organizations have responded well to local development initiatives as promoted by SID's project, but the frequent political friction between local leaders and mayors undermines the partnership. It will take time and more effort to maintain all partners focused on local development in their shared territory – the Manco Capac Economic Corridor – so that they can provide mutual support and work to obtain additional resources in the future.

## Annex 5: Instituto de Animacion Campesino (IAC) and the Municipal Government of Chumbivilcas

### 1. History of the Partnership

The IAC partnership with local government dates to 1982, when the municipality of Santo Tomás donated land for the construction of IAC's office. IAC and municipalities did not work together in a systematic way until the late 1990's, after the political crises generated by the presence of the *Shinning Path* in Chumbivilcas. In 1996, IAC entered into partnership with Plan International and began to work with communities in drafting development plans and setting-up local development committees. The partnership was brief (1996-1998), but it helped IAC to expand its area of operation and incorporate participatory methods for strategic planning. The ready availability of Plan funding for priority infrastructure, development, and health services furthered the positive relationship between IAC, municipal governments, and the population.

Many Peruvian NGOs and local governments carry out development projects together, and IAC is no exception. IAC gives equal attention to participation on local development committees and in provincial and regional inter-institutional groups such as the *Mesa de Concertación en la Lucha Contra la Pobreza*<sup>15</sup>. IAC, an active participant, serves as a link and intermediary to ensure that Chumbivilcas priorities are considered in regional forums and that these remote districts have access to support from public and private entities. As will be seen in the results section, the impact of IAC's work extends far beyond their project activities in Chumbivilcas province, thanks to their ability to organize and negotiate diverse contributions to local development.

IAC has a long institutional history and the lessons learned in earlier periods are most visible in their most recent activities. Beginning in 2003, IAC began to apply a watershed approach to development in a more systematic way, focusing attention on 19 communities (five districts) in the Río Santo Tomás watershed. The watershed approach demands that IAC involve and work with multiple municipalities in Cusco (Chumbivilcas) and Apurímac (Cotabambas) departments. The purpose of the partnership for development of districts in the Santo Tomás Watershed is to design, fund, and implement priority projects. In the following paragraph we detail the Río Molino Irrigation Project as an example of broad-based partnerships, centered around IAC and two municipal governments.

The process begins with the design of the *Management Plan for Irrigation in the Molino River Micro-Watershed*, based on community-level planning workshops in 2004. IAC and the Quinota and Llusco municipal governments were assisted by staff from two regional projects -- Plan Meriss and IMA and CONACS-Cusco -- in this participatory planning process. IMA also signed agreements to prepare diagnostic and baseline studies for Molino irrigation. Active participation of families and specialists facilitated identification of five priority irrigation projects from the 35 water sources inventoried by

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<sup>15</sup> IAC presided over Cusco's Mesa de Concertación at its start, in 2001 and 2002.

local communities. Four priority projects, irrigating 116 hectares (240 families), were implemented in 2005. The proposed 680 hectare irrigation project has MINAG approval and the feasibility study is complete, thus opening the way for implementation in 2007.

## 2. Roles and Responsibilities

Alliances between IAC, local communities, and districts in Chumbivilcas are long-term, but most others are shorter-term partnerships to fulfill common development goals.

**CHART 1: Stakeholder Roles and Contributions**

STAKEHOLDERS	ROLES
<b>DISTRICT GOVERNMENTS</b>	<ul style="list-style-type: none"> <li>- Counterpart funding for training, studies, projects, materials, etc.</li> <li>- Promote citizen participation for development planning &amp; execution</li> <li>- Execute priority projects according to strategic plan and annual budget</li> <li>- Follow-up negotiations, formalize agreements with funding sources</li> </ul>
<b>IAC</b>	<ul style="list-style-type: none"> <li>- Practical training in health, resource management, cheese-making, etc.</li> <li>- Assistance in community and district strategic planning</li> <li>- Organize financing &amp; execution of large-scale projects, studies, training</li> <li>- Capacity building for local organizations (women, irrigation, etc.)</li> <li>- Assist in identifying funding sources and negotiating with donors</li> <li>- Represent interests of Chumbivilcas in diverse development forums</li> <li>- Provision of technical assistance on request</li> </ul>
<b>COMMUNITIES &amp; GRASSROOTS ORGANIZATIONS</b>	<ul style="list-style-type: none"> <li>- Convoke members, organize events and appoint local promoters</li> <li>- Organize training and other project work in <i>faenas</i></li> <li>- Support municipal government in participatory planning and budgeting</li> <li>- Administer and maintain irrigation and potable water systems</li> <li>- Identify irrigation water sources and prioritize projects</li> <li>- Beneficiaries provide 15% of irrigation project cost (labor &amp; materials)</li> </ul>
<b>REGIONAL GOVERNMENT</b>	<ul style="list-style-type: none"> <li>- Regional Government provides project co-financing</li> <li>- Plan Meriss provides experts for irrigation projects and studies and is responsible for implementing irrigation projects</li> <li>- IMA provides counterpart for irrigation feasibility studies and evaluation of existing irrigation infrastructure</li> <li>- CONACS provides technical assistance for pasture/forage projects</li> </ul>
<b>GOVERNMENT ENTITIES</b>	<ul style="list-style-type: none"> <li>- MINAG subsidized costs for plowing fields for cultivated pastures</li> <li>- Pronamachcs signed re-forestation agreements (and provided saplings)</li> <li>- Agreement with UMSAA for alpaca genetic improvement</li> <li>- FONCODES provides financing to local governments for infrastructure</li> <li>- DIGESA provides funding for potable water and latrines</li> </ul>
<b>PRIVATE ENTITIES</b>	<ul style="list-style-type: none"> <li>- Catholic Church provides diverse support</li> <li>- Plan International, PEJ, Aldeas fund development projects for Chumbivilcas</li> <li>- SANBASUR financed water and sewage systems in Santo Tomás &amp; Velille</li> <li>- Coordinadora Rural provides alfalfa seed &amp; small project funds</li> </ul>

Once the strategic planning is complete, IAC takes leadership in efforts to fund and execute the prioritized projects. This task is accomplished in various ways. IAC not only motivates strategic thinking about development at the local level, but also makes sure that the interests of Chumbivilcas are represented in regional and national forums. This assistance is critical as Chumbivilcas is far from decision-making centers in Cusco and Lima. IAC organizes joint funding for costs of pre-project studies,

identifies funding sources and helps local governments and organizations to negotiate project counterpart agreements. The strategic development plans (their vision and priority projects) orient the funding search for IAC and local governments. Regional and national government entities have been the focus of funding searches, especially for large scale projects, but partnerships involve a diversity of public and private institutions and generate counterpart funding from the beneficiary population.

