

# **ACDI/VOCA Assignment Report**

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Host Organization and Country of Assignment: ACDI/VOCA, Panama

November 30-December 18, 2004

Assignment Number: 431015

## ***Chepigana Municipal Strengthening***



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## I. Executive Summary

The Chepigana Municipality is a relatively large municipal district in terms of geographical area and is located in a sparsely populated, natural resource rich area of Panama's Darien Province. Panama held municipal and national elections in May of 2004, and a new mayor and a substantially new municipal council took office in Chepigana in September of 2004.

The Chepigana Municipal Government (CMG) requested the help of an ACDI/VOCA volunteer consultant to assess the municipal government's strengths and weaknesses and to assist in strategic planning. Specific areas of concern for the incoming government include the need to enhance revenue generation from internal sources, the need to improve both municipal service delivery and development program management capacity, and the need for better administrative and managerial skills.

Volunteer consultant activities included a two week stay in La Palma, the capital of the Chepigana district. During this time the volunteer consultant visited to six of the sixteen *corregidurías* (sub-municipal political units) that compose the municipality, interviewed municipal workers, municipal council representatives, central government functionaries responsible for field offices in the Chepigana district, citizen groups and citizens at large. The consultant conducted one participatory workshop with community members at large in La Palma to solicit input on a preliminary set of suggested strategic initiatives for the district. The consultant then formally presented a modified set of suggested strategic initiatives to the mayor and other government functionaries in La Palma. The consultant presented a final set of suggested strategic initiatives for the CMG to representatives of the *Dirección de Gobierno Locales* (DGL, the Local Government Office), the Panamanian central government office responsible for supporting local governments, in Panama City. These activities comprehended interviews with 63 individuals (in individual or group settings).

There are many factors that limit the range of strategic recommendations that the CMG can reasonably implement. Limiting factors include the current legal and policy framework defining the organization, responsibilities and powers of municipal governments in Panama, problems arising from the mismanagement and malfeasance of past municipal government administrations in Chepigana, unique challenges presented by the geography and socioeconomic status of the Darien Province, municipal personnel capacity, and Panamanian political culture in general. Considering these limiting factors, the strategic objectives presented in this study are specific, limited and reasonable.

Strategic recommendations:

- 1) Enhance CMG's revenue generation and service provision capacities by adding a municipal planner, a municipal engineer and a legal advisor under an existing central government sponsored payroll subsidy arrangement;
- 2) Increase salience of the "Municipality of Chepigana" brand name (identity) through cost effective strategies such as allotment of space on development project signage, municipal worker uniforms and caps, radio announcements, creation of municipal letterhead paper, etc.;
- 3) Improve citizen awareness of CMG government initiatives and activities through radio announcements of and bulletin board postings of council meeting minutes, etc.;
- 4) Establish CMG as a node of coordination for development activities and a clearinghouse for development plans for the district by signing letters of understanding and letters of agreement with international organizations for projects currently being implemented in the province, assuring that copies of development studies for the district are stored in the *alcaldía*, establishing fixed-date meetings of development agency heads with the

- GMC, etc.;
- 5) Prioritize non-payroll municipal spending on i.) municipal vehicles, ii.) finishing substantially-completed and highly-visible small-scale infrastructure projects with potential for income generation, and iii.) highly-visible municipal service oriented expenditures, such as trash pick-up and other visibility enhancing purchases (s/a uniforms for municipal workers).

## II. Scope of Work and Results

The original SOW included the following goals:

1. Conduct an internal and external analysis of the Chepigana Municipal Government (strengths and weakness as variables of the internal analysis; opportunities and threats as external variables).
2. Help the Chepigana Municipal Government define its long-term mission and objectives.
3. Establish an operations, policies and procedures manual.
4. Develop a strategic plan for the next five years.
5. Help conceptualize and design viable projects for the Chepigana Municipal Government, and attractive proposals for donor funding.
6. Establish strategies which permit: a) increased confidence in the Chepigana Municipal Government leadership by the community; b) better inter-institutional relationships (projects, agreements, etc.); c) an increase in inter-institutional strategic alliances; d) capture and generation of funds from public, private, donated, etc. sources; and e) sustainable revenues streams.

The current report satisfies Goal #1. The combination of analyses contained in the current report with activities carried out in the Municipality of Chepigana satisfies all elements of Goal #6.

Participatory planning exercises carried out on December 9 and December 13 in La Palma, Darien, satisfy Goals #2, #4 and #5 as modified. Regarding Goals #2 and #4, the Chepigana Municipal Government (CMG) is experiencing an acute need for short-term to intermediate-term planning. The current consultancy's planning activities, therefore, respond to this need by focusing on programmatic activities that the CMG might carry out in the next one to four years. Additionally, the final product might be more accurately termed 'suggested strategic initiatives' than a 'strategic plan'. The term 'strategic plan' suggests a much longer process with more intermediate steps and revision than the time allowed for this assignment permitted.

Regarding Goal #5, at this time I do not advise that the CMG seek external funding in the form of donor grants. I identify viable projects for the CMG herein and specify other means of financing their implementation (e.g., municipal tax revenues, implementing partner resources, etc.).

Conversations with the *Dirección de Gobiernos Locales* (DLG) representative assigned to the CMG, Magdalena Tam, and the CMG mayor, Benigno Ibarquen M., revealed that DLG has already provided CMG with an operations, policies and procedures manual. According to Ibarquen, the manual is stored at his house, near Santa Fe. This obviated the need to address Goal #3 directly, although strategies suggested herein do address the need on the part of the CMG for increased administrative capacity and the means to achieve this objective.

Thus, consultancy deliverables are as follows:

- 1) Research on the current state of the CMG, including review of secondary literature describing the institutional atmosphere (see "Bibliography"), field visits to six of Chepigana's 16 political subdivisions ("corregimientos") with municipal staff, and

- interviews and/or participative activities with 63 individuals in the Chepigana District, both public service professionals and citizens at large (see Annex 1: "Meetings").
- 2) The current final report analyzing Municipality of Chepigana strengths/weaknesses and making specific strategic suggestions in areas of need.
  - 3) Participatory workshop with municipal employees of Chepigana District, heads of central government ministry field offices with presence in the Chepigana District and citizen groups during the elaboration of report (carried out December 9 in La Palma).
  - 4) Presentation of draft of analysis and strategic suggestions for the Municipality of Chepigana to mayor and ministry field office heads (presented December 13 in the *Gobernación del Darién* in La Palma).
  - 5) Collaboration with representatives from *Dirección de Gobiernos Locales* (DGL, Local Government Office). This collaboration included meetings in Panama City (December 1 at the ACDI/VOCA office), work in La Palma with the DGL representative assigned to the CMG, and the presentation of the results of the consultancy assignment to the DGL (December 16 at the ACDI/VOCA office).
  - 6) Assignment photographs included in this report and CD with digitized images.
  - 7) Formal debriefing with ACDI/VOCA Panama and a completed and signed Debriefing Data Sheet (DDS).
  - 8) Expense report with all required receipts to ACDI/VOCA Washington.

### III. Methodology

#### *Antecedents*

There are many resources available to researchers/consultants concerned with municipal development in the Darien. These resources include development proposals, loan proposals and other secondary studies. These studies/proposals vary in methodological approach, topic, scope and quality.

However, very few of these studies/proposals cite one another, leading to duplications of effort. Here, I give a cursory overview of this body of literature to facilitate future efforts aimed at strengthening municipal governments in the Darien Province in general and the Chepigana Municipal Government (CMG) specifically.

