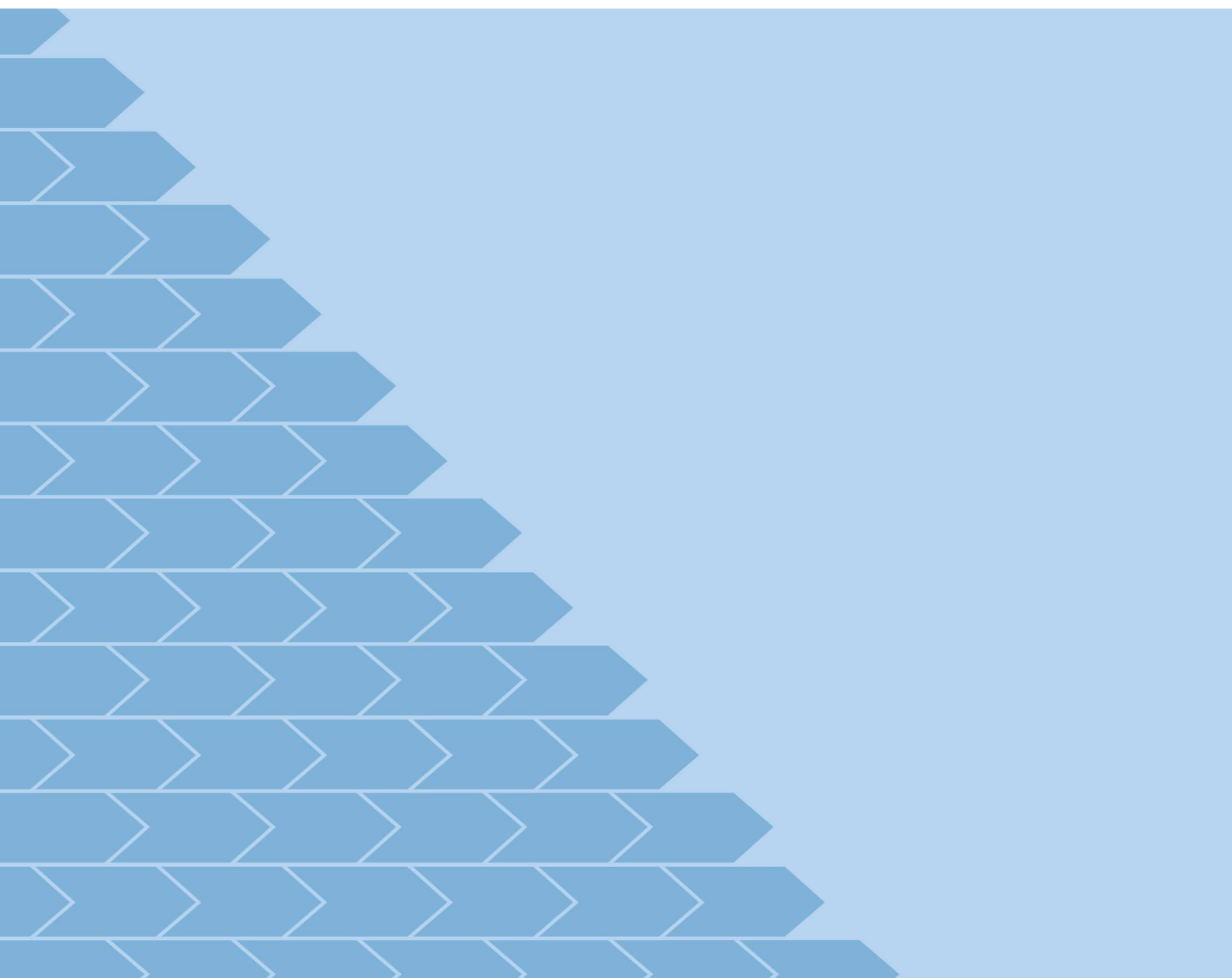




USAID | **PERU ProDescentralización**
DEL PUEBLO DE LOS ESTADOS
UNIDOS DE AMERICA

PRODECENTRALIZATION PROJECT EXTERNAL MID TERM REVIEW



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PERU PRODECENTRALIZATION PROJECT

Decentralization for more effective and accountable subnational governments

EXTERNAL MID TERM REVIEW

USAID/PERU Pro Decentralization Project Case Studies

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EXECUTIVE SUMMARY

I. INTRODUCTION

In July and August two external evaluators conducted an in-depth mid-term review of the Pro Decentralization Project. While the aim is not to evaluate the project's impact – the two years since the contract was signed are insufficient for that purpose – the analysis aims to contribute accurate perceptions regarding the relevance, effectiveness and usefulness of the project's strategic focus, its practices, methodologies and instruments. The review's findings will serve as key inputs for future programming decisions for the objectives of strengthening national public policy on decentralization and the institutional capacity of the sub-national governments in key management areas.

The methodological approach of conducting case studies of four of Pro Decentralization's key initiatives, and the subjects of those case studies, were chosen by USAID. The cases analyze the relevance, usefulness, quality and effects of the following lines of action:

- (i) Training of sub-national governments in drafting public investment projects which comply with the rules and procedures stipulated by the **National Public Investment System (SNIP)**, the aim being to improve the quality and impact of public investment in goods and services;
- (ii) Training sub-national governments (regional and municipal) in **results-based budgeting**, a government initiative geared to improving the quality and impact of public investment;
- (iii) Technical assistance in the **modernization and reform of regional governments** to make them more efficient and answerable to public demand.
- (iv) The extent to which **Pro Decentralization complements and strengthens the work of other USAID projects and strategic partners**, in areas like democracy, economic development, health, education, alternative development and public and private alliances.

The first three cases were chosen because the themes are representative of the global strategic approach of turning *policy into practice*, used in every programmatic intervention of Pro Decentralization, without exception. This project strategic approach involves:

- i. Demand-driven work, at the national and sub-national levels, basing programmatic initiatives on diagnostics which respond to the priorities expressed by and the identifiable needs of national, regional and local authorities. This approach aims to ensure the most efficient use of the project's limited resources, devoting them to the priority needs of project beneficiaries and partners.
- ii. Providing the Executive Branch and Congress with technical assistance to strengthen legislation and regulations needed to deepen the decentralization process.
- iii. In the absence of training materials or if existing ones are inadequate, the Project negotiates agreement with the competent regulator – the executive agency or entity legally responsible for oversight of a particular initiative – to pool efforts for developing, designing and validating training materials, their content and the pedagogical tools in the field.
- iv. The Project publishes the training materials and carries out training activities with the selected decentralized governments, giving priority –although not exclusively – to regional and provincial governments.
- v. The Project aims to identify improvements whose implementation and performance can be measured by the “Governance Barometer” and other monitoring and evaluation tools.

- vi. Although the Pro Decentralization contract has no specific objective or indicator related to the fourth case study (coordination and complementarity with USAID-funded projects) the underlying assumption is that:
- The institutionalization of participatory processes (planning, budget, accountability), the basic administration systems (Regional Consensus Development Plans, ROF, MOF, etc.) and institutional reform help establish a basic institutional structure at the sub-regional level (regional and municipal), in which projects and partners can carry out their interventions.
 - Training and technical assistance in key strategic initiatives (results-based budgeting, SNIP, TUPA Model, contracting and procurement, local economic development) directly or indirectly complement and benefit other projects' interventions.
 - The training materials (*Results-Based Budgeting, Transfer Guide*, etc.) can be adapted to the needs and requests of USAID projects and partners.
 - The analyses and reports (*Decentralization Balance, Rapid Field Studies, and Newsletters*) help to set the legal priorities for decentralization, to circulate information to projects and partners and raise the awareness of the authorities and officials responsible for taking decisions over the status of decentralization.

The objective of the Mid Term Review is to offer findings and recommendations through the case studies which may be used for evaluating the effectiveness, relevance and usefulness of Pro Decentralization's specific interventions and *policy to practice* approach.

2. BACKGROUND

In August 2008, USAID signed the Task Order EPP-I-03-04-0035-00 entitled "Decentralization for more Effective and Responsible Sub-national Governments", known as **USAID-PERU Pro Decentralization**. The Task Order totaled US\$9 mn for four years and its objective is to support the Peruvian government's efforts to further decentralization, in the hope that regional and municipal governments would be more accountable and better able to respond to the needs of Peruvian citizens, who in turn would acquire a greater say in the way government works.

The Project is working with the Executive and Legislative branches nationally on strengthening the legal framework of decentralization and on drafting the pedagogical content of the training courses. At the sub-national level, the objective is institutional capacity-building with regional and provincial municipal governments, lending priority to those located in the four Departments of Junín, San Martín, Ucayali and Ayacucho. The district municipalities will gradually be incorporated into the training programs from 2010 onward, with a mutually agreed schedule that also works for USAID/Peru.

The Task Order gives priority to two project objectives at each of the two levels, national and sub-national:

- National: Improved legal and policy framework.
- Sub-national: Stronger sub-national government capacities, for more effective government.

In early 2010, Pro Decentralization opened up a new field of intervention on "conflict resolution". This review does not cover this area.

3. KEY FINDINGS

The Mid-Term review has identified a series of key findings and conclusions which are important to highlight:

Findings

- The high quality of Pro Decentralization's training and technical assistance products is widely acknowledged by its national and sub-national counterparts, as revealed in the case studies. The quality of its pedagogical approach, its materials design and of its trainers is a distinctive characteristic of Pro Decentralization's work. The training and materials approaches are innovative, validated, appropriate and pedagogically consistent.
- The "Demand-driven" focus Pro Decentralization uses to define its training and technical assistance supply has made its products very relevant and responsive to the needs of its national and sub-national partners and of the decentralization process itself.
- The "Learning by Doing" approach is key in attaining the adaptability and applicability of Pro Decentralization's products and tools in a context with great regional diversity, as in Peru. The Project has taken on a key role of facilitation, "bringing down to earth" the language, practices and customs of local players. The "Learning by Doing" approach also plays a crucial role in improving the quality and good practices of the regional governments' reform and modernization processes.
- Pro Decentralization has focused strategically on providing technical assistance and training programs. Its commitment to innovative initiatives like National Public Investment (SNIP) with a Human Development and Childhood Focus and Results-Based Budgeting are aimed at altering deep-rooted attitudes and practices which resist modernization and change. Pro Decentralization's skill lies in valuing these initiatives and ability to translate its general guidelines into training modules that encourage their application and implementation. Its redefinition of *Result-based Budgeting* as *Results-based Budgeting and Management* is a clear example of their added value to the process.

Recommendations

- Pro Decentralization should try to ensure that the projects approved by the SNIP Diploma are included in sub-national governments' budgets, and must incorporate into its monitoring system the mechanisms for detecting where and when these need technical assistance.
- The Project should continue to take strategic advantage of the opportunities which arise to have greater impact and further the agenda of decentralization. This has been one of the Project's distinctive characteristics from its beginnings.
- Pro Decentralization should continue to invest in capacity-building with local players, by extending its training workshops on *Advanced Participation Methodologies (APM)*, aiming primarily at civil society organization leaders.
- Although the Pro Decentralization training program participants have clearly developed new abilities and skills, the often irrational decisions of elected authorities and the high turnover in the ranks of civil servants could negatively impact on the program as a whole. For these reasons and others mentioned in the report, Pro Decentralization should formulate and implement a strategy to commit sub-national authorities to promote change

both in these practices which weaken sub-national capacity-building, and also the more effective, efficient and transparent use of public resources.

- Given its recognized leadership, capacity and experience in drafting and presenting critiques of decentralization and in contributing to the government agenda, Pro Decentralization should build a deliberate strategy for intervening in the 2011 national elections.

4. KEY CASE STUDY FINDINGS

4.1. SNIP Diploma

- The sub-national stakeholders interviewed unanimously agree that the Pro Decentralization SNIP Diploma addressed a basic need and a priority in the decentralization process. Both authorities and officials agree that greater knowledge and understanding of SNIP requirements, regulations and processes is very important for Peru. Pro Decentralization has made a valuable contribution to improving public investment by focusing its training program on “human development and childhood”.
- The quality of the Pro Decentralization training materials and trainers has been recognized and praised. The Pro Decentralization SNIP Diploma to date is the only course that has been given official recognition by the Ministry of Finance (MEF). The MEF also marks the projects presented in the Diploma, which clearly demonstrates its good opinion of their quality. Pro Decentralization’s guides and methodologies have been adopted by other organizations, such as UNICEF and other USAID projects.
- Pro Decentralization should strengthen the technical assistance it provides for regional and municipal governments throughout the projects’ cycle: the planning, implementation, monitoring and evaluation of the public investment projects.
- There is a common agreement that Pro Decentralization should transfer the SNIP Diploma to regional and municipal governments and educational bodies faster, making sure that the quality is maintained. The Project should speed up and further local capacity-building and transfer the leadership of the SNIP Diploma to local organizations and guarantee technical assistance for regional and municipal governments when they implement the projects formulated in the SNIP.

4.2 Results-based Budgeting

- The results-based budgeting initiative involves radically different thinking in public administration. It opens up a complex but promising agenda for state reform and modernization. It is also designed to improve the quality of public investment and promote concrete improvement in the provision of public services.
- Pro Decentralization’s contribution to the results-based budgeting initiative is widely recognized and appreciated by the MEF and the sub-national authorities. The careful preparation of the basic course is reflected in the quality of the materials and trainers and impressive results.
- One contribution of Pro Decentralization has been the incorporation of the concept of ‘*Results-based Management*’ as a key component, and hence the Project should develop this approach with clear content and tools suitable for the various levels of government and types of official.

- Civil society representatives should be included in the results-based budgeting and management training. This will legitimate the reform and will be conducive to the effective articulation of the projects' phases, from the planning, budgeting, implementation to monitoring and evaluation.
- A positive indicator of the recognition of Pro Decentralization is that the MEF has printed 10,000 copies of the training material and has distributed them throughout the country through its Technical Coordination Offices.
- The challenge for Pro Decentralization is how to grow without losing the quality that is its main characteristic. To tackle this objective, it is important to reinforce the capacities of the LTTs which will apply the program in the district municipalities in the immediate future.
- Pro Decentralization should assume active leadership with the international cooperation agencies on the issue of results-based budgeting.

4.3 Reform and Modernization of Regional Governments

- The Project's technical assistance in the reform and modernization of regional governments has answered a demand which has been emerging among regional authorities since 2007.
- By incorporating technical assistance as a line of action, Pro Decentralization has helped define a key issue of decentralization. In the same way, Pro Decentralization should build a comprehensive package of institutional reform in regional governments as an open and flexible intervention model that incorporates its characteristic theory and methodology. This model should be applicable to regional and also municipal governments, both provincial and district.
- Pro Decentralization should encourage the formation of a network of regional government officials involved in technical assistance in regional government reform and modernization. The objective should be to generate and encourage discussion about experiences and to form a sector of officials who are specialized in this issue.

4.4 The Relevance of Pro Decentralization for the USAID Objectives and Strategic Projects

- Pro Decentralization plays a cross-cutting role in USAID's strategy due to the multi-sectoral impact of decentralization. For the same reason it has great strategic potential for supporting USAID projects, programs, practices and methodologies.
- Pro Decentralization has had valuable experience of coordination in a number of issues and strategic areas. The Project should monitor and systematize these experiences and incorporate this activity into its monitoring and evaluation system.
- A number of programs highlighted the high level of organization in Pro Decentralization in coordination and cooperation. Most USAID projects interviewed think highly of Pro Decentralization's role.
- Decentralization's publications and analyses are greatly appreciated and widely used by the other projects in their activities. It should also be emphasized that team members from other projects have taken part in the training courses and workshops.

- Pro Decentralization has a proactive strategy of establishing relations with other projects in terms of how it can help them reach their objectives. The Project also has a clear view of how the other projects can help it reach its own objectives.
- The evaluators have found that some USAID projects are not clear about Pro Decentralization's objectives and activities, which makes it hard for coordination to be effective. It is important that Pro Decentralization double its efforts to identify areas and opportunities for coordination and share its institutional objectives and constraints with the other projects.
- Pro Decentralization should uphold its commitment to make alliances and coordinate with government and non-government organizations, USAID and international cooperation projects, producing win-win agreements and extending the project impact beyond the priority regions. Here it should systematize the experiences of building alliances as a means of turning its achievements into practical models which USAID can replicate, on the assumption that decentralization is a cross-cutting theme which impacts on all its projects.
- Identifying additional opportunities for coordination between USAID projects through joint intervention in specific areas (as in the case of Pro Decentralization and PDA and their joint work plan) can help create synergies and provide mutual feedback and maximize the conditions for the projects and USAID in general to achieve their objectives.
- A shared approach to decentralization will strengthen Pro Decentralization and USAID's projects in the various sectors where they work, and will provide greater understanding of decentralization and more consistent intervention.

MID TERM REVIEW

I. INTRODUCTION

The Pro Decentralization Mid term Review: Why, what for and how?

The objective of the USAID-Peru Pro Decentralization project (“Decentralization Program for more effective and accountable decentralized sub-national governments”) is to foster the decentralization process by strengthening the legal and public policy framework of the decentralization reform and to increase and improve the management capacities of sub-national decentralized governments so that they can respond appropriately to public demand.

The objective of Pro Decentralization is linked to reaching or, and realizing the objectives of the most important reform (decentralization) undertaken in the transition to democracy. Pro Decentralization incorporates a series of dimensions which are challenges arising from the diagnostic of the current status of decentralization and which should be taken into account in the project’s activities. In practical terms, Pro Decentralization seeks to:

- Reinforce and recognize good government practices among the sub-national governments.
- Improve the implementation of national administration services.
- Improve sub-national governments’ efficiency.
- Increase social and economic development.
- Improve municipal tax administration.
- Strengthen Municipality Associations (clusters).
- Support Inter-regional Coordination Committees.
- Establish public – private partnerships and alliances with the private sector.