The NGO-municipal government partnership described here is based on practical actions and projects rather than a capacity building program. Nevertheless, IAC does provide support services to municipal government. These services, with the exception of strategic planning, are unstructured but very responsive to the specific needs of each municipal government in their project area. IAC has a highly personalized approach to working with mayors and municipal governments, facilitating their negotiations with state entities and other donors, and helping them resolve problems as they arise. Commitment and accessibility are fundamental in IAC's support of municipal governments. They maintain presence and commitment even after projects end.

#### **IAC Program Activities in Chumbivilcas and Cotabambas Provinces in recent years**

<b>Districts</b>	<b>Work Initiated</b>	<b>Recent Work</b>	<b>Objectives-Actions</b>
<b>Velille</b>	9 years ago	1997-2003	Economic, Health, Planning
<b>Santo Tomás</b>	1980's	1997-2006	Economic, Health, Sanitation, Planning
<b>Colquemarca</b>	15 years ago	1997-2000 2001-2003	Economic, Planning
<b>Quinota</b>	5 years ago	2001-2006	Economic, Sanitation, Planning
<b>Llusco</b>	5 years ago	2001-2003	Economic, Planning
<b>Capacmarca</b>	1980's		Planning
<b>Mara, Apurimac</b>	18 months ago	2005-2007	Economic, Health

### **3. Results to Date**

The principal goal of the partnership between IAC, municipal governments, communities, and other public and private entities has been to motivate rapid and enduring development of rural Chumbivilcas province. IAC works directly with local partners to provide primary health care, construct irrigation systems and promote economic development, based on livestock and resource management. The results of this partnership go beyond the scope of specific projects planned and executed by partners, thanks to the partnership's focus on broad development objectives, strategic planning and the organization of shared funding.

Indeed, IAC's work has created foundations for broader change. Announcement of the success of an early IAC project that brought 90 hectares of pasture into production in Velille District was instrumental in convincing Cusco's Plan Meriss program to commit resources to high-altitude irrigation systems in Chumbivilcas and Espinar provinces. IAC's early contributions to primary health – training promoters and

families and building and equipping health centers in Chumbivilcas – were a critical measure at a time when the public health system did not provide services. IAC's early work in strategic planning and continuing contributions to key feasibility studies has allowed municipal authorities to insert their projects in the national system for public investments (SNIP) and to negotiate for project funding. Municipal governments have also built on earlier partner advances in pasture cultivation and training to fund additional irrigation projects and construct a cheese processing plant. In the section that follows, results in development and democracy themes are discussed in greater detail.

### Development Planning and Project Execution

IAC has been helping citizens in Cumbivilcas to analyze their development situation and prioritize projects since the late 1990's. These plans have been extremely useful in orienting early projects and in assuring rapid compliance with the current norms for district-level strategic planning and budgeting. The experience of this partnership demonstrates the power of strategic planning when combined with project execution. The Peruvian participatory development process has been weakened by over-emphasis on planning. This partnership considers participatory planning an important tool, but emphasizes project financing and implementation.

In Chart 2, the Molino River Irrigation Project is an example of results to be gained from partnerships in the planning and execution of projects prioritized in local strategic plans. The joint effort to develop the agricultural potential of this area of Cusco and Apurimac with irrigation began in 2004, with the first projects carried out in 2006.

**CHART 2: Molino Project Partners**

Partner	Project	Beneficiaries
IAC, IMA, CONACS, local gov't and communities (Quinota, Llusco)	Molino River Management Plan - participatory planning process	788 families, 986 has in 8 communities
Plan Meriss, IAC, Municipalities	Design of Molino River Irrigation Project	
Municipal Government	Hattapallpapallpa Sprinkler irrigation	78 families, 65 has
Municipal Government	Chiluyo Sprinkler irrigation	45 families, 10 has
Municipal Government	Huanpuco Sprinkler irrigation	80 families, 20 has
Municipal Government	Piscocalla gravity irrigation	37 families, 21 has.
Quinota, Llusco, Chumbivilcas Municipalities Cusco Regional Government	River Molino Irrigation – 2007 budget \$92,500 by municipalities. \$156,250 by regional government	643 families, 680 has
Japanese Embassy – technical plan approved; awaiting final approval	Collana Sprinkler irrigation, Huasiraccay subsystem, Paccaremampa-Manchucla	230 families, 39 has 217 families, 29 has
PEJ-Sicuaní (Catholic church NGO) – studies underway	Yahuarmayo	280 families, 123 has
IAC	Agricultural Development in the Molino River Irrigation Project Area	Post-irrigation

Source: Signed inter-institutional agreements; staff interviews

Large-scale projects such as irrigation and roads that improve the economic situation of local families and develop the region's potentials are highly motivational both for the local population and for institutions that promote development. They have

proven their worth for motivating the involvement and contributions of a diversity of groups and individuals, while advancing learning in managerial, organizational, and technical aspects of development projects.

### Capacity Building

This partnership takes advantage of the existing capacities of partners, such as Plan Meriss' irrigation specialists, while at the same time strengthening local capacities. The capacity building seen in this partnership is not theoretical. Rather, capacities are built in function of and in response to practical opportunities. According to CORDAID's mid-term evaluation, IAC's methodology is instrumental in building self-esteem and bringing women into decision-making realms in ways that strengthen the capacity of women and their organizations (2000). One conclusion from an impact evaluation of Bread for the World's partners in Cusco is that "civic planning and resource management in community and inter-community projects, with the active participation of beneficiaries in the implementation, have contributed enormously to stronger rural institutionalism" (*Cooperación Externa, ONG y Desarrollo*, Lima, 2000, p.156).

Thanks to the improved development analysis and stronger community organizations promoted by IAC, local districts and communal organizations have obtained financing for irrigation projects (designed by IAC under agreement with Plan Meriss). Investments of more than \$315,000 have been made for Velille and Santo Tomás watersheds. Today in Velille, two irrigation commissions and 7 committees function according to internal rules, plan and carry out activities, maintain irrigation infrastructure, charge tariffs, and seek assistance from public entities – all on their own, as a result of previous capacity building.

All Chumbivilcas districts and many communities have strategic development plans. IAC frequently provides partial funding for feasibility studies of priority projects with international donor project grants. Once studies are complete, they bring municipal governments and communal organizations to the negotiating table so that they can obtain needed funds from public and private entities (e.g. FONCODES, Sanbasur). These groups learn how to design projects and negotiate with donors, as well as how to administer funds, organize work, construct and maintain infrastructure, evaluate results, and inform donors.

### Quality of Life

IAC began its work bringing health services to remote parts of Chumbivilcas province, and infant and maternal mortality rates improved dramatically during the period of IAC's work.