Two Inter-American Development Bank loan proposal documents provide contextual analysis pertinent to the operating environment of the CMG. "Program for Municipal Development and Decentralization Support" (2003)<sup>1</sup> provides an excellent and concise overview of the institutional frameworks (legal and policy) that affect municipal governments in Panama and the organizational capacity of municipal governments. I cite this document throughout the current study. "Consulta comunitaria: El caso de Darién, Panamá" (Perafán and Nessim: 2001) provides a broad historical context for the Darien region and a detailed sociological description of its inhabitants. This study is at its best when it gives a behind the scenes story of why the section of the Panamerican highway in the Darien Province has not yet been completed (owing partially to a combination of US agricultural and immigration concerns coupled with environmental protection groups' interests). But this document fails to recommend concrete and measurable development goals.

Many project proposals/development plans/studies focused on the Chepigana district are available (see Annex 2: "Studies"). However, these proposals are underutilized for a number of reasons. These reasons include unrealistic scopes of work and failure to identify resources/mechanisms for implementation, such as in "Plan de ordinamiento...La Palma." This weakness characterizes the "Plan de Desarrollo Municipal-Distrito de Chepigana" as well. The title of the document is a misnomer. This document details the results of an extensive round of participatory workshops that FIS conducted in all sixteen of Chepigana's *corregimientos* in 2003. While this document provides detailed and pertinent demographic data for the Chepigana District, it does not specify resources, development strategies for the development needs it identifies, nor does it prioritize these needs. Other deficiencies are seen in documents. Technical recommendations stated in proposals are sometimes obviated by lapse of several years since elaboration (Rentention Wall-Garachiné). Duplication of effort is a risk as well due to poor donor/sponsoring agency coordination. For example, it is not clear to what extent the current study being carried out by the Japanese government for a desalination plant to increase the water supply for the town of La Palma might duplicate the efforts of the Louis Berger Group, Inc. because the latter study is housed in the central offices of IDAAN in Panama.

Finally, the "Plan Estratégico de Desarrollo del Distrito de La Chorrera" (USAID: 2000) provides a good model for a municipal development plan for the CMG when such a task is undertaken.

#### *Structure of the Current Study*

Upon designing the current study, I sought to avoid the pitfalls that I perceived in previous studies/plans as outlined above. Thus, I have limited my study to an evaluation of the strengths

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<sup>1</sup> Available online: <http://www.iadb.org/exr/doc98/apr/pn1522e.pdf>

and weaknesses of the CGM and a few specific, concrete and achievable strategic recommendations. I identify resources and specific implementing mechanisms for all recommendations.

The current report is a culmination of various research activities and professional experiences. My volunteer consultant activities included a two week stay in the Chepigana District and a one week stay in Panama City. Participatory activities included numerous personal interviews and workshops/formal presentations. Background research included a review of pertinent development literature, including, but not limited to the abovementioned documents. Finally, my research and work experience of several years with municipal governments formed under Bolivia's 1994 decentralizing Law of Popular Participation (LPP) and with Salvadoran municipal governments and decentralized regional health centers provided me with relevant comparative experience.

Interviews provided a major source of data. During the two week period in the Chepigana District, I visited six of the sixteen *corregidurías* (sub-municipal political units) that compose the municipality. These field visits allowed me to interview municipal workers, municipal council representatives, central government functionaries responsible for field offices in the Chepigana District, citizen groups and citizens at large. Most interviews were informal and were conducted in individuals' homes/communities of residence or, in the case of government functionaries, in their field offices (mostly in La Palma). I did not use a questionnaire in interviews, but tailored my questions to each individual and circumstance (see Annex 3: "Sample Interview Questions"). In all, I interviewed 63 individuals (in individual or group settings) through this process.

Formal workshops and meetings allowed me to present preliminary findings and modify them based on feedback. I conducted one participatory workshop with community members at large in La Palma to solicit input on a preliminary set of suggested strategic initiatives for the district. I then formally presented a modified set of suggested strategic initiatives to the mayor and other government functionaries in La Palma at the end of my stay there. Lastly, I presented the final set of suggested strategic initiatives for the CMG to representatives of the *Dirección de Gobierno Local* (DGL, the Local Government Office), the Panamanian central government office responsible for supporting local governments, in Panama City.

#### IV. National Context for Municipal Government

The Inter-American Development Bank's document "Program for Municipal Development and Decentralization Support" provides the best review of the operating environment for municipal governments in Panama. Here I summarize only the most salient of its observations.

Despite a relatively high per capita GDP of around US \$3,000, over 37% of the Panamanian population live below the poverty line, and half a million (19%) live in extreme poverty, especially in rural areas.

Panama has a land area of 75,517 km<sup>2</sup> and is divided politically and administratively into nine provinces. These provinces are subdivided into 75 municipal districts which are, in turn, divided into 588 *corregimientos*, or sub-municipal territorially-based administrative units. Each municipal district elects a mayor through a municipality-wide vote and each *corregimiento* elects a representative to the municipal council.

About 2/3 of Panamanian municipalities are subsidized by the central government.<sup>2</sup> This subsidization is usually limited to the payment of the municipal payroll. In exchange for the central to local transfer of funds, municipal governments give up substantial discretion in spending decisions.

According to Law 106 of 1973 and Executive Order 25 of 1989, Municipal governments in Panama are required to provide the following services (IADB "Municipal," 1):

- 1) delivery of municipal services such as slaughterhouses, markets, street cleaning, solid waste disposal, cemeteries and crematoria;
- 2) delivery of administrative services such as issuing vital records certificates, operating permits, certifications and other documents;
- 3) first-instance justice administration in family disputes;
- 4) municipal development planning, including the management and execution of projects and actions included in such plans;
- 5) urban development and control, including the construction of parks, walkways and public roads, and the issuance of building permits;
- 6) delivery of emergency services in response to natural disasters;
- 7) collection and use of taxes, fees and charges to finance expenses of municipal administration, services and investments.

In reality, it is difficult for municipal governments to comply with these mandates. Panamanian municipal governments suffer under legal and policy frameworks that create incentive structures detrimental to municipal strengthening, on a macro level, and suffer from poor administrative/managerial capacity and lack of resources, on a micro level.

At the policy/legal framework level, Panamanian law creates multiple power centers with overlapping areas of responsibility and little incentive to coordinate. Within the municipal government<sup>3</sup> itself, multiple power centers exist. Each council representative receives an annual \$15,000 transfer from the central government through its Community Civil Works program (*Obras Comunitarias*) to spend on community projects in their respective *corregimientos*. Representatives, however, are not required to coordinate the programming of these funds with the mayor's office. The mayor's office, on the other hand, is responsible for providing the

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<sup>2</sup> These central government transfers are separate from the Community Civil Works program funds mentioned below.

<sup>3</sup> The municipal government consists of four components: the mayor's office, the municipal council, the treasurer's office and the *corregidor's* office.

services enumerated above in 1-7, although no budget is allocated for these activities (see "Chorrera," 18-21; IADB "Municipal," 2-3).

Exacerbating the lack of coordination promoted by the internal organizational structure of the municipal government, multiple central government line ministries provide public services that overlap with each other and with the services that the municipal governments are legally obligated to provide.<sup>4</sup> Coordination between these various actors is generally poor.