Over its four years, its ambit of intervention includes key stakeholders from the three government levels: national government, regional governments, local governments (provincial and district) and within them the key players in the decentralization process.

GOVERNMENT LEVEL	ENTITY	OBJECTIVE LEVEL
National government	Congressional Decentralization Commission	Strengthening framework of law and public policy for decentralization reform
	Decentralization Secretariat (PCM)	
	Public Administration Secretariat (PCM)	
	Ministry of Finance	
	Regulators: OSCE, Office of the Comptroller General etc.	
Regional governments	Ayacucho	Improving management capacity of sub-national governments to enable them to respond effectively to public demand
	Cajamarca	
	Junin	
	Ucayali	
	San Martin	
Local Government: provincial and district municipalities	34 PM in the target regions 325 DM gradually over the four years of the project in the target regions. In 2010 the Project is working in 140 DM.	Improving the management capacities of the sub-national governments to enable them to respond effectively to public demand

In addition, Pro Decentralization has direct relations to other key stakeholders in Decentralization, like the National Regional Government Assembly (ANGR), the Peruvian Rural Municipalities Network (REMURPE), Municipal Clusters and associations, universities and public-private alliances or coalitions.

To deal with such diverse players, Pro Decentralization has a small but highly professional team in Lima and in each region one specialized professional working with one to two local NGOs (Local Technical Teams) which provide district governments with direct and constant technical assistance.

The objective of this report or Pro Decentralization Mid Term Review is to provide an analytical critique of: a) the relevance and usefulness of the project's approaches, its methodologies and instruments; b) the effectiveness of the support provided to the sub-national governments in institutional strengthening; and c) to identify the best practices and produce recommendations for achieving objectives and sustaining results (particularly in the second phase of extension to local and district governments) over the two years remaining in the contract.

The methodology used presupposes that this is not an impact study of Pro Decentralization's activities. This would not be possible in theoretical or methodological terms since two years is neither sufficient nor an appropriate period over which to identify impact.

The approach chosen is based on four case studies. The criterion used for this choice was that this is an analysis of the intervention strategies and their relationship with Pro Decentralization core approaches: "Demand-driven" and "From policy to practice". The first three case study topics concern specific interventions on issues which are a priority for the sub-national governments:

- a) Diploma in the Formulation of Public Investment Projects, in the framework of the National Public Investment System (SNIP), with a human development and childhood focus;
- b) Training in results-based budgeting; and
- c) Support for the institutional reform and modernization of regional governments.

The fourth case concerns the way Pro Decentralization complements and strengthens other USAID projects in the areas of democracy, economic development, health, education, alternative development and public-private alliances.

With the aim of guiding the data collection and analysis, and following a number of meetings with the Pro Decentralization directors, the team produced a series of conceptual categories or variables which correspond to the Mid Term Review objective:

- a) Relevance
- b) Pertinence
- c) Quality
- d) Effects.

The definition of these conceptual categories has guided the drafting of the study guidelines, data collection, and the 'master' interview guide which was used flexibly in the interviews or "intelligent conversations" and analysis throughout the Mid Term Review¹.

This report summarizes the main findings of the Mid Term Review made by the team in August and September 2010, and which also included a review of documents, field visits and interviews with key stakeholders.

¹ See the operational definition of these categories in Annex 1.

2. THE POLITICAL CONTEXT OF THE PRO DECENTRALIZATION INTERVENTION

Decentralization has long been a secular demand of the regions, expressed in the action of a variety of regional movements since the end of the 19th Century. The Peruvian state has responded in various ways to this demand, generally trying to promote administrative deconcentration with decidedly mixed results. At times it has attempted tentative decentralization processes, also unsuccessful, which were negated by the central government. The municipal reform process of the 1980s was a milestone and democratized local governments with the election of mayors and the transfer of functions and resources to the municipalities. Decentralist demands have shaped Peru's history in the 20th Century, and the context of the transition to democracy following the fall of the authoritarian government of Fujimori opened the way for decentralist initiatives. This was the basic agreement of the political, economic and social players who contributed to the resumption of democracy in Peru in 2001.

The government of Alejandro Toledo undertook a revised decentralization process by formulating the reform's legal framework. In the next four years, the main legislation was passed and the laws were being implemented. The election of regional and local authorities was the catalyst for the process in all its dimensions. The objective was to create the conditions for the regional governments to function while they still had to be developed as institutions.

The process faced the appearance of new tensions about the content of the reform, its speed, the quality of the transfers of functions and resources and the outlook for the future. To a great extent this was conditioned by the weaknesses of the legislation and the absence of some fundamental laws, including the definition of the structure, role and regulatory function of the national government, the adaptation of national administrative and functional systems to the new situation, the structuring of the mechanisms for inter-governmental coordination and the civil service system.

By 2007, decentralization had made progress on all fronts, though not without hitches. The functions had been transferred, but not the corresponding financing; resources had been transferred and mining canon became a crucial source of resources for a large number of sub-national governments, but the fiscal decentralization was inviable and an obstacle in the consolidation of sub-national governments; citizens' participation had advanced in the establishment of legal mechanisms, but did not meet the needs of the public owing to operational problems.

The process revealed the complexity of building up the institution of regional governments, which inherited all the problems, evils and obsolescence of the administrative and bureaucratic structures. One particular challenge was for them to move from being a purely administrative body dependent on national government to becoming a government body. The national government's initial reluctance to implement the Capacity-Building Plan made it harder to strengthen the process.

The panorama became more complicated when the national government simultaneously promoted a process of modernization through adoption of new management tools. The National Public Investment System (SNIP), Results-based Budgeting, the SIAF and other tools hit the sub-national governments' precarious bureaucratic structures and weak human resources hard.

The 2006 regional and municipal elections marked the end of what could be described as a start-up or learning phase. For the newly elected authorities, the challenge was to consolidate decentralization and the strengthening of sub-national governments, making them government organs and not mere administrators of resources or projects. This meant furthering their institutional reform, modernizing, building and implementing new management and administrative instruments, improving the quality of public spending and services and more participatory and democratic decision-making. The new authorities had a different profile from their predecessors, which led to a clearer focus on institutional strengthening.

The transition was a significant challenge for the national government too. It involved concluding the legal framework and above all the adaptation of the national government institutional apparatus to decentralization, the definition of the regulatory role of the ministries and the inter-governmental coordination system. In spite of this, the new national administration after the 2006 general elections slowed down the pace of decentralization, deactivated the National Decentralization Council, replacing it with the Decentralization Secretariat, which only processed transfers, but did not address the real work of accrediting functions, a condition for the efficient transfer of responsibilities to sub-national governments. Again, despite the fact that the National Capacity-building Plan was approved (D.S. 004-2010-PCM) in January 2010, much had still to be done.

At this point, the Ministry of Finance took on a significant role in running Decentralization. What is still more serious is that the Executive Branch has still not finished drafting the Bills for the organization and function of the ministries with shared competencies, the missing piece of legislation required to complete the decentralist legal framework. It is crucial because these are the laws that define key issues such as stipulating what functions each government level must fulfill with the competencies they share, and the regulatory role of the Executive.

The new circumstances are shaped by two characteristics. One is the sub-national governments' attempts at consolidation (they have created a representative organization: the National Regional Governments' Assembly) and the other, national government's attempts to make sure that it runs and controls the process.

The Pro Decentralization project began in August 2008 and has worked in the context of a new phase which can be described as the consolidation of decentralization and the institutional consolidation of sub-national governments. The developments described have marked the direction the intervention and activities of Pro Decentralization.

3. CASE STUDY

3.1 CASE STUDY I

THE DIPLOMA IN FORMULATING PUBLIC INVESTMENT PROJECTS WITH A HUMAN DEVELOPMENT AND CHILDHOOD FOCUS: A JOINT INITIATIVE WITH THE MEF, PRO DECENTRALIZACION AND UNICEF

DESCRIPTION

In 2005, as a result of a joint initiative with the Ministry of Finance (MEF) and the PRODES Project, the program for training sub-national functionaries in the formulation of public investment project profiles was organized. Prior to that, the El Pacifico University, at the request of the MEF and PRODES, had offered a course on the issue. These activities were a part of the capacity-building of sub-national governments in the state decentralization and reform and in particular to support the introduction of the National Public Investment System (SNIP), a system for ensuring the quality of public investment and spending. After evaluating the experience and various possible strategies, the MEF and PRODES decided to develop their own proposal.

The PRODES team coordinated closely with officials from the MEF, the Public Budget Department (DGPP) and training specialists from the DGPM. To start, the PRODES technical team drafted a basic technical document and submitted it to the MEF for consultation and approval. Subsequently a consultant was hired who was a specialist in pedagogical adaptation and who used the document to draft pedagogical material and designed a module-based program for capacity-building. The design was inspired by constructivism, and begins by making the most of the participants' existing knowledge, to be enriched by the new concepts and approaches contributed by the specialists. The proposal also requires that new knowledge be validated through practical exercises, which gives participants the chance to rethink what they have learned and understand through new significant syntheses.

In the process, technical materials produced by the MEF, which are hard for those who are not experts in the subject to understand, are turned into reader-friendly guides and clear material which is useful as reference material for any public entity or official who has to work with the SNIP. They can also be used (as they are) for other training events linked to the question of public administration. The materials produced have been used for support and technical assistance to further the reforms promoted by the MEF.

The outcome is a Diploma comprised of three modules which combines the in-person classes with distance training, which was approved by the MEF in RD 004-2007-EF-68.01. The pedagogical approach adopted a "learning by doing" approach, which involves a combination of formal learning of theory and practical application in personal and group work that uses the concepts and approaches presented in the in-person sessions. Throughout, participants are accompanied by tutors and thematic specialists who help them to address doubts and coach them until they present the design of a public investment project which complies with SNIP regulations. This is a requisite for passing the course and being awarded the diploma.

UNICEF became interested in supporting the initiative in late 2006, but proposed adding an introductory section about human development and children's rights. This was because the projects which sub-national governments were then formulating were primarily for infrastructure projects. Very few addressed problems relevant to people's quality of life.

UNICEF' proposal was accepted by PRODES and the MEF. As a result, a consultant was identified and hired to formulate the proposal. The pilot was carried out in Cusco in 2007. When PRODES completed its activities in 2007, UNICEF decided to continue working with the Diploma, expanding the introductory section to a new three-day module. When Pro Decentralization began its operations in 2008, the Diploma was given further backing in a joint

initiative between the MEF, UNICEF and Pro Decentralization and took its current name: “Diploma in the Formulation of Public Investment Projects with a Human Development and Childhood Focus”.

It is important to point out that the Diploma is an inter-institutional joint activity. Here, the MEF as Pro Decentralization’ partner, has a crucial role throughout: from the design phase, to facilitation, coaching and the evaluation of the final projects. It has been a key actor in issuing certificates for the Diploma, which is much appreciated by participants; and gives the Diploma an edge over other similar training courses.

Since then the Diploma has been conducted 15 times in different areas of the country. Today, it covers the 4 intervention regions and has produced over 600 graduates. One of the strategies used to ensure its sustainability is to engage local academic institutions, preferably the universities, in its management. Agreements are signed between the project and the university authorities, including a clause of commitment to transferring the Diploma to the local partner.

A local committee selects the participants. Priority is given to sub-national government officials, not only those who work in the regional government or in the regional capital municipality, but from the most remote districts: in 2010, the Diploma was taught in Lucanas, in southern Ayacucho, something greatly appreciated by the participants who confirm that it has been decentralized. The organizers try to invite an interdisciplinary group, including economists and engineers, those who usually carry out and evaluate projects, as well as members of civil society organizations who work in related issues and/or coordinate with local government. It is felt that a diversity of experiences, backgrounds and points of view will enrich the interaction in the groups and the work they produce.

Since 2009, when Pro Decentralization started the SNIP Diploma, a total of 233 people have been trained, including professionals working in the regional and local governments, universities and local organizations. Chart 2 presents a balance of the participants by year and department.²

Chart 2: Number of participants in the Diploma on the Formulation of Public Investment Projects with a Human Development and Childhood Focus. 2009- 2010	
Department	Total
2009	
Ucayali	47
Ayacucho	32
San Martín	39
Junín	38
2010	
San Martín (District municipalities)	36
Ayacucho (District municipalities)	41
TOTAL	233

ANALYSIS

Relevance

The report will analyze whether with this initiative Pro Decentralization contributes to a key issue of decentralization and the reform of the state, and if its contribution is a good way of addressing the key issue or priority demand.

² Annexes 5, 6 and 7 present the disaggregate información including the projects presented and approved in the Diploma in 2009 and 2010.

But identifying and setting priorities on demands is not a simple matter, since demand differs depending on the specific interests of the stakeholder. It is also something which must be defined through negotiation. Hence the role of an external player with time and scale constraints, like Pro Decentralization, is to build bridges between the various stakeholders, between the demand perceived by different people, and to facilitate dialogue, negotiation and agreements. PRODES did all of this, since the Diploma was conceived, produced and implemented in the early years of decentralization, and the final evaluation of PRODES presumably stated that the Diploma responded to a priority demand that at that time was largely not being addressed.

It was also a relevant contribution, since of the various Diplomas and courses given in those years it is the only one which has received the MEF's official support to date.

When Pro Decentralization began operations, there were various offers in SNIP training then on the market, as confirmed by interviewees and an internet search. Besides a number of short courses and seminars offered by private consultants, there were also courses offered by government counterparts like MINAM, which has developed, with the help of another international cooperation agency, a Diploma in the formulation of SNIP projects with an environmental focus - and academic organizations of high repute like ESAN and the El Pacifico and the Catholic universities. The PRODES Diploma was taken over by UNICEF and complemented with the introductory module on human development and childhood, in a process shared by both organizations.

"I heard that PRODES had this Diploma with the MEF and I asked to have a meeting to see if they would be interested in extending it to include the human development focus: they were very open, we agreed to adapt materials together from the first meeting ..." (UNICEF official).

The question then is whether it was relevant for Pro Decentralization to resume its role implementing the Diploma directly.

The MEF officials, who are the principal policy makers for developing the new capacities of the sub-national governments, had differing answers. Some stressed the relevance of this initiative: "There are various Diplomas nowadays, but there used to be none, Pro Decentralization developed the model, tried it out, and rectified it, all with us. Its contribution is undeniable ... while it's true that today there are many options, most are of doubtful quality. The Pro Decentralization Diploma is guaranteed ..." (MEF Multiannual Programming official).

"They were intelligent: for the second stage they chose four regions... decentralization is a continuous and irrevocable process which requires capacity-building. Pro Decentralization in general has certainly listened and tried to understand the demands ..." (DGPP official).

Others recognize the Diploma's contribution in the first stage and would have liked to see Pro Decentralization more proactive in taking up the challenge of addressing new demands, contributing to the production of supply in areas still inadequately attended: "Their objectives are no longer close to us, they coordinate, but not as much, even though the people are the same ..." (DGPP official, MEF).

"I don't know how they have identified the demand now, they didn't ask us. What are the (sub-national governments) going to need ...? (MEF official, DGPP).

These differing opinions can be explained because even within the MEF the interests and views of the role or contribution of international cooperation to the decentralization and the modernization of the state are not the same: some areas are closer to the sub-national governments and hence feel that strengthening them is a higher priority.

Among sub-national governments' authorities and officials the demand to understand the SNIP better and to learn how to formulate projects which comply with its requirements and standards is still considered one of their more important issues³.

“The SNIP Diploma has been a great help, above all for the provincial governments, and having it decentralized was a great idea ... as we are in the middle of a process of decentralization and modernization, training has to be constant, not sporadic, there's a lot to do still, so the Pro Decentralization Diploma should continue ...”(Ayacucho regional government adviser).

Some sub-national governments are even beginning to take the initiative of promoting this type of educational supply themselves: “We would have liked to hold the Diploma with them (Pro Decentralization), now we have an agreement with Villarreal University for building our staff capacities, there is a Master's in Public Administration, it's very good, it's a popular course, civil society and the district municipalities do this too, its entirely subsidized by this provincial government ... the provincial governments have more resources, I think Pro Decentralization should concentrate on helping district governments ...” (Huamanga Provincial Municipality official).

The main perception among the local players is that their regions now have the capacity to take over running the Diploma: “...we have got three scholarships this year, in other years six teachers went, now we have at least ten trained, we could do it... the problem is the rector's office: they don't let us change the course, the methodology, eighty percent practice, we try to apply it, I did in my course, but it isn't easy, we have up to eighty students per class, sometimes more ... the problem is the authorities, they are very conservative, passive ... (Professor at UNSCH University, Dean of the Faculty of Economic and Accounting Sciences).

Civil society organizations, LTT professionals and Diploma graduates interviewed were of the same opinion.

“I'd give the Diploma a good mark, it addresses a real demand in the region, it is a contribution even if it's only a fraction of what is needed ... I do feel that the Diploma should be offered by the local universities, the Ucayali University, in its post-graduate courses, there are a lot of evaluators here who could replicate it. The Regional Government could also have a role, providing teachers, subsidizing, because we are very weak in formulating projects in the districts ... decentralization is long-term, it is the local governments that need more help, the most remote ones above all, that's where there's most need: they are poorer and have fewer opportunities ... ” (Diploma graduate, Ucayali Regional Government official).

Pertinence

The direct beneficiaries, sub-national authorities, officials, graduates and local stakeholders were asked about the pertinence of the supply, the perceived usefulness of the Diploma. The answers were unanimously favorable.