<b>Indicator*</b>	<b>1980-81</b>	<b>1992</b>	<b>1997</b>	<b>1999</b>	<b>Reduction in 20 yrs.</b>
Infant Mortality Rate	142.9	63.2	47.7	31.7	<b>111.2</b>
Maternal Mortality Rate	38	12	6.1	5.0	<b>33</b>

\*per 1,000 births

(*Cooperación Externa, ONG y Desarrollo*, Lima, 2000, CORDAID project evaluation, 2000)

IAC signed an agreement with Sanbasur in 1997 for construction of water and sanitation infra-structure to be carried out together with the municipal government of Santo Tomás, Velille and Quinota districts. Today, 88% of the population in beneficiary communities have latrines and use and maintain them properly. IAC has moved to new project areas but continues to provide support to an association of local health promoters and the hospital in Santo Tomás. This hospital is another example of the partnership between municipal government (donation of land and construction funds), INFIES (studies), MINSA (studies, staff, equipment), MIPRE (construction funds), the Catholic Church (construction and equipment funds) and IAC. The economic improvements detailed in the following section have also had a positive influence on access to health services and the education of children in Chumbivilcas.

### Economic Growth

The following summary focuses on the economic results of IAC's partnership for economic development in Pulpera (Velille). Grassroots groups and the Condes-Pulpera development council are the initial partners in economic development activities. IAC used project funding to focus attention on irrigation systems and cultivated pastures, constructing small irrigation systems which provide water to 90 hectares. IAC facilitated local agreements with PREDES, FONCODES, Plan Meriss and others, projects that by 2006 had brought a total of 621 hectares under irrigation in the Velille watershed.

Irrigation set off a chain reaction among poor farm families, including improvement of 200 hectares of native pastures, planting of 175 hectares in permanent cultivated pastures, and annual cultivation of 390 hectares in oats. With cultivated pastures in Velille, the animal carrying capacity improved from 0.8 to 2.1 cows for each hectare. Household investment in improved varieties of sheep (45% of families) and cattle (22% of families) led to greater milk production and cheese processing. At the same time, the average number of animals owned by a family nearly doubled (to 8 cows and 30 sheep). IAC does not have precise income figures, but even a conservative estimate of the income effect of 680% improvement in milk production/cow, 66% improvement in cattle weight and doubling of herd size, suggests farm household income increases of at least 700%, before sales of transformed milk products, such as cheese.

Despite having the ambitious goal of advancing the development of Chumbivilcas, Cusco's poorest province, the partnership made very important advances. There are clear improvements in both democratic practice – with the customary participation of local organizations and governments in participatory planning, budgeting, and project management and implementation – and in living standards – with increased income, more secure production, and better healthcare. Democratic practice, economic development, and healthcare are reciprocal goals of this partnership.

#### 4. Costs and Benefits

When compared to the economic development and democratic results, the costs of this partnership's efforts are surprisingly low. IAC, for example, with its ground-breaking work in irrigation, pastures, and primary healthcare in Velille, only invested approximately \$30,500 per year during the final seven years of its work (1997-2004). IAC provides small, strategic *seed investments* that set off a chain effect of partnerships and contributions from donors, local and regional governments, and the population. IAC makes very efficient use of available funds, always investing a portion in technical studies for large infrastructure projects. For example, with \$150,000 in grants from the Peru-Swiss fund, IAC paid for five studies for specific irrigation systems in Velille district, which were constructed and now irrigate 500 hectares,. Technical water system plans were also critical in obtaining counterpart funding for six systems from the provincial government and SANBASUR. The beneficiary population also contributed labor and local materials for all water projects, including three constructed with funds from projects implemented by IAC.

The key to partnership success is locating funding for priority projects. They have focused on and been successful in improving access to resources for Chumbivilcas development.<sup>16</sup> The first stage of improving resource access is organizing contributions and commitments from partners so as to generate the necessary conditions for donor contributions. Beneficiaries provide 15% of the cost of irrigation projects and, thanks to the participatory process, also ensure that their municipal government supports agricultural activities in annual budgets. It has been possible to obtain funding for large projects from public entities (FONCODES, CTAR-Cusco, Plan Meriss) as well as private (Peru-Swiss Fund, Sanbasur, Misereor, Japanese Embassy) because partners work well together to support specific products and activities with cash, experts, and/or materials.

Partners focus on large development goals and priority projects rather than benefits and costs to their institutions. Partners form a mutual-support network around broad goals, such as irrigating Chumbivilcas, and provide complementary support for initiatives associated with achieving that goal. Partners not only access funding for large, priority projects, but also develop a working relationship with supportive partners. Occasionally, a partner fails to meet their counterpart, but other partners cover the obligation. The presence of motivated local and institutional partners also provides an additional guarantee for the success of projects sponsored by donors or municipalities.

In general, partnership costs are lower when willing partners have success in obtaining resources. The presence of partners with access to information and connections, who establish and follow-up on contacts with potential donors, greatly reduces the costs of seeking project financing from municipal governments, which are less likely to be well-connected. These actions, however, require much time and are the principal costs attributed to IAC's central office in Cusco. The presence and

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<sup>16</sup> The partnership was directly (26%) and indirectly (74%) responsible for obtaining \$3,236,407 for Chumbivilcas development from 1987-1999.

technical assistance in municipal administration and project management provided by NGO partners also helps to reduce municipal government costs. The benefits obtained from the partnership are highly visible, and local authorities and residents are conscious of the benefits to partnering during the long, complex process of obtaining funding.

The investment of different stakeholders in the partnership is variable, because their commitments change with time. The principal dividend to the partnership comes from an unflinching focus on obtaining the resources needed to carry-out local development priorities. When strategic plans do not exist, they constitute the first partnership expense. Municipal governments and local participants assume the costs of strategic planning and budgeting and development council meetings. They also provide funds to a diversity of district development activities. In addition to direct out-of-pocket costs of materials, transportation, per-diem and event hosting, time is the principal partnership cost. Mayors, municipal staff and institutional partners spend time in meetings, planning sessions, and events. Community authorities and leaders contribute time to meetings, training and planning sessions, organizing project work, and coordinating activities. IAC's director and field team dedicate time to motivate and organize partners, identify funding sources and maintain good relations with potential donors. Institutional partners spend time preparing diagnostic or feasibility studies and projects and training and evaluating projects.

## **5. Lessons Learned**

This case study is unique, because it details the long process of constructing an enduring, flexible partnership between IAC, municipal governments, grassroots organizations, and public and private entities. The principal lessons learned during two decades of building partnerships concern both development and democracy. The partnership demonstrates an ability to work with a diversity of mayors, local organizations, governments, and private institutions, in changing political, social and economic contexts. The partnership is constructed around strategic goals and priority projects, first agreed upon with the local population in strategic planning sessions. It is difficult to think of ways to improve a partnership founded on vocation for service and commitment to resolving the priority problems identified by the population.

