



Gestión Pública y

# DESCENTRALIZACION

en Centroamérica

*Modelos en Agua, Educación y Caminos Vecinales*



UNIDAD PARA LA PROMOCION

**Federation of Municipalities of the Central American Isthmus  
(FEMICA)  
General Secretariat of the Organization of American States  
Unit for the Promotion of Democracy  
(OAS/UPD)**

**NEW MODELS OF PUBLIC MANAGEMENT  
IN THE FRAMEWORK OF THE  
DECENTRALIZATION PROCESS:  
WATER, EDUCATION AND RURAL ROADS**

**FINAL REPORT**

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## **Introduction**

The Second Summit of the Americas held in Chile on April 18 and 19, 1998 stressed the importance of the consolidation of mechanisms for civil society participation, such as: public hearings, public budget reviews, promotion of decentralization processes in accordance with the particular circumstances of each country, and the need for improving municipal management capabilities for more efficient service delivery.

In compliance with the mandate of the Heads of State and Government, the Unit for the Promotion of Democracy of the General Secretariat of the Organization of American States, UPD/ OAS, and the Federation of Municipalities of the Central American Isthmus, FEMICA, with the support of the Government of Costa Rica, decided to hold this first meeting " NEW MODELS OF PUBLIC MANAGEMENT IN THE FRAMEWORK OF THE DECENTRALIZATION PROCESS: WATER, EDUCATION AND RURAL ROADS", which is an activity of the Program for the Cooperation in Decentralization, Local Government and Citizen Participation of the Unit for the Promotion of Democracy, in its 1998 Workplan. The meeting was funded by the Inter-American Council for Integral Development, CIDI, of the OAS.

The objective was to present management models which could be feasibly implemented in the countries of this region, and to discuss other types of models that could be implemented to achieve a better coverage of the population, and hence for better satisfying social demands in Central American and Dominican Republic.

As the decentralization of services in the region is not part of an integrated policy, it was considered that the analysis of specific experiences in water, education and rural roads in this meeting, could be a contribution to the search for efficient ways to provide fundamental services, and at the same time enhance the processes of decentralization and strengthen the participation of civil society in local government. It is hoped that the experiences presented at the meeting and recorded in the present report will contribute to the debate on these issues.

## INAUGURATION

Arnold Sánchez  
President  
Federation of Municipalities of the Central American Isthmus

On behalf of the Federation of Municipalities of the Central American Isthmus/International Union of Local Authorities, FEMICA/IULA, an organization that represents one thousand one hundred and eighty five municipalities of our region, it is an honor to welcome you to this meeting, jointly convened with the Unit for the Promotion of the Democracy, General Secretariat of the Organization of American States, with the support of the Government of Costa Rica.

The objective of this activity is the analysis by central government authorities and representatives of the municipal sector of the best ways to achieve the goal of delivering public services to citizens.

One way is through service delivery by municipalities themselves; and with this in mind, different models will be presented for analysis, especially which can feasibly be implemented in the region. However, this is not the only way services can be provided; other possibilities include the participation of non governmental organizations, citizens' associations, private companies, cooperatives, among others.

The key to determine to whom the service must be awarded, is to know under which model of administration the service is more efficiently provided and at the lowest possible cost to the user.

We are pleased to see that the Plan of Action plan adopted by the Second Summit of the Americas on April 19, 1998, pointed out the importance of intensifying efforts to promote democratic reforms at the regional and local levels. Specifically with regard to local administrations, the Plan points to :

- The consolidation of mechanisms for civic participation, such as public hearings;
- Public budget reviews; the need to strengthen municipal financing through the transfer of funds or other innovative mechanisms of resource allocation;
- Promoting decentralization processes in accordance with the particular situation of each country;
- The need to for training at the municipal level for better management practices leading to better service delivery.

We thank the Unit for the Promotion of Democracy, General Secretariat of the Organization of American States, OAS, and the Government of Costa Rica for their support to this activity.

Rubén M. Perina, Ph. D.  
Coordinator  
Strengthening of Democratic Institutions  
Unit for the Promotion of Democracy  
General Secretariat, Organization of American States

On behalf of the Unit for the Promotion of Democracy (UPD), I should like to express our satisfaction at the opportunity to collaborate with the authorities of FEMICA and of IFAM in the organization of this seminar on successful experiences in decentralization of services: water, education and rural roads.

In recent years OAS member States, through their highest political and diplomatic representatives, as well as in the Miami and Santiago Presidential Summits, have repeatedly manifested their consensus and commitment to defending and promoting representative democracy in the hemisphere, and they have assigned to the Unit for the Promotion of the Democracy the role of collaborating and supporting Member States in their efforts to strengthen democratic institutions and processes, and in particular the processes of decentralization, local government and participation of the civil society.

I certainly do not need to dwell on the importance of decentralization processes in democracy. I simply wish to emphasize here that decentralization is perhaps among the most interesting and significant processes to influence the strengthening and consolidation of democracy in Latin America in recent times. It is, first of all, a process that closes the gap between government and citizen and promotes participation by the latter in local processes. Secondly, it is a phenomenon that facilitates accountability in government. Third, it is a process that favors the development of democratic leaders with knowledge and experience regarding local issues. All these are fundamental processes for democracy. Lastly, I believe that it is a task and a process that is contributing to the rising and consolidation of Latin-American democracy, characterizing and redefining it.

The efforts of the UPD in this field of decentralization are essentially qualitative and catalytic. We are not a donor agency. Our work aims at promoting and facilitating interaction and cooperation among Member States and their specialized national and regional institutions. In this regard, we promote and support regional activities that contribute to generation and dissemination of knowledge, and the exchange of experiences in the decentralization process; we also support the training of experts, advisers, mayors and legislators. We consider that these technical, intellectual and human resources are essential and need to be taken into account in order to formulate and carry out policies for modernizing and strengthening the process of decentralization.

Accordingly, the UPD has supported research, publications and regional seminar/workshops such as this one in Venezuela, Bolivia, Ecuador and in the Caribbean. For this activity in Costa Rica, we are very pleased at being able to contribute to the exchange of knowledge and successful experiences in the decentralization of services (water, education and rural roads) in Central America and in the Dominican Republic. I hope that we all extract lessons so as to deepen our knowledge and continue cooperation in decentralization, an area of fundamental important to democracy in the region.

Finally, I should like to congratulate the authorities of FEMICA and IFAM for their initiative in organizing this event, and to thank all the participants for their interest in taking part in this exchange of information on successful decentralization experiences.



**Carlos Calvo**  
**Executive President**  
**Institute for Municipal Development and Advisory Services of Costa Rica (IFAM)**

For IFAM, it is a pleasure to cooperate in this forum of FEMICA and the OAS on the topic of decentralization and we wish our colleagues from Central American and Dominican Republic a pleasant stay in our country.

Costa Rica has for some years been striving to formulate the necessary policies to promote decentralization and accord municipalities greater autonomy.

However, it is during the administration of Dr. Miguel Angel Rodríguez, that the process has been accelerated and the first important policies generated.

**Municipal Code**

On July 18, 1998, a new municipal code came into force, with innovative management models; the figure of Mayor is instituted, with authority to construct public facilities, industrial and commercial companies and to authorize the constitution of public and mixed companies: the municipality is now fully able to define its own policies.

**Solidarity Triangle**

This is a central policy of Dr. Rodríguez government, in which the participation of the members of each community is promoted, initially through the discussion and analysis of their own problems; once an agreement is obtained about the relevant issues, they are enumerated according to their importance to the community. Then, the community, the municipality and the Government could assist in finding solutions for these problems. The program is impelled by the government, and all institutions are asked to participate in the area of their competence.

**Law for the Concession of Public Works**

One of the most important laws of this administration is the Law of Concession of Public Works, already in force. This law gives private companies the opportunity to invest in certain projects and recover its investment by collecting a canon or toll for a given number of years. This law allows the State to develop big projects without the need to limit total expenditures in the public sector and make investments at the same time.

Among the possible public works to develop are: the building of highways, bridges and airports.

Current legislation grant municipalities the power to collect property taxes, as well as the autonomy to set valuation practices.

IFAM, as the institution in charge of advising Costa Rican municipalities, has a commitment to contribute with the improvement of municipal administrative capabilities; for example, the creation and qualification of administrative bodies; or contributing with the National Plan for the Valuation of Properties, since this will allow municipalities to achieve financial autonomy.

Another important task municipalities have to deal with is the development of sanitary landfills or finding alternatives for the treatment of garbage. IFAM is committed to support the Solidarity Triangle Policy headed by Mrs. Astrid Fischel, First Vice-president of Costa Rica.

## INTRODUCTION TO THE TOPIC OF THE SEMINAR

### Decentralization in Central America

Manuel Ortega Hegg  
CASC- UCA

### Decentralization and valuation of properties: a world trend

It has been said that decentralization is a magic word, around which surprisingly people from all positions coincide: politicians from different parties, academics, intellectuals, multilateral cooperation organizations like the World Bank, BID, Bilateral Cooperation Agencies, Non-governmental organizations, etc.