The poor administrative and managerial capacity that municipal governments display is due to a variety of factors, two of which are discussed herein. The first is Panamanian political culture. The norms of patronage politics mandate that municipal appointees are more likely to receive their positions because of political affiliation than merit. Thus, there is high municipal employee turnover corresponding with election cycles and a low level of professionalization among municipal employees.

A second factor limiting administrative and managerial capacity in municipal governments is more specific to poor rural municipalities. Panama subsidizes approximately 2/3 of its municipal governments. Most subsidized municipalities are rural and poor. Subsidies consist primarily of paying the municipal payroll. Subsidized rural municipalities must solicit central government approval to expand the payroll. The non-discretionary nature of the central to municipal transfer funds can impede the addition of trained technical staff at the municipal level.

One result of these limiting factors is that Panama's municipal governments are anemic vehicles of public spending. Only 1.5% to 2.75% of public spending is channeled through Panamanian municipal governments. This average is low compared to other Central American municipal governments which average about 6% of public spending (IADB "Municipal," 4; "Chorrera," 19), or other Latin American municipal governments which can range from 10% to 40% of public spending (Campbell and Fuhr, 13).

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<sup>4</sup> One example that illustrates this dynamic is that in the Chepigana district, one could theoretically find sewer systems build and/or administered by one or a combination of the following actors: the National Institute of Aqueducts and Sewer Systems (IDAAN), the Ministry of Public Health (MSP), the Ministry of Public Works (MOP), individual council representatives with funds from the Community Civil Works program (administered by the Ministry of Economy and Finances [MEF]), a private company, and/or the municipal government itself.

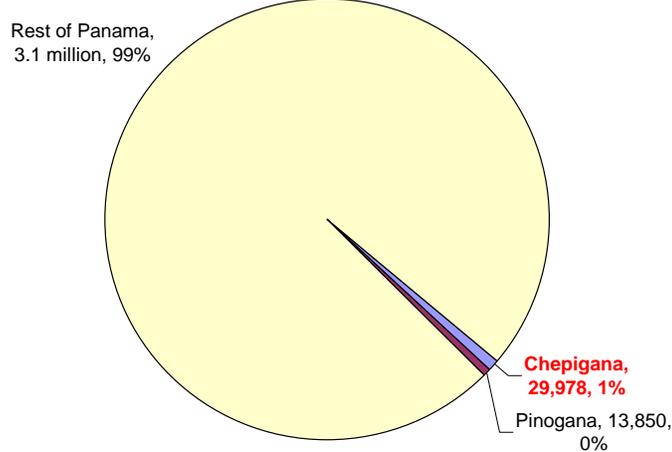
## V. The Chepigana District, Municipal Government and Civil Society

### *The District*

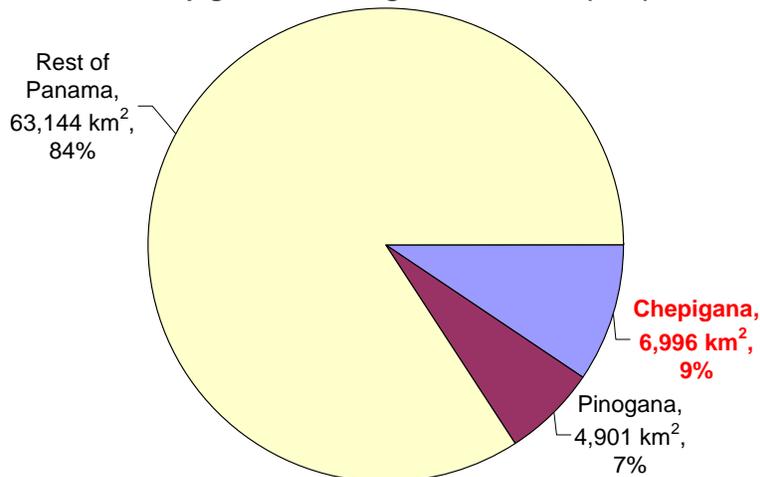
The Chepigana District (or Municipality) is one of two municipal districts that compose the Darien Province of Panama along with the Pinogana District. Two semi-autonomous *comarcas*, or indigenous reserves, also fall within the provincial borders of the Darien. The Chepigana Municipality comprises sixteen sub-municipal political units, or *corregimientos*, each with its own representative (see Annex 4: "*Corregimientos*"). It is worth noting that the average number of *corregimientos* per municipal district in Panama is approximately eight. Chepigana's relatively high number of *corregimientos* has important implications for coordination, organization, and communication relating to municipal business issues.

Sparse population and extensive land area characterize the Chepigana municipal district. While the population of Chepigana equals only 1% of the national total, its land area equals approximately 9.3% of the national total in terms of Km<sup>2</sup>.

**Chepigana and Pinogana Population  
as % of Panama Population**



**Chepigana and Pinogana Land Area (Km<sup>2</sup>)**



Chepigana thus has one of the lowest population densities in Central America at 4.3 inhabitants per square kilometer.

Dense forests, rolling mountains and substantial bodies of water characterize Chepigana's geography. Multiple rivers, estuaries and bays transect the district's land mass (see also Annex 5: "Darien Province"), which has implications for travel and communication between *corregimientos*.



Transportation between many of Chepigana's population centers is accomplished by small launch (*panga*).



Anino Julio S., Municipal Inspector of Chepigana, readies himself to travel from La Palma to Garachiné in a launch borrowed from the *Controlaría General*.

Most roads that connect much of Chepigana's population are unpaved roads that are subject to flooding during rainy times.



*Traveling with Anino Julio and Dionisio Káura Ramos, Corregidor of Chepigana, from Garachiné to Sambú in a public transportation.*



*Typical river crossing on road connecting the Garachiné and Sambú corregimientos.*

Travel times within the district vary substantially depending on weather conditions, whether one travels in private transportation or public transportation and by destination.

There are a number of substantially completed, yet unfinished, projects in the district. Various actors, from previous municipal government administrations to corregimiento representatives to central government ministries, began these projects and then left them to decay before their completion. In some instance—such as the case of the gymnasium in La Palma—vandalism and lack of maintenance are threatening to damage otherwise sound construction.



*A past municipal government administration built, but did not complete this gymnasium/multi-purpose complex near La Palma in 2001.*



*This municipal warehouse in La Palma lacks only walls to be functional.*

*Municipal Government of Chepigana*

*Municipal Personnel/Town Council*

Voters of the Chepigana elected a new mayor and substantially new town council in May of 2004. The mayor and town council took office in September of 2004. Ten out of sixteen council representatives are new to their offices.

The MGC employs approximately thirty-five employees. Twenty of these positions are in its central office in La Palma, the majority of which work in the mayor's office.

Mayor's Office

Mayor	1
Municipal Inspectors	2
Secretary	1
Office Helper	1
Manual Laborer	1

Manual Laborer (Municipal Markets)	1
Sanitation Workers	<u>4</u>
	<i>Total</i> 11
Municipal Council	
Secretary	1
Assistant	<u>1</u>
	<i>Total</i> 2
Municipal Treasurer's Office	
Treasurer	1
Support Staff	<u>4</u>
	<i>Total</i> 5
<i>Corregiduría</i>	
<i>Corregidor</i>	1
Secretary	<u>1</u>
	<i>Total</i> 2

In addition to the above, the MGC includes at least fifteen *corregidores* (or *regidores*, an official with similar but less extensive powers/responsibilities to that of a *corregidor* in smaller *corregimientos*) on its payroll in the *corregimientos* outside of La Palma.