This case demonstrates that:

- a) Partners place a high value on their long-term, shared commitment to the identification and resolution of critical local problems, via donor negotiations and the implementation of concrete, priority projects. Part of the demonstrated commitment to Chumbivilcas is apparent in the absolute accessibility and transparency IAC offers to municipal governments and local organizations – all too rare among Peruvian NGOs. A strong commitment to local capacity building is also visible in IAC's accompaniment of local authorities in funding searches and donor negotiations.
- b) All stakeholders can, should, and must contribute to local development if it is to be effective, efficient and enduring. These partnerships are broad-based and flexible in

structure and commitments, and all partners give some order to complete specific tasks and objectives. Their experience also shows that generous funding is not essential for all actions, and that good local organizational capacity and support from partners like municipal governments and IAC can be sufficient for initiating key actions and ensuring lasting effects. The no-cost support of local mayors, for example, has been critical to obtaining funding. This is a lesson in how to obtain a little money and make it go as far as possible in achieving broad development goals and objectives.

c) Democracy (citizen planning & budgeting, local contributions) is an integral part of development, and that success in development, by offering viable solutions to key problems, helps advance democracy. Partners are key players and facilitators in strategic planning and budgeting processes and are highly visible actors in project negotiation and implementation.

d) The effects and impact of work can go far beyond the scope of project activities. The initial support provided by IAC, municipal governments, and the population for irrigated pastures at high altitude Velille, for example, was instrumental in convincing larger funders, such as Plan Meriss, to undertake irrigation projects at high-altitudes, not only in valleys. This partnership is successful at obtaining funding and carrying out projects, because it promotes Chumbivilcas at local, provincial, departamental and national levels.

e) Local partners are capable of promoting and sustaining their own development and that capacity building is most effective and efficient when it occurs in practical settings and in fulfillment of shared goals. Partners must not only be responsive to requests for assistance, but should orient municipalities, local organizations, and leaders in informal and formal settings and facilitate their contributions to development.

f) Even in this long, successful partnership, there is evidence of dependency on NGOs. Chumbivilcan governments and organizations show greater ability to negotiate funding at the provincial and departamental level, thanks to strategic plans and local development committees, but they still appear to depend on the abilities and commitment of IAC as the principal partner. IAC has a leading role in this partnership – mobilizing and organizing partners, identifying funding sources, organizing project preparation and implementation, etc. The local population frequently attributes partnership success to IAC as the most visible partner.

## Annex 6: Caritas-Juli and the Municipal Government of Ilave

### 1. History of the Partnership

This case study is set within the context of the decentralization policy implemented by the Peruvian government during the past five years. The interim government of Valentin Paniagua legally formed *Mesas de Concertación para la Lucha contra la Pobreza* (MCLCP) on January 18, 2001, to promote the active participation of civil society in Peru's development. The function of this inter-institutional group is to promote and facilitate dialogue and consensus between the Peruvian State and Civil Society at national, regional, provincial, and district levels.

In the department of Puno, 1 regional, 12 provincial, and 102 district level MCLCPs have been formed. These inter-institutional working groups function well at the provincial level, but only 17 district level groups currently function.<sup>17</sup> Puno's regional MCLCP, with members from public and private institutions, an executive branch, and specialized thematic working groups, meets regularly. This same thematic working group structure has not been replicated at the provincial or district levels in Puno, though local members participate in the Puno departmental MCLCP and its working groups.

The partnership between Caritas-Juli and the municipality of Ilave began in 2004, but such inter-institutional alliances have their roots in national<sup>18</sup> and local experiences of prior decades. In Puno, for example, communities joined together in *multicomunales* during the El Niño emergency of the mid-1980's and sought assistance for funding their development plan and projects in coordination with local governments. The province of El Collao was also the site of a successful participatory experience of coordination between the municipal government and civil society. At the start of 2000, *Mesas de Concertación Institucional* were formed to promote inter-institutional coordination for local development. Although a few still function<sup>19</sup>, most of these disappeared as soon as the emergency ended or the political climate changed.

Caritas-Juli is a non-profit ecclesial organization that has gained the respect of the population for its work in El Collao during the last 17 years. Caritas-Juli has undertaken agro-pastoral projects in El Collao since 2001 and has been the lead institution in the formation and institutional development of the MCLCP in the department of Puno (February 2001). Nevertheless, the provincial MCLCP did not function in El Collao in 2004, prior to the partnership. Early 2004 was marked by a prolonged social protest in El Collao and its capital Ilave, ending in the tragic assassination of mayor Robles Callomamani in April 2004.

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<sup>17</sup> Creation of district CCLs (local coordination committee) with similar functions undermined the district MCLCPs.

<sup>18</sup> For example, *Iniciativas de Concertación para el Desarrollo Local* (Consensus for Local Development Initiative), *Development Committees*, *National Conference for Social Development*, etc.

<sup>19</sup> The MCI of Azangaro, Puno, for example.

The formal partnership began in late 2004, when Caritas-Juli took the initiative in facilitating renewed dialogue between the government and civil society following the assassination and the mayoral elections of October 2004. In these difficult circumstances, Caritas-Juli proposed the creation and implementation of diverse working groups to analyze and debate the provincial development problems and prepare project proposals to solve those problems. The following working groups were formed in El Collao's MCLCP: *Agriculture, Participatory Budgeting, Post-Truth & Reconciliation Commission*, and *Assistance for the Handicapped* as well as an *Education Commission*.

The partnership for agro-pastoral development in El Collao is based on inter-institutional agreements signed by different government agencies and the private sector, which allows them to avoid duplication of actions and functions in agricultural development. Thus, the formalization of the partnership among those promoting agricultural development programs in Ilave district begins with an inter-institutional agreement, the *Strategic Alliance for Cooperation and Mutual Help* signed by the municipal government and Caritas-Juli. Specific agreements between other partner institutions are detailed in Contracts, while Acts of Commitment detail inter-institutional agreements with non-partners. The objective of all such agreements is to advance agro-pastoral development in El Collao province, especially that of pasture improvement and dairy cattle production. Producer associations and grassroots organizations participate in Transparency Committees in three *Pasture and Forage Project* areas (lake, middle, and high-altitude) to oversee the actions of this partnership project.

The ultimate goal of the partnership is to improve incomes, but its most concrete action is the *Pasture and Forage Project*, which prioritizes production and commercial improvements as well as a study of market potential of dairy products. Project execution motivates the participation in monthly inter-institutional meetings and the continued participation of local organizations and institutions in the partnership. The partnership's closest link with the MCLCP and Peru's decentralization process<sup>20</sup> is via the participatory planning and budgeting processes. Debate and consensus building in varied settings and for different objectives has enriched the partnership ever since its origins in 2004. A high degree of interest and participation by the population continues to heighten the partnership's viability.