The incorporation of the human development and childhood focus is considered a key point: “In the municipality we have a lot of infrastructure projects, but few that address children and adolescents ... we have lower than acceptable levels of nutrition, unwanted pregnancies: the Diploma is socializing this focus, more projects should be held for attacking those indicators ... (Provincial municipality official, Ucayali)

³ There are also officials, although few, who still do not understand the role of international cooperation in a middle-income country like Peru and still think that they should work like a source of additional resources: “...what we most need is for the cooperation agencies to help us economically: we don't need their technical help here, there are a lot of organizations that provide that now, but we could do with their financial support ...” (Ayacucho Regional Government official).

“In its early years the Diploma gave training in formulating traditional projects, which produces infrastructure projects; it is not easy to calculate cost-benefits for social projects, no... the zero (introductory) module is a great help, it is about human development, about people, it is even changing the MEF’s mentality, even though at a snail’s pace ...” (University professor, Ayacucho).

Sub-national government officials, local academics and MEF officials agree that taking the Diploma to areas further afield and facilitating access to more local government levels, where the officials have fewer educational opportunities than in the regional capitals, is another first for Pro Decentralization: “Pro Decentralization puts it into a format which is useful for small local governments officials, and the incorporation of the human development focus gives them 90 out of 100...” (Multiannual Programming Department, MEF).

“I was working in the Purus municipality, Pro Decentralization invited the municipalities to the Diploma and the mayor sent me: it was a turning-point in my career, my training in formulating projects was very basic ... now I am working in the regional government, I’ve taught several courses here, about SNIP projects, in the regional government and also for the education sector ... “(OPI official, regional government, Ucayali).

The subsidized cost is also recognized as a pertinent contribution: “... I paid, but just a token amount. A Diploma like that in Colombia costs about US\$6,000, no one here could pay that, none of us officials could ... there are a lot of courses, it’s true, but they’re not all the same, and the demand is still not covered ...” (Planning Department Subsection official, regional government, Ucayali).

The evaluators wanted to know how relevant the Diploma was now, how pertinent it was to continue it, and asked: Should Pro Decentralization continue to offer the Diploma as part of its activities in the remainder of the period?

“We have a lot of people trained but not enough yet, there are new challenges: we have good investment projects now, but things collapse in the implementation stage, we don’t get results: implementation capacities need to be improved”... (Multiannual Programming Division, MEF).

“No one in Manantay is trained in SNIP ...” (district municipality official, Ucayali).

There is a general perception that the regions still have a great need to develop their capacities regarding the SNIP requirements and the new public administration systems being implemented at central level. People feel that they are always being asked to do something new by central level and that this requires skills, abilities and a grasp of matters that the local professionals have to develop, but for which there is not necessarily a supply or if there is, it is not accessible or of good quality. PRODES’ initiatives are greatly appreciated, the Diploma in particular. This is not a chance result, not the product of a considerable unmet need which would welcome any supply, but rather of the care put into its preparation.

Quality

A number of elements combine to determine the quality of education supply. The evaluators examined the three they considered most important:

- **The pedagogical approach**

With regard to the pedagogical focus, the interviewees all had a positive opinion: “The methodology is good, it doesn’t need improvement, it has been disseminated and is being replicated, PRISMA, Mincetur, MINAM, all those diplomas are based on Pro Decentralization’s methodology.” (Multiannual Programming Division official, MEF).

“The methodology was novel, in-person and distance, in stages ... it covers the whole process, from identifying the problem ... and there’s nothing left behind in the theory, it is all used in the practical exercises ...” (OPI Director, regional government, Ucayali).

- **Pedagogical materials**

The materials produced by Pro Decentralization for the Diploma include trainers’ and facilitators’ manuals, students’ manuals and reading to support each theme and two basic supplementary texts, produced in 2005⁴. The content was drafted jointly by MEF and Pro Decentralization officials, with the support of external experts. Specialist consultants in pedagogical adaptation and designers with experience in producing pedagogical material were also involved.

The evaluators have reviewed the material and agree with the interviewees about its key characteristics that make it valuable and useful beyond the Diploma itself: “The materials are excellent: you can read and study by yourself, its helpful when you have to do the assignments, I don’t even know where mine are now because some of my colleagues here have borrowed them ... some have taken photocopies, others show up and see the material here in my folder and ask to borrow it ...” (regional government official, Ayacucho).

- **Teachers**

This is the third element that has provided the Pro Decentralization Diploma with the high quality recognized by the interviewees. Central government officials have on many occasions been the Diploma teachers and tutors: “...the trainers are the best, a number of us here have started giving the course, in 2006 we did five more pilots, I taught the first module in the five zones and we hired an external consultant for the second one, we looked only for the best ...” (DGPP official, MEF).

It could be argued that they are biased, but others ratify the care taken in ensuring that the training staff are the best: “One pending challenge is the teachers, most are from central level, they’re very good, like the facilitators ... we wanted to reinforce the capacities of the local universities, that’s why we involved them, but we haven’t found good facilitators or teachers there. One university professor thought he was better than the participants, we noticed and decided “that’s as far as it goes ...” (international cooperation official).

The regional and local government officials who have studied for the Diploma have the same opinion: “José Pisconte was my teacher on the Diploma, he trained in the *Escuela Mayor*...he came with Cesar Delgado, they’re both very good ...” (sub-national government official, Diploma graduate, Ayacucho)

“The teachers? Excellent, they were really practical ...” (OPI Director, Regional Government, Ucayali).

In sum, as so many local authorities and officials from a variety of entities said: “Of all the entities which have contributed to the education process, the Pro Decentralization Diploma is the one which has had more staff, greater continuity, better quality ... and more efficiency, because it works with the system. Pro Decentralization really does give you instruments ...” (Provincial Mayor, Coronel Portillo).

“The materials are well done, the pedagogical approach - an excellent combination: first-class trainers, the facilitators play a fundamental role for getting the best of the participants, and the tutors – many are from the MEF, they teach precisely the SNIP’s more technical aspects, and the

⁴ MEF-PRODES, 2005, National Public Investment System Regulations, Manual N.1.
MEF-PRODES, 2005, Identification, Formulation and Social Evaluation of Public Investment Projects Profiles, Manual N.2

participants, who work in the local governments, in universities in the region, are so motivated ...” (international cooperation official).

Quality has been the key factor in the amount the Diploma students have learned. To evaluate what they have learned, there are the marks the trainers give them at the end of each module, and with the final projects the groups present to graduate and get their Diploma, awarded by a jury composed of representatives of the MEF, Pro Decentralization and the university or regional institution hosting the Diploma. Some interviewees said that they were given entrance tests to see how much the participants already knew.

There are also the participants’ own testimonies, which mention how useful the course was. The evaluators asked all the interviewees, and all answered that they had learned a lot and it was very valuable information. Some mentioned how it enriched them personally: “I understood what a training project is, it raises awareness, and how important this kind of project is to reduce maternal mortality, child malnutrition, how important prevention is and the need for multisector intervention. What we were taught about the SNIP regulations and procedures was also useful ... several of us here in this municipality have had training, the Diploma has been really fruitful ...” (OPI Director, Coronel Portillo provincial municipality).

Others mentioned where they and their colleagues are working: “A lot of the people I studied with are now working in the SNIP, which is what we were trained for, I’m in the OPI, Jaime Lira is the project formulator, José Romero is in the Curimaná municipality; and there’s Freddy, who used to work in a municipality, he’s now a trainer for the Diploma... a lot of us professionals have benefited ...” (OPI Director; Ucayali Regional Government)

Effects:

While there is no doubt that the Diploma graduates have developed new capacities and skills for formulating public investment projects in accordance with the SNIP regulations and with a human development focus, it is still difficult to discover the effects of the initiative in terms of sub-national government capacity-building, not least with regard to the final expected outcome: the more effective and efficient of decentralized public resources. This is due to a number of factors.

It is not long since the first students graduated from the Diplomas. In some regions the first Diploma has only just finished. The number of graduates on the other hand, seems high in total, but looking at the way they are distributed across the regions it is clear that it is far from possible to affirm there is a critical mass.

“It’s the nature of the theme, it’s so complex! Five star professionals are not enough for a single region” (international cooperation official).

There are other factors which are external to the project but must be considered. Today the professionals who benefit from the Diploma move from place to place fairly often and it is not known how many are still working in the focalized regions. The graduates who stay in the region are not necessarily working for the sub-national governments, or not as permanent officials: many are working as private consultants, so the institution cannot make the most of the new capacities and focuses the Diploma would have given them.

This labor mobility is first a response to the legitimate aspiration for a better income and labor conditions: “... a lot leave, of the six who took part in the Diploma here, three have already gone and a fourth is about to go ... the Diploma has benefited the people more than the institutions.” (Coronel Portillo Provincial Municipality official).

It is also the result of a mistaken practice of many government departments of making constant changes in their professional staff for political reasons or others which have little to do with people’s capacities and experience. Mayors and regional presidents can change their technical staff

at their discretion, which undermines capacity-building within sub-national governments. “Why train officials in the SNIP if a new incoming government will not take advantage of it? The trained staff goes to the private sector ... and while they continue to work on projects as consultants, the state institutions are weakened ...” (OPI Director, Ucayali regional government).

The problem is a cause for concern in Pro Decentralization and the MEF regarding the impact of the training activities. The 2009 - 2010 *Decentralization Compass* has mentioned this and suggested that a priority should be the regulation of a public sector human resources system via a civil service or public sector career law which should help reduce this risk.

Finally, the evaluators addressed the question of the conditions necessary for the Diploma studies to be put into practice and used to the fullest extent possible in the sub-national governments. Again, the main enemy is the fact that many local and regional governments approve and disburse the budget at their discretion. Even projects given priority by the Participatory Budget and approved by the SNIP are arbitrarily postponed by decision-makers: “The mayor only looks at the money side. He says “get rid of that” if I give him a project for young people, with capacity-building. “I want investment projects for construction”, he knows nothing about the Budget Law, he asks us to annul projects already agreed, he says “don’t put in drainage in that shanty town” because there’s opposition there ... (District Municipality official, Ucayali).

“Our final project was approved but I don’t know if it was implemented in the end. We did it for the Irazola municipality, a virtual library to help school children enter the modern world ... investment projects are approved more because of political pressure, despite their deficiencies ... (OPI director; Ucayali regional government).

The Project has made efforts to invite and engage mayors and their closer advisers. “Before starting the Diploma we invite all the authorities who had been sending their staff to come to a meeting, to raise their awareness and get their political will, but we did not do that enough, recently, we have not been doing that ...” (international cooperation official).

However, as the officials interviewed said repeatedly, the key messages do not seem to be reaching the local authorities: “The mayors still don’t get it: they used to do whatever they wanted, but it’s not like that any longer, every government has its own competencies and the type of projects it can do, but they don’t know, they don’t accept that, and worse still, they get the projects done through external consultants who make bad estimates, and the projects cost more ... now with the Diploma, and with more and more people understanding the SNIP, the mayors are not going to get away with it so easily ...” (Provincial municipality official, Diploma graduate, Ayacucho).

Despite these constraints, some statements suggest that there may be an impact beyond that on the direct beneficiaries: “One of my colleagues in Cusco asked about and found several public investment projects in nutrition and maternal health which have been approved and are actually being implemented, which is something I didn’t find when I asked about it in 2006; this is a giant step, a change in the way local government works, although it’s only just beginning and you still can’t see its effects ...” (international cooperation official).

There will also be spin-offs in other areas: “The local authorities are talking about a human development focus now, they are digesting the concept. MIMDES is now talking about this focus, so does the MEF: in October of 2007 there was a workshop to transfer capacities to former students, because PRODES was closing, Eloy Durán (MEF official) didn’t have those ideas then, he wasn’t convinced, he’s a different man now, first of all because he supports the initiative ... if he left the (MEF) it would be a reversal but at the moment he is having a great influence on those around him ...” (international cooperation official).

CONCLUSIONS

I. Substantial Appreciation

Unlike the situation several years ago when the PRODES project began the SNIP training program, today there are numerous similar educational courses, albeit of varying quality: some are more specialized in certain types of project like the MINAM Diploma which also has the support and backing of the MEF; others have a broader focus like the Master's degrees in Public Administration and suchlike, and many of them have decentralized and distance programs. Institutional capacities are stronger in the regional capitals where Pro Decentralization works and in several the feeling is that they should now take the Diploma over.

Nevertheless, the Pro Decentralization and MEF Diploma is still relevant for several reasons. These are the most important:

- Unlike the isolated workshops and courses, it offers a systematic training program sustained over time, conducive to significant learning and proficiency with new skills;
- The constructivist focus and the “learning by doing” methodology ensure that it is relevant in different socio-cultural contexts.
- Its academic certificate makes it more attractive and valuable in the view of local professionals and encourages them to complete the course.
- It brings educational opportunities closer to the more remote provinces and districts, where there are still no adequate and quality opportunities to meet the need for improving capacities for the decentralized resources administration recourses.

However Pro Decentralization's main concern in the coming stage should not be only to concentrate on implementing the Diploma course but on creating the conditions for its transfer. To ensure the quality attained, it is paramount to work more closely with the MEF, with the training area, to establish the standards and criteria for the Diploma certificate; in the regions, more resources must be invested in strengthening the best graduates to take over the roles of trainers and facilitators. In parallel, Pro Decentralization should take on the crucial challenges: strengthening technical assistance to ensure that the SNIP projects approved in the Diploma are in effect included in the budget approved by the sub-national governments and provide them with coaching and technical assistance throughout implementation, in order to identify the capacities that need strengthening and the procedures that need improving. And most important, it must develop and implement a strategy to have greater influence over sub-national authorities and push through a change in the practices which undermine capacity-building in administration and the more effective, efficient and transparent use of recourses. Now is the time: the new authorities will take office in January 2011. The transfer and taking office is a key time to begin exercising the influence and prepare the ground for a fruitful collaboration in this field over the next few years.

2. Coherent with the focus: “From Policy to Practice”

Pro Decentralization defines its role in these terms: “Our intervention is to promote already existing regulations at national level, and help them to be implemented by sub-national governments” (interview with Pro Decentralization directors, August 24, 2010).

The initiative for designing and implementing a decentralized Diploma for Formulating Public Investment Projects clearly responds to this principle. The SNIP, which the MEF decided to implement as a way to encourage more efficient and transparent public fund management, was considered a bottleneck to investment, causing deep dissatisfaction among sub-national governments, in particular at provincial and district level, which were disappointed to see that projects approved as priorities in their participatory projects had not been authorized by the MEF as they did not have the required technical level.

The incorporation of an initial module on the human development focus was particularly timely and relevant: much of the frustration of the sub-national governments arises from the difficulties involved in getting social projects through the SNIP, since their costs and benefits are much more complicated to calculate than those of infrastructure projects for example. Hence the enthusiastic reception. Similarly, this focus is very relevant in the framework of another fundamental reform: the change in the traditional approach of sector administration organized in compartmentalized budget lines, to one in which the starting-point is an analysis of the problems and priority is given to implementing strategies of proven effectiveness where the focus is the desired results and the strategies to be implemented are based on evidence; and characterized by multisector intervention.

3. Coherence with the demand-driven approach

Whose demand? How can this be determined? The demand-driven work focus is complex, and requires serious diagnostics able to foresee the fundamental trends the demand will have in the medium and long term, to advance with preparations and be ready when this happens, and at the same time be ready to listen to the main stakeholders and understand them fast, those in power and those who have direct responsibility rather than power, what they feel and feel they need, to know how to negotiate with them to build a reasonable demand together, and give them the support or service at the right time.

The Diploma is a text book case where the various dimensions have worked together successfully to articulate a quality supply that takes the medium and long term into account, and the perceived needs of the various stakeholders, in their institutional, individual and personal dimensions. Even though it covers a medium and long term requirement, the demand is changing as does the supply it competes with, which leads to a new challenge for Pro Decentralization: it is not easy to relinquish a successful product, but there is no point in not doing so if it can pass on the baton to others and there is still a lot of ground to cover. Leaving a firm footprint, a record and systematized experience, offering support only in key aspects that really need it, and taking on the issues which are becoming bottlenecks to open the way and thereby invite others to take the same path: this is what the demand focus requires of Pro Decentralization today.

RECOMMENDATIONS

1. Create the conditions for the transfer of the Diploma while guaranteeing quality: with the MEF establishing the standards and criteria for the Diploma certificate; in the regions, invest in strengthening graduates so that they may take on the role of trainers and facilitators.
2. Give priority to the participation in the Diploma of district municipality officials from the more remote areas.
3. Ensure the awareness and engagement of the authorities with events especially designed to make sure they send professional staff to study the Diploma and that they reach positions of responsibility corresponding to their level of training.
4. Organize the Profiles Bank / Public Investment Projects with a Human Development Focus, using approved projects.
5. Strengthen technical assistance to ensure that the projects approved in the Diploma are included in the regional and /or municipal budgets and provide technical assistance during implementation.
6. Design a strategy to influence the new sub-national authorities elected in October, 2010 to promote a change in those practices which undermine the sustainability of administrative capacity building.
7. Link up the officials on the Diploma and its graduates with other Pro Decentralization capacity-building initiatives and technical advice.

3.2 CASE STUDY 2

RESULTS-BASED BUDGETING: WORKSHOPS AND MATERIALS PRODUCED BY PRO DECENTRALIZACIÓN TO SUPPORT THE MEF

DESCRIPTION

Unlike the Diploma in the Formulation of Public Investment Projects that Pro Decentralization has been promoting for several years and which have reached a notable degree of maturity, the Results-based Budgeting (RBB) workshops are a more recent initiative.

Pro Decentralization began to work more on RBB from the end of 2008 as part of the agreement with the MEF. It is directly linked to a key reform measure: the quest for a substantial change in the way government departments think and act which should focus on achieving significant results in the improvement of the quality of life of the population and a reduction in poverty levels (infant malnutrition, maternal and child mortality etc.). This reform, announced by the government from the start of its term in office, is being steadily developed.