This decentralization idea appeared and developed fast from during the decade of the 70's, but more noticeably during the 80's all over the world. In Europe, the socialist governments in France, Spain and Sweden impel various decentralization processes from that time on; the Christian Democratic Party did the same in Italy and other parties in Germany as well. Surprisingly enough, the European Union though it has centralized several functions, has invigorated the role of municipalities.

In the United States of America talks of a new federalism, which includes strong decentralization processes, started during the Nixon administration, but developed further during the Reagan administration and later on in the successive ones, included that of president Clinton. These changes have certainly helped in producing today's more modern, stronger, more effective and more efficient local governments.

The general tendency has recently been that of leaving to decentralized state organizations an ever increasing portion of important state activities, in opposition to centralized movements of the past. At the same time, according to current trends, a part of government responsibilities are now being assumed by private entities.

### **Globalization and financial strengthening of Municipalities**

It is easily observed that this transfer of responsibilities produces the strengthening of municipal financial capabilities. Let us see some figures: in France, for example, decentralization has increased municipal revenues in 80%, from 1970 to 1985; in Spain, from 1980 to 1989 the regional governments total expenditures grew from 11% to the 26% of country's total expenses; in Germany, at the moment, more than the 40% of public expenses are made by regional and local governments; in Sweden, in 1991 this level was slightly greater than 40%; in Canada, almost 60%; in United States of America, in 1991 the level reached 42%; in Japan, the level is close to 40%.

### Latin America

Latin America has not escaped from this phenomenon. The first decentralizing experience began in Chile in the 70's, during General Pinochet's government; later on extended to other countries, included Brazil, Argentina, Ecuador, Colombia, Venezuela, Bolivia, worldwide known cases. Going

back to the decentralization aspect that generates most resistance, here are some financial data that help in getting an idea of the importance of this process:

Table 1

Distribution of the public expenses, according to the level of government

| COUNTRY       | GOVERNMENT |                   |
|---------------|------------|-------------------|
|               | CENTRAL    | LOCAL OR REGIONAL |
| . SPAIN       | 74.0%      | 26.0% (1989)      |
| . GERMANY     | 60.0%      | 40.0%             |
| . SWEDEN      | 59.0%      | 41.0% (1991)      |
| . CANADA      | 40.0%      | 60.0%             |
| . USA         | 58.0%      | 42.0% (1991)      |
| . JAPAN       | 60.0%      | 40.0%             |
| . COLOMBIA    | 74.0%      | 26.0% (1991)      |
| . ARGENTINA   | 89.0%      | 11.0% (1988)      |
| . BOLIVIA     | 92.0%      | 8.0% (1993)       |
| . ECUADOR     | 95.0%      | 5.0% (1992)       |
| . MEXICO      | 96.0%      | 4.0% (1994)       |
| . VENEZUELA   | 85.0%      | 15.0% (1990)      |
| . GUATEMALA   | 90.0%      | 10.0%             |
| . El SALVADOR | 94.0%      | 6.0%*             |
| . HONDURAS    | 95.0%      | 5.0%*             |

Source: Based on Cabrero Mendoza, Enrique. *Las políticas descentralizadas en el ámbito internacional*. In *New Society*, No. 142, March-April, 1996; and other sources.

\* Refers only to monetary transferences.

Colombia: This country has the highest degree of fiscal decentralization in the continent; 24% of total fiscal expenses are channeled through local governments and it is now planned to surpass the 30% for the year 2000.

Chile: Local level governments spend the equivalent of 20% of all country revenues, approximately.

Argentina: In 1988, already 11% of total public revenues was spent by local level governments.

Bolivia: In 1993, this country spent 8% of total public revenues through local governments.

Nicaragua: The transferences from the central government level to local governments for the 1998 budget, according to data provided by AMUNIC, do not surpass 0.33% of national budget.

Here, a word must be said to indicate that the system of municipal financing in Nicaragua has been atypical, since municipalities are highly autonomous in obtaining their revenue, due mainly to the fact that they receive 2% of the national sales tax on goods and services, which amounts to more than 50% of municipal revenues. The reduction of this tax, although compensated somehow, would mean the creation of a dependency in central government transference's, unless it is compensated with revenues from another tax.

In Central America this is an ongoing process, with important debates and considerable advances, although we could not say that we are leading the way. The interesting situation to point out in this case, since no more data is available, is the comparison of transferences from the central government to the municipalities: in Guatemala it amounts to 10% of the ordinary budget of the republic; in Honduras, 5%; in Nicaragua, strictly it does not reach 1%, but if some state investments in the municipalities are included it comes to 3%; however, these investments are not always managed by the municipal town councils.

The current situation of these decentralization processes varies a lot. Some countries have experienced very significant changes; in others, strong internal resistance to change make advancing difficult. Nevertheless, the tendency exists.

I would just like to add that this decentralizing tendency has increased the importance of the so-called subnational territories (regions and municipalities), and has given birth to a diversity of organizations and regional networks of municipal governments, all around the world. There are world organizations like United Cities, which groups the most important cities of the world; the Union of Iberoamerican Capital Cities; the Latin American Network of Municipalities and Cities; and other networks; the Federation of Municipalities of the Central American Isthmus (FEMICA), and the Unions or Associations of Municipalities in each country, like the Association of Municipalities from Nicaragua, and other Departmental Associations. There are other Associations in which political parties play an important role.

With time, diverse forms of decentralized cooperation between municipalities of different countries have developed. In this regard, Nicaragua has a plentiful experience that would take too much time to present here.

Also, municipal governments are increasingly being invited to participate in world summits or in organizations at other levels; examples of this is the world summit on the development of the human habitat; or in the case of Central America, the Federation of Municipalities of the area has a seat in the Central American Integration Secretariat, as a consultative member.

What explains this trend? Is it simply a new fashion or is it the result of deep transformations in today's society and in the concept of State at the end of this century? What could explain that when the world becomes smaller, local spaces, territories gain importance? What could explain that when it seems that the National Governments seem to lose importance, Regional and Municipal Governments increase theirs? Has this trend in our third world countries the same meaning as in other countries, or are there other reasons that explain this trend in our countries?

Next, we will try to briefly outline, due to time constrains, some approaches to possible explanations to this phenomenon.

### **The crisis of the national states and the local space**

The opinion that ties the problem of the importance of local spaces- and more specifically the subnational (regional or municipal) spaces- to the crisis of the states as suitable frames for the

current process of capital globalization (<sup>1</sup>), seems now appropriate. The National State, which had been the fundamental niche for the gestation and development of national capitals, is today too narrow for their needs. The creation of regional, enlarged markets much greater than any national space (market) is today without a doubt a tendency of capitals. Today, capitals have reduced the time required for their communication and transport; this enables them, for example, to dislocate the production in decentralized companies located in several parts of the world, profiting from any local advantages, without breaking the unit of the process and maximizing at the same time in their favor productivity and profitability. Some have called this the decentralization process of capitalistic production. Under these circumstances, the National States have lost some of their functions; among these, the functions of direct (public property) or indirect (traditional public policies) State accumulation. There lies some of the reasons for the current crisis of the States and also the explanation for the issuing of policies to reduce commerce barriers; but most of all, it serves to explain the efforts to decentralize government in order to make it functional to the capitals and to accommodate it to the world crisis.

According to this point of view, the State passes from being a supplier of services to an expediting State, which instead of rowing (doing the work by itself), takes the helm and leads, as Ted Gaebler and David Osborne would say. A State that introduces competitiveness in public services monopolies, but that, according to these authors, do not create private monopolies, which neither solve the problems of providing services with quality, efficiency and ample coverage.

I would say that, despite positions that oppose States, like those expressed by Mrs. Margaret Thatcher in the United Kingdom or by Mr. Ronald Reagan in United States of America, today efforts are geared towards creating a better and less costly State. The last report from the World Bank seems to head in this direction.

During these last years, however, the need for a reform of the State in order to adapt it to the necessities of growing capitals, a given set of new circumstances, have produced policies like those for the structural adjustment of governments, for the reduction of public expenses (national budgets) and for reducing the size and for eliminating some of the functions of the State. Also, these policies are trying to obtain greater efficiency in public services through, in some cases, the privatization of some of those. These reforms have also governments searching for subnational (regional, local) institutions able to provide in an efficient manner a series of state functions or services not likely to be run privately at least in the short run.

Indeed, as I have pointed out, this crisis of the National State, originated in the growing internationalization of economic activities and politics, reinforces the lower levels of the State organization (especially the Regional and Municipal levels), in terms of an increase in the number of functions they perform as the relative weight of the National States decreases.