The partnership carries out actions with funds from, primarily, the municipal government's budget and a Caritas-Juli project funded by the Fondo Empleo.<sup>21</sup> The value of the specialized technical staff, non-specialized labor, goods, and services provided by other partners provide the remainder of the partnership financing. The bulk of project costs are obtained locally, from the municipal government, local organizations and MINAG. The provincial government is a key partnership player and provides alfalfa seed to the *Pasture and Forage Project*, complying with pasture objectives outlined in the Plan. The total amount of funds donated for this use is equivalent to the funds

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<sup>20</sup> The partnership has promoted improved leadership, participation, and consensus in civil society and local government

<sup>21</sup> This fund was created from Peruvian mining royalties to promote employment.

originally designated for infrastructure and other activities in the Annual Budget. The actions prioritized in the participatory process for the 2004 budget, here and in most of rural Peru, did not result from broad participation and did not represent the priorities of the population at large. Use of municipal funds for this agricultural development project is the result of much discussion and debate between the municipal government and the beneficiaries which constitutes the basis for this change in policy concerning development priorities, as implemented by the municipality and provincial MCLCP after 2004.

Funding a large, rapid response project for all Ilave district is beyond the financial means of the municipality. Thus, partners joined together to provide needed funding, and citizens agreed on criteria for participation. Local producers, on the basis of previously established selection criteria, decided that the mid-altitude zone would receive the bulk of municipal government assistance, while the high-altitude and lakeside zones would have access to alfalfa seed and technological assistance from Caritas-Juli. These producers purchase the technological package from Caritas at subsidized prices (30% of cost) and funds are re-invested in the project, assuring that assistance will continue. Training and technical assistance in agro-pastoral themes is provided by partner institutions according to their specialties. The practical, hands-on training provided by partners is highly valued by local producers and is much in demand by local communities. Partners also join in training, technical assistance and project visits in promoting other milk production aspects, including improved livestock management and production practices, cheese plants, and marketing.

## 2. Roles and Responsibilities

The partnership between Caritas-Juli and the municipal government is oriented by the broad goal: “to *coordinate and join forces to achieve synergism in the war on poverty.*” This strategy inspires members to become involved according to their capacity and potentials, with specific roles of partners closely related to project goals and objectives. Grassroots representatives are charged with guaranteeing participation and maximizing partner capabilities.

**Table 1: Stakeholder Roles and Contributions**

STAKEHOLDERS	ROLES
<b>MUNICIPAL GOVERNMENT of ILAVE DISTRICT, PUNO (from 2004)</b>	<ul style="list-style-type: none"> <li>– Joint coordination of the partnership, together with the Agrarian Agency and Caritas-Juli</li> <li>– As joint coordinator, plan, organize, orient, monitor, and evaluate the implementation of Partnership policies and strategies</li> <li>– Support the implementation of the <i>Pasture and Forage Project</i>, subsidizing 90% of the technological package cost for mid-zone producers and providing low-cost tractor services to all producers</li> <li>– Provide technical staff that complement staff of other partners</li> <li>– Support training, technical assistance and provide materials</li> <li>– Support capacity building and actions for Plan implementation.</li> </ul>
<b>Contributions: Campaign 2004-2005: \$36,705; 2005-2006: \$121,890 for seed purchase</b>	
<b>CARITAS-JULI – (from 2004)</b>	<ul style="list-style-type: none"> <li>– Joint coordination of the partnership with the Agrarian Agency and the Ilave district government</li> </ul>

<b>PROJECT:</b> <i>Desarrollo de Capacidades Incremento Productivo y Mercadeo de Leche y Derivados en Comunidades Campesinas del Altiplano de Puno</i>	<ul style="list-style-type: none"> <li>- Promote and facilitate participation and consensus building</li> <li>- Support and facilitate partner capacity building</li> <li>- Promote and facilitate partnership management and leadership</li> <li>- Orient and Negotiate funding to carry-out partnership actions</li> <li>- Provide producers with pasture &amp; forage technological package</li> <li>- Channel, accompany, and monitor partner commitments &amp; results</li> <li>- Support and facilitate partnership actions in participatory development planning and annual citizen budgeting.</li> </ul>
<b>Contributions:</b> \$57,670 total (est.) for 2 campaigns 2004-2006	
<b>GRASSROOTS ORGANIZATIONS (Communities, Sectors, Producer Associations)</b>	<ul style="list-style-type: none"> <li>- Convoke, organize, orient, and evaluate participants</li> <li>- Participate in the design and execution of actions</li> <li>- Provide labor and resources (purchase seed) as agreed</li> <li>- Sign agreements, nominate leaders for community &amp; zone</li> <li>- Share experiences and results obtained in their parcels.</li> </ul>
<b>Contributions:</b> \$24,405 total for 2 campaigns 2004-2006	
<b>MINAG (2005) – AGRARIAN AGENCY Special Project in Pastures and Forage – Agriculture Sector.</b>	<ul style="list-style-type: none"> <li>- Joint coordination of the partnership, with Caritas-Juli and Ilave municipal government</li> <li>- Plan, organize, and carry-out specialized actions, according to plans and in coordination with partners and MINAG offices.</li> </ul>
<b>Contributions:</b> Cost of salaries, goods, and services of 4 professionals during 2005-2006 campaign	
<b>GOVERNMENTAL ENTITIES (Pronamach, INIA, Quinoa Project )</b>	<ul style="list-style-type: none"> <li>- Provide leadership in sector actions and processes</li> <li>- Facilitate specialized training</li> <li>- Subsidize certain costs</li> </ul>
<b>PRIVATE ENTITIES (SOLARIS – 2006)</b>	<ul style="list-style-type: none"> <li>- Assist in training and Technical Assistance in select communities</li> <li>- Complementary financing &amp; execution of some activities.</li> </ul>

Partnership roles and responsibilities are not equally divided among partners, nor do all partners have the same motivation, conviction and intensity of action. The roles and responsibilities of members initially reflected their institutional vision, politics, and strategies, but these have changed over time as all members try to promote greater consensus and harmony and more optimal use of resources. Partners have confronted and resolved diverse problems associated with compromising and agreeing on policies, strategies, and work methodologies. Local producers attest to the fact that the recent coordination of project and technical assistance activities between government entities and NGOs has allowed for more efficient resource use and greater trust among partners.