After a number of RBB pilots in sectors like health and education, the MEF began to promote RBB with decentralized governments, beginning with the regional governments. They were informed that they should begin to make the change toward RBB, as they decide their 2008 budget priorities. RBB would then become compulsory for all levels and institutions of government from 2011.

In support of this reform, the MEF has produced information materials and manuals and has held induction workshops with officials in the sectors in Lima and with regional governments. The MEF acknowledges its lesser experience and limited resources for reaching the almost two thousand district governments, and approached Pro Decentralization - with which it has had a number of satisfactory experiences in collaboration and which has long experience in the participatory budget - to ask for its support in drafting and publishing a reader-friendly, clearly understandable Guide on strategic programs and results-based budgeting. The Guide requested will be used to give information mainly for local government and organized civil society. Aware of the importance of the RBBB initiative for state reform and modernization, Pro Decentralization suggested that it could not only produce the simple leaflet for broad circulation the MEF had requested, but also design and hold workshops for giving information and raising awareness about this new way of understanding and administering public policy for the authorities and officials of the provincial and district governments.

Pro Decentralization is bringing in a twist in the treatment of the issue by broadening the focus to include result-based management: it is important not only that the budget be designed and disbursed with a view to the end results i.e. the desired fundamental change in the quality of life of the population, but also that the whole administration should be thought out and redirected in the light of this new approach. A substantial change which will undoubtedly take several years, but which in theory has undoubted advantages.

Immediately after the first conversations, the two proceeded to develop and implement the initiative with the same relationship as had been established and tried in other joint initiatives: the Pro Decentralization technical team drafts the material content, the content is checked with the MEF officials directly in charge, who suggest any changes. When the content is fully satisfactory for both parties, Pro Decentralization hires a consultant specialized in producing pedagogical materials who translates the content into an easily understood explanatory manual for a wide public. This is once more put before the MEF for approval, passed to a designer who presents it as a handy and reader-friendly leaflet for wide circulation. At the same time, the pedagogical specialist and consultants work on designing the workshop or event in which the participants will have the chance to see and discuss the proposal that has to be implemented, its underlying rationale, the

changes it involves in their customary ways of working and how to start using this approach in their departments.

The workshop Pro Decentralization designed lasts two days and is for district and provincial municipality officials and civil society leaders who are involved in participatory planning. These are people who in the main have a lot of experience and commitment to the common good but many have had few opportunities for formal education and as a result do not have a grasp of specialized technical language.

After the first validation workshop held in October 2009 in Junin and after including the adjustments it entailed, Pro Decentralization offered to give a workshop in each region, announcing it through the regional governments. The Project invited a significant group of regional and provincial officials to the first workshops, and also municipal authorities and one or two key officials in the district governments in the areas close to the regional capital. These first workshops were given by members of the Pro Decentralization central technical team, and in some cases with the support of the regional analysts and advisers and the LTT professionals, who acted as facilitators.

The RBBB workshops are given on request, and Pro Decentralization covers materials and facilitators, and only when it receives an express request from the interested party. For the district municipalities in particular the subject was more novel and inspired great interest. As result, similar workshops have been avidly requested by this level, which receives less state or private support in training, although they are probably the level that most needs support in capacity-building and in bringing in changes in their procedures and management approaches.

The LTT have multiplied in recent months to cope with the requests, since their contract with Pro Decentralization – and understood in the project design – that district governments will be mainly their responsibility.

From the first RBBB workshops in 2009 to the first six months of this year twenty-four workshops have been held, in the department capitals, in the provinces and districts in the Project's ambit, and also in Cajamarca. The district workshops were held by the LTTs, to 933 people, including authorities and officials from regional and local governments, officials from other public departments, and civil society representatives: indigenous and peasant communities, leaders, women's community organizations, NGOs, universities, international cooperation agencies etc.⁵

ANALYSIS

Relevance

The key question is if the Pro Decentralization initiative addresses a crucial issue in the context of decentralization and state reform, and if what it offers is an adequate way to manage the key issue or priority demand.

The results-based budgeting approach is new not only for sub-national but also for central government. The other Ministries and the MEF had and still have an unknown number of officials who do not understand the proposed change and many who are against it.

RBBB is a radically different way of conceiving of and tackling public administration. It brings a complex and promising agenda in the framework of state reform and modernization, transcending any stakeholder or sector which promotes it and hence any support it receives, more so still in this initial stage of legitimation and pilot proposals is relevant.

⁵ Annex 4 presents two charts with the information about the workshops and the number and type of participants 2009 and 2010.

Pro Decentralization has solid experience, anchored in its long-standing links with and active intervention in support of the participatory budget, which makes it a privileged partner in this issue.

“We are facing tremendous demand: the local governments used not to be a priority but they are now ... we have already worked with Pro Decentralization, we know that it is able to reach those government levels, more remote places, which get less support ...” (Official, DGPP, MEF).

“It is a challenge, you need induction, visits and conversations to generate demand ... on the other hand, existing supply is small and very sophisticated, they haven’t read the demand well, Pro Decentralization is very good there.” (Official from DGPM, MEF).

“The MCLCP is the driving force, they persuaded the MEF to get involved, but it cannot cope with the demand, it is too great; this requires a lot of coordination, resources, able professionals and above all, experience” (international cooperation official).

Pertinence

Results-based budgeting is a reform which was implemented by the MEF with the objective of improving the quality of public spending and which, applied gradually, will be compulsory for all levels of government and public bodies. The challenge of dissemination and training for this reform is clearly unequally balanced: the MEF does not have enough recourses or plans to take training and technical assistance to local governments, less still to the remote rural areas, while Pro Decentralization has demonstrated its institutional capacity to respond to this type of demand comfortably, even in diverse and complex linguistic and cultural contexts, and it has experienced local technical teams which are well-trained in decentralized administration. It was then that the MEF and Pro Decentralization agreed on activities on the subject. The response was immediate and they began to produce pedagogical materials and design the methodology of the in-person workshops.

From this point of view, Pro Decentralization’ intervention is timely, especially for the district municipalities, since they will be a step ahead, and before the reform becomes compulsory, they will be being prepared – with information and by raising awareness – taking advantage of the workshops with the provincial municipalities, to get the districts interested and committed.

The proven capacity of Pro Decentralization also raises expectations in other government sectors: “...we need Pro Decentralization to come and explain in a very simple way - since they know - what decentralization is, what results-based budgeting is, in Amuesha, in Campa...” (Provincial Municipality Mayor, Ucayali).

Local government officials appreciate Pro Decentralization’s contribution because it is they who are under more pressure when they try to comply with central government requisites: “We have to do some things every year, by law, but the board has different people, sometimes we get the information late, we don’t know how to proceed...” (Provincial Municipality official, Ayacucho).

“It was fundamental for us, the rules change every year, the training we have been given is key, that’s why we always ask for more places in the workshop ... they give you practical examples, with the strategic programs, we apply it here ... there are 30,000 laws we have to handle in the municipalities and the staff have to be up to date ...” (Ayacucho district municipality department manager).

The MEF officials are aware of this and appreciate it:

“Few organizations have the management-based focus, the Pro Decentralization guide does, it aims to help people understand the approach: it shows the chain, the complete process, from the identification to the results, the evaluation as well ... this is Pro Decentralization’s contribution, we talk about strategic programs, we have had to talk about just the results-based participatory budget, they see beyond the budget” (Official DGPP, MEF).

Sub-national government officials also recognize the contribution of the discussion about results-based management. “I was in the RBBB workshop; the budget people were there too: it’s useful, they are using it now, and they use it to advise the district municipalities when they come to ask for something ... and with this results-based management approach, better still, it’s a wider view, it’s more comprehensive ...” (Provincial municipal official, Coronel Portillo).

The informed and responsible participation of the LTTs in this initiative also reinforces the pertinence of the RBBB workshops.

Quality

The quality of the work in this case depends a lot on the capacities of the LTTs, since they are in charge of the district level workshops. Pro Decentralization’s strategy has been to build up the capacities of the LTT teams in the key issues they are promoting and their proficiency in the methodologies of intervention and teaching and learning. In February 2010, all the LTTs, regional advisers, the technical team and directors met together in Lima. Over a long weekend, they reviewed and reinforced all the key issues identified as relevant demands and are promoting with the local and regional governments, such as updating the TUPA, accountability, improving tax levying and results-based budgeting/management. In August 2010, another workshop was held and the local teams also took part. It was led by international experts and aimed to reinforce the participatory methodologies and techniques and the constructivist approach.

This way of working, this careful preparation of the basic conditions before beginning a new campaign explains the quality of the supply and the good results achieved. “The RPB workshop took two days, the speakers were really good, the facilitators, the materials, I liked all of it.” (Provincial municipality official, Ucayali).

- **Methodology**

It is not easy to design a workshop easily adaptable to the variety of participants with very varied levels of understanding of the subject and reading and writing skills. In this case, the workshop designed by Pro Decentralization has been very flexible, which is key to quality.

“I’ve attended various workshops here, the MEF one which was held at the regional government, the workshop at the *Mesa* was more of a presentation, they just use PowerPoint ...” (Regional Adviser to President, Ayacucho).

This kind of achievement is again not chance. It is the result of serious and systematic preparation.

- **The materials produced.**

The evaluators were thorough in discovering the opinions about the quality of the leaflet “Having a Look at the Results-based Budget”, which is handed out to the participants in the RBB workshops and in other ambits and events linked to decentralized management. There was a unanimously favorable opinion.

“It is very basic but we like it a lot, because it is simple and gives you a good idea of what it is all about ...” (DGPP official, MEF).

“The material is very clear, it uses language very like that of the municipalities’ staff about an issue which has been hard even for MEF officials ... I gave the material and the methodology to EUROSPAN for them to use in a workshop they had to train facilitators from NGOs and provincial municipalities ...” (DGPP official, MEF).

An indicator of the relevance and quality of the leaflet produced by Pro Decentralization is the use the MEF is making of it: recently it reproduced 10,000 extra copies and has distributed them its Technical Coordination Offices (CAT) in the regional governments, for use locally.

- **The facilitators/trainers**

The team of facilitator/trainers at the workshops for the officials and authorities of the regional and provincial governments was composed of one external consultant with a high level of specialization in the issue and a member of Pro Decentralization's technical team. The opinion of the interviewees is markedly favorable: they recognize the technical proficiency of these specialists but also their pedagogical capacity and methodological dexterity.

"...We present a proposal for participants to learn the new instructions for results-based budgeting and Pro Decentralization helped us with two events; it was with Mosclis and José (members of the Pro Decentralization team), it was for officials from the provincial municipality and the districts' technical teams ... the process doesn't use one single methodology, Mosclis told us they had taken the example of Huamanga to formulate the guide they are using now ...it was a good contribution, it still helps us now ..." (Provincial municipality official, Ayacucho).

The evaluators also asked the opinion of two officials who had participated in the regional workshop organized by the MEF and the Pro Decentralization workshop:

"The MEF is slowly getting started, they bring in consultants from somewhere else and they do not know what things are like here ... the workshop was good but people didn't learn much; first because of lack of time, and then because the officials who took part weren't of that level ..." (adviser to regional president, Ayacucho).

The officials at the provincial municipalities also appreciate the fact that because of the RBB workshop, a member of the Pro Decentralization team was at their main office for a few days. This gave them the chance to get ahead with arrangements and make a direct request for more support and share concerns. It is not that they cannot do that with the regional analyst, whom they see often in his own offices, but they recognize that the adviser to the Area for Strengthening Sub-national Governments in Lima has greater power in decision-taking and more proficiency in the subject matter.

In the workshops for district officials the main facilitators/trainers are the professionals working in the LTT. The officials interviewed are equally appreciative of these professionals' proficiency with the subject and the methodology:

"We had that workshop in June. Ángel (LTT coordinator) was the facilitator, civil society leaders and the whole municipal technical team came; Ángel is very good, he keeps going, he handles the class well, gets straight to the point ..." (Municipal Manager, District Municipality, Ayacucho).

Pro Decentralization's intervention in RBB is not a capacity-building program. It rather orientation and awareness raising workshops which prepare the way for the more intense process of change which seem likely to take place in the local governments in the first few months of 2011.

In view of this, several officials interviewed said they had learned enough: "I understood what it is about, the chain, the evaluation of the problems in situ and for acting differently, not in the office but out with the population, that all public investment is focused on people's well-being ..." (Official in the Planning Department, Regional Government, Ucayali).

"It's been really useful, if it weren't for this the people would be protesting, we wouldn't have had 33 percent of this year's budget geared to results ..." (Municipal Manager, District Municipality, Ayacucho).

It is worth mentioning here that these workshops are part of a comprehensive proposal for coaching and systematic support for local governments. It helps to understand why a workshop of two days or less can produce significant learning levels. In the words of a MEF official who knows Pro Decentralization's work well: "It is not just the workshop, it is the constant coaching they give the officials there, addressing the problems they have in administration, day-to-day work, the officials start solving them with the trainers ..." (MEF official).

Effects

The evaluators cannot yet say that there have been changes in local government practice, partly because this is an initiative which has recently begun, and because the workshops are for orientation and awareness-raising. But above all because the breadth of the changes sought is more complex. "We are only just beginning to understand. There is still much to do, we have to go below the regional government and to all staff levels, to the last typist"... (DGPP, MEF official).

One serious problem is that scant interest the authorities show, which could undermine the transformation of what is learned into changes in practice. The authorities often argue that they have not enough time to attend; they generally send the budget or costs director. This is serious, because the change that RBB demands is above all, in the way the decision-taking authorities think. Lucanas is a case to highlight: the mayor attended the workshop he had originally requested for his officials.

Other observers witness the fact that, as we have said, it is the sum of a systematic, constant and comprehensive intervention, in which technical assistance and daily coaching create the conditions for reaping the fruit of the training fast: "We saw great differences between the municipalities which have taken part in the Pro Decentralization workshops and those that have not, we've noticed that ..." (Regional president's adviser, Ayacucho).

CONCLUSIONS

I. Substantial Appreciation

While basic, mainly informative and still in their initial stages, the RBB workshops are a very relevant initiative. The contribution is pertinent and of good quality, more so still when seen as part of a package accompanied and complemented by in-person technical assistance, workshops and easily understood materials on various issues linked to state decentralization and reform. Since this is a new mandate for the almost 1900 local governments, a very great demand for support in capacity building over the next few years can be foreseen.

The materials produced by the Project seem to be of adequate quality for mass distribution and the basic level of information and awareness-raising. More materials certainly need to be developed if the Project intends to treat the issue in greater depth or address more complex technical aspects, agree on instruments and regulations or articulate roles and political will.

The main actors and Pro Decentralization are clear that the materials are not sufficient and that people learn more at in-person events for discussions and developing knowledge. They also see that learning must be practical, it must involve real experience and take time, above all because these are complex reforms that involve a variety of areas of sub-national governments and political will. This is where timely and constant technical assistance and close and long-term coaching will be fundamental.

Growing without losing quality. The greatest challenge is for Pro Decentralization to be able to work with fewer staff and limited resources to provide technical assistance and coaching to the over

300 sub-national governments⁶ included in its work plan. It will be crucial to reinforce the LTTs' technical capacities and funds. They are experienced local organizations well informed about the particular challenges of decentralization in their region; they have developed close links of trust with local governments and have demonstrated the ability to contribute to the pertinence and quality of the supply. The evaluators feel that they are perfectly capable of multiplying the achievement. If the Project is not considering the LTTs as the mainstay of the continuity of support to sub-national governments, it should think seriously about the sustainability of the progress in the regions.

Pro Decentralization is not the only international cooperation project supporting the government in this field. The various organizations that are coordinating with the MEF⁷ to facilitate the change to results-based management were invited to a meeting in May 2010, with the aim of discussing methodologies and improving coordination. As a result of this, an RBB support coordinating committee was organized. Pro Decentralization could assume a more active role in the committee to promote joint activities for lobbying the sub-national authorities and other players, share its strategies and learning, help to develop the approaches etc. In the words of a MEF official: "...this is a niche we could take advantage of: Pro Decentralization, with its experience and abilities should be there ... it has a lot to offer." (DGPP official, MEF)

2. Coherence with the "from policy to practice" approach

This initiative is coherent with Pro Decentralization's other work. As has been said, it is part of an offer which includes a variety of services and products, which together give comprehensive and systematic support to sub-national governments in capacity-building. The RBB workshops and the "Having a look at results-based budgeting" manual are a good example of how Pro Decentralization helps to boost and make more effective a policy which is not advancing at the hoped-for pace or reaching local levels, the stakeholders whose language and knowledge are far removed from that of central government professional and technical staff.

The strategy of concentrating more on regional and provincial governments, then to move on to concentrate on district levels is coherent with the current Peruvian government's style and with the approach of translating policies into practice.

"That's how they work, with the ripple effect: they come to the regional government, give it support, advice, they have a staff member here who works with the provincial government and with the regional government ... the LTT works with the districts, so all the government levels are moving in the same direction, which is what we want ... what would be the point of some of us doing what the regulations say, while the (district municipalities) don't understand at all, and carry on as usual..." (Provincial Municipality official, Ucayali).

3. Coherence with the demand-driven approach

This initiative is also coherent with the "demand-driven approach". It gives a timely response to a request expressly demanded by the MEF. It also links up with a process Pro Decentralization has been supporting since its first stage: the implementation of the participatory budget. This partially explains the great demand for the RBB workshops in the short term; this has also been influenced by the invitation to participate in the workshops at provincial level and encouragement and competitions promoted by the MEF and others. At district level, the RBB and the participatory budget are fast becoming linked and the results-based participatory budget is currently being promoted. The workshops run by the LTTs and the materials produced by Pro Decentralization contribute to this.