This tendency develops at the same time another important world tendency occurs: the institutionalization and amplification of Democracy as the frame in which societies function. The latter opens spaces to the participation of citizens and to the control by these of government officials' behavior, all for the benefit of the diverse interests of society. Local spaces appear most suitable for such purposes of increased participation and control, due to the closeness of government and citizens.

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<sup>1</sup> Cfr. Adolfo Rodríguez Gil. *La Descentralización y la Izquierda Latinoamericana*. F.F. Ebert Atiftung. Managua, 1994.

This tendency (the regional and local spaces gaining importance), renders more acute in the case of the so-called peripheral countries or poor countries.

### **The peripheral modality of the capitalism and the local space**

Indeed, several authors have pointed out the limitations that the implementation of the market economy has in countries like Nicaragua, where it works in a partial and imperfect form, because it does not include in the capital/labor relationship the universe of workers. This means that in our countries most rural or urban workers do not get salaries and are not dependent from capitalistic entities.

This structural factor creates the so-called (economically and socially) informal sector, constituted by that diverse and heterogeneous group of those excluded from the system, whose numbers grow in territorial spaces through an almost infinite diversity of survival forms that the populations are forced to invent (subemployment, amplification of the tertiary sector, unemployment, fluctuating insertion to the job market, agrarian parceling); this phenomena are only indirectly governed by the logic of the market economy. It has been pointed out, however, that this capitalist modality is functional to the system because this labor reserve exercises pressure on the cost of labor at the same time that it grows in size.<sup>2</sup>

### **The local space in Latin America**

In the case of Latin America, the quantitative importance of this informal sector is assessed by José Miguel Candia, when he affirms that more than 40% of working population is working in the so-called informal sector.<sup>3</sup>

In our countries, these territorial spaces become privileged places for relationships, because in them the survival and the social reproduction of large population groups is determined. In the same manner that the informal economy grows in importance, the space where the economic process takes place become important too. It is the opinion of some, that the conflict and the demand moves from the factory to the territory.<sup>4</sup>

### **The municipality as a privileged place for decentralization**

Without seeking to ignore the conflicts derived from the labor-capital relationship, I would dare to say that in countries like ours, the most important conflicts of all are those associated with demands that involve general life conditions of social groups. It is not fortuitous, for example, that the conflicts over permits to use municipal spaces for selling informal services have become one of the more frequent and relevant in Latin America, along with those conflicts over housing, drinkable water, environmental hygiene and others. This is a consequence of the tendency to subdivide work

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<sup>2</sup> Cfr. F. Houtart. Les mouvements sociaux en Amerique Latine, Alternatives Sud, Vol. I (1994)4, CETRI-L Harmattan, Louvain-La-Neuve-París, 1994. También del mismo autor: La Cultura de Managua, una Cultura en Transición, CASC-CETRI, Managua, Louvain-La-Neuve, Bélgica, 1988.

<sup>3</sup> Cfr. José Miguel Candia. Empleo precario y Conflicto social. ¿Nuevas formas de organización popular? *In* Nueva Sociedad, No. 142, Caracas, Marzo-Abril, 1996.

<sup>4</sup> Id.

tasks in all possible ways and of the confinement of workers to the spaces of the microdimension, like the family, to which I would add the block, the district, the county and the municipality.

The Municipality is the space where community life takes place, the space for daily life, where demands and energies become solidary for the benefit of the community, but also it is the space where potentially serious conflicts can grow, because it is in fact the space where the social reproduction of the family and individuals happened, therefore it is a space for survival.

This is so because in the municipality converge and live together diverse and opposing forces; however, it is most of all the domain of the institutionalized local power, the municipality, which is a part of the State's organization. This institutionalized power, due to a tradition of centralized governments among the Latin American countries, has had much less power than other institutions; however, it remains as the state's office closest to the civil society, a heterogeneous and diverse society. But it could have a great impact on the daily life of its population, what would depend on the amplitude of its scope of competencies, functions and resources, as well as on the openness of its decision-making system.

Therefore this is a public space where large population groups which have limited access to other spaces, can demand and exercise its rights. The influence of the civil society upon it could occur through election polls; but it could also occur via a direct participation of the population in the local administration, particularly in the decision-making process, or in other well-known democratic ways.

From this point of view, the municipality looks like a privileged place for such actions. In the case of Latin America, the municipality is a centennial institution, that has survived in spite of a predominant strong centralism; it is an entity that has accumulated experience and certain management capability, valuable assets under the current circumstances of a State in crisis.

Its main weaknesses are a marked loss of prestige due to the enthronization of corrupt and ill-conceived leadership governments; its traditionally high dependence on central government, that turns municipalities into simple offices of the executive in charge, and its limited possibilities to answer to population needs and demands. All these weaknesses are amendable via the legitimization of its authorities through civic universal and direct elections; a greater autonomy, that is to say, a greater delegation of authority to make its own decisions; the transfer of resources from the central government and certain civic control over them. All these elements, not by chance, are part of the current agenda of many Latin American countries and are at the same time strongly impelled by international organizations, sometimes against the will of national governments that refuse to give up on the advantages and prebends of the traditional centralism.

This demands a municipal government that should be strengthened in three aspects: political, managerial and financial, that is, with greater autonomy to make its own decisions, with increased administrative capability, and with more resources to finance local development, or at least enough to alleviate the crisis. This strengthening, in my opinion, has turned into a key factor in the social stability of any country.

### **The fight for increasing the local space: the decentralization**



Given the size of the informal sector in our countries, and the complexity and diversity of relationships and conflicts within this space, seems important to adjust the capabilities and the size of the local government to the characteristics of this reality.

Despite the current conditions of strong state centralism in Latin American countries, this means to think about the ways to decentralize the State.

Indeed, decentralization, conceived as a process of redistributing political powers and of transferring the faculty for making decisions and resources to levels of the State closer to the population, assumes an increase in the kind of decisions that could be made locally as well as an increase in resources assigned to the local space, and that democratic procedures be followed as a primary requirement. In this context, the design of a local government with channels and mechanisms favorable to the participation of organized groups could be a fundamental complement to achieve the goals of decentralization.

Here it is worthwhile to stop in order to specify the concept of decentralization. As I have indicated, there seems to be consensus regarding the need to decentralize the State; however, there is no consensus on the concept of decentralization.

Basically there are two fundamental conceptions, with their variants. The first conceives decentralization as a process of radical reduction of the size of the State and in the number of its functions, transferring these, fundamentally, to the civil society. The second conceives decentralization as an internal reorganization of the State, characterized by the ample spaces given to civic participation, so that this could influence and support the municipal government.

From my point of view, decentralization could be defined as the "Process of transferring competencies, resources and political power from the central government to State institutions closer to the population, endowed with administrative independence and political legitimacy, being the purpose that with civic participation and for its own benefit, the production of goods and services improve."

This definition permits to differentiate several elements that characterize decentralization from similar processes like deconsolidation and privatization.

In first place, decentralization assumes a political reform and not simply an administrative reform; this means that decentralization transfers decision-making powers to other levels, that is, it forces the central government to share its political power with other state institutions.

In second place, decentralization assumes the transfer of competencies from the central government to other state institutions, which means that this definition does not consider as decentralization the transfer of competencies to private entities or the civil society (privatization). This way one can differentiate civic participation in public administration and the process of decentralization, which could occur with or without civic participation.

In third place, this definition clarifies that the entities receiving the competencies have administrative independence, that is to say, they are autonomous, and are not hierarchically under the entity that transferred the competence, what in turn allows an independent decision-making process.

This means that the decentralized entity has its own group of competencies, and the only possible control by a superior entity is the so-called principle of legality, consisting in that the decentralized entity must abide to existing laws.

This group of competencies of its own favors that the decentralized institution focus in its decisions and performance, and leave aside those belonging to the central government and other territorial entities.

The number of competencies transferred is directly related to the degree of autonomy that the decentralized entity requires.

In fourth place, the definition assumes that the entities receiving the competencies have political legitimacy, that is, they run democratic elections and their actions respond to the interests of the voters that they represent.

In fifth place, the proposed definition implies that decentralization is not an end in itself: it is carried out in order to favor a population. Moreover, all successful decentralization processes include the opening of spaces for civic participation in the new decentralized government for the benefit of its own population. This element is important, because is not always fulfilled, and sometimes these processes are not favorable to the municipalities nor to the population.

In some countries, the central governments have sought to decentralize some competencies or services toward the municipalities, but without giving them the resources required to provide them. Local entities have been forced to assume these new responsibilities and distribute their scarce resources into more obligations.

Because of this, it is important, before any process of decentralization is undertaken, to specify its political dimension; that is, the conditions under which the decentralization process is going to take place and the objectives pursued; but it is also important to analyze the financial dimension of the process, that is, how the proposal intends to cope with the human, materials and financial resources required. If the objective is, for example, that the central government save money, transferring the services to the municipalities without transferring them resources, then, given the shortage of these in the municipality, the result will be that the quality of the service will deteriorate in detriment of the population. On the contrary, if the objective is to improve and expand the services, particularly to the poorest population groups, then the process of decentralization could be beneficial to the citizens.