The coordination of municipal employees' work activities is generally weak. No systematized mechanism for elaborating or reviewing work plans exists. The mayor directs the activities of the municipal employees in an *ad hoc* fashion. On any given day, certain municipal workers might dedicate time to tasks not directly related to their area of responsibility. For example, both the municipal *corregidor* and one of the municipal inspectors dedicated several days to overseeing the repair of a clogged sewage connection in the town hall (*alcaldía*) during my visit.

CMG employees based in the town hall generally dedicate their time to activities that service the urban area of La Palma. For instance, sanitation workers divide their time between collecting trash in La Palma and clearing brushy or green areas in outlying areas and municipal parks. Municipal inspectors concentrate their efforts in La Palma as well.



*Trash pick-up in La Palma with municipal sanitation crew and borrowed dump truck from the Ministry of Public Works (MOP)*

The Treasurer's Office dedicates the majority of its time to collecting and accounting for

municipality-wide tax receipts. Approximately 5% of its time is dedicated to accounting for Community Civil Works program funds allocated in the *corregimientos*.

A more limited portion of CMG personnel dedicate their time to activities that affect at least some of the sixteen *corregimientos* of the district. The municipal council's secretary and assistant dedicate almost 100% of their time to the administration of the Community Civil Works funds allocated to each representative. The municipal *corregidor* supports *corregidores* and *regidores* in the fifteen *corregimientos* outside of La Palma to the extent that transportation and his technical capacity permit.

#### *Technical Capacity and Service Provision*

Time did not allow for a thorough evaluation of technical capacity of each of the four main offices that constitute the CMG. However, the chart below gives a rough approximation of the technical/managerial capacities of each unit.

	<b>Technical / Managerial Capacity</b>	<b>Main Area of Needs</b>	<b>Notes</b>
Mayor's Office	Low*	Training for municipal inspectors	
Municipal Council	Average	Engineering support for CCW projects	Due to elimination of MEF engineer.
Treasurer's Office	Average	Computer training and legal support	
<i>Corregidor's Office</i>	Low	Technical training for <i>corregidores/regidores</i>	High turnover of politically appointed <i>corregidores/regidores</i> in <i>corregidurías</i> limits impact of training

\* With the exception of Benigno Ibarquen, mayor. See below.

Overall, the managerial and technical capacities of the MGC are quite limited. In this respect, the CMG faces challenges similar to those faced by other local government entities worldwide: "In many countries decentralization efforts are seriously hampered by low managerial capacities at the respective levels of government" (Campbell, Peterson, and Brakarz 1991; Cheema 1993; Fuhr 1994; Hoffman-Martinot 1992; Nickson 1995; in Campbell and Fuhr 28).

As a result, the quality and quantity of services that the MGC provides are deficient. This is the case as much in the urban center of La Palma, where many of the CMG's resources are concentrated, as it is in the fifteen *corregimientos*, where the MGC's local presence is often limited to *corregidores* and *regidores*, and otherwise absent.

The case of trash collection in La Palma is illustrative. The MCG has programmed trash pick-up for three days per week. Lacking a municipal dump truck, the MCG has arranged to borrow a dump truck and driver from the local office of the Ministry of Public Works (MOP). The MCG provides diesel fuel and workers for the trash pickup, and has rented a piece of land outside of La Palma to be used as a landfill.

In reality, trash pickup seldom occurs three times per week. MOP activities take precedence over the MGC's commitment to its citizens to assure timely and effective trash collection. The MOP dump truck was non-functional for at least two of the days that I was in La Palma. Municipal sanitation workers interviewed estimated that trash collection occurs on average from one to 1.5 times per week. If trash crews miss even one programmed collection day, trash quickly

accumulates in the streets. Rains often wash uncollected trash into the River Tuira, which runs parallel to Main Street, La Palma.



*Uncollected trash near the water's edge off of Main Street, La Palma.*

The inability to provide basic services such as trash collection on a regular basis extends to other simple services, such as periodic cleaning of the municipal market where meats and fish are sold on a daily basis in La Palma.

Finding it difficult to accomplish such basic tasks in the urban center where its offices are located, the MGC finds itself overwhelmed with larger responsibilities such as urban planning and code enforcement in La Palma.

Providing such services on a district-wide scale is well beyond the MGC's current capacity. With the exceptions of the *corregidor/regidor* service and limited support in trash collection, the MGC leaves the fifteen *corregimientos* outside of La Palma to their own means to find solutions to urban planning, trash collection, basic service (sewer, etc.) provision, public park maintenance, etc. *Juntas comunales* (community boards) and *juntas locales* (local boards), where they exist, address these needs to the best of their ability.

Most communities and community groups bypass the MGC in their attempts to procure basic services. These groups, either through their representative or independently, negotiate directly with an array of service providers to provide trash pick-up, pave roads, provide sanitation services, maintain public areas, enforce zoning regulations, etc. Potential service providers include central government ministries (see note 4). Representatives often negotiate with high level public officials (e.g., the provincial governor, a presidential appointee) to sway the decisions of central government functionaries that control resources.

Campbell and Fuhr refer to this type of direct bargaining with higher level agencies and organizations as "vertical coordination" (28).

Under traditional, largely rent-seeking arrangements, it [is] still rational for local authorities [e.g., *corregimiento* representatives] *not* to seek coordination with other local actors [e.g., MGC]. Instead local authorities found it more beneficial to enter excessive bargaining and seek the favor of central authorities. (28)

A related form of vertical coordination takes place between representatives and international NGOs or private companies without including the municipal government as an intermediary. One community, Agua Fria, has on occasion taken up a collection from community members to rent heavy earth moving equipment from a local priest for \$60 per hour to repair local roads. In the same community people pay between \$8 and \$20 per month for water service provided by a private company.

### *Municipal Finances*

Through the first eleven months of 2003 the MGC collected \$236,854.79 in tax revenues, or approximately \$21,532 per month.<sup>5</sup> These revenues came from a variety of sources, including construction permits, fines, commercial fees and taxes, etc.

The MGC carries approximately \$40,000 of debt from previous administrations.

Time did not permit a detailed review of municipal finances in the current study. However, consensus exists among various actors (municipal functionaries, central government ministry functionaries, international development organization heads and citizens at large) that many potential sources of income escape the MGC. The common refrain in interviews while addressing this topic was, 'Hay mucha fuga de impuestos' (tr.: 'There is a great escaping of taxes [from this region]').

In general, two distinct but related elements contribute to limiting collection of municipal tax revenues: 1) limited technical capacity in and poor coordination among the various municipal offices that would collect various taxes and fees at the local level and 2) poor municipal service provision.

Three offices in the municipality have legal authority to fine, tax or collect fees: the Mayor's Office (through its municipal inspectors), the *Corregidor's* Office and the Treasurer's Office. Municipal inspectors lack training and adequate transport to effectively levy construction fees/fines (see below). *Corregidores* and *regidores* lack training and transparent accounting methods to collect fines and fees effectively in a geographically dispersed area with little supervision. "Amiguismo" and political considerations act as disincentives for rural *corregidores* and *regidores* when potentially fining individuals is at stake. Frequent replacement of *corregidores* (by the mayor) limits the effectiveness of training efforts. Both municipal inspectors and *corregidores/regidores* lack authority in the eyes of their fellow townsfolk, partially due to lack of official municipal uniforms identifying them as government functionaries.