⁶ When Pro Decentralization reaches 100 percent of its coverage it will be dealing with 325 district municipalities.

“We signed an annual work plan with each municipality, we are working with thirty-odd, but it’s OK, since we can be flexible, we work with some of the requests which come in ... we work on the new initiatives as they emerge, we try to adapt the instructions, adapt to the area, to identify the problems, and give them the priority established in the areas ...” (LTT Coordinator, Ayacucho).

RECOMMENDATIONS

1. Develop the treatment of results-based management, with clear texts and tools adapted to the various government levels and kind of officials, giving preference to the rural districts which have higher levels of poverty and exclusion.
2. Include civil society representatives in the results-based budgeting and management initiative. They need to understand RBB and use its tools for citizens’ participation and watch.
3. Design and implement a strategy to ensure that the new authorities understand the importance of results-based budgeting and management and get their support, with small events giving substantial information and training, with external speakers and certificates.
4. Develop easy-to-understand materials, which gradually and comprehensively look at the technical aspects and the tools of the management cycle to give a results-based approach.
5. Develop materials to present and consider in depth the more complex technical aspects: agreement of instruments and regulations and the articulation of roles and political will.
6. Strengthen timely and constant technical assistance and close and long-term coaching.
7. Propose strategies for officials and civil society to link up in a coherent manner the planning and timing of the whole process of planning, budgeting, implementation, monitoring and feedback.
8. Strengthen the local technical teams’ capacities and resources to ensure they can make their contribution with all its potential.
9. Pro Decentralization should play a more active part in the coordinating committee of the MEF and donors on Results-based budgeting and management to encourage lobbying of sub-national authorities and other stakeholders, share its strategies and learning and further these approaches.

3.3 CASE STUDY 3

PRO DECENTRALIZATION IN THE INSTITUTIONAL REFORM OF REGIONAL GOVERNMENTS

DESCRIPTION

The election of the regional and local authorities in 2007 marked the beginning of a new phase of decentralization. The challenge of this new phase was the consolidation and strengthening of the sub-national governments. This is when the need for regional government reform began to emerge as a need as the new regional presidents saw that they were responsible for institutional consolidation. The reform was clearly urgent given the attempts to adapt regional government structure to the Regional Government Law, and to the requirements of the decentralized management of the functions to be transferred; to the characteristics of each region; and the need to be a real and effective government agency, geared to regional development. Despite this, their character was still not defined. This was because of the institutional and political complexity of the task and the burden of the legacy of being a bureaucratic apparatus dependent on national government for decades.

The PRODES project culminated as this new phase began and proposals were just beginning to appear. When Pro Decentralization started up in 2008 a number of regional governments had begun the process. They sought support from various entities and firms of consultants who suggested a variety of alternatives, none of which fully met the regional presidents' expectations. At that time, no less than eight regional governments embarked on a process of institutional reform.

The basic problem was the conceptual focus. The firms of consultants had experience in restructuring private organizations but did not have a thorough-going knowledge of the nature of the public sector. Most of the proposals tended to have a private sector style and simply saw modernization as reorganization or restructuring, emphasizing administration, simplifying red-tape and even staff cuts. The argument was that those changes would bring in investment and create the conditions for development. Most of them had a methodology formulated on the desk top following general and standard guidelines and did not include ideas from or the consensus of the various stakeholders. The proposals could not understand the political nature of the regional governments or that their suggestions had to be geared to reforming a decentralized government body. The regional presidents became increasingly dissatisfied.

For the purpose of the Pro Decentralization Mid-term Review, the evaluators have analyzed its intervention in the institutional reform of the regional governments of Junín, San Martín and Cajamarca which gave priority to requesting support for reform.

Junin Regional Government

Regional president Vladimiro Huaroc began his administration convinced of the need for substantial change in the nature of the regional government. He recruited a team of experienced professional staff as department chiefs and consultants. Then he approached international cooperation agencies for support in key management areas. The World Bank supported a study of educational decentralization; the InterAmerican Development Bank (IDB) funded the creation of technical teams for formulating quality investment projects and USAID supported the Regional Coffee Institute.

The regional government established an agreement with CIDA to further institutional reform and the UNDP subsequently joined forces. Both entities supported hiring two consultants to formulate the base study which defined the problem as the institutional reform of the regional government. This shaped the character of the process: the reform meant the construction of a real and effective government body and its administration with management instruments capable of guaranteeing decentralized management. To implement the proposal, the UNDP hired a consultant and the

regional government created two task forces to carry out the reform and technical support. The consultant's task was defined as the construction of the new organizational structure and the new ROF. There were disagreements on the way about the proposals which has curtailed progress.

When the UNDP's support was about to finish, the regional president requested support from USAID to continue with the reform. Pro Decentralization formulated a proposal for developing administration instruments arising from the reform: MOF, CAP and MAPRO. The most important aspect was that Pro Decentralization would support the hiring of consultants with the objective of providing technical assistance to a team of officials at the Junín regional government. The team of officials and not the consultants would be responsible for formulating the products, and they took charge of the conception, drafting and of the instruments created for the reform. The methodological focus was based on the participation and leadership of the officials throughout, in creating consensus as a key factor and on the "learning by doing" strategy". Clearly the core objective of the Pro Decentralization strategy was regional government capacity-building.

Pro Decentralization applied its work on reform to the other lines of action in the results-based budgeting and management, the consensus development plan and the participatory budget. This clearly demonstrated the close link between these activities with institutional reform.

The reform process in the Junín regional government is currently facing some viability problems arising from problems of consistency in the overall reform proposal, due to a great extent to the inflexibility of the national systems, lack of definition of sub-national government autonomy and the difficulties the MEF has in accepting some components of the new organization. Pro Decentralization has now finished drafting the MOF and the CAP which have been approved, and has now to finish the other management instruments stipulated in the agreement, including the MAPRO, PAP and the TUPA.

San Martin Regional Government

The regional government of San Martin, like many others, aims to build a real and effective, efficient and democratic government body, and has set itself the challenge of institutional reform. The president requested help from GTZ which was working on a project in the region and they thrashed out an agreement that GTZ would support the hiring of a consultant to build a management and indicators monitoring system. The conclusions of the first diagnostic were devastating: the regional government management and its operational units were in serious trouble as there was neither coordination nor articulation. It is important to mention that the San Martin regional government proposed that overall reform was necessary and one which would be adapted specifically to the region, and was not content with simply copying another model. The Planning Department was put in charge of directing the process.

It was then that Pro Decentralization came on the scene through the presentation of the Governance Barometer. This gave rise to a discussion about the nature of the reform and an agreement was reached for the Project to contribute to the process. Pro Decentralization joined the process already in course and became part of the team with GTZ. The agreement was to further accumulative processes and the first task was to build the regional quality monitoring and indicator system. The methodological model was the same as that used for the Junín regional government: providing technical assistance to a team of officials who would be in charge of formulating the management tools agreed.

To implement the agreements with Pro Decentralization, the regional government has set up a team of five officials who work full-time and are responsible for the work and receive the technical assistance directly. The team also receives support from other consultants who are working on the reform. As the agreement is to provide the team with technical assistance so that they can lead and formulate the proposals, Pro Decentralization has worked on building their capacities: they have attended the APM workshops and the use of participatory techniques and consensus building and how to create consensus with this methodology has become one of their main tools.

The most significant feature of the process is its strategy for advancing in successive and accumulative stages. This way it can progressively build a model which will develop from the achievements of the previous stage. The first step is to bring the regional consensus development plan (PDCR) up to date. The updated PDCR will be the foundation for the regional quality monitoring and indicators system, as a management instrument. Simultaneously, the DIRESA will be redesigned with the support of USAID/ Health Policies to create a basic model of institutional reform. These will then be the basis for the global reform strategy, the key point of which is the creation of the Regional Strategic Planning Center (CEPTHER). The strategy ends with the production of management instruments making reform and the new stronger institution possible: ROF, MOF, CAP, MAPRO and others. Institutional reform in the San Martín regional government is looking for an identity rooted in its own circumstances and in the region and in the challenges and demands of a more efficient government management.

PRODES is taking on an increasingly important role. Planning department officials say that the management monitoring system is now ready. It was originally expected to be operational in September 2010, but in fact it will start to operate in October 2010, before the administration ends. The regional government is hoping that in the near future Pro Decentralization will also help implement it and be increasingly involved in the reform.

Cajamarca Regional Government

The Cajamarca regional government is an exception, the consequence of an alliance between USAID/ Pro Decentralization and ALAC, an organization set up by the Yanacocha Mining Company to promote development in the region in alliance with the Cajamarca regional government. It is not a region that would be in Pro Decentralization's original ambit. This is a public-private alliance between Yanacocha and the regional government which gives Pro Decentralization the chance to participate.

The institutional strengthening agreement between ALAC and the Cajamarca regional government is based on the need to improve the quality of public spending as a large part of it comes from the mining canon. As in the previous cases, the regional government had also expressly stated an interest in reform, to become a real and effective government body. With this objective, consensus on the need for substantial change in the system and the management model was reached fast. ALAC supported the hiring of consultants who recommended restructuring the administration, but the regional government did not find this viable or satisfactory. In the face of the impasse, they asked for Pro Decentralization's support.

Initially, ALAC requested funds to promote the reform and Pro Decentralization suggested that its support should take the form of providing information, capacity-building and technical assistance. The agreement was signed in February, 2009 and involved updating the regional Consensus Development plan (PDRC). The comprehensive strategy of ALAC and the regional government was supplemented with a special commission on institutional reform funded by ALAC.

Pro Decentralization's methodological strategy was the same as in the earlier cases: it would provide technical assistance and training for a team from the planning department who would lead the process and be responsible for formulating the products. The team was trained in APM workshops, which had a key effect on strengthening the planning department team and giving it legitimacy. Its impact is very clear, as in the workshops the stakeholders and civil society organizations work far better. It also facilitated the integration of the provincial technical teams which in turn requested APM training to hold workshops in Cajamarca's thirteen provinces: the result was that the provincial technical teams tripled the number of workshops scheduled. As a consequence, the impact of the APM methodology has been crucial in raising the quality of the participatory budget.

A significant feature of the strategy is that Pro Decentralization has linked the updating of the regional consensus development plan with other activities like results-based budgeting and management, the participatory budget, the proposal for the regional strategic planning center, the

communications strategy and state procurement and hiring. This has helped produce a more comprehensive view of regional government institutional reform.

After nearly a year's work, the regional consensus development plan is ready to be approved. Formal approval is expected before the current administration ends.

ALAC has high hopes for broadening the terms of the agreements with USAID and Pro Decentralization. It is asking for further support for the regional strategic planning center (to link up institutional reform and the updating of the consensus development plan) and for drafting the regional government institutional strategic plan.

The Report on “The Systematization of the Experience of Institutional Reform in Regional Governments”

Pro Decentralization's contribution to the institutional reform of regional governments has included a crucial element in the report “The Systematization of the Experience of Institutional Reform in Regional Governments” written by Raúl Molina. This is not only because of the quality of the work, but above all because it shows how Pro Decentralization's work is linked to the systematic discussion about institutional reform which has become more important in the decentralization process. It is also the first explicit formulation of these problems as a key challenge in the process.

This work originated in the Congressional Decentralization Commission which set up a task force on “Monitoring and compliance with the decentralization regulations and process and evaluation of the public administration of regional and local governments”. The objective was to determine: a) the progress of decentralization; b) What needs to be changed in the legal framework? c) What reforms are necessary to contribute to improving sub-national governments' management? d) The evaluation of the public management of the sub-national governments. The task, as defined by the commission, was clearly far greater than the human resources and funds available and the time the task force was allocated (barely a year).

The task force selected Pro Decentralization after considering several proposals. The matter of thematic coverage was the main point of negotiation. Finally, the parties agreed to systematize the experiences of the institutional reform of the regional governments. A number of factors contributed to this. First Pro Decentralization's experience in various regional governments enables it to identify a key overarching issue. A second consideration was the experience of Raúl Molina in the PCM's Decentralization Secretariat where he helped to promote these processes.

The final result is a paper which presents the issue systematically, clearly identifying and building a conceptual, theoretical and empirical map. The report is soundly based on theory and the legal and political framework of Peru's decentralization; it makes a critical analysis of the experiences of regional governments and ends with a series of suggestions and proposals for carrying out institutional reform. The report was approved first by the task force and then by the Congressional Decentralization Commission. While no legal initiatives have been taken, the report's conclusions were included in the commission's annual monitoring report.

Apart from this, the study's impact has major potential for the decentralist reform and particularly for some stakeholders. The work has helped identify and map an issue which to date has not been coherently presented. As a result, it has moved onto the public agenda. There is no doubt that it will be an important input for setting priorities for the lines of action of the authorities which are elected in the regional elections. Second, it will help enrich the agenda of international cooperation in terms of their potential work with regional governments. It may also do the same for institutions such as firms of consultants, universities, NGOs and others. Finally, the results of the work will serve as a foundation for organizations which represent regional governments to lobby for legislation (the National Regional Governments Assembly) and for those which represent local government (the Peruvian Municipalities Association, the Peruvian Rural Municipalities Network -

(REMURPE), and for civil society organizations and other organizations to lobby Congress and the regional and local governments.

ANALYSIS

Relevance

When the new regional authorities came into power in 2006, they clearly had a greater awareness of the importance of furthering the consolidation of the regional governments. It was evidently necessary to have a strategy for building a regional management model linking the stipulations of the Regional Governments Law to the needs of management and capacity-building which appeared during the four years of decentralization. Can we say that now there is a demand for institutional reform?

Originally the demand was in the form of the need for a diagnostic of the problems of the organizational structure of the administration: all the sub-national governments had a uniform and rigid institutional structure; public spending was low and poor quality; the administration was corrupt; the new functions were transferred and the governments had difficulty assuming them fully; roles were duplicated (regional departments and sector departments); red tape which delays decisions persisted; and especially, the regional governments were convinced that in fact they were not really governments but ran the risk of being an administration agency for resources and projects.

Since the national government did not implement the National Capacity-building Plan, many regional presidents resorted to international cooperation agencies in search of support to hire private consultants. The result was insatisfactory except in a few, isolated cases, where the results were not significant.

Pro Decentralization had begun its activities in August of 2008 and had no explicit line of action for institutional reform, although several activities mentioned related issues. For example: technical assistance in critical areas of decentralization (Objective 1); improved efficiency of sub-national governments, the implementation of administrative systems and the promotion of public-private alliances (Objective 2). Pro Decentralization was implementing these activities when the regional governments asked it to tackle the issue of institutional reform.

Some requests (Cajamarca) were for the Regional Consensus Development Plan. The law states that this document must be up to date and after the success of the PRODES project, a number of regional governments approached Pro Decentralization. In other cases (San Martin), the request was for help in formulating the management monitoring and indicators system; and in others (Junin), it was for formulating management instruments like MOF, CAP, MAPRO. Pro Decentralization's response, both in its content and its methodology, was highly satisfactory for the regional governments and the parties began to talk seriously about the issue. On the way, Pro Decentralization gradually developed links between its objectives and lines of action and sub-national government institutional reform.

From that point of view, Pro Decentralization has been identifying more precisely the demand for support for institutional reform and modernization and at the same time has been building up a supply, re-conceptualizing its lines of action. The crucial was solving the dilemma between institutional reform and the modernization of the state. The comparative advantage Pro Decentralization has is that it has lines of action and products which are close to both, and whose efficacy depends to a great extent on their complementing each other. There is a chain of conditions between the Regional Consensus Development Plan, the Participatory Budget and results-based budgeting; its capacity to formulate investment projects (SNIP Diploma) and smooth operations through clear and accurate management instruments (ROF, MOF and similar). Achievements in the various areas of management can only be identified if there is a monitoring system for the management quality, transparency and greater participation in the administration.

The overall result is political legitimacy and efficient administration. Pro Decentralization is perhaps the only project that supports decentralization which has achieved this vision and also has the products and appropriate methodologies for it.

The immediate challenge for Pro Decentralization is to develop a comprehensive package for the institutional reform of regional governments which covers the aspects mentioned and offer them as a whole or in parts. In the immediate future, it is important to incorporate more the formulation, implementation and evaluation of public policy which increasingly tends to be one of the sub-national governments' requests. At the same time it is crucial that it design a program for the institutional reform of local government, adapting this model to the municipalities.

Here, the roads paved by Raúl Molina's study of the experiences of institutional reform is an important input for designing innovative intervention proposals, both for Pro Decentralization and other organizations.

Pertinence

The regional authorities and officials interviewed feel that Pro Decentralization's intervention on the issue of institutional reform has been positive as it has responded to the regional governments' needs and has had good results with some major problems.

Not only has the original objective been reached but it has been linked to other areas. When the Cajamarca regional consensus development plan was updated for example, because of the process it was possible to clarify the terms of the plan's management and of its monitoring systems. Second, because Pro Decentralization has on some occasions begun working in processes which were well ahead, and which had met with problems. Something the authorities and officials have really appreciated about Pro Decentralization is its capacity to get well involved in work already in course and to join teams made up of staff from other organizations as equals, not acting alone but with a will to cooperate. In San Martín, the officials felt that its support was key in the joint work with GTZ for building the management monitoring and indicator system. In Junín, the officials felt that its intervention was decisive in opening the way for reviewing and rectifying some problems which had come up in the reform proposal.

Similarly, a number of interviewees mentioned that the commitments and offers were precisely what they needed. This is not simply a matter of marketing; it is part of the overall strategy of the Project to be demand-driven. A number of interviewees mentioned that the commitment was defined through a kind of negotiation between the parties which covered the following points: the needs as stated by the regional governments; the diagnostic of the situation provided fast by Pro Decentralization in documents like the Decentralization Compass and others; the priorities of the national government and Pro Decentralization's own possibilities and resources.