Finally, decentralization is a political process, because it is a State matter, more precisely, the form in which a State organize itself to provide services and to preserve citizens` rights. Therefore, Decentralization should include the strengthening of local governments. However, this is not always so. Sometimes, parallel organizations are strengthened in detriment of the municipality.

### **The processes of decentralization in Central America**

The process of decentralization of States competencies, responsibilities and resources from the central level towards the municipalities, is a process that in Central America is being debated and experimented, therefore is not at this time applied generally in the region. In fact, in Costa Rich the process has been proposed and is still being debated; in the case of Guatemala, El Salvador, Honduras and Nicaragua there have been some pilot experiences, that the governments consider

decentralizing processes, but that in fact in most cases correspond to decentralization of administrative duties and in other cases to privatization efforts

On the other hand, in general it can be stated that this process has been assumed by central governments as a conjunctural problem, not as a State problem; conceptually it has been kept within the limits of the States reform and modernization interests. More attention has been given to the benefits to obtain from the reduction of the State and its efficiency, than to the justness and the improvement of the services to the population. So far this process has seldom had decentralization and the municipality as the main goals.

That is why the process of decentralization in Central America has been intermittent, sometimes incoherent, and has found resistance and limitations, what has prevented its sustained advancement.

Nevertheless, it is important to point out that the topic of decentralization has returned to the public agenda in the area, in some countries more than in others, and it is forcing its way through slowly.

It is evident that the new realities that the area is facing in the external environment, for example the processes of globalization; and in the internal environment, for example the armed conflicts of the 80`s and the peace processes of Nicaragua, El Salvador and Guatemala, have forced the reformation of the role of the State and the transformation of the political system. This has promoted at the same time, with ups and downs, that the government and the town people come closer. The peace agreements established basic consensus regarding the access to the power, its exercise, and democratic participation. Constituent assemblies were held in the area and have given birth to new constitutions in Honduras (1982), El Salvador (1983) and reforms after the peace agreement, Guatemala (1987) and Nicaragua (1987) and their reforms in 1995.

These processes have changed the codes or municipal laws, as happened in El Salvador (1986), Nicaragua (1988 and 1997), Guatemala (1988) and Honduras (1990). These new codes or municipal laws contain regulations regarding municipal autonomy and, in general, they are instruments for the decentralization processes.

Some common features of the proposals and of the decentralizing experiences in Central America could be summarized as follows:

- The general practice in the area is a discourse on decentralization that does not match with concrete changes. In most countries, the process is still in debate, like in Costa Rich; and in debate and with some pilot experiences, in the rest of the countries. However, the few experiences in place correspond more to deconsolidation processes and privatization efforts than to real decentralization changes.
- The proposals and experiences in place are most of all the result of globalization and they are impelled and supported by multilateral organizations, cooperation agencies and even ONGs, with diverse interests and goals: efficiency, transparency in administration, civic participation, improvement in the quality of services to the population, local development, and others.

In some cases, these processes find local and dynamic forces that claim for decentralization. This seems to be the case in Nicaragua and El Salvador.

- Whenever there have been proposals and strategies for decentralization, usually they were formulated by central government specialists and only after that they were distributed to the local levels, without any previous agreement. It is paradoxical that two of the key actors in those proposals, as are the municipalities and the civil society, are not participated during the formulation of these policies. This practice limits the viability of the proposals, because what might seem rational for the central level is not necessarily so for the local level due to the great diversity of ideas in the civil society.

- The policies and proposals of decentralization in Central America, except for the well-defined cases of fiscal decentralization, do not originate in a law. Under these conditions, they are perceived as conjunctural policies or a given government initiative, but not as State policies, that could have continuity in time and endure new governments. So, these policies suffer setbacks, stagnation or impulses, according to the governments in turn. When this occurs, the external factors and the push by dynamic local forces play an important role for the continuity of the process. Nevertheless, it is necessary to remember that at the local level there is also periodic renovation of authorities, with which it is necessary to begin again the process of organizing them and endowing them with the tools they need to keep pursuing the goals of the decentralization process. As depicted, decentralization processes, when they do not originate in a law, find difficulties to be continued by the successive governments.

- There is a strong resistance to decentralization in the region. The centralism and clientele-oriented culture persists in the central governments, and accordingly they tend to maintain control of all lines of power and to keep Mayors' offices as simple agencies of the central government. The centralist culture is traditional in Central America. This culture sees as natural that everything be solved at central levels via informal mechanisms of relationships and contacts, more than through institutional mechanisms. It is a culture that believes the services provided to the population are favors or prebends, and not rights of the population. This culture is accustomed to put down the local capability to accept new functions and tasks. It always stresses that "the municipalities are not prepared" for decentralization.

Nevertheless, it is a fact that Mayors' offices, in most cases, usually solve local problems with expertise and more efficiently than the central level, notwithstanding the well-known and traditional lack of resources. This does not mean that the processes of decentralization should not contemplate as an essential component the strengthening of municipalities to guarantee success of such processes.

- In general, Mayors' offices see decentralization processes as gradual ones. They see these as medium and long term processes.

- The most important element that shows whether or not the central governments want to decentralize is their will to share with municipalities resources from the national budget. In this regard, there have been advancements in the area. Guatemala, Honduras and El Salvador have transferred from their central government budgets to municipalities about 10%, 5% and 6%, respectively. This has not been possible in Nicaragua nor in Costa Rica. Nevertheless, even in the cases in which transferences have taken place, these have not been part of a fully developed decentralization strategy.

- In all cases, whenever proposals, policies or decentralization experiences exist, it is customary to give civil society a prominent role. The need for civic society participation in the local administration is considered explicitly and in some cases mechanisms and spaces for this to occur are devised. Frequently, the policies, whether deconsolidating or clearly privatizing ones, have civil society as the subject to which the competencies and responsibilities are to be transferred. Experience shows that the utilization of the spaces and mechanisms open by legislation vary, but in general these are not fully utilized.
- In all countries there are several different experiences of decentralization involving various municipalities, most of which have been impelled by organizations, cooperation agencies and even ONGs; however, the centralized decision-making concepts are not sufficiently impacted as to modify their decentralization policies, but nevertheless they represent an important wealth of learning and valuable lessons for the process.
- In some countries (Guatemala, El Salvador and Honduras) important advances of fiscal-financial decentralization have been achieved, mainly through the transferences from the national budget to the municipalities; nevertheless, in all these cases, municipalities are not fully free to utilize these resources for the financing of all their municipal competencies, simply because the funds come with restrictions regarding their destination.
- A few decentralization policy aspects upon which an agreement seems important are the following:

**The objectives of decentralization:** what should the decentralization policy pursue? The Central Governments usually propose efficiency; local governments, more and better services and justness.

**Local Government role:** Central levels conceive municipalities as transition stages in the process of transferring competencies to the civil society; on the other hand, local governments consider that they are the final stage.

**Resources for decentralization:** In this regard, the debate stresses the need to have the necessary resources in order to provide the existent competencies and the new transferred ones. There have been contradictory cases of municipalities that, via the conditioned transferences of funds, have enough resources for certain services, but not for traditional services or new ones. On the other hand, the central government policy of "sharing responsibilities" is usually one of transferring the responsibilities but not the resources or one of keeping the profitable competencies for itself.

In these cases, agreeing on the objectives of decentralization is important: whether it is the transferring of competencies without the required resources; or the transferring of resources only for certain purposes and not all municipal ones; or improving the quality of the services provided to the population and to strengthen the role of the municipality as an agent that promotes local development. Nonetheless, it is worthwhile to point out that there are no discrepancies regarding the need that the decentralization process be carried out with training and technical assistance on the part of the central government to the municipalities.

## **SUCCESSFUL PRACTICES IN EDUCATION**

### **Introduction to the topic**

**Marvin Herrera**

**Ex-Minister of Education from Costa Rica**

**Head of the General Secretariat of Education and Cultural Coordination in Central America**

An introduction could be made in many ways. I have chosen some topics that are in the agenda of every country nowadays, and that undoubtedly have important and serious consequences in educational processes. One of them is globalization, which certainly has implications in these processes.

### **Globalization**

It is a process of growing interdependence among world economies, derived from the internationalization of productive, commercial and financial processes.

It is also a reflection of political, environmental and cultural interdependence (transculturation: the influence of a country over another).

When we talk about globalization we must speak of communication and information, due to the influence of computer science and telematics. This has serious implications in education, such that today many countries make great efforts to introduce computer science, and telematic in the educational process. They are demands and challenges that education faces today.

Any paradigm of decentralization to be used must necessarily consider these influences upon educational matters.

The great ease with which we access information today or communicate to any part of the world has to be considered in the education model, without regard to its type: centralized, decentralized or private.