The Treasurer's Office, under the leadership of Horacio González, former representative of the Santa Fe *corregimiento*, exhibits greater technical capacity in terms of revenue generation than the *Corregidor's* Office or the municipal inspectors.

However, both internal and external factors causing or related to limited technical capacity impede the Treasurer's Office's attempts to maximizing tax revenues. Internally, the Treasurer's Office staff lacks computer training. In some instances, personnel already possess accounting

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<sup>5</sup> Source: Horacio González D. Municipal Treasurer of Chepigana, December 18, 2004.

software—such as MS Access—but do not know how to use the program. Sharing one computer between five individuals, including the municipal treasurer himself, impedes progress in this area. Treasury personnel are currently familiarizing themselves with new tax rules (*el nuevo régimen impositivo*) set to take effect in early 2005 to the extent that their current duties allow them time to do so.

This limited technical capacity affects the Treasurer's Office's ability to tap into large and medium scale commercial activity in the district. Darien is a natural resource rich province that provides substantial amounts of timber and fresh fish—especially white shrimp—for Panama City and for international export. Recent data for these commodities were not available for this report; however, figures from the late 90's help foster an appreciation of the potential revenue generation in these areas. In 1996, the Darien Province as a whole produced approximately 12.5 million cubic feet of timber.<sup>6</sup> The Darien Produced just shy of 15,000 tons of fish (all types) in 1996.<sup>7</sup> Additionally, the Chepigana district is home to at least one large stone quarry in the Santa Fe *corregimiento*. The MGC reaps virtually no benefit from these industries. Commercial operators pay taxes in Panama City, if they pay taxes at all.



*A commercial vessel loading timber at a port in Sambú.*

The MGC lacks access to competent legal counsel that would allow it to challenge the relatively influential owners of medium sized commercial operators in this area. Exacerbating any such attempt by the MGC to tax this type of commercial activity is the longstanding custom of not taxing extractive industries in the Darien.

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<sup>6</sup> INRENARE Instituto Nacional de Recursos Renovables

<sup>7</sup> Contraloría General de la República



*A shrimp trawler off the shores of Garachiné.*

The second major factor limiting the MGC's ability to increase tax revenue is its poor performance in the area of service delivery as described above. Citizens in the Chepigana district are weary to pay taxes because they perceive a low (or nonexistent) level of municipal service.

Trash collection provides a specific example for consideration. Because of the poor performance of the MGC in this area, few people pay their monthly quota for the service. Additionally, poor performance on this most basic and visible municipal service breeds resentment among the population. One older woman exclaimed with vitriol, "¡Es una porquería!" ("This is filth!"), when I asked her about the trash that surrounded the sidewalk around her shop on Main Street in La Palma. This resentment can spill over into taxpayers decisions on whether to pay unrelated municipal fees, such as building permit fees.

Additionally, health officials are reluctant to sanction individuals in violation of health codes that prohibit depositing refuse and other materials that could become mosquito breeding grounds. Health officials correctly point out that the municipal government is the biggest offender of all, citing its inability to provide adequate trash collection services. Health workers cannot justify fining relatively minor violators in the face of such blatant violations on the part of the MGC. The end result is that individual violators go without fines. This reluctance to fine on the part of health to sanction violators robs the *corregiduría*, which would collect the fines and channel the proceeds into municipal coffers, of the opportunity to expand its revenue generation role.

Importantly, most people in the *corregimientos* distinguish between the municipality (*municipio*), or the mayor's office (*alcaldía*), which levies taxes, and their representative (*honorable representante*), which provides services or projects with Community Civil Service funds (*Obras Comunitarias*). Taxpayers do not associate the services/projects that their representatives deliver with the taxes that they pay to the MGC. The MGC gets virtually no credit in the minds of taxpayers for Community Civil Service projects. Most taxpayers see the MGC as an entity that seeks to tax but does not provide services.

In a similar vein, central government ministries and international development agencies advertise the services that they provide without crediting the MGC. Such advertisement takes the form of project signage with sponsors' logos most often. Such advertisements reinforce in the minds of taxpayers that it is any organization but the municipal government that is providing public services.



*This project sign in Sambú advertises the purchase of 8 computers and air conditioning for a public facility. The honorable representative's name, Ariel Perea, appears beside other government agencies' names, but the MGC's namesake is saliently absent.*

### *Municipal Transportation*

The MGC does not possess functioning transportation equipment. Past municipal administrations have left the municipality with only two launches without motors (one with a perforated hull), one non-functioning dump truck (*bolqueta*), no small pick-ups and no motorcycles.



*CMG's non-functioning dump truck.*

The lack of municipal transportation coupled with the district's expansive land mass and difficult travel conditions limit municipal workers' ability to service its sixteen *corregimientos*. A field trip that I took with Benigno Ibarquen M., Chepigana's mayor, from La Palma to Rio Congo Arriba is illustrative. We departed from La Palma at 9:30 AM in public launch, one hour later than expected because the transportation cooperative attendant had sold our reserved seats. One half hour later we arrived in Puerto Quimba on the Panamanian side of the Tuira River and

climbed into public transportation—a small truck such as the one seen above—that would carry us forty minutes away to the Metetí and the Panamerican highway. At Metetí we waited approximately one hour to catch a bus to take us in one hour and a half to Santa Fe. From Santa Fe we traveled in a pick-up with driver both borrowed from COPEG, a USDA-sponsored veterinary program in the Darien. We arrived at Rio Congo Arriba at almost 3:00 PM for a meeting with that *corregimiento's* representative.

This lack of transportation affects municipal workers, such as the municipal inspectors, in their attempts to fulfill their job duties as much as it does municipal executives traveling to meetings. For example, the hills surrounding La Palma are home to numerous clandestine domestic construction sites.



*Illegal settlements on the outskirts of La Palma.*

It falls to the MGC to periodically survey its various neighborhoods to identify these new constructions, levy an appropriate fee depending on the type of construction, assure that the construction complies with municipal regulations, especially easements, and, in certain instances, stop construction when owners cannot meet these requirements. The speed with which illegal constructions go up (sometimes in a matter of days) necessitates constant surveillance. Currently, municipal inspectors are not making such rounds, partially due to lack of mechanized transportation and a large geographic area in which illegal constructions might go up.

#### *Civil Society*

Civil society engagement in the political process at the municipal level is generally poor. Given the deficiencies in municipal service delivery described above, citizens of the district (with the possible exception of the inhabitants of La Palma's urban center) see little at stake in the municipal political process. They choose to lobby myriad higher-level actors directly, from the presidential appointed provincial governor to international development agencies. The verticality of this manner of interaction leads to poor coordination among actors and a low level accountability on the part of non-elected individuals.

The inner workings of the MGC are not transparent. This is true especially for the *corregimientos* more geographically distant from La Palma, but even holds in La Palma itself. Few, if any of the people that I interviewed could speak knowledgeably of current initiatives that the municipal council or mayor's office were considering. Many could not describe the mechanism by which they would learn of such initiatives. This two way communication mechanism, composed of a theoretical chain of communication that runs from the municipal council through each representative down to *juntas comunales* (community boards) and ultimately to *juntas locales*,

(local boards) was either dysfunctional in some way or did not exist. Campbell and Fuhr observe as much by saying, "Many formal instruments of local democracy, like those that channel communication between residents and elected officials, have fallen into disuse or were never fully developed at the subnational level in Latin America" (43).