In Junín, interviewees especially noted the Project's openness to new issues and its flexibility in including them in the work agenda. In Cajamarca, the original request was for funds. When negotiations began, Pro Decentralization replied by offering information, methodologies and technical assistance of the same value on the market as the funds requested. Today, ALAC and the Cajamarca regional government recognize that nothing they have done would have been possible had Pro Decentralization not made this offer.

Negotiation also allows the parties to plan and give priority to issues and activities together. This has been key especially in Cajamarca where support is given on the basis of a public-private alliance between ALAC/ Yanacocha mine and the Cajamarca regional government. Joint planning guaranteed that all the parties were clear on the commitments, goals, deadlines and conditions. The Junín regional government mentioned that this clarity was translated into very concrete and above all viable products. Again, interviewees emphasized that the fact that Pro Decentralization met the goals was greatly appreciated.

While in the San Martín regional government the officials in charge of the activities with Pro Decentralization said the same, the general manager did not. He dismissed Pro Decentralization's contribution to the extent of denying it. Regardless of this official's distrust of international cooperation in general, this experience shows the need for a strategy expressly on information and for formal coordination with high-ranking officials and the regional authorities. This is important not only because it could reveal gaps in internal coordination, but also because it ensures better inter-institutional relations.

An additional aspect of pertinence concerns the opportunity of intervention. While Pro Decentralization works in according to its mission in diverse areas at the same time, it is important to highlight that it has been especially pertinent in the matter of institutional reform. As has been stated, this is a relatively recent demand and its thematic and conceptual scope is still being defined. There is no consensus between those working in development, politicians, administrators and academics on its meaning or content. This shows the relevance of the split in the debate between the reform of and the modernization of the state.

In view of this, Pro Decentralization's intervention has been not only timely but has typically *seized* of a given opportunity. In other words, even when it did not have a specific line of action it could understand the importance of the problem and pledge support and resources to meet the emerging needs and on the way see how they linked up with other themes. This happened in Junín and San Martín, where its support is key to guaranteeing the quality of the management monitoring system.

Quality

One of Pro Decentralization's distinctive features is the high quality of its work. This is widely recognized by its partners. This report will analyze this element looking at the methodological approach and the quality of the professional staff.

The **methodological approach** in the institutional reform work included the following components:

- a) Pro Decentralization gives its technical assistance through providing qualified consultants.
- b) The regional government appoints a team of its officials to be in charge of defining the product and leading the process.
- c) The methodology is "learning by doing" and is used in the technical assistance. It involves effectively conveying knowledge, holding drills and evaluating mechanisms.
- d) With the aim of transferring capacities to the team of officials, Pro Decentralization invites them to the workshops on Advanced Participation Methods (APM). The objective is to equip them with tools to facilitate participatory processes, attaining consensus and conflict resolution.
- e) The officials in the team take part in Pro Decentralization activities and meetings, for example on identifying priority policies for decentralization which are compiled in the *Decentralization Compass*, and for presenting the Project's publications.

This methodological approach is one of the aspects the interviewees mention most often as the distinctive feature of Pro Decentralization's intervention. In most cases, the main reason is that the regional government has felt that the product was formulated by their own team and was not a model "sold" or imposed by an external consultant.

The authorities can also feel certain that their staff are building and reinforcing their capacities. "Learning by doing" is an interactive methodology and guarantees the regional government added

value in its team and ensures continuity when the agreement term ends, and that the experience can be replicated in other areas of administration.

The officials have also greatly appreciated the methodology as it has enabled them to become sound leaders in their workplace. It has empowered them in at least three ways: personally and professionally, positively reinforcing their self-esteem; by increasing the authorities' recognition of their professional prestige and that of the team; and finally by opening up opportunities of advancement in their careers. This led to a high degree of satisfaction which has helped teach the achievement of objectives and goals.

Special mention should be made of the officials' appreciation of the APM workshops. They describe this as a discovery and that it is a powerful tool for management, administration and government. In the words of an official in Cajamarca: "... now I understand what citizens' participation means." Their appreciation of this methodology has led them to use it in other areas of their professional lives and corroborate its viability and success. An example of this is the workshops for formulating the Consensus Development Plan and in the professional relations at the workplace. Here, the officials' participation in the APM workshops has enabled Pro Decentralization to recruit allies from among the participants for training and technical assistance and for implementing changes.

Another key aspect of quality is the **quality of the Pro Decentralization professional staff**. Interviewees have a good opinion of this given the amount they have learned and the goals achieved, but have also recognized that these are professionals with considerable experience and great prestige. Several mentioned that prior knowledge was an important factor. Quality is also noted in the kind of information presented, openness to discussion and tolerance with criticism or disagreement. Finally, the interviewees appreciated the egalitarian nature of the relations established with the Pro Decentralization team. The trust this created has facilitated the process.

One additional aspect is that the regional governments now have increased and strengthened their institutional capacity. This has to do with the individual officials and authorities and/or participants trained, but above all it concerns the institution as such. Pro Decentralization was certainly right to choose the methodology of providing technical assistance and implement a "learning by doing" pedagogical strategy for **teams of officials** on the regional governments' permanent staff. The add-on effect of this methodology is that the regional government becomes a place where people can learn as individuals and as a group. Some officials have come to identify more with the regional government and the development project. This has been an important experience, over and above personal political tendencies. This was stated most clearly by an official who did not belong to the regional president's political party, which he particularly pointed out.

Effects

Pro Decentralization's intervention in regional government institutional reform is still not over. The reforms begun have made different amounts of progress and some are even bogged down, for a variety of reasons. This is why the effects are still not visible. In spite of this, some aspects must be highlighted.

One crucial effect is that a key issue has been created in decentralization: the institutional reform of sub-national governments (not just regional) has become a matter of national interest and is an issue on the public agenda. This is shown by the fact that Pro Decentralization presents it in the *Decentralization Compass* as one of the priority policies of the decentralization. Its legitimacy is closely allied to the efforts made by the regional presidents over the years to tackle the question, but also to the participation of a variety of players like the international cooperation agencies and projects, NGOs, firms of consultants and even universities, private companies and business organizations like the chambers of commerce. ALAC/Yanacocha is perhaps the most outstanding example of the private sector, not just because of the agreement which has made funding possible for a large part of the reform in Cajamarca, but also because it has participated in the training

workshops and the regional consensus development plan. Rarely is a consensus like this seen in the field of decentralization.

CONCLUSIONS

I. Substantial Appreciation

The institutional reform of the regional governments is a demand which has arisen in the course of decentralization as a result of its progress and development.

At the start of the process in 2003, the only reference for the institutional building of regional governments was the Regional Government Law. Nevertheless, the legal model encountered difficulties on implementation. Issues like the relations between the regional departments and the regional sector departments were evidence of the need for practical and viable solutions. Similarly, the need to deal with the territorial nature of traditional government administration posed challenges which were not easy to meet in the terms of the law. In addition, the state modernization policy geared to improving public administration - the National Public Investment System (SNIP), results-based budgeting, the need to review the TUPA etc. were an increasing burden on the administrative structure and required changes in the management model and its instruments.

Another significant factor was the sub-national governments' assumption of new responsibilities and functions. It was increasingly clear to the regional authorities and officials that to comply efficiently with them, the state apparatus had to be modified.

In view of this, Pro Decentralization and other international cooperation agencies began to address partial aspects. The issue became more complicated however and the demand for institutional reform began to take shape. At this point, Pro Decentralization had a comparative advantage because it had been giving training and technical assistance on a number of diverse but connected issues: it was not hard to link up the chain of relations between the thematic areas and understand the problem in its entirety.

Pro Decentralization also had a comparative advantage in its methodological approach. Its methodology of technical assistance for teams of permanent staff members for them to be responsible for formulating management instruments and the "learning by doing" strategy have made the difference in the capacity-building activities. This approach has made it possible to visualize a potential strategy for addressing the demand for institutional reform.

In this context, Raul Molina's study *The Systematization of the experience of the institutional reform of regional governments* has been the touchstone which has brought to the fore the process of building a theory and practice for the issue. Mr. Molina's study and the practical experience in technical assistance have made it possible to map the issue and outline a potential area of intervention.

A challenge posed to Pro Decentralization is the production a comprehensive project for the regional government reform, which will enable it to improve its contribution, and be of service to other institutions as an intervention reference or model. This will be a factor in the contribution to the sustainability of Pro Decentralization's strategies beyond the life of the project. Moreover, looking to the future, it ought to enable it to build an intervention model which can be replicated scaling down to the local governments.

2. Coherence with the "From Policy to Practice" Approach

Pro Decentralization's interventions in regional government institutional reform can be seen as a coherent application of the principle of "From Policy to Practice". Many of the lines of action are certainly in the Task Order and correspond to the purpose of cooperating with compliance with decentralization regulations.

The key distinctive factor however has been that the process has made links visible between issues which were apparently separate and which at first were not seen as relevant. This view of thematic links has produced a comprehensive view of the demand. This in turn has helped to broaden the thematic spectrum of the process: understanding decentralization as not just a process of applying national regulations and policies, but also as a process which the sub-national governments themselves build. Decentralization recovers its character of systematic interaction between various players: the national government, sub-national governments (regional and municipal) and civil society. Decentralization is understood not to advance only because of national government action, but also because it is driven by sub-national government. The challenge is to contribute to a proper understanding of this and help it in all ambits.

3. Coherence with the demand-driven approach

It would seem obvious that we are looking at a demand by regional governments which, while still incipient and sometimes fragmented, essentially express the regional governments' aim to consolidate themselves as real and effective government bodies. Pro Decentralization's work has shown and defined a field of intervention which can help to make a better, clearer definition of the demand by building a comprehensive offer of institutional reform and modernization.

This requires a significant effort of systematization of its experience and the capacity to build up an open a flexible intervention model which incorporates the distinctive characteristics of Pro Decentralization's strategy in both methodology and content. It is important to state that what is needed is not a "regional government model" but an intervention model of how to implement the process. This objective is important because it enriches not only Pro Decentralization's intervention capacity but also that of other USAID projects and other players who cooperate with strengthening sub-national government and the progress of decentralization.

A further challenge here is foreseeing new demands in this field. Two issues stand out. First, it is foreseeable that as the result of the progress of decentralization and institutional reform, regional governments will begin to request training and technical assistance in the formulation, implementation and evaluation of public policy. This is the logical consequence of institutional reform and Pro Decentralization should start making a contribution to it. Again, it must create the conditions for the intervention model for institutional reform to be replicable by local governments.

RECOMMENDATIONS

1. Pro Decentralization should produce a comprehensive offer for the institutional reform of regional governments, to improve its contribution and serve other institutions as a reference or intervention model. This will help towards the sustainability of Pro Decentralization's strategies.
2. At the same time, it should design a program for the institutional reform of local governments.
3. It is important to systematize the experience in order to help build an open and flexible intervention model that incorporates Pro Decentralization's distinctive characteristics in methodology and content.
4. The Project must incorporate the formulation, implementation and evaluation of public policy into the institutional reform package. It is foreseeable that this will be a sub-national government demand, following on from institutional reform.

5. The APM workshops should have broader coverage to include the authorities, officials and civil society organization leaders. Experience shows that it is a very powerful tool for municipal management and government and is highly valued. Considering sustainability, this will ensure the conditions for a permanent participatory focus in the style of public administration.
6. An important factor in sustainability is the promotion of a network of regional officials who have participated in institutional reform. This will provide them with the opportunity to discuss the matter using information and communications technology (ICT).
7. Develop a strategy specifically for providing information and for formal coordination with high-ranking officials and the regional authorities to ensure smooth relations with the authorities.
8. The Project should develop strategies for preventing and mitigating the risks of losing ground because of the elections. To safeguard the progress made it should provide the new authorities with information about the importance of the work and its impact on government capacity in the future. Given the importance of the “*Guide to the orderly transfer of regional/ local administration*”, it would be important to establish relations with the new authorities in workshops and meetings to establish direct relations.

3.4 CASE STUDY 4

PRO DECENTRALIZATION'S COORDINATION WITH USAID PROJECTS

The objective of the case study “Pro Decentralization’s coordination with USAID projects” is to determine the extent to which Pro Decentralization is seen as complementary to the work of USAID’s strategic projects and partners in areas such as democracy, economic growth, health, education, alternative development and public-private associations and to identify effective opportunities for increased coordinatino.

The approach in this study differs from that of the previous ones owing to the nature of the subject and its objective. In order to get an idea of Pro Decentralization’s experience in coordinating with other projects we will start by distinguishing between the concepts of ‘complementing’ and ‘coordinating’. The section below positions Pro Decentralization as a cross-cutting project in USAID’s cooperation strategy as decentralization touches on and affects all the projects, and attempts to identify its effect on potential coordination. A review of some of Pro Decentralization’s more significant experiences will help identify where relations exist and the key factors of good coordination. Finally the report will attempt to build a profile of the USAID projects’ demand for coordination with Pro Decentralization. It will conclude with the main recommendations.

Complementation and Coordination between Projects: a key USAID strategy

A core component of USAID cooperation strategy is the promotion of complementary activities and coordination between its projects. This is based not only on the USAID strategic plan but also on the shared institutional vision of the needs of the Peruvian government which the US seeks to address through cooperation, and the work’s organizational needs.

In addition, USAID’s projects operate in certain selected departments, so they come across each other constantly and are in touch. As Chart 1 shows, in the four departments where Pro Decentralization works there are a great many other projects of all sorts. Obviously, in this situation, it is paramount that projects complement and coordinate with each other.

Department	Number of projects
Ayacucho	11
Junín	9
San Martín	12
Ucayali	8

It is important however to distinguish between both concepts in order to make a comprehensive analysis. The word **complementary** will be understood as the coherence and internal relations among all the projects as such which guarantees that, using a common diagnostic of the country’s social, economic, political and cultural situation, each project formulate a series of objectives, goals and lines of action to tackle a specific dimension of the priority national problem. On these lines, assuming that the projects reflect the overall cooperation policy, they should be able as a group to offer coherent actions and results. The projects should therefore be mutually complementary and coherent. It is USAID’s job to design the tenders and the procedure for awarding the bid and selecting contractors.

Projects are complementary in themselves and this is also reflected in their task order. The complementary nature of the projects is a basic assumption of the actions of USAID, which constantly monitors the situation in Peru and the projects in order to make sure they are appropriate and to guarantee this.

Coordination between projects is the empirical verification of the supposition of their complementary nature. It refers to the capacity of USAID projects to establish active relations as peers so that they can identify and potentiate their synergies through concrete joint activities to maximize the use of resources and the conditions for achieving the particular objectives of each, and the strategic objectives of USAID Peru. This is why a strategy has been formulated to promote it.

All USAID projects must coordinate. This is also in the terms of their contracts, in a specific clause. Pro Decentralización's Statement of Work includes its Guiding Principles, one of which is as follows: (*Translator's note: There must be an English version of the contract with the exact wording*) "Coordinate with other partners. Decentralization is a cross-cutting theme which impacts on all the sectors where USAID works. Given the overlap with other US government programs, it is essential that the implementing agency collaborate in an active, fruitful and cooperative manner with other USAID partners and programs. The capacity for and success in establishing collaborative and effective relations will be analyzed in the reports on the contractor's performance."

USAID's strategy of promoting coordination between its projects has a number of lines of action:

- a) The COTR campaigns constantly to encourage the projects to coordinate, and identifies opportunities;
- b) Regular meetings with partners, including the state bodies the projects work with;
- c) Regular meetings with partners on each theme. In the case of decentralization, the collective called "Partners in Decentralization" has existed for years;
- d) Regular meetings with partners in the departments where USAID projects operate; e) Internal USAID teams like the Decentralization Team.

The main arguments for promoting coordination between projects –apart from the terms of the contract - are: the need for economies of scale in the activities and in the quest for impact; broader coverage of beneficiaries; effective economy in the use of resources , avoiding duplication of recourses and activities; avoiding the saturation of the target population, as this often makes it harder to reach objectives and operate activities; avoiding clashes of meetings; and especially, avoiding conveying different and/or contradictory messages which in the long run undermine project impact.

Pro Decentralization: a national and cross-cutting project

Pro Decentralization is a national and cross-cutting USAID project because decentralization is a comprehensive reform of the state and Peruvian society. This is explicit in the Statement of Work where it states that it impacts all USAID projects. Decentralization is a political, administrative and economic state reform promoted by the Peruvian government. It entails a new scenario, with new power structures, new players, and a redefinition of the roles of traditional and new players and new institutions which affect all USAID projects whatever the theme, orientation, objective or character. This is clear from an overview of the suppositions, objectives and the activities of current projects. Pro Decentralization has great strategic potential for being the reference for all the projects on this theme and for contributing approaches, views, practices and methodologies to the other projects, with potential for creating synergy.

In addition, Pro Decentralization is geared to supporting the efforts of the Peruvian government to implement properly the decentralist reform and related issues, and so the coordinating relations it develops will tend in the medium and long term to create better conditions for the success of USAID projects as a whole. Similarly, the Project's national impact, defined in its National Objective: "Improved reference framework, both legal and political" enables it to have active relations with the key national government bodies, and to lobby for decisions which will affect the progress of decentralization.

Pro Decentralization has taken on this task convinced of the importance of its role in USAID as a whole and because of its commitment to decentralization. A number of interviewees mentioned that Pro Decentralization's readiness to coordinate was part of its organizational culture. With this objective it has designed a strategy which combines proactive actions with normal coordination initiatives, responding to specific requests for coordination and openness to cooperation as part of its organizational culture.