### 3. Results to Date

The principal social and economic results of the partnership, for families and institutions, are clearly visible in the most recent agricultural campaigns (2004-2005; 2005-2006). Some of the results of the past two years of intensive partnership actions, during an era of decentralization in Peru, are as follows:

#### Democracy Building

This case is set in an area that made international news with the assassination of its mayor during a prolonged social protest in 2004. The incident attracted international attention and help from public and private institutions and civil society in Peru, all of which contributed to improving the situation. Peru's MCLCPs have proven important in

establishing and reinforcing democratic mechanisms such as the Strategic Development Plans and Annual Budgets that were drafted with citizen participation. In the case of Ilave, the MCLCPs and the partnership project provided part of the foundation for reconstructing a social fabric based on citizenship and democratic practice, following a period of social unrest that drastically undermined local government. Participatory decision-making is a great advance, but it is not the only advance in this partnership.

Participatory forums, in addition to fomenting broader participation in decision-making, have also proven ideal for promoting dialogue, reflection, and democratic practice among different groups. The MCLCPs join public and private institutions, while projects or working groups offer direct links between these institutions and local government and organizations. In this partnership the close working proximity of representatives of grassroots organizations, government entities, and the private sector requires that they learn more from and about each other. The planning and budgeting processes provide the population with access to local and national functionaries and equip them with greater understanding of the functions, obligations, and limitations of state entities. Today, producers have sufficient understanding of their rights and trust partner institutions to monitor and denounce government and project staff when they neglect their work.

#### Development Planning, Budgeting, and Project Execution

The development planning and project execution in this Puno case study occurs in the context of the MCLCPs and Agro-pastoral project partnership. This partnership for Ilave's *Pasture and Forage Project* is loosely linked to the MCLCPs, site of inter-institutional dialogue and consensus building, where representatives of the government, NGOs, and civil society systematically analyze problems and context and agree on actions to resolve them. Fundamental to strengthening democracy and citizenship in post-crisis Ilave was the initial adjustment of the annual municipal budget with increased participation of the local population. Partners continue to provide assistance for the participatory budgeting process. The amount budgeted for agro-pastoral activities has increased every year since the partnership began, evidence of the increasing importance of the partners and their promotion of improved pastures and dairy livestock management in the annual district and provincial budgeting process.

This agro-pastoral partnership, now in the process of consolidating an Agricultural Development Plan for El Collao, is also taking a lead role in strategic planning for the El Collao MCLCP. Currently, partnership activities are detailed in operating plans for the project and partners. These plans are consistent with strategic development priorities and plans drafted by local districts (Ilave and Picuyo) and El Collao province. The Municipality and other partners commit and assign financial resources to the activities that grassroots organizations and producers prioritized first in their district plans and later in provincial plans. The partnership takes debate and decision-making a step further by linking planning to concrete project commitments and responsibilities.

### Capacity Building

Local capacity building is central to the partnership goals and actions described in previous pages. Diverse public, private and local partners have achieved agreement concerning the strategies and methodologies applied by their field teams in providing training and technical assistance. Partners act together to provide services to areas that were only partially served previously. Grassroots organizations and groups of producers have responded to both technical training opportunities and democracy building. They have organized members in response to the demands of actions underway, establishing communal transparency committees and local vigilance committees that monitor the agricultural activities of the *Pasture and Forage project*, municipality and partnership.

The results of training and technical assistance in productive and social aspects include:

- 1) Technical and managerial staff (municipality and partners) have the knowledge and skills that permit them to effectively organize, orient, and participate in strategic planning, civil society budgeting, and the CCL (district Coordination Committees).
- 2) Grassroots organizations have the knowledge and skills that allow them to effectively organize, orient, and participate in strategic planning and budgeting and the CCL.
- 3) There is greatly improved relevance of training and assistance in agro-pastoral topics demonstrated both by increased demand and positive economic growth.
- 4) Trained Livestock Promoters assist producers in all 57 project communities in Ilave District.

### Economic Growth

Prior to the period covered in this case study, Caritas-Juli and MINAG had begun work to improve livestock production of some households with a Pasture Project (2002-2003). Caritas' prior training and promotion of cattle fattening was instrumental in convincing local families to invest in alfalfa seed so as to have sufficient livestock feed. During the partnership period, work in preventative livestock health (parasite removal) and improved nutrition (administering vitamins and alfalfa and oats feed in critical months) resulted in 60% cattle weight gain. Today the average family has from three to twenty milk producing cows. Resource improvements recently measured among the 57 communities (4,225 families) of Ilave District are estimated to have increased by more than 500% with alfalfa.

#### Pastures and Forage:

- 50 hectares of alfalfa were installed in Ilave and Picuyo districts in 2002-03, increasing to 115 hectares in 2003-04 and 1,020 hectares in 2005-06. The estimated forage value is 50 metric tons per year for each hectare. As a result, the supportability of pastures has increased to three cows per hectare of land with alfalfa.

#### Livestock Management:

- 20% of producers invested in improved cattle stock (an increase from 5%), while the cattle stock has changed from 10 native to 6 improved stock. The average weight per cow increased by 60%, and milk production increased from 1.5 to 2 liters per cow to 4 to 6 liters per day during at least 8 months of the year.

#### Processing:

- 8 rustic cheese processing plants acquire 100% of milk production (\$0.25 per liter). On average, each plant employs 1.5 permanent workers. Specialists were trained by the project during 40 practical sessions, and there is some processing of yogurt for local consumption

Capacity building and improved quality of life of local families are dependent upon the increased availability of pastures. This resource availability allows households to reduce the time dedicated to pasturing livestock and to increase time dedicated to the family or other activities. Out-migration is on the decline due to improved economic conditions. The project has been able to keep partners and producers focused on the goal of converting llave into a dairy producing area, despite the lack of a formal strategic plan at this initial partnership phase. Similarly, producers are in the initial stage of fulfilling their dairy production goals, having only recently installed alfalfa pastures and finished a market study of local commercial possibilities.

#### Partnership Sustainability:

Even though the partnership and project are recent, there are indications of sustainability. For example, in the social realm, grassroots organizations now provide solid support to the partnership, with the stronger organizational, technical and democratic capacities gained in practical actions during project execution. Active participation of local organizations in planning, budgeting, monitoring, and project implementation, with the support of other partners, has strengthened their capacity. The demonstrated capacity of institutions to work together and promote more effective participation with communities also provides a sustainable base for development. The project is founded with a strategy of mutual assistance, similar to traditional Andean cultural structures of *ayni* and *minka*.

The partnership is very new, but the viability of the partners' work is heightened by the degree of beneficiary interest. The production and income improvements observed to date strengthen the economic sustainability of the project and the interest of the population in the partnership. The partnership has continued to incorporate new partners – beginning with the partnership between the municipal government and Caritas and rapid incorporation of the Ministry of Agricultural Agencies. The NGO Solaris is the most recent institution to participate in the partnership for agricultural development in llave. Marketing, however, remains weak despite other economic advances. The more rational use of resources, between institutions, and within communities and families also gives greater sustainability to the partnership, but the dependence on government resources is a limitation.