## VI. Solutions

To make effective recommendations, one must take accurate assessment of what is and what is not possible in the CMG.

There are many factors that limit the range of strategic recommendations that the CMG can reasonably implement. Limiting factors include the current legal and policy framework defining the organization, responsibilities and powers of municipal governments in Panama, problems arising from the mismanagement and malfeasance of past municipal government administrations in Chepigana, unique challenges presented by the geography and socioeconomic status of the Darien Province, municipal personnel capacity, and Panamanian political culture in general.

While all of the above limiting factors represent potentially significant threats to moving toward a vibrant municipal government, perhaps the first and the last present the most formidable impediments to progress in municipal development in this case. Panama's legal and policy framework related to municipal governments create a bifurcated municipal entity with two poles of power: the municipal council and the mayor's office. As is, it is unlikely that even the best strategies can adequately address the flawed incentives that the Panamanian law presents. Regarding political culture, even as I finish the current report signs there are signs that political appcart turnovers might be on the horizon, both at the national and local levels.

Despite this sobering assessment of the state of municipal government in the district of Chepigana, there are strengths and opportunities to exploit.

First, the MCG benefits from a substantially new leadership corps. "Top staff encouragement can come in the form of a new mayor or governor, or it can result from the enhanced professionalization of middle and upper management in the local or regional civil service" (Campbell and Fuhr 35). In this case, the mayor, Benigno Ibarquen, is an individual that has displayed an impressive level of personal initiative and leadership. The municipal council, with 10 out of 16 representatives serving for the first time, does not yet have to contend with the issues and wry deception that can plague longer serving council members. International organizations should capitalize on this opportunity, because these conditions will not last indefinitely.

Certain positive measures are available to the MGC and the agencies that would support that government. These proposed measures respond to certain acute needs on the part of the MGC. Needs include the following general rubrics:

**Professionalization of municipal staff and recruitment of experienced government professionals to the municipal level of government.** Campbell and Fuhr argue that "Perhaps the most important factors for increasing municipal and subnational institutional performance are a sustained change in the employment and salary regimes of local civil servants and the revamping of the organization and functioning of municipal administrations" (29). Given the complexity of the tasks that the MGC must undertake to transform itself into a viable agent for the provision of public services, it is difficult to imagine its possibility in the absence of public service professionals.

To that end, needs in three areas of technical knowledge stand out: municipal administration/planning; technical oversight for physical infrastructure; and legal council to support efforts to capture a greater portion of medium to large scale commerce that takes place in the Chepigana district. Urban planning is a problem on a district-wide scale and the MGC's administrative deficiencies are obvious. The Ministry of Economy and Finance (MEF) has eliminated the civil engineer position that supported the representatives' CCW projects and the

MCG will be executing small scale construction projects in the future. Additionally, given the MCG's lack of capacity to implement large infrastructure projects, having technical resources to lend to projects spearheaded by other organizations would allow the MGC to participate in large scale construction projects, thereby growing its capacity over time. The need for legal council is obvious, given the above stated.

The MGC should, therefore, add a municipal planner, a municipal engineer and a legal advisor under an existing central government sponsored payroll subsidy arrangement.

The addition of these positions will justify their own salaries after the first year of subsidization through increased municipal tax revenue (see Annexes 6-8: "Effect", "Backup", "Salary").

This increased municipal revenue will be generated through better municipal service provision: "Many local governments were able to increase levies on their populations because, to paraphrase many local executives, 'when taxpayers see they are getting new services, they are willing to pay'" (Campbell and Fuhr, 15).

**Marketing the "Municipality of Chepigana" brand name (identity)-** Private sector firms have long recognized the importance of cultivating a brand name with a constituency; public organizations have been much slower to realize the benefits of this practice. Benefits include social capital that a recognizable going interest affords organizations with its constituency (i.e., its clients).<sup>8</sup> This practice can also promote accountability through the incentive to protect a successful brand name.

Most programmatic initiatives related to this object are cost effective. Strategies include allotment of space on development project signage within the district, especially that of international NGOs. Realistically, central government ministries might be more proprietary with their project signage unless the MGC can justify its inclusion by merit of genuinely contributing to a project. This need supports the hiring of a municipal engineer who might fill such a role. Certain municipal workers should wear uniforms and caps clearly displaying the "Municipality of Chepigana" brand name. Positions to receive uniforms would include municipal inspectors, *corregidores*, *regidores* and sanitation workers. Radio announcements on Radio Voz sin Frontera should identify explicitly "The Municipality of Chepigana" (see below). Finally, creation of municipal letterhead paper and a municipal logo are recommended. Simply reproducing the words "The Municipality of Chepigana" always in the same font could be substituted for the last item.

**Improve citizen awareness of CMG government initiatives and activities-** Media, both medium tech and low tech, will help achieve this objective. Monthly radio announcements council meeting minutes on *Radio Voz sin Frontera* will provoke public interest in municipal government activities. Bulletin board postings of council meeting minutes carried to each of the *corregimientos* by representatives and displayed in a public place would accomplish the same objective.

This initiative must be understood as the first step toward revitalizing (creating) feedback mechanisms from the ground up. It is unrealistic to assume that the municipal council, representative, *junta comunal*, *junta local* communication chain described above would be viable without a strong impetus to participation on the part of the individuals on the lower rungs of that

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<sup>8</sup> A concise and illustrative guide to branding for a public agency can be found at the following URL as a part of USAID's new emphasis on cultivating its brand name (identity): <http://www.usaid.gov/branding/>

communication ladder. The broad diffusion of municipal meeting minutes, by whatever means available, would accomplish this goal.

The MGC should consider creating a website at some point in the future.

**Establish CMG as a node of coordination for development activities and a clearinghouse for development plans for the district-** Goals in this area should be modest. The idea is that the MGC involves itself in all development activities in at least a minimal or symbolic capacity. The MGC need not (and should not) be the primary agent of development on the majority of the projects. This involvement will a) build capacity in the municipality over time, b) help bolster municipal presence in the outlying corregimientos of the district, and c) lead to a coordinating role for the municipal government.

Activities to accomplish this are straightforward. The MGC should sign letters of understanding and letters of agreement with international organizations for current and future projects implemented in the province. The MGC should assure that at least one copy of all development studies for the district are stored in the *alcaldía*. Finally, the MGC should establish fixed-date meetings of development agency heads in La Palma. These meetings should include field office heads of central government agencies and international organizations.

**Prioritize non-payroll municipal spending high impact, low cost items/projects-**

1) The presence of municipal vehicles is a necessary—but not a sufficient—condition for municipal government effectiveness. The MGC should purchase land and water transportation as soon as its finances permit (see Annex 9: “Chronogram”).

2) The MGC should finish substantially-completed and highly-visible small-scale infrastructure projects with potential for income generation. These projects would include gymnasiums/multi-purpose complexes in La Palma and Santa Fe, the municipal warehouse in La Palma, the slaughterhouse in Garachiné.



*This slaughterhouse in Garachiné was completed, but never inaugurated for lack of a water line into the main structure.*

The visibility of these projects should facilitate tax collection by assuaging taxpayer concerns that their dollars (balboas) might never be returned to them in the form of some public service. “In

cities all across the [Latin American] region, voter-taxpayers generally agreed to new tax burdens when elected officials could demonstrate through concrete improvements that tax revenues were at work in visible and verifiable ways" (Campbell 7).