The main activities here are:

- An individual and/or collective meeting between Pro Decentralization and the projects for presenting its objectives, strategies and lines of action. It should be mentioned that it has stressed personal introductions, assuming that this is a key opportunity to establish a relationship between peers and to identify present and potential opportunities.
- Responding to requests for coordination and assistance from the other projects.
- Distributing its training materials in order to make them known and be finally used by the projects.
- Distributing its studies, research and other reports on decentralization to be used for information, reference and as input for program decisions. These documents also have the potential to build up a platform of discussion on the core issues of decentralization.
- The authorization to use Pro Decentralization materials with the sole condition that the source is mentioned as in USAID's terms and conditions.
- Participation in discussions on the draft versions of materials, reports, studies and other documents produced by Pro Decentralization, with the express recognition of their contributions.

Pro Decentralization's strategy starts with the definition of its own particular contribution to the other projects. Pro Decentralization feels that its key value is the overview of the matter and course of decentralization, unlike most of the others whose view is of a sector. With this the Project can produce reports and global analysis and propose national public agendas which have been presented in the *Decentralization Compass*, the *Annual Decentralization Report*, the *Governance Barometer*, *Decentralist Notes and Decentralist Debates*. The evidence shows that these materials are greatly appreciated and used by the other USAID projects, and this has been said in the interviews. This position is also important because it opens a two-way channel to opportunities for cooperation and coordination, which encourages and facilitates feed-back between both dimensions and projects. Again, Pro Decentralization has information, training materials and intervention methodologies which have been adapted specifically to support the process. Likewise it can facilitate relations between the government entities it knows that other projects want to contact. Additionally, Pro Decentralization is known to have a high regard for the relevance and pertinence of the other projects, as they have said in their interviews.

Pro Decentralization has earned the good opinion of most USAID projects, which have steadily recognized its added value and are more ready to coordinate and carry out joint actions. To a great extent this is because the coordination strategy is clearly a win-win approach. This has occurred in the sector projects like SUMA and Health Policies and others such as the USAID anticorruption project, operated by Proética and Comun@s.

For Pro Decentralization, coordination is more strategic when it takes the shape of actions and products with concrete results, workshops or training materials for example. In other words, short-term coordination for individual events as long as they are in keeping with USAID's conditions. This includes coordination to tackle the challenges of especially favorable circumstances such as national, local or regional elections which take longer. In all cases, it depends on the real possibilities in the Scope of Work, the project's budget and functional structure. Coordination in long-term commitments is important but faces the constraint of the project's life and is a decision for USAID's general policy.

Pro Decentralization is well aware of the contributions the other projects can make to its work and outlook, coordination and joint work. Although it is not explicit, this is the thinking in its strategy, above all in its win-win approach. Projects like SUMA and Health Policies for example, place special emphasis on the interaction between general and sector activities, where their contribution can be very valuable for Pro Decentralization.

A main aspect of Pro Decentralization's strategy is its capacity to negotiate other project's requests for coordination. These requests can often seem to be for occasional and particular support, but which can hide other problems. There can be latent needs which are not brought to light until the request is negotiated. This can be done simply and quickly in the case of individual and short-term coordination, but can be more complex in the case of medium-term requests. One of the projects interviewed mentioned that something that characterizes its relationship with Pro Decentralization is its readiness to define the coordination methodology, which enriches the relationship.

Throughout the PRODES experience, and now with Pro Decentralization, the Project has coordinated with others on numerous occasions and this has produced an image of what it can offer, and an idea of what requirements the other projects might have. One project chief said that one of Pro Decentralization's assets was its ability to systematize its experience of inter-project relations and turn it into a line of action. Here, although not so systematically, the monitoring and evaluation system has made progress in recording these experiences. This is important because the key question is the need to systematize it in order to be able to turn it into more permanent lines of action, a contribution it can make, and an experience which provides lessons learned. The intervention in the Chazuta district (San Martin) is an example and has been systematized by the PDA.

Despite progress in defining the offer of coordination, some projects do not have a clear idea of Pro Decentralization's objectives, activities and approaches. While these have been presented at various levels, the projects do not always realize that decentralization is a cross-cutting issue and impacts on all the projects. The most reasonable explanation is that some projects are not directly related to sub-national governments or they do not feel that their role is particularly important for their own project's objectives and actions. This is true of PRA which, while having a high regard for Pro Decentralization's work and relevance, feels that this dimension is not a priority for its project.

USAID projects are steadily realizing the need for coordination, particularly as they become more aware of the need for common approaches to problems which affect decentralization and the efficacy of the projects. The more pressing issues in this regard are: the institutional reform of regional governments, decentralized administration and the need to coordinate a common advocacy strategy, a subject stressed by the sector-based projects like Health Policies and SUMA.

If coordination is to be effective, related themes must not overlap or duplicate each other or try to replace each other. This kind of problem arose in the PDA, and once detected was duly rectified. However, there must be close and constant coordination to avoid similar problems arising again. Pro Decentralization contributes by keeping others informed of its work plans.

The opportunities for coordination arise not only on the initiative of Pro Decentralization or USAID projects, but in national and regional political circumstances. One example is from San Martin, which created the Inter-government Coordination Committee (for the regional government and the provincial and district municipalities) in the framework of the institutional reform of the regional government, in which public entities and eventually development projects will be involved. The existence of this committee is an opportunity for coordination between projects: the exchange of information; specific coordination agreements and the possibility of coordinated intervention agreed with the sub-national government. This initiative has only just begun and SUMA is encouraging USAID projects to look at it together.

Coordination on the issue of decentralization goes beyond the USAID projects and includes international cooperation donors. Since decentralization is a state policy supported by a number of international cooperation agencies, for Pro Decentralization coordination with them is a condition

of its work and of efficacy. A “donor committee” was set up at the start of the decentralist reform, which has been important in guaranteeing effective coordination between donors.

In coordination with USAID, Pro Decentralization has coordinated actively with GTZ (San Martin), SDC, CIDA (Junín), AECID, SNV and UNDP (Junín). This has been an important experience because it has led to joint activities in which Pro Decentralization has played a leading role. One example is the *Guides to Orderly Transfer* for the regional and municipal elections in October 2010 which was drafted by the Pro Decentralization team, in close cooperation with the PCM’s Decentralization Secretariat and the Office of the Comptroller General. Once the text was ready, Pro Decentralization suggested the other cooperation agencies might co-fund its publication and print more copies to be used by all the projects across the country. The donors agreed, Pro Decentralization gave them the texts for review and has incorporated and validated their comments and suggestions. As a result, over 5000 copies will be printed. Because of the coordination, more guides will be distributed and will therefore have more geographical impact. Again, the *Guides* will serve Pro Decentralization and the other donors as a letter of introduction to the regional and municipal authorities elected at the polls in October. Finally, the value of the Guide goes beyond the current situation because it is a potential model that can be replicated for other regional elections.

CHART 2. EXAMPLES OF COORDINATION		
TYPE OF COORDINATION	PROJECT	CASE
Sharing materials	All	Pro Decentralization shares its materials and distributes them to all the projects
Joint activities	Comun@s	Tool box for the regional elections
	Proética	Corruption indicators for the Governance Barometer
	IRI	Training women candidates
	Facilitando Comercio	Prevé joint “Rapid Field Study” on municipal business license
Various meetings	All	SUMA feels that meetings are forming a “community of thinking and debate”.
		Pro Decentralization notes and expressly acknowledges the projects’ contributions.
Technical assistance	Proética	Curricular support in the National Counter-corruption School and teaching staff team
	SUMA	Requests advice on programmatic policy decisions
Using methodologies	SUMA	Methodology of Decentralization Balance
	Facilitando Comercio	Rapid Field Study
Using materials	All	PDA reports success in reaching goals because it used the FONIPREL guide.
Information	Health Policies	Information about Municipal Modernization Program, Municipal Incentives Program, Transfer of functions and LOF Matrices
Joint and coordinated geographical intervention	SUMA/ PDA/ Health Policies / DEVIDA	Coordinated intervention in 11 districts around Educational Networks, Participatory Budget and Consensus Development Plans
	SUMA/ PDA/ Health Policies / Health Quality	SUMA in San Martin has made a proposal for joint intervention on the participatory budget in Cuyumbuqui (Lamas) and Pajarillo (Juanjui)
	SUMA	SUMA in San Martin proposes a common strategy for participating in the San Martin Inter-government Coordination Committee

Chart 2 presents selected examples of coordination quoted in interviews with the project representatives. The information is important not only because it clearly refers to Pro Decentralization's relations with most of the USAID projects involved in decentralization matters, but also because of the great variety of ways of working developed. Interviewees mentioned further successful experiences of coordination with PRODES which are not in the chart because they are routine: meetings for presenting or sharing information.

Although USAID and the projects unanimously accept the importance and value of inter-project coordination, there are certain factors which are a potential source of difficulties.

One problem the projects see is that USAID's division of work by thematic area could be a snag for coordination since each project has to reach its objectives and its work plan does not generally foresee coordination events or what they involve (staff time, resources, redefining activities etc.). The rigorous definition of results, actions and objectives in the contracts apparently tends to hamper the flexibility needed for coordination. The upshot is that the projects are not always encouraged to be creative and to the detriment of the coordination mandate, they do not find the time or opportunity for it.

Another obstacle is the scant knowledge on the part of some projects of Pro Decentralization's objectives and lines of action – despite its efforts in communication – and this does not help to identify opportunities for coordination.

Another problem (mentioned above) is that sub-national government partners can work at cross-purposes, causing a duplication of relations which can be confusing. This obstacle is usually rooted in the fact that the projects are formulated to be complementary in nature and this is an assumption underlying their work. Some of the difficulties which arose in the relations between Pro Decentralization and PDA on the question of governance are an illustration.

Similarly, some projects – especially those related to economic development - do not see the sub-national public sector, nor the decentralization process, nor the public sector itself as relevant to the achievement of their objectives, even though both institutions are involved in the administration of economic development. The problem is one of concept and approach. As a result, they recognize Pro Decentralization's contribution, but do not feel under obligation to coordinate since they see no inter-connection between their fields of action.

Key Factors in Positive Coordination: Pro Decentralization's Experience

For most USAID projects, Pro Decentralization has a good image with regard to coordination activities and initiatives, and to its openness to their initiatives and needs. Hence the interviews put the emphasis on identifying the factors to explain this.

One key element is their appreciation of Pro Decentralization's **Strategic Vision** which is expressed in the clarity and thorough understanding of the political objectives of decentralization and the potential impact of its project on the process. This mainly refers to its constant production of information and analysis. Publications like the *Decentralization Compass*, the *Annual Decentralization Report*, the *Governance Barometer*, *Decentralists Notes* and *Decentralist Debate* are very popular among USAID projects as they help them in directing their own activities, as a source of information and for identifying opportunities for coordinating with Pro Decentralization. The prestige of these publications has spread to the national and sub-national government bodies (especially regional governments) the project works with, international cooperation agencies, NGOs in general and academia. Pro Decentralization has become an important reference for the decentralization process.

Another key factor is Pro Decentralization's **Organizational Culture** with regard to coordination. This can be seen in its open attitude and the readiness of all levels of the team to coordinate, including the regional coordinators and down to the local technical teams. This is also seen in the

ability to produce initiatives for coordination in response to a question or request, which gives to understand that coordination between projects is a priority objective.

In connection with the organizational culture, interviewees highlighted the importance of Pro Decentralization's regular meetings for presenting the results of its reports, studies and research, and for presenting the drafts of the information. This practice focuses on the participants' contribution to the documents and that its value lies in feedback through the meetings' minutes. This is very important because it leads to the construction of what one interviewee called "communities of thinking and discussion about decentralization".

Finally, the organizational culture is seen in the Project's openness to the free use of its materials and publications with no conditions except the acknowledgement of the author and USAID's sponsorship, and as in the case of the *Guides to orderly transfer*, the openness to collaboration on publications with the aim of potentiating global impact.

The added effect of organizational culture favorably geared to coordination is the trust Pro Decentralization inspires among USAID projects, partners and stakeholders. This trust is reflected, as one interviewee mentioned, in the fulfillment of the commitments made in the terms agreed.

Another valuable factor is the **quality of the directors and professional team**. The Pro Decentralization team including the short-term consultants is recognized for its high quality and professional level. They are considered prestigious specialists and references on the issue of decentralization. Because of their background, they are recognized as people with remarkable experience. The directors also enjoy great prestige as people of great professional and personal quality. The prior knowledge of the Pro Decentralization directors, even in personal terms, is a key factor in inspiring trust.

Pro Decentralization's **working methodology** for establishing coordination is another key factor. One characteristic which is highly appreciated is their ability to identify, together with their peers, areas for coordination and in particular, their skill in bringing issues together. The experience with Comun@s in producing the Tool Box for the local and regional elections and with Proética to include corruption indicators in the *Governance Barometer* are examples. Added to this is the attention it pays to the needs arising in sub-national and national circumstances of the decentralization process in order to identify opportunities for coordination, bearing in mind the political situation and its effects on the other projects.

One feature of Pro Decentralization which is highly appreciated is the speed of its response to coordination requests or initiatives. This is complemented by its proven ability to reach suitable agreements which are clearly expressed in mutual commitments and quick negotiation. Pro Decentralization is recognized for its willingness to create the conditions to make coordination possible, by making reasonable use of creativity and flexibility as part of a win-win strategy, and as a result, adapting to the features, conditions and pace of the projects it is working with. Finally, it is also recognized for its concern for coordination and its effects to be sustainable, which it tries to translate into conditions and agreements.

The **quality of the products** of coordination is another important factor. There is a consensus that the products (publications, training materials or technical assistance) are of high quality and have been designed by prestigious professionals. The training materials are most especially valued because they are certified by the regulator (which also, like the MEF, uses it extensively in its training events). The texts are clear and reader-friendly, and use a language understandable for readership with varying levels of education, and have no legal jargon which is often hard for regional authorities and officials to follow. The effect is that these materials are now used by others apart from Pro Decentralizations' target population, and also by the other projects. PDA for example, reports that the use of the *FONIPRTEL Information Guide* in the communities where it works in training and technical assistance was a key factor for submitting the priority projects to the participatory budget and getting them approved, to the order of almost S/.10 mn.

Another important factor is the **recognized added value** which raises the value of the materials, publications or technical assistance. First, this involves the appreciation of the strategic vision of decentralization. Second, there is the technical and methodological agreement built up through coordination with the participating projects. Third, Pro Decentralization is recognized for the value of its solid and varied contacts with government departments, private organizations and civil society organizations. It has been able to build relations of trust with public entities at the three levels of government: national, regional and local, an asset the other projects feel might be useful for them. On these lines, Pro Decentralization has always maintained its willingness to put people in touch, help establish relations, especially with the Ministry of Economy and the Prime Minister's Office.

The experience of USAID projects with Pro Decentralization has also created another factor in favor of coordination: the appreciation of the **recognized effects**. Listing the main effects shows the importance of this factor: cost reduction, maximization of use of resources, extended geographical coverage; increasing the number of organizations and institutions reached; improving the conditions for distributing materials; avoiding the duplication of efforts and resources and conveying standard messages. These effects are increased when the project is coordinating with international cooperation agencies, as has been said.

A factor which has proved relevant to coordination is the **quality of the demand**, which is expressed in two ways. First, when the project has a thorough knowledge of the range of Pro Decentralization's offerings, it can reach precise, clear and fast agreements, maximizing time use. Second, the projects' mutual knowledge of the objectives, lines of action, and the validity and pertinence of their products. This factor of informed demand depends mainly on the capacity of all USAID projects for having regular and adequate information channels and on the successful experiences held.

Description of the profile of the demand for coordination with on Pro Decentralization

The interviews have shown that in view of the successful experiences with coordination and the recent challenges of decentralization, the USAID projects have new additional demands. Below are those which are more important and significant for reaching the projects' objectives and decentralization as a state policy.

A core characteristic of the new demands is that they address what one project called "the real issues" meaning the discussion about the strategic direction and the perspectives of decentralization. The importance of this lies in the need for a systematic discussion about where the process is going, its current guidelines, its links with national policy and the short-, medium- and long-term challenges. This concern is common to most of the new requests for coordination. Here too is the issue of the general and national character of Pro Decentralization and the sector character of other projects: the question refers to the numerous relations between both dimensions and the need for joint coordination efforts with a strategic perspective. This is also crucial to the institutional reform of the regional governments and which question key issues about the shape of decentralized administration, which will have a major effect on USAID's projects and their potential for contributing to decentralization. Perhaps for this reason in connection with these issues a request for coordination is appearing for building a consensus for a standard advocacy strategy for USAID's projects with the government departments that design and /or implement decentralization policy. There is also a request for working more on designing joint comprehensive interventions in geographical areas that could produce new ways forward in the strategies for supporting decentralization.

It is important to note that the profile of the new requests for coordination is different from that proposed at the start of the decentralization. This shows not only that it has advanced to a crucial point, but that the political spectrum has changed and there are new players, new opinions, a redefinition of positions on the meaning of decentralization. The challenge of advancing in

consolidating decentralization means having an adequate understanding of the nature of the process, in a collective exercise.