#### 4. Costs and Benefits

The goals and objectives of this partnership are to promote improved democratic practice, improved livestock management, and increased income. The actions of this partnership and its project are made possible in large part by the re-distribution of existing resources, for example when the population authorizes the municipality to devote a larger portion of its budget to agricultural development or when partners use existing staff, equipment, and/or materials to cover certain partnership costs. This case study is an excellent example of how to use existing resources to effectively and efficiently motivate complementary institutional and local contributions. The costs of this partnership should decline further with continued empowerment of citizens and their organizations. Surprisingly few partnership costs are paid with new resources, such as the financing Fondo Empleo provides Caritas-Juli to carry out part of the *Pasture and Forage Project* (2002-2008).

In the economic realm it is difficult to put an exact value on all partners' direct and indirect contributions. Partners had to contribute much time to re-instituting democratic process in development decision-making and to negotiating a complementary and uniform implementation of the *Pasture and Forage Project* in an area as large and diverse as El Collao province. Partner investment of time, skills, and motivation during the past three years, however, has paid off in terms of democratic and economic results. The partnership is currently focused on project implementation, where most of these voluntary contributions are within the scope of the normal functions and objectives of partner institutions. The partnership has not devoted energy to obtaining new resources. This is a necessary, missing cost that undermines partnership sustainability.

The benefits attributed to the partnership for agro-pastoral development are diverse, but the principal benefits include: 1) mutual support among institutions, 2) close, working relations with local organizations and governments, 3) timely access to needed resources via local channels, and 4) resolution of conflicts that previously made it impossible to conduct work in Ilave district. Institutions often clashed or, at best, were distant with each other before learning to work together in partnership. Today they understand each other better and feel that they can count on the assistance of other partners. Field staffs have an especially close working relationship that crosses institutional boundaries.

Mutual support and respect also characterizes the relationship between institutions and the local population and government. The partnership and project activities offer MINAG staff the opportunity to improve their training and provision of field-based services, a crucial step toward gaining the respect of the local population as well as meeting institutional goals and partnership objectives. The partnership's success in training local extension agents and promoting economic improvements in 57 communities is built on mutual respect and trust. Participatory budgeting has brought increased consciousness of the opportunities and limitations of the municipal government. The Ilave municipal government, with the explicit approval of the local population, was freed to focus much of their attention on promotion of pastures and

forage. That they have done this with complete transparency and together with partners has gained them more trust and respect. This partnership was formed to resolve conflicts and restore the authority of local and state government through practical action. Mutual respect, commitment, shared goals, clarity of action and transparency by all partners have all been critical to that process.

The partnership for agro-pastoral development made great advances in the optimization of resource use. The good working relations of partners, the support of local organizations and promoters, the financial assistance of the municipal government, timely reinforcement from Caritas, and excellent knowledge of El Collao helped to optimize resource use. The partners benefit from cost-savings in training, communication and travel expenses. The costs of technical training and building democratic practice are reduced. The partnership has access to complementary training opportunities within the MCLCP structure to which they belong. There is optimization of resource use in the project and partnership. Nevertheless, the redistribution of the provincial budget to favor agricultural project activities suggests that other provincial development needs are being postponed. Unfortunately, available municipal funds are not being used effectively as counterparts to match external funding of project or strategic plan activities.

Nevertheless, an analysis of partnership costs compared with benefits would result positive on the benefits side. The sum of the financial contributions of all partners during the last two agricultural campaigns is \$242,000 compared with the current and future value of the alfalfa installed on 1,135 hectares during the past two years. The increase in acreage planted (800% between 2004 and 2005) is likely to continue. The benefit lies not only in the alfalfa planted, but also in the counterpart investment that it has inspired in local families and the complementary projects it will encourage in the future.

## **5. Lessons Learned**

Even though this partnership is very recent, it was selected for this collection of case studies because it demonstrates democratic and economic advances – where other partnership efforts have failed – despite very difficult social and political conditions and little external, non-governmental funding. The lessons learned during the past two years of partnership include:

- a) The administrative procedures of the municipal government are more dynamic and less bureaucratic as a result of having signed an inter-institutional agreement to implement the partnership project. All partners benefit when needed resources are available in a timely manner, and this has a positive effect on inter-institutional and local relations.
- b) Building prior consensus among partners, whatever their specialty, on actions (plan), strategies, and methodologies greatly facilitates the execution of the project, plans, and other actions. At the same time, building consensus helps the group avoid

contradictions, confusion, and disagreements that can cause partners to lose their motivation. This style of partnership work also results in improved beneficiary participation, motivation, and contribution.

c) Training and technical assistance contribute to an effective and productive participation on the part of grassroots organizations, who empower themselves through their decision making in strategic planning and annual budgeting. The need for structures that permit the population to express their demands was especially apparent in Ilave and El Collao province in 2004 due to a period of prolonged social unrest. Consensus-building during the process of strategic development planning and prioritizing use of annual municipal budgets was difficult, but it provided focus for the population's demands for specific, priority actions and a shorter-term timetable for local development. The pasture improvement program, which benefits all rural households in Ilave District, allowed for the de-politicalization of development, consensus-building, and highly visible and relatively rapid results.

d) Capacity building is more effective when it is based on necessities and capabilities of the population and their communities. This case demonstrates that the mix of practical, priority action and improved democratic practice – supported by diverse partners – is especially effective. That the partnership for agro-pastoral development is made stronger by clear and immediate actions is evident not only in this partnership, but among other partnerships in Peru.<sup>22</sup> The debate and consensus building that occurs at all levels and in all partnership actions and decision-making is a feature that enriches the partnership.

e) The partnership for agro-pastoral development has demonstrated optimal resource use and very concrete results. The consistent focus on project implementation has, however, led to a lack of attention in obtaining external resources. Not only is the demand for alfalfa and technical assistance increasing, but there are many unmet social demands in Ilave. A future lesson is to organize the search for additional resources and optimize local resources as counterpart matching funds with the same dedication and success seen in the execution of the *Pasture and Forage project*.

The partnership for Ilave agro-pastoral development is in a growth phase, and its future path is uncertain. The partnership has grown during the past two years, focusing on a priority project, but this has slowed the negotiation with and incorporation of new members. The commitment shown by the district government and the population – who continue to increase the amount and percentage of their contribution – bode very well for the future. A Strategic Plan that clearly establishes goals and objectives for local development and details proposals to accomplish them is now critical. The partnership has prioritized this action, to be completed by December of 2006.

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<sup>22</sup> For example, the MCLCP in Haquia district Abancay has strong, active partnerships in health and agriculture.