3) The MGC should prioritize highly-visible municipal service oriented expenditures, such as trash pick-up. Other visibility enhancing purchases, such as uniforms for municipal workers, can be included under this rubric. These actions will accomplish the same as the above.

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### Annex 1: Meetings

Date	Place	Theme	Time	Participants
11/30/2004	ACDI/VOCA HQ-Panama City	Coordination of field trip with staff of Directorate of Local Governments	10:00-12:00	Magdalena Tam-DGL (Dirección de Gobiernos Locales) Sergio Gómez-Sub-Director-DGL Josué Ospina-Evaluación de Proyectos-DGL Rina de Barba-ACDI/VOCA Thelonious Trimmell-ACDI/VOCA Francisco Aybar-Consultor Independiente
12/1/2004	La Palma, Chepigana District, Darien	Monthly council meeting	11:00-3:00	14 Honorable Representatives from Chepigana "Corregimientos" Magdalena Tam-DGL Benigno Ibarquen M.-Mayor of Chepigana District Timoteo Macre-Presidente de la Asociación de Pescadores
		Coordination of work with municipal staff	5:00-6:00	Benigno Ibarquen M.-Mayor Dionisio Kouira Ramos-Corregidor, Municipio de Chepigana Gustavo G. Gutiérrez-Secretary Concejo Municipal de Chepigana Iris Elena Salinas-Inspectora Municipal de Chepigana Arsenio Valderrama-Comité Urbano/Comité de Agua de La Palma Horacio González D.-Tesorero Municipal de Chepigana Anino T. Julio S.-Inspector Municipal de Chepigana
		Informal discussion of development issues.	8:00-10:00	Benigno Ibarquen M.-Mayor Magdalena Tam-DGL Alicia de Zuñiga-Honorable Representante de La Palma
12/2/2004	La Palma, Chepigana District, Darien Province	Tour of projects	8:00-12:00 2:00-6:00	Anino T. Julio S.-Inspector Municipal Iris Elena Salinas-Inspectora Municipal Gustavo G. Gutiérrez-Secretario de Concejo Municipal
		Meeting at IDAAN	11:00-12:00	Eustaquio Pineda-Incargado del Sistema de Agua, La Palma
		Informal discussion of development issues.	8:00-9:00	Benigno Ibarquen M.-Mayor Magdalena Tam-DGL
12/3/2004	Chepigana, Setigantí, Nuevo Paritilla	Tour of projects and	7:30-2:30	Anino T. Julio S.-Inspector Municipal

	Chepigana District, Darien Province	interviews	6:00-7:00	Gustavo G. Gutiérrez-Secretario de Concejo Municipal Dr. Adrián Lopez-COPEG Miriam Amador de Morales-H.R. del pueblo de Chepigana José Guzmán-Corregidor de Chepigana Juan Carlos-maestro en pueblo de Chepigana José Miranda-maestro en pueblo de Chepigana María San Juan-maestra en pueblo de Chepigana David Manuel Castillo-ex-Alcalde del Distrito de Chepigana Catalino Aprilla-Regidor, Comunidad de Nueva Paratilla Leopoldo de Gracia-maestro en La Palma, Comité de Turismo
12/4/2004	Santa Fe, Chepigana District, Darien Province	Tour of projects in Santa Fe and meeting with Junta Comunal and Corregidora.	7:00-12:00 12:00-4:00 2:00-4:00 2:00-4:00 3:00-4:00	Benigno Ibarquen M.-Mayor Digdimo Saavedra-President, Junta Comunal Sta. Fe Serafina Dominguéz-Corregidora, Santa Fe Julio Cedeño-driver of trash truck, Santa Fe Benigno Ibarquen M.-Mayor
12/5/2004	Aguas Frias and Rio Congo, Chepigana Department, Darien Province	Tour of projects and meetings with Council representatives.	7:00-5:00	Benigno Ibarquen M.-Mayor Horacio González D.-Tesorero Municipal Abdiel Igualada-Honorable Representante de Agua Fria Andres Asavedo-Corregidor, Aguas Frias Celestino Rodríguez-Honorable Representante de Rio Congo Arminda Vásquez-Suplente Rep. Rio Congo
12/6/2004	La Palma, Chepigana District, Darien Province	Interviews with municipal employees and council representative from La Palma.	9:00-6:00	Silka E. Salgado R.-Municipal Council Secretary Gustavo G. Gutiérrez-Secretary Franklin Ortega-Sanitation Supervisor, Alcaldía de Chepigana Dist. Dionisio Káura Ramos-Corregidor Iris Elena Salinas-Inspectora Municipal Anino T. Julio S.-Inspector Municipal Mara E. R. de Mascara (?)-Tesororía, Municipio de Chepigana Luz Rodríguez-Cajera, Tesorería, Municipio de Chepigana Exiquio Cabezón Ismore-Tesororía, Municipio de Chepigana Horacio González D.-Municipal Treasurer Debora Murillo-Secretaria, Tesorería, Municipio de Chepigana
12/7/2004	La Palma, Chepigana District, Darien	Interviews with government		Dr. Encedio Villareal-Director, Salud Pública, La Palma

	Province	organizations in La Palma.		Xuxu García-incargada, Ministerio de Economía y Finanzas (Planificación) Heriberto Torres-Universidad de Panamá Dilsa Julio-Personería Jurídica, La Palma Incargado-Fiscalía, La Palma Arsenio Valderrama-Comité Urbano/Comité de Agua de La Palma Ariel Martínez- Presidente del Comité de Turismo Leopoldo de Gracia-maestro en La Palma, Comité de Turismo
12/8/2004	La Palma, Chepigana District, Darien Province	Holiday: Día de la Madre		Timoteo Macre-Presidente de la Asociación de Pescadores Linda Macre
12/9/2004	La Palma, Chepigana District, Darien Province	Interviews with government organizations in La Palma and Taller Participativo en La Gobernación: El Papel del Municipio.		Ricardo Rias-Incargado del Dept. de Control de Vectores (Salud Púb.) Participantes en Taller Participativo (Vea lista de asistencia, 14 participantes)
12/10/2004	Sambú, Chepigana District, Darien Province	Tour of projects and meetings with Council representatives.		Anuncio Palacio-Honorable Representante de Sambú Anino T. Julio-Inspector Municipal, Municipio de Chepigana Dionisio Kouira Ramos-Corregidor, Municipio de Chepigana
	Garachiné, Chepigana District, Darien Province	Meeting with Junta Directiva of PRD political party in Garachiné.		Junta Directiva del PRD de Garachiné (vea lista de asistencia, 8 personas X 2 horas)
12/11/2004	Garachiné, Chepigana District, Darien Province	Tour of projects and meetings with Council representatives.		Jacinto Gómez-Honorable Representante de Garachiné Francisco Reyes-Vice Presidente de Junta Comunal, Garachiné Miriam Choche-Asesora, Junta Comunal, Garachiné Emanuel García-Dentista del Hospital de Garachiné
12/13/2004	La Palma, Chepigana District, Darien Province	Presentation of draft of Strategic Development Plan for Chepigana District to Mayor and Government Agency Heads in La Palma.	2:00-5:00	See attendance list: 11 participants X 3 hours.