1. Since Pro Decentralization is a general project which works with sub-national government branches in charge of implementing and consolidating the process, some sector-based projects (SUMA and Health Policies for example) would like to see a close relationship for regularly sharing information. This would allow: a) feedback from both dimensions; b) the enrichment of the projects' perspectives, both for the national-level Pro Decentralization and the sector-based projects; and c) sharing information about success and failure and the reasons for this. Pro Decentralization's overall and national perspective could help the other projects in identifying needs for information which would benefit all the projects. Similarly, the projects' sector perspective would provide a focus on specific problems, in areas like education and health, which are crucially important for decentralization due to their impact on the population's quality of life. Some thematic examples of coordination are: the local government modernization program; the Typology of Municipalities⁷; Decentralized Administration Indicators Systems; Results-based Management and Budgeting; and other similar.
2. Given its general character and strategic vision, the Pro Decentralization project is able to provide strategic information about the decentralization process which can contribute to improving the projects' program decisions. Some projects feel that this should take the form of regular discussions about progress in decentralization.
3. Operational coordination and feedback on the institutional reform of the regional governments: just as Pro Decentralization contributes to the global processes of institutional reform in regional governments, SUMA and Health Policies aim to contribute to the institutional redesigning of the sector departments (DRE and DIRESA), and to building decentralized management systems for the Education and Health sectors. Both projects appreciate the need for coordinated action with Pro Decentralization in order to standardize approaches and guarantee effective results.
4. The need for regular sustained discussions about the nature of decentralization and current affairs. This concern is appearing in the face of the increasing resistance of some state entities to decentralization which can be seen in a number of ways, like the lack of definition of the laws on the organization and functions of the ministries and the validity of the matrices of functions drafted in accordance with the Executive Power Law. These examples, which can also be seen in the growing emphasis on the administrative side of decentralization to the detriment of its political nature, have a significant impact on the USAID projects. Here Pro Decentralization's and the sector projects' balances of decentralization are a good foundation for fruitful discussions.
5. In view of Pro Decentralization's long-term relations with government bodies, some projects feel that it is important to coordinate the formulation of an agreed common strategy for relations with the state. They feel that Pro Decentralization is in the best position to contribute to and lead this process.
6. Many of USAID's projects lobby for government decisions on decentralization, but each one uses a different methodology and works alone. Some projects believe that it is very important to formulate an agreed strategy for lobbying government bodies. They recognize that Pro Decentralization has made headway in this area and has improved its standing with the ministries with simple but effective mechanisms (like accompanying the *Decentralization Compass*, an aide memoire with specific recommendations for their ministry), and with Congress with the report on *The Systematization of experiences of institutional reform*. Plus the constant records in the Quarterly Reports of "Success stories" defined as

⁷ This issue is discussed in the Descentralización Compass 2009-2010 as a priority policy.

achievements which have gone beyond program expectations. There is a consensus that Pro Decentralization is in a good position and has the experience to lead the effort.

7. There is a growing demand for coordination between projects to plan joint interventions in geographical areas. The experience of Chazuta (San Martin) in 2008 is a key precedent which demonstrates the potential of doing so. The recent initiative of geographical coordination in the regions is a particularly promising opportunity for such initiatives. There are already in fact some initiatives being discussed in San Martin as a result of the two regional meetings.
8. Joint and bilateral actions were held during the regional and municipal elections of October 2010, but various projects agree that this is not enough. They feel that USAID projects should design a specific, joint strategy on decentralization for the 2011 general elections.

RECOMMENDATIONS

1. Common approaches need to be formulated to address key issues for decentralization which affect the efficacy of the projects, such as the institutional reform of regional governments and decentralized administration.
2. The USAID projects need to have a forum for collective discussions about the way decentralization is going, its guidelines, its links with national policy and the challenges it faces in the short, medium and long term.
3. Pro Decentralization's relations with the sector-based projects need to be consolidated so there can be mutual feedback which will enrich projects' views and operational coordination in the institutional reform of regional governments.
4. The projects should coordinate with each other to rise as a group to challenges like the regional, local or national elections. The 2011 elections must be on the coordination agenda.
5. Opportunities which arise for coordination should be used. In San Martin the creation of the Inter-government Coordination Committee as part of the regional governments' institutional reform presents the opportunity for sharing information, agreements for coordination, and opportunities for joint interventions.
6. The monitoring and evaluation system should record cases of coordination and systematize them to turn them into models of relations, strategies and lines of action.
7. USAID projects should have an agreed lobbying strategy to address government entities. Pro Decentralization has made headway here and is in a position to contribute to the experience.
8. Joint and agreed interventions in geographical areas should be promoted. Coordination meetings in the regions are a good place to formulate initiatives. For Pro Decentralization, this could be part of its strategy to incorporate 180 extra municipalities in its ambit.
9. It is important to be aware that USAID's division of work by thematic areas could become an obstacle to coordination between projects. A number of projects feel that their work plans do not cover coordination, which could be a hindrance, or at least not an incentive for finding time or opportunities for it.

ANNEXES

ANEXO I

DEFINICIÓN OPERACIONAL DE LAS CATEGORÍAS CONCEPTUALES DE ANÁLISIS

- **Relevancia:** se refiere al grado en que el proyecto selecciona para atender, las demandas de mayor trascendencia para el logro de los objetivos de la Descentralización, y define la modalidad de intervención capaz de tener mayor impacto como resultado de una cadena previsible de efectos. Es una variable compleja y difícil de medir, debido a la maleabilidad de la demanda que condiciona que la decisión final sea siempre resultado de una negociación de los actores que intervienen.
- **Pertinencia:** Grado de adecuación de la oferta de ProDescentralización a las necesidades del Gobierno Nacional y de los gobiernos subnacionales, y por tanto, de su utilidad efectiva para éstos.
- **Calidad:** es una variable compleja que resulta del efecto combinado de las anteriores y se refiere a que los productos que se ofrecen, la selección de sus componentes y el proceso de producción y entrega, son elaborados y aplicados de manera que puedan ser medios de conocimiento suficientes y adecuados, puedan ser herramientas para enfrentar y resolver problemas, y se adapten a las realidades concretas de manera tal que el producto satisfaga los requerimientos y cumpla su propósito. Se ha buscado determinar la calidad de los productos a través de las percepciones y declaraciones de los actores implicados en sus intervenciones, y se ha distinguido: a) los materiales empleados, b) el equipo (capacitadores y facilitadores); y, c) el enfoque pedagógico. El análisis incorpora una dimensión de aprendizajes de los participantes.
- **Efectos:** se refiere a la contribución de ProDescentralización al fortalecimiento institucional de los gobiernos subnacionales a través de los productos y servicios que ofrece y por tanto, a su capacidad de ser un efectivo órgano de gobierno, y a la mejora de su desempeño en el marco de la reforma descentralista y la reforma y modernización del estado.

ANEXO 2

RELACIÓN DE PERSONAS ENTREVISTADAS

GOBIERNO NACIONAL	
Roger Díaz Alarcón	Director General de Presupuesto Público (DGPP)- MEF
Roger Salhuana	Director de Presupuesto Temático de la DGPP- MEF
Eloy Durán Cervantes	Responsable área de capacitación, Dirección General de Programación Multianual (DGPM)- MEF
Patricia Carillo	Experta en Capacitación, DGPP- MEF
Nilda Rojas	Secretaría de Gestión Pública- PCM
Washington Zevallos	Congresista
Fernando Paredes	Comisión de Descentralización. Congreso

GOBIERNOS REGIONALES	
Vladimiro Huaroc	Presidente Gobierno Regional Junín
José Reátegui	Asesor de Presidente. Responsable de comisión de reforma y modernización. Gobierno Regional Junín
Julio Meza	Subgerente de Planificación/ Grupo Técnico. Gobierno Regional Junín
Gerson Ordaya	Responsable de proyectos en Gerencia de Planificación. Gobierno Regional Junín
Luis Alberto Matos	Gerente de Turismo. Ex Gerente de Desarrollo Social y Ex Gerente de Planificación. Gobierno Regional Junín
Luis Vela	Gerente General. Gobierno Regional San Martín
Jorge Chávez	Gerente de Planificación y Presupuesto. Gobierno Regional San Martín
Walter Ibáñez	Gerente de Planificación. Gerencia de Planificación. Gobierno Regional Cajamarca
Pelayo Roncal	Planificador. Gerencia de Planificación. Gobierno Regional Cajamarca
Fernando Silva	Asesor principal. Gobierno Regional Cajamarca
David Bastidas	Consultor en reforma institucional. Gobierno Regional Cajamarca
Manuel Cenepo	Subgerente de Planificación y Presupuesto. Gobierno Regional Ucayali
Luis Gadhi Nieves	Subgerencia de Planificación y Presupuesto. Gobierno Regional Ucayali
Clive Espinosa	Planificador. Gobierno Regional Ucayali
Néstor Seijas	Jefe OPI. Gobierno Regional Ucayali
Mario Roca	Asesor del Presidente Regional Ayacucho
Daniel Chuchón	Funcionario Gerencia de Planificación y Presupuesto. Gobierno Regional Ayacucho
Andrés Tipe Gomez	Funcionario Gobierno Regional Ayacucho. Egresado del Diplomado

GOBIERNOS LOCALES	
Ulises Saldaña	Alcalde. Municipalidad Provincial Coronel Portillo (Ucayali)
Teobaldo Reategui	Jefe de Cooperación Internacional. Municipalidad Provincial Coronel Portillo (Ucayali)
Fernando Panduro	Jefe de OPI. Municipalidad Provincial Coronel Portillo (Ucayali)
Jorge Mosalves	Gerente de Desarrollo Social Municipalidad Provincial Coronel Portillo (Ucayali)
Karina Pérez	Jefa de Racionalización. Municipalidad Distrital Yarinacocha (Ucayali)
Rolando Palacios	Gerente Planificación y Presupuesto. Municipalidad Distrital Manatay (Ucayali)
Basíldes Dorado Sairitupac	Alcalde. Municipalidad Distrital Nueva Requena (Ucayali)
Israel Isuzi de la Cruz	Subgerente Desarrollo Social. Municipalidad Distrital Nueva Requena (Ucayali)
Luis García Godos	Funcionario. Gerencia Planificación y Presupuesto, Municipalidad Provincial Huamanga (Ayacucho)
Rocío Saldaña	Gerente Municipal. Municipalidad Distrital San Juan Bautista (Ayacucho)
Socorro Arce	Regidora Municipalidad Provincial Huamanga (Ayacucho)
Kelly Marín	Gerente de Planeamiento y Presupuesto. Municipalidad Provincial de San Martín
Carlos Chira	Gerente de Planificación y Presupuesto de la MP Lamas
George López	Gerente de Fiscalización MP Lamas

PROYECTOS DE USAID Y SOCIOS	
Mariví Pascual,	USAID/Perú Comun@s
Midori de Habich	USAID/ Perú Proyecto Políticas en Salud
Arturo Granados	USAID/ Perú Proyecto Políticas en Salud
Flor Pablo	USAID/Perú SUMA
Hugo Centurión	USAID/PDA
Mariella Rodríguez	USAID/PDA
Frederick Andía	USAID/PDA
Elena Conterno,	USAID/Perú Facilitando Comercio
Cecilia Blondet	ProÉtica
José Iturríos	USAID/PERU/ Proyecto PRA
Violeta Vigo	ALAC
Rosario Vargas	ALAC

COOPERACIÓN INTERNACIONAL	
Maki Kato	UNICEF

CONSULTORES	
Raúl Molina	Consultor. Ex Secretario de Descentralización. PCM

USAID PERU	
Sobeida Gonzáles	COTR. Iniciativas Democráticas. USAID PERU

SOCIEDAD CIVIL Y ENTIDADES LOCALES RELEVANTES	
Víctor George García	Dirección Regional de Educación. Gobierno Regional de Ucayali
Hedy Ilumina	ONG Manuela Ramos, Coordinadora. Ucayali
Manuela Seijas	Mesa Regional de Concertación de Lucha contra la Pobreza. Ucayali
Karen Bardales	Jóvenes promotores de DDHH. Ucayali
Manuel Pinedo	CCL, Municipalidad Provincial Coronel Portillo. Ucayali
Hermes Bermúdez V.	Decano de la Facultad de Ciencias Económicas y Contables. Universidad Nacional San Cristóbal de Huamanga. Ayacucho
Celina Salcedo	Candidata a las elecciones Municipio Provincial Huamanga. Ayacucho
María Armas	Directora General. Universidad César Vallejo Sede San Martín

PRODESCENTRALIZACIÓN	
Reilly, Thomas	Jefe de Proyecto
Bermudez, Violeta	Directora Adjunta
Nestor Rios	Asesor del Área de Fortalecimiento a Gobiernos Subnacionales
Karina Olivas	Asesora del Área de Fortalecimiento a Gobiernos Subnacionales
Mosclis Vega	Asesor del Área de Fortalecimiento a Gobiernos Subnacionales
Heiko Lombradi	Analista Regional. Ayacucho
Sonia Ríos	Analista Regional. Ucayali
Ernesto Segura	Analista Regional. Junín
Elena Rojas	Analista Regional. San Martín
Ángel Erasmo	Equipo Técnico Local: CEISA, Ayacucho,
Patricia Flores	Equipo Técnico Local: CIPA, Ucayali
Isabel Esteban	Equipo Técnico Local: CIPA, Ucayali
Ana Cosme	Equipo Técnico Local: IDEL Junín
Miguel Ponce	Equipo Técnico Local: IDEL Junín
Víctor Chávez	Equipo Técnico Local: CEPSCO
Polita Saavedra	Equipo Técnico Local: CEPSCO
Fredy Vega	Ex- Asesor del Área de Fortalecimiento a Gobiernos Subnacionales

ANEXO 3

GUIA DE ENTREVISTAS

A. ProDescentralización

1. El proyecto USAID/Perú Prodescentralización: sus objetivos y metodología de intervención.
2. Discusión específica sobre las actividades de cada componente, particularmente las vinculadas a los casos objeto de estudio.
3. Implementación de la estrategia basada en la demanda y el enfoque metodológico “de la política a la práctica”.
4. Surgimiento de la iniciativa del Diplomado/ Gestión y Presupuesto por Resultados/ Reforma institucional de gobiernos regionales. ¿Por oferta o por Demanda?
5. Coordinación con organismos del Gobierno Nacional para la implementación de la línea de actividad.
6. Participantes en el diseño global de la actividad, los materiales, y enfoque metodológico. Ajustes y correcciones en la planificación.
7. La experiencia de la implementación: En los contenidos, en lo metodológico, en los capacitadores, en los participantes, en la logística.
8. Problemas y/o limitaciones identificadas en el desarrollo de las actividades. Mecanismos de resolución de problemas y superación de limitaciones.
9. Identificación de los principales resultados de la línea de acción: en aprendizaje, en desempeño institucional y otros.
10. Identificación de los factores de sostenibilidad de la estrategia.
11. Identificación de áreas y mecanismos de coordinación con otros proyectos de USAID.
12. Experiencias de coordinación con otros proyectos de USAID vinculados al proceso de descentralización.

B. Autoridades y funcionarios de Gobiernos Regionales y Locales

1. Conocimiento del proyecto USAID/Perú Prodescentralización, sus objetivos, metodología y sus actividades.
2. Surgimiento de la iniciativa del Diplomado/ Gestión y Presupuesto por Resultados/ Reforma institucional de gobiernos regionales. ¿Por oferta o por Demanda?
3. La experiencia de la implementación: En los contenidos, en lo metodológico, en los capacitadores, en los participantes, en la logística.
4. Problemas y/o limitaciones identificadas en el desarrollo de las actividades. Mecanismos de resolución de problemas y superación de limitaciones.

5. Discusión sobre Relevancia, Pertinencia y Oportunidad de la línea de actividad.
6. Identificación de los principales resultados de la línea de acción: en aprendizaje, en desempeño institucional y otros.
7. Identificación de los factores de sostenibilidad de la estrategia.

C. Ministerio de Economía y Finanzas (Funcionarios)

1. Conocimiento del proyecto USAID/Perú Prodescentralización, sus objetivos, metodología de intervención y sus actividades en los diversos componentes.
2. Surgimiento de la iniciativa del Diplomado/ Gestión y Presupuesto por Resultados/ Reforma institucional de gobiernos regionales. ¿Por oferta o por Demanda?
3. Coordinación con el proyecto USAID/Perú Prodescentralización para la implementación de la línea de actividad.
4. Participantes en el diseño global de la actividad, los materiales, y enfoque metodológico. Ajustes y correcciones en la planificación.
5. La experiencia de la implementación: En los contenidos, en lo metodológico, en los capacitadores, en los participantes, en la logística.
6. Problemas y/o limitaciones identificadas en el desarrollo de las actividades. Mecanismos de resolución de problemas y superación de limitaciones.
7. Identificación de los principales resultados de la línea de acción: en aprendizaje, en desempeño institucional y otros.
8. Identificación de los factores de sostenibilidad de la estrategia.

D. Socios USAID

1. Conocimiento del proyecto USAID/Perú Prodescentralización, sus objetivos, metodología de intervención y sus actividades en los diversos componentes.
2. ¿Tienen los temas del proyecto relación con la Descentralización? ¿Es la Descentralización un factor relevante en el logro de los objetivos de su proyecto?
3. Experiencias de coordinación y relación de su proyecto con ProDescentralización desde su implementación. ¿En qué áreas concretas?
4. Apreciación crítica de la experiencia de relación interinstitucional con ProDescentralización.
5. Identificación de los problemas para la coordinación entre proyectos.
6. Identificación de áreas de su proyecto que pueden ser objeto de mayor coordinación y articulación con Prodescentralización con el objetivo de generar sinergias entre ambos.
7. Identificación de los factores clave de una Coordinación positiva con ProDescentralización.

E. Participantes en las actividades (Funcionarios y autoridades de gobiernos regionales, municipalidades provinciales y distritales, y líderes de organizaciones de sociedad civil.)

1. Criterios de la decisión de participación en la línea de actividad.
2. Relevancia y Pertinencia de la actividad para la mejora del desempeño del Gobierno Regional/ Local.
3. Calidad de la intervención de ProDescentralización: enfoque metodológico, materiales pedagógicos, docentes- capacitadores.
4. Identificación de los principales cambios que se han producido en su desempeño individual e institucional por efecto de la actividad.