### **Competitiveness**

Globalization demands competitiveness which brings about new demands to the educational processes, weather it is run by municipalities, parent associations or the Ministry of education:

- Formation of human resources
- Introduction of novel production technologies
- Quality of the education with justness

When we talk about human resources, the expression human capital is used. There is the need for new human resources to have distinct qualifications,- not always acquired at universities-, intellectual

abilities, performance capabilities, capacity to coexist -with himself, with others, with nature- and civic responsibility.

The educational system of any country has the obligation of forming the human resources that the country needs for its development

### **Quality of education with justness**

There are many ways of seeing the quality of the educational process. It is a very relative concept, like sustainability. The concept of quality depends on the culture of a people, on its needs, on the characteristics of its government, etc. It is a very dynamic concept, nonetheless there are forms of seeing it: in the quality of the processes and in the quality of the product. Education could be seen by means of indicators, as those related to the construction and the exercise of values and attitudes, the capacity to live together in harmony with all elements of our environment, the mastering and the implementation of knowledge. The various ways of seeing the quality of education undoubtedly influences the management of educational processes.

All Central American countries have been making significant efforts towards modernizing the educational system, and an essential component of those modernizing efforts is the improvement of the quality. According to this, if the municipalities in Central America would assume responsibilities for the management or administration of educational processes, they should consider the aspects considered in this speech.

Nowadays, in Central America, quality, justness, efficacy, efficiency, peace, democracy, participation, human rights, are the topics that are defining curricula in these countries, at all levels.

### **The scientific development, technological and innovation era**

Another world movement that is influencing formal and informal education is the scientific development, technological and innovation era.

Today, we talk about a scientific and technological revolution; about developing countries investing lots of money in research, both scientific and technological.

Knowledge is a capital; we talk about the human capital or the knowledge capital of a country. The ones that have the most knowledge are the countries best equipped to reach high levels of development.

Today we talk of a knowledge-based Society; there is a free flow of knowledge through internet.

Therefore, in Central America educational institutions should reinforce their curricula in these areas of human knowledge: science, technology, developing the capacity to innovate, quality awareness, etc.

Today it is an accepted fact that the average educational level of a population separates developed and developing countries.

In Central America and Latin America, the average education level is under 6 years. In developed countries, the average is 11 to 12 years, and that marks the difference.

### **International financing of education**

In the 60's and 70's, there was much money from donor agencies and donor countries offered for education. In the 80's, that interest decreased and money was deviated to other areas of development. Fortunately, in the 90's we have again put education in the center. Now people are convinced again that education is a true factor of development.

There is agreement that a greater investment in education, science, technology and innovation, generates a better future for the country as a whole. Countries and donor agencies accept these concepts, and therefore financial resources are more available.

It is an accepted knowledge that education is an essential and basic factor for the sustainable development of the nations of the world. The concept of sustainable development includes political, social, economic, socio-cultural and environmental aspects.

Although education does not solve all the problems of a society, without it we can solve none.

### **Deconsolidation and decentralization of the educational systems**

In Central America there are many attempts of deconsolidation which are en route to achieve decentralization. There are some pilot projects; however Central America has to advance from a position of deconsolidation towards one of decentralization. It is a long and complex road, a demanding one; we must realize that moving from a centralized model to a deconsolidated one and then advance toward one decentralized, is a very complex process.

The deconsolidation and decentralization processes are for Central America, at the moment, a component of the modernization of the educational system. All the countries in the region are working somehow in this process.

Analyzing these experiences, we find that geographical criteria has played an important role; according to this, ministries of education transfer to departments or provinces, or they create regions where to transfer some responsibilities.

The main office at the Ministry of Education remains with scarce participation of other actors and social sectors.

Some countries combine this model with a greater functional autonomy of the institutions (Panama).

Other models in Central America and in other Latin-American countries involve the participation of some non-traditional sectors or actors. A well-known experience is that from Chile, with the municipalization of the Chilean education. Municipalities receive a payment for each student times the total registration; then it distributes this amount to the individual institutions depending on its own registration. Municipalities had to hire technical personnel, teachers, supervisors, specialists in curricula, in order to provide and manage the educational process.



The supervision and control of these models demand additional expenses. The corruption is another of the tendencies in Latin America.

Also, ministries of education make transfers of economic resources to parent or neighbor committees, as is the case of Educo in El Salvador. The neighbor organizations administer the institutions, receive the money, hire teachers, etc. This interesting model is now being transferred to Guatemala and Honduras. In the case of Nicaragua, autonomy has reached the High School level. There are many experiences in this field with many valuable results.

The current models of centralized education are bound to disappear or be severely modified. The adoption of new technologies in education is going to change the organizational and administrative framework of educational institutions. We have to be very flexible upon thinking which is going to be the future of the educational system and its development.

In Central America mayor advances have been done towards the involvement of parents, communities, private companies and sectors of the civil society in the educational development. It is a one-way trip. All countries are pursuing, one way or another, to achieve a greater community participation in order to reach that desired quality of education with justness, in those educational services to the population.

In this context, the idea is that the central offices of the ministries of education assume a role in comptrolling, investigating and evaluating the process. The execution should be carried out at other places, by other actors, other sectors.

### **Culture of participation**

Decentralization requires a culture of participation, which in turn requires a culture of dialogue, of agreement, of consent, of tolerance and respect.

The great topic behind all this is participation. Any framework of deconsolidation or decentralization demand a culture of participation. The question is: has the Central American population a culture of participation? The answer is not.

This is the end result of many antecedents. We have had factual governments; administrations have been very autocratic, authoritarian; there have been administrations that impose their authority on the populations they represent.

We have become more interested in developing a culture of submission than a culture of participation. It is easier to obey orders than to learn how to solve problems, how to make decisions. Unfortunately, the educational systems have favored these vertical structures, this culture of submission. Families have also favored this culture with the way paternal and maternal authority has been exercised.

Participating in processes demands from subjects certain capacities for analyzing, criticizing, meditating upon situations, as well as creativity, responsibility, capacity to solve problems, capacity to make decisions, capacity for teamwork. To the educational process correspond the development of these capacities in students, but the education system has failed in the fulfillment of these expectations.

The will to participate does not come up spontaneously. It is necessary that citizens be taught to participate. It is necessary to show them the advantages of participation. It is necessary to train them so that they act seriously and with responsibility, so that they make their commitments assumed upon participating. Everybody should learn that participation is not imposing one's opinions upon others, but to share and to arrive to consensus.

The existence of a culture of participation presupposes that subjects accept that they are contributing to build a policy, a decision, an option, a project.

Decentralization leans on a culture of participation but this leans on a culture of dialogue, on a culture of agreements, on a culture of consensus, of tolerance and respect.

In order to advance in the deconsolidation and decentralization processes with success, in order to improve life standards of the population, it is necessary that we all work in the development of a culture of participation. Who are all? Not only the Ministry of Public Education through its institutions; also the municipalities, families, churches, universities, communication media, theater, cinema, NGOs, communal organizations, and all those involved in formation.

### **Sustainability**

It could be an aspiration for humanity, an idealistic vision, but sustainability seems to be at this time that formula that could lead us to better life conditions.

The triad decentralization, participation and modernization of education should contribute to the sustainability of transformations in education.

Municipalities must contribute to that sustainable development.

One should not confuse the means or the mechanisms with the purpose. Deconsolidate; decentralize into parent associations, into municipalities, into NGOs; privatize, etc. The model or paradigm to use must be chosen by each government, by each society, but one should avoid confusing the instruments with the purpose of education.

- \* Education aims to develop, transform persons and societies, in order to reach higher levels of quality of life, to improve human conditions, to impel the progress of the country.
- \* Education aims for the continuous improvement of the person and of the society.
- \* Without a democratic, participatory, equitable and quality education, it is impossible to achieve economic, political, social, cultural, environmental, scientific and technological transformations.

Whoever assumes tasks in the management and administration of formal education should not ignore these purposes, nor the last opinion (judgment) of experts in this field: if education does not have those characteristics, there will not be transformations in other human activities.

Education is the key; it is a right; it is a necessity of first order and the Family and the State play a very important role.

If municipalities accept to assume tasks in this field, they have ahead a very complex work to complete.

Miriam Castañeda  
Director  
National Program on Autonomous and Developmental Education ( PRONADE)  
Ministry of Education  
Guatemala

## **Introduction**

Guatemala is a country with many resources and rich in cultures. However, in 1997 more than one third of the children were not attending primary school.

The peace agreement points out the importance of reforming the educational system, in order to favor a greater community participation. The goal agreed upon for the year 2,000 is to give access to the population between 7 and 12 years of age to at least 3 school years, and increase to 70% the literacy rate.

The Government, through its Ministry of Education- MINEDUC-, has incorporated in its program of government the commitment of increasing the coverage of the school system, by means of strengthening a decentralized and participatory administration, in order to achieve a greater efficiency in the use of available resources.

The National Program on Autonomous and Developmental Education - PRONADE- will be a mechanism to reach the proposed goals. This program is based on the advancement of the members of a community in order to achieve its development and the solution of its problems, by means of community's autonomous work in the framework of a formally legalized organization.

Next, the most important guidelines of the program for the next four years are presented.

## **Vision**

Each Guatemalan child should have access to a basic education of quality, in order to improve his or her well-being, and therefore that of all the inhabitants of Guatemala.

## **Mission**

PRONADE, as a program of the Ministry of Education, is in charge of increasing the coverage and improving the quality of the educational services in rural areas, endowing organized communities of financial resources; these organizations will administer the educational services in a decentralized manner, strengthening in this form community's autonomous work.

## **Principles**

**Subsidiarity:** PRONADE will perform only those functions that organized communities cannot.

**Solidarity:** financial resources will be directed with priority to poorest populations and to those with a great need for assistance. The objective is to offer every Guatemalan equal educational opportunities.

**Civic participation:** PRONADE will facilitate community participation in the decision-making process, since this way a better efficiency in the use of resources is achieved, and problems are solved expeditiously. The possibility to control government authorities is real; a closer bond between citizens and government officials develops, as well as the sense of belonging of citizens to their communities.

**Administrative efficiency:** PRONADE's resources must be managed in the most effective way. Simplicity of the organization must be favored, as well as the elimination of duplicity of operations, responsibilities and attributions, both within PRONADE but also in other organizations or institutions from the government and private sectors.

**Strengthening of democracy:** As a result of applying the above principles, democracy will strengthen in our country and community participation will increase at all levels.

## History

PRONADE's initiative to change the course of events intends to implement quickly the goals in the peace agreements: increase coverage of education so that in the year 2000 about 250,000 more children will be added to the new system. This system would be more participatory and will be in accordance with the needs of the population; at the same time it will recognize that education constitutes a right for Guatemalans and that it is the State's duty to provide and facilitate it.

This program intends to strengthen and spread moral and cultural values; concepts and behaviors that constitute the basis for democratic coexistence, for respecting human rights, cultural diversity in Guatemala, creative capacities of its population and protection of the environment; also to strengthen and spread the values and mechanisms of participation, civic agreements in social and political matters for they constitute the basis of a culture of peace.

## Goals

Assist 250,000 children for the year 2,000.

Qualify more than 20,000 parents (members of COEDUCA).

Have more than 5,000 qualified teachers.

Promote development in more than 130 municipalities.

Improve the quality of the educational services.

Table. Coverage per year

| YEAR | Number of Children Assisted | Number of Parents | Number of Teachers |
|------|-----------------------------|-------------------|--------------------|
| 1996 | 55,000                      | 4,800             | 1,240              |
| 1997 | 103,300                     | 8,990             | 2,298              |
| 1998 | 153,000                     | 13,318            | 3,403              |
| 1999 | 205,000                     | 17,840            | 4,559              |
| 2000 | 258,000                     | 22,460            | 5,740              |

Source: PRONADE

## **Nicaragua**

### **School Autonomy**

#### **Manuel Ortega Hegg**

The educational reform that seeks to implant the model of school autonomy and the model of municipalization of education occurs within the following context:

- Structural adjustment plans that forced a reduction in the number of functions and employees in the State.
- Saving of resources implied in the structural adjustment plans.
- Processes to promote civic participation.
- Recovery of service costs.

Another characteristic, perhaps out of this context, but that helps to understand why some progress has occur, is that educational policies and processes have been given continuity, because the same minister who began the school autonomy process continues with the new government. This defies the up-to-now prevailing thought that with each government everything has to start all over again.

Basically, three organizational schemes have been discussed. The most appealing to mayors was the municipalization of education, which fundamentally give mayors the administration of the county school system, under an agreement with the government. This scheme is underway in Granada and Camoapa, but in fact this has not been the one preferred by government officials. Very clearly, the Ministry of Education now is working and impelling strongly the scheme of school autonomy.

#### **School autonomy**

Basically, it consists in transferring the administration of schools, mostly primary schools, to the school educational councils, composed of the school teacher, the director, the parents, some community leaders and the mayor, who accounts for one vote in this school council. This group is in charge of all administrative duties. The ministry transfers the cost per student to this council, what basically suffices only to pay the salary of the teacher.

The concept is the same that is being used in other parts of Central America, that is, the involvement of parents in the education of their children as well as in the control of the school process. The ministry basically maintains his duties in the regulation and supervision of the educational processes and the supporting of the school councils.

The objectives of our experience do not differ from those of the experience in Guatemala. It is fundamentally aimed to improve services and coverage. However, in the case of Nicaragua, with the purpose of recovering costs of services, families have been asked to make voluntary payments which they consider obligatory, and, because of poverty levels in this country, enrollment has declined.

#### **Role of the municipal government**

Under this scheme, the role of the municipality is to become one of the many actors in the play. The responsibility of the service is not passed to the mayor, but to the school council, which is usually led by the teacher. It is a form of deconsolidation, that I define as participatory.

The allocated resources correspond to whatever is established in the budget as the cost per student; legally there is no law to sustain this pilot experience. At the moment, efforts are focused to change somehow the Law of Education of the country, process which in the case of Nicaragua involves some political negotiations which, due to strong polarization in political forces, creates conflicts.

## **Results**

In first place, the Ministry of Education has examined this situation, mainly in regard to the school autonomy. Officials now talk about an improvement, without a doubt important, in the salaries of the teachers. Because parents collaborate with a monthly fee, the council is capable of paying greater salaries to the teachers.

More school retention has also been achieved. The school community is interested in increasing enrollment, since what they receive from the government depends on the number of students.

One of the things that have been criticized about this scheme is that it is greatly influenced by the goal of saving resources, system that asks parents or family members to pay for part of total cost, which conspires against the decision to send children to school. This is linked to the other problem of justness in the access to school services. If some sectors of the community feel fees as mandatory, although they are not, problems arise in those students and families that feel that they do not have the capacity to pay; they end up feeling socially criticized for not collaborating with the system, what in turn causes enrollment problems also.

The former have been the fundamental elements of the new scheme. Autonomous schools must represent by now 15% of all primary schools. It started as a pilot plan, but since it has grown very strongly and is at the moment the scheme impelled by the Ministry of Education. An important number of secondary schools have also entered the system. In this case, however, contributions or fees are mandatory.



## **Honduras**

### **Honduran experience in the participation of municipalities and other organizations in the educational process**

**Blanca Liliam Cabañas Discua**  
**Vice-Minister of Educational Services, Honduras**

The Secretariat of Education from Honduras thanks the Federation of Municipalities of the Central American Isthmus and the Organization of American States the invitation to participate in such an important event, where we expect to learn more about the different experiences of our brother countries and to present ours.

Upon taking office, the current Government defined Education as the fundamental premise of its administration, expressing " Education for Everybody and Everything for Education." It committed itself to mobilize as many resources as necessary in order to bring Education to all corners of the country; it is its will to guarantee each Honduran the basic conditions for his/her formation and to prepare them for a productive life, with the abilities and necessary dexterities in order to excel in professional or occupational duties and with the essential values in order to assume their responsibilities with the Family, the Community and the Homeland.

#### **Problems**

The problems that Education faces are complex and not easy to overcome, but there is sufficient knowledge regarding the nature of those problems and possible solutions. One of the problems mentioned the most is the lack of funds. Most likely this is true, since what is currently being allocated by the government is not enough to assure an Education of quality for the whole population. Although the problems in Education are not all budget related, it is true that without enough resources the programs required to reach the entire population and assure the quality of the service can not be executed. Quality does not depend on isolated programs, but on plans which considers all the variables and possibilities.

Education is everybody's responsibility; therefore, the collaboration of all government offices and that of society is required. With this in mind, the Minister firms agreements with Mayors' offices so that they participate actively.

#### **Results**

The participation of municipalities in these affairs is not new; slowly but surely participation has been increasing, with results that we could appreciate very well, such like:

- The Plan Esteban Guardiola is a cooperative plan with municipalities for the construction of school classrooms and fences. Municipalities put labor and some materials; the goal is to build 100 classrooms yearly.
- Payments for the transport of foods for the school breakfast.

- Pays for 300 teachers from several schools.
- Payments for 200 instructors for the Honduran Literacy Program ( PRALEBAH).
- Active participation in special programs, like: emergencies and natural disasters; environment; crime prevention; civic, cultural and other activities.

### **Community participation**

As part of government decisions, emphasis is being given to community participation, through deconsolidating activities, thus giving regional and municipal authorities a greater role in the execution of works. With this approach, new projects like the Museum for the Child and the Family, New Horizons Schools, Healthy Schools and the Honduran Project of Community Education are underway.

## **Strategies of the National Plan for Educational Development in Honduras 1998-2001**

### **Institutional reforms**

- Modernizing the management of institutions through the implementation of strategic planning methodologies and new alternatives that incorporate community participation.
- Application of a system of supervision that guarantees the execution of labor and professional duties.
- Formulation of new laws to complete the legal frame of the educational system.

### **Curricular reform**

- Transformation of the curricula for the various educational levels, cycles and modalities.
- Linking the educational process to productive work.
- Formation, training and improvement of teachers and professors.

### **Administrative and financial reforms**

- Modernization and improvement of the efficiency with which the Ministry of Education administers its financial resources.
- Increase in the financial resources allocated to Education.
- Management of finances in projects that receive foreign cooperation.

### **Educational services and physical infrastructure**

- Expansion in the number of educational services offered.
- Creation of alternative educational programs.
- Endowment of texts, educational materials and computers.
- Construction of classrooms and school buildings with their respective equipments.

### **The Honduran experience in the participation of municipalities and other organizations in the educational process**

The premise of the current government of the Republic of Honduras is:  
"EDUCATION FOR EVERYBODY AND EVERYTHING FOR EDUCATION"

The participation of municipalities in the educational process has been achieved in the following actions:

- The Esteban Guardiola Plan:
  - § Construction of school classrooms, an average of 100 per year.
  - § Construction of 50 fences.
- Transport of foods for the school breakfast program.
- Payment of about 300 teachers.
- Payments for 200 instructors for the Continue Education program.
- Active Participation in several special programs.

## **Honduras**

### **Decentralization of Water Services in Puerto Cortés**

#### **Marlon Lara**

#### **Mayor of Puerto Cortés**

Puerto Cortés is the main port of Honduras; it is in the Atlantic region and has 100,000 inhabitants, 60% of which are in urban areas and the rest in rural areas. The Mayor's office annual budget is 15 million dollars at the moment.

I am a re-elected Mayor; this is my second term, which started the 25 of January of this year. In the first term we received a municipality with many administrative problems and on top of that with serious problems in the water system.

#### **Central government Administration**

A tropical storm that hit our city in 1993, destroyed the water system which at the time was under SANA administration, a branch of the central government. Starting in September 1993, our city water system was out of order for seven months; this was a critical situation which never received immediate attention by the institution charged with reestablishing the water service. In the middle of this, in times when water coverage was only 15%, I was elected and the first agreement reached with the presidential candidate was that the city wanted that the water system be administrated by the municipalities.

#### **Municipal administration**

After a hard and long battle, a year and a half one, finally we convinced the government to transfer to us the collapsed water system. The worst part of this was that people remonstrated against the municipality by closing the road to Puerto Cortés, despite the fact that the municipality was actually fighting to recuperate the system. Studies conducted at that time showed that coverage was 15%, and that the government had a monthly deficit of 15 thousand dollars. Besides, we discovered that the government was not paying the public services required to operate the system, like electricity, since our city's water system requires pumping.

After negotiating with the government, by means of an agreement it delegated the administration, operation and maintenance of the system for 18 months, time during which the municipality had to demonstrate its capacity to manage the system.

#### **Financing**

Meanwhile we asked international organizations for funds to construct new water dams; AID was asked to finance new dams for about 3 million dollars. These organizations put as a condition to finance the project that the government transfer the system to the municipality. We also applied for a 600 thousand loan from the government of Canada, needed to reforest the Tulián river basin,

which was being deforested, process which was occurring and the central government did not notice.

### **Trial period**

Once we received the system on a trial basis, we remonstrated the capacity of the municipality to manage and operate it. For example, one of the most important parameters is that when the system was being operated by the government coverage was 15%; only 10 months later, coverage went from 15% to 90%. The number of employees per thousand clients decreased from 12 under SANA administration to 4.5 employees per thousand intakes. The number of intakes went from 4,000 under the previous administration to 7,800 during the trial period; we started to invest in the system.

We reached an agreement with two neighbor municipalities, which have 55% of the river basin that provides us with water. Documents were signed in which they delegate into our municipality the management of the river basin surrounding territories and the Puerto Cortés municipality pledge itself to invest 8 million Lempiras (about 800 thousand dollars) in the reforestation of the Tulián river basin. This work had to be done in close collaboration with all inhabitants of the river basin.

### **Fees**

The support of the World Bank providing consultants has been very important; these helped us change the bimonthly billing system to a monthly one. Today people pay for the water service every month.

It has been a difficult process for people were used to abuse the system and pay low fees. Before, the monthly payment was 80 cents of a dollar, but with the approval of the people in an open town meeting when we explained the benefits of the investments we were about to produce, the fee was increased to 4 dollars a month in low income areas and more than that in industrial areas.

### **Political damage**

Political damage came from people who grew accustomed to not paying for a service they were not getting. Despite the fact that during the previous election we obtained surprising results and that by the time of the second election the municipality already had an efficient water system, in the last election we won only by a small margin. During the last year of our first term in office, FIS announced they were going to finance 13 million dollars for the city sewage system and treatment plants, but the deal included our compromise to install water meters for all.

This is the first time a municipality negotiate by itself with BID. That project is ready to start next year and the operation of the system is to be delegated to a mixed municipal and private company.

During the election campaign, all those actions we were taking were used to misinform people against our government. As a result, in this second term we are launching a campaign to familiarize people with the good things that a decentralization process brings about.

### **New system**

Starting in October and during the following months, the Puerto Cortés water system will change from a pumping system to a gravity system. Now we pay the government 35 thousand dollars a month in electric bills; with the new system that sum will be saved and it will also help us increase coverage above the current 90%.

### **Educational campaign**

A campaign has been launched in all schools, directed to children and informing them how to save water. An interesting experience has been that with water meters installed in areas where I was defeated during the past election; surprisingly, people in these neighborhoods are now paying less for water bills than before, basically because of the saving-water campaign.

Moreover, children have been receiving at school little packages with rulers, erasers and pencils with messages related to the saving-water campaign. A video is used to show them the consequences they will face in a couple of years if the actions now being implemented are not taken.

In all Puerto Cortés houses there is a poster showing the river Tulián basin drama; in it there is a close up of the rocks surfacing as result of the deforestation of the basin; also, all car owners and children receive a decalcomania that says “I save water; and you?”.

This campaign has turn around a process about which people had a negative opinion.

**El Salvador****The Tetralogia Water System**

**Luis Chévez**  
**ANDA consultant**

**Location**

Department of Usulután, El Salvador

**Municipality**

Santiago de María, Berlín, Alegría, California, Tecapán

**Cantons**

El Júcaro and El Pozón

**Supply System**

2 Wells located in Santa Anita Canton, Jurisdiction of Mercedes; 4 Stations: 1 for pumping and 3 for second stage pumping

**Coverage**

14,847 people  
 43% Coverage

**Summary of Costs of the Tetralogia System**

| <b>ACTIVITY</b>                      | <b>MONTHLY<br/>EXPENSES</b> |
|--------------------------------------|-----------------------------|
| Operation of equipment               | ¢47,634.00                  |
| Electric power                       | ¢235,800.00                 |
| Handling of gates in storage tanks   | ¢18,020.00                  |
| Distribution-network                 | ¢14,991.00                  |
| Maintenance of Connection of intakes | ¢8,110.00                   |
| Reconnection of intakes              | ¢840.00                     |
| Meter readings                       | ¢5,645.00                   |

|   |                        |
|---|------------------------|
| Data entry and invoice printing                       | ¢4,944.00              |
| Invoice distribution                                  | ¢2,480.00              |
| Collect   | ¢3,720.00              |
| Fixing of breakages in street (M3 and 7 cm thickness) | ¢9,954.00              |
| Administration  | ¢35,182.00             |
| Depreciation of electronic equipment                  | ¢71,216.00             |
| TOTAL   | ¢458,536.00            |
| ESTIMATED TOTAL WATER PRODUCTION                      | 150,000 M <sup>3</sup> |
| COST PER CUBIC METER                                  | ¢3.06                  |

### Rehabilitation of the Tetralogia system

Works began in October 1995, and were comprised of:

- To furnish, disassembly, assembly of pumping equipment and accessories in water houses.

§ Substitution of 1,400 Mts. of 3 or 4 inch tubing for an amount of ¢6.638,768.92

- Improving the distribution networks by installing 1,110 Mts. of 4 in. PVC tubing

§ Cleaning operations and disinfecting with a cost of ¢649,931.09

### Costs and rates

#### Current situation

|  |       |
|--|-------|
| National rate per cubic meter          | ¢1.83 |
| · Tetralogía System per cubic meter    | ¢1.65 |
| · Tetralogia real cost per cubic meter | ¢6.05 |

|              |                      |
|--------------|----------------------|
| Production:  | 156.038 cubic meters |
| Consumption: | 117.540 cubic meters |
| Billed:      | 72.977 cubic meters  |

### Cost components



- Depreciation
- Operation
- Management
- Marketing

### **Organization for the administration of the system**

Intermunicipal advisory committee  
 6 Mayors  
 6 Substitutes from Town Councils

Technical manager  
 Engineer

ANDA project support group  
 Operations  
 Financial  
 Commercial

Hiring of a consultant company to define the organizational model

Municipal company

- Stockholder capital
- Small organizational structure
- Specialized staff
- Capability and ability of subcontracting services

### **Social and economic Research**

The research was conducted by the Research Triangle Institute, RTI, and included the following aspects:

- Capacity and disposition to pay for the services
- Opinion on changing rates
- Current consumption of water
- Opinion on Mayor's office

### **For present and potential users**

- Work started in September 1995
- Concluded in January 1996

**Billed consumption  
 in the Tetralogia system**

### March of 1995

| Municipalities    | No. Of Services | Total Billed | Average per Invoice |
|-------------------|-----------------|--------------|---------------------|
| Berlin            | 633             | ¢34,084.90   | ¢53.85              |
| Santiago de María | 1,147           | ¢65,815.40   | ¢57.38              |
| Alegría           | 156             | ¢7,096.00    | ¢45.49              |
| Tecapan           | 144             | ¢5,850.10    | ¢40.63              |
| California        | 75              | ¢4,122.10    | ¢54.96              |
| Mercedes Umaña    | 393             | ¢23,147.10   | ¢58.90              |
| TOTAL             | 2,548           | ¢140,115.60  | ¢54.99              |

### Legal constitution of the company

#### Mixed company

The participation of public and private entities is facilitated.

Facilitates the participation of capital from groups not traditionally associated with water works.

Private partners could provide managerial skills required to guarantee the financial stability of the new entity.

Public-private balance, that could guarantee both the attention to social aspects of a service as essential to life and development as is water, and the protection and the recovery of water-producing ecological systems.

ANDA and Municipalities can work together, and some fiscal advantages can be enjoyed.

#### Premises for the design of the company

Company must have places in its Board of Directors for some civilians from the community.

- Small and agile organizational structure, with well-defined duties, and with the ability to develop the capability to respond through contracting mechanisms.
- Operation under the concepts of company management, in order to operate with efficiency and quality, so that it may become financially viable and sound.
- Designed, functionally and structurally, with the capability to grow and to accept demands for new services.
- With an information system capable of producing managerial parameters.

### Synthesis of the decentralization of the Tetralogia project (Usulután)

## **Identification**

Drinkable-water system located in the Department of Usulután that supplies this essential liquid to the following municipalities: Berlín, Tecapán, Sntgo. De María, Alegría and California. The system consists of 4 pumping stations and three secondary stage pumping stations, covering 3,000 connections.

## **Sequence of actions carried out**

1. Mayors express their desire to manage the system.
2. ANDA shows will to cooperate with preliminary technical studies.
3. USAID finances studies on rates, capability and disposition for paying the services within the community.
4. USAID begins diagnosis of system infrastructure.
5. ANDA invest ¢9.5 Million in rehabilitations.
6. Mayors are integrated in the Intermunicipal Committee (CCI).
7. ANDA and CCI establish organizational mechanisms.
8. CCI hires legal services and a mixed-economy company is created for the handling of the system and other related activities.
9. ANDA and CCI sign a transfer agreement.
10. ANDA and CCI agree on managerial parameters and other norms to rule the quality of services offered and to carry out an inventory of the infrastructure of the system.
11. ANDA submit the terms of the agreement to the Court of Bills.
12. ANDA and TETRALOGIA SEM make final adjustments to the Agreement of Decentralization before its signing.
13. Project is not completed yet.

## **El Salvador**

### **Municipal Water Company**

**Aldo Miranda**

**Consultant**

**Research Triangle Institute, RTI**

### **Geographical data**

Municipality: San Julián

Location: 48 Km. to the Southwest of San Salvador

Area of the Municipality: 81.64 Km<sup>2</sup>

Total population: 14,810

Urban population: 2,819

Rural population: 11,991

Districts: El Centro, El Calvario, Col. Los Balsamares, Col. Carlita I and II, Lot. El Carmen.

### **Historical data**

The system belonged to ANDA. In the decade of the 80's it was taken by the Municipality, as a result of a deficient service.

In recent years, for lacking maintenance and for ineffective invoicing and collecting on the service provided, the system collapsed. USAID through the Project of Municipal Development and Civic Participation, and supplementing with funds from GOES, through the FISDL, gave a donation of ¢2.5 million for the rehabilitation of the system that at the time was more than 40 years old.

With technical support from RTI and a volunteer from the U.S. Peace Corps, and thanks to civic participation, a Municipal Company was established, with the purpose of managing the water system, which have extended the service from 474 to 775 intakes from 1996 to 1997, a 61% increase.

### **Steps of the process for the creation and implementation of entities in charge of administering and operating municipal services**

DIAGNOSE THE SERVICE

ALTERNATIVES OR OPTIONS TO MANAGE AND TO OPERATE IT

SHARING ALTERNATIVES OR OPTIONS

SELECTING A MODEL

ELABORATION OF COMPANY STATUTES

IMPLEMENTATION PLAN AND FOLLOW UP

ORGANIZATIONAL STRUCTURE

ORGANIZATION AND FUNCTIONS MANUAL

JOB DESCRIPTORS MANUAL

BOARD OF DIRECTORS INTERNAL REGULATIONS  
 PURCHASE PROCUREMENT REGULATIONS  
 STAFF REGULATIONS  
 MANUAL FOR THE SELECTION OF BOARD OF DIRECTORS MEMBERS  
 FINANCIAL AND BUDGETARY SYSTEMS  
 OPERATIONS PLAN  
 STUDY OF RATES  
 RATES ORDINANCE

MODEL DEVELOPMENT

LEGAL INSTRUMENT  
 MUNICIPAL AGREEMENT  
 ORDINANCE  
 LEGALIZATION OF ENTITY

### **Current situation**

The company has operated the system for 4 months already and is charging the new rate for water consumption.

The Municipality collects the service charges through a single receipt for water, sidewalks, garbage and public lights, and then transfers the funds to the Company's account.

The percentage of delayed payments is approximately 20%.

This rate was discussed and approved by Municipal Ordinance No. 15, on February 16 of 1998.

Table. Comparison of fees

In EXCEL.

### **Organization**

The Board of Directors of the Company has five Proprietary and three substituting members; three from the municipality, five from the community.

The members are chosen in a General Assembly of Users, according to regulations in the "Manual for the Election of Members to the Company's Board of Directors."

The Board of Directors is governed by Internal Regulations.

The Company has a manager, two plumbers and two workers of the system.

The Company is interested in completing the sewer service system and in installing a sewage treatment plant.

The Company has growth potential, since new urbanizations demand the service, and this could be provided with a minimum of new investments.

**Strengths of the model**

- Immediate answer to demands for the service.
- The resource is being used more consciously.
- Community involvement in the lending of services.
- Open-books policy.
- Better services (around-the-clock service).
- Acceptable water quality.
- The willingness to pay for the service has been strengthened in almost all population sectors.

**Weaknesses and Obstacles**

- Lack of technical and administrative skills.
- There is a danger that the Company becomes involved in politics.
- Municipality has not fulfilled the commitment to transfer the assets of the System to the Company.
- The transfer of funds from the Municipality to the Company is slow.

## **Guatemala**

### **Rural Municipality Water Company, EMRA**

**José Eduviges Castellanos**  
**Mayor of Flores Municipality**

#### **Antecedents**

Flores, main town of the Petén Department, is the Region number VIII of the Republic and occupies one third of the country's territory (108,000 Km<sup>2</sup> and 36,000 Km<sup>2</sup> and 4,336 Km<sup>2</sup>; with 40,000 inhabitants).

**Topography:** Flat with slight undulations.

**Altitude:** 127 meters above sea level.

**Climate:** Warm-humid.

**Average Temperature:** 24 centigrades.

**Life zone:** Humid, sub-tropical forest- warm.

**Pluvial yearly precipitation:** 2000 mm.

**Main economic activities:** Agriculture, trade and tourism, cattle raising, extraction of products from the forest, fishing.

**Water Sources:** Petén Lake- Itzá- Aguadas- Algibes- Pozo-. Well and stream.

#### **Introduction**

The planning activity and the social development of communities require the obtaining of current data.

By means of a quick and participatory diagnosis, it is possible to obtain true information, from the community itself; this procedure can detect problems, causes and possible solutions.

The change in geopolitic conditions, economic crisis, etc., has originated a crisis within the public sector.

From this new global conditions, emerges the demand for an effective public administration; one able to reach its goals with productivity criteria.

Quality criteria should be on the vertex of the organization strategy.

Making things right the first time and improving continually, are the principles of a Total Quality program.

Quality should be measurable, in order to control it and to know it.

### **Current situation**

- Today, the water service in the rural communities of the municipality is efficient in six of them, San Miguel, Paxcamán, Caoba, Capulinar