## Annex 2: Studies

Title	Year	Sponsoring Agency	Document Location	Copy in CMG		Contact	Notes
				Yes	No		
Prefactibility study for a de-salination plant to increase the source water supply for the La Palma water system.	Currently being elaborated	Japanese government				Benigno Ibarquen M. (mayor)	
"Plan de Desarrollo Municipal-Distrito de Chepigana"	2004	Fondo de Inversión Social (FIS); CESPAS	Alcaldía-La Palma			Benigno Ibarquen M.	This document is not a true Development Plan. It records the results of an extensive series of participatory workshops carried out in 16 corregimientos of Chepigana in 2003. Excellent resources for demographic data.
Plan Estratégico para Santa Fe: Fortalezas, Debilidades, Destrezas	2004	DECO-Darien	Oficina de ACDI/VOCA-Ciudad de Panama			Thelonious Trimmel; Rina de Barba	Elaborated by a sociologist contracted by ACDI/VOCA. (Ing. Guerra?) Mayor does not have a copy of the document.
"Plan de Ordenamiento Urbano Para la Comunidad de La Palma"	1998	Ministerio de Planificación y Política Económica; Desarrollo Sostenible	Alcaldía-La Palma			Benigno Ibarquen M. (mayor)	Helpful resource for basic information about the La Palma <i>corregimiento</i> . Less than 10% of its recommendations implemented to date.
Prefactibility study outlining 4 alternative plans to increase the source water supply for the La Palma water system.		IDAAN; The Louis Berger Group, Inc.	Dirección de IDAAN-Ciudad de Panamá			Ing. Leonardo Mosul (Panamá); Ing. Eustaquio Pineda	Teléfono Mosul: 262 3300; Study reportedly cost \$75,000. One of the alternatives is a desalination plant.

					(IDAAN office in La Palma)	
Study for retention wall in the <i>Corregimiento</i> of Garachiné	1996 (approx.)	Desarrollo Sostenible			Ing. Osorio; Ing. Araús (encargado)	According to the Garachiné PRD (political party) this study exists.
Sewage Treatment Plant- La Palma	1991	IDAAN		NA	Ing. Cueva; Eustaquio Pineda (IDAAN office in La Palma)	\$70,000 fueron aprobados durante epedemio de colera, pero nunca se hizo.

### **Annex 3: Sample Interview Questions**

#### Community Member at Large

- What are the services that the municipal government currently provides for you?
- What services would you like for the MGC to provide for you in the future?
- How do you find out about the decisions that are taken and the topics that are discussed in the Municipal Council's monthly meeting?
- How do you communicate your needs to your representative?
- What are the taxes/fees that you pay to the MGC?
- What can you do to support the MGC?

#### Municipal Council Representative

- What can MGC do to help you better serve your constituents (taking into consideration the limited capacity of the MGC)?
- When you negotiate with central government offices/international NGOs/private companies on behalf of your constituents, do you involve the MGC (specifically, the Mayor's Office).
- What can you/the municipal council do to support the MGC?

#### Government Functionary

- What can the MGC do to support the work that your agency does in the district?
- What can your agency do to support the MGC?

#### NGO Worker

- What can the MGC do to support the work that your agency does in the district?
- Does your agency have a signed letter of understanding with MGC?

#### Annex 4: *Corregimientos* of Chepigana Municipality and Population

<i>Corregimiento</i>	Population	Population as a percentage of district
1 Santa Fe	5,764	21%
2 La Palma	3,884	14%
3 Agua Fría	2,324	9%
4 Jaqué	2,244	8%
5 Garachiné	1,944	7%
6 Río Congo Arriba	1,752	6%
7 Río Congo	1,549	6%
8 Río Iglesias	1,468	5%
9 Tucutí	1,263	5%
10 Cucunatí	1,105	4%
11 Puerto Piña	813	3%
12 Sambú	747	3%
13 Taimatí	681	3%
14 Chepigana	582	2%
15 Setegantí	524	2%
16 Camogantí	329	1%
<b>Total Chepigana Dist.:</b>	<b>26,973</b>	

Source: Contraloría General de la República. Dirección de Estadística y Censo. Censos Nacionales de Población y Vivienda. Lugares Poblados de la República. Vol. 1, Tomo 2. 2001, en "Plan de Desarrollo Municipal: Distrito de Chepigana, Provincia de Darién, 2004" FIS, BID y CESP, 2004.

## Annex 5: Darien Province/Chepigana District



Map source: Programa de Desarrollo Sostenible de Darién, MEF-IADB, Loan #1160/06-PN

**Annex 6: Effect of Additional Municipal Personnel on Tax Revenue Enhancement  
48 Month Period 2005-2008**

	<b>Annual Rate of Growth: Tax Revenue</b>	<b>Gross Tax Revenue Projection (2005-2008)</b>	<b>Projected Additional Salaries*</b>	<b>Net Tax Revenue for CMG</b>	<b>48 Month Net Increase in Tax Revenue for CMG</b>
<b>Scenario A:</b> No Personnel Added	3%	\$1,099,405	\$0	\$1,099,405	\$0
<b>Scenario B:</b> Add Municipal Planner	8%	\$1,221,430	\$31,896	\$1,189,534	\$90,129
<b>Scenario C:</b> Add Municipal Planner + Municipal Engineer	13%	\$1,360,841	\$71,765	\$1,289,076	\$189,671
<b>Scenario D:</b> Add Municipal Planner + Municipal Engineer + Municipal Legal Advisor	18%	\$1,520,364	\$99,674	\$1,420,690	\$321,285

\* Calculations assume that salaries of new personnel are subsidized by Panamanian central government for the first year (2005). Salaries aggregated for years 2-4 (2006-2008). Consists of 48 month salaries at 4% annual increase (compounded monthly) less first year salaries. Municipal planner starting salary: \$800. Municipal engineer starting salary: \$1,000. Municipal Legal Advisor starting salary: \$700.

**Annex 7: Backup Calculations for "Effect of Additional" on separate Excel Spreadsheet.**

## Annex 8: Salary Calculations

	48 Month Total Cost*	First Year Salary	36 Month Salary (yrs. 2-4)
<b>Scenario A:</b> No Personnel Added	\$0		\$0
<b>Scenario B:</b> Municipal Planner	\$41,706	\$9,811	\$31,896
<b>Scenario C:</b> Municipal Planner + Municipal Engineer	\$93,839	\$22,074	\$71,765
<b>Scenario D:</b> Municipal Planner + Municipal Engineer + Municipal Legal Advisor	\$130,332	\$30,658	\$99,674

\* Consists of 48 month salaries at 4% annual increase (compounded monthly). Municipal planner starting salary: \$800. Municipal engineer starting salary: \$1,000. Municipal Legal Advisor starting salary: \$700.

\*\* Consists of 12 month salaries at 4% annual increase (compounded monthly). Municipal planner starting salary: \$800. Municipal engineer starting salary: \$1,000. Municipal Legal Advisor starting salary: \$700.

### Annex 9: Chronogram for Purchase Transportation (and Other Equipment)

Concept	2005	2006	2007	2008
Land Transportation				
Dump Truck	1	*		1
Pick-up	1		1	
Motor Cycle	1	**	1	**
Water Transportation				
Outboard Motors	1	1		
Rehabilitation of Launch		1		
Complete Launch w/ Motor			1	
Office Equipment				
Computer	1	***	1	
Physical Environment				
Remodel of the Town Hall ( <i>Palacio Municipal</i> )-La Palma			1	
Construction of Separate <i>Corregiduría</i> (La Palma)				1

\* Prioritized for trash collection in the town of La Palma.

\*\* Prioritized for inspection rounds of municipal inspectors.

\*\*\* To be shared between the Treasury and the *Corregiduría* the first year.