## **Annex 7: PAVA and The Municipality of San Martín Jilotepeque**

### **1. History of the Partnership**

Programa de Ayuda a los Vecinos del Altiplano (PAVA) began its work in 1983 to bring emergency relief to rural communities during the peak of the ongoing conflict in Guatemala. The Guatemalan army was targeting the indigenous (Mayan) population, most of whom were poor farmers from communities in the Western Highlands. Over 400 rural villages were destroyed, and its people were forced into refugee camps or to flee to Mexico. Municipal governments neglected the rural population during this time while other governmental and non-governmental institutions failed to reach isolated communities. PAVA helped to bring food, seed, and building materials to over 90 communities in the Western Highlands, including communities located in the municipality of San Martín Jilotepeque.

After a few years, PAVA developed a working method of considering requests from communities for specific development projects, and PAVA staff work together with community representatives to develop the project. Community members are required to contribute their labor and a modest amount of funding to the project. It is also the community's responsibility to secure technical and financial support from the municipality. This method has proven very successful as it requires communities to be organized and committed to the project, and all of PAVA's projects continue to be community-initiated. It also allows PAVA to provide longer-term solutions to the needs of the communities. Among them, PAVA focuses on the needs of rural communities for access to clean water, schools and safe passageways during the rainy seasons. For this reason, PAVA provides assistance on construction projects that directly address those needs--potable water systems, schools and bridges.

After the initial assistance to communities in San Martín Jilotepeque, PAVA also began carrying out projects at the request of communities there. One of PAVA's first major projects in San Martín was the construction of a school in the community of Estancia de la Virgen in 1992. PAVA continues to carry out projects in San Martín and since 2001 PAVA has helped various communities construct 5 schools, 2 potable water systems and 1 bridge. San Martín is one of the largest municipalities in the department of Chimaltenango with a population of over 65,000 people, 79% of whom are Mayan.

In addition to community-initiated construction projects, PAVA carries out an environmental program and three education programs. In the environmental program, PAVA works with community groups to carry out activities such as reforestation and composting, using fuel-conserving stoves, as well as helping families gain access to clean water. In 2004, PAVA established a scholarship program that provides support for children living in rural areas to pursue secondary education. In 2005, PAVA began helping teachers of the 115 schools throughout the municipality of San Martín Jilotepeque to develop more effective teaching methods. Finally, in 2006 PAVA established a library in Chimaltenango that serves students in nearby areas.

## **2. Roles and Responsibilities**

PAVA uses the same method to respond to all community-initiated projects, and the process always begins with community leaders or a community committee making a request to PAVA for assistance in carrying out a specific project. Prior to making the request, community members will have selected a proposed site for the construction. Once the community makes its request, it is also responsible for following-up with PAVA and making sure that the project is being considered. PAVA staff will then visit the community to assess the feasibility of the project and determine whether the community has made sufficient preparations for the project--such as preparing the land for construction or requesting the contribution of the municipality. Once the project site, the number of beneficiaries, the support of the municipality, and other details of the project have been determined, PAVA presents the project to their board of directors for their approval. Once the project is approved, PAVA schedules the project according to the available funding and the number of solicitations on hand.

PAVA requires counterpart contributions from both the community as well as the municipality for any given project, and it provides the rest of the funding for the project. The community typically provides all the unskilled labor and local materials for the project, as well as a modest portion of the project budget. A community committee organizes the labor of the community members, who provide their labor without compensation, such that the construction work does not take away too much from their normal work. In some cases, community members make a more significant contribution. For example, community members in Chiva Mine are providing all the food and housing for the approximately 40 volunteers that are helping with the bridge construction. It is also the responsibility of the community to secure the technical and financial support of the municipality for the project. The contributions of the municipality typically consist of all the purchased materials for the project, the cost of transporting the materials to the construction site, as well as a modest portion of the project budget. The municipality also assigns a head contractor to coordinate construction activities and supervise the work of the community members. Once the community and the municipality have agreed on the contributions they will make, they handle their funds separately and PAVA helps to ensure that the contributions are being fulfilled. PAVA supervises the purchase of materials by the municipality, helps to coordinate transportation of the materials to the construction site, and any other contribution from the municipality. Similarly, PAVA helps community members organize their labor and other contributions. In addition, PAVA technicians also instruct community members on how to preserve and properly maintain the structure once it has been constructed.

## **3. Results to Date**

PAVA is currently carrying out projects with three communities in the municipality of San Martín Jilotepeque. In the community of Retiro Las Canoas, PAVA is helping to construct a water system that will benefit 53 families. The water system will tap from a spring located in the neighboring municipality of San Jose Poaquíl, and PAVA will construct 4.5 kms of pipeline to carry the clean water to Las Canoas. A community

committee will manage water use among community members based on a distribution/ration plan prepared by PAVA.

In El Sauce, PAVA is helping to build a 4-classroom school building. Unlike many rural communities in Guatemala, El Sauce already has a school, but it is currently operating in a structure made of clay and corn stalks. The new building, which is being constructed with more suitable materials, will feature running water, latrines, handwashing stations, a kitchen, and a meeting hall. There will be 3 teachers for the estimated 75 students that will be attending the school in El Sauce. In its 20 year history, PAVA has constructed more than 50 schools.

Finally, PAVA is helping to build a bridge in Chiva Mine that will give safe access into and out of the community during the rainy season. This will allow the families of Chiva Mine to take their agricultural products (corn, beans and fruits) to sell in nearby markets. The bridge in Chiva Mine is being constructed with the help of an engineering professor from Marquette University who is helping to design the bridge as well as approximately 40 volunteers from the United States that will help construct the base of the bridge. The bridge is designed to be 30 meters long and stand 8 meters off of the ground.

#### **4. Costs and Benefits**

The total cost of the potable water system project in Las Canoas is \$19,481. The municipality is adding \$5,195 of counterpart funding to the project, including \$2,600 to purchase the right to use the water source, which is located in the neighboring municipality of San Jose Poaquil. In addition to providing their labor, the community is contributing \$3,250 for the cost of placing the pipeline on private property. The potable water system will benefit 53 families. The total cost of the school in El Sauce is \$14,935, which includes the value of bricks donated through one of the members of PAVA's board of directors. The municipality is providing \$3,896 to the project, and the community is putting in \$2,600. An estimated 75 children will be attending the school. The total cost of the bridge project in Chiva mine is \$5,195. The bridge will benefit the approximately 400 members of that community. Finally, the municipality also assigns a head contractor to each project to coordinate all construction activities and supervise the labor. The contractor is a municipal employee and is paid \$3,000 to \$4,000 per project.

#### **5. Lessons Learned**

Although the construction projects are very straightforward, especially given the fact that PAVA always follows the same construction designs for each structure, PAVA's method of considering community-initiated requests has proven very successful and sets a high standard for community involvement in development projects. By using this method and by making itself accessible, PAVA is providing rural communities with an opportunity to design their own development project and request assistance to carry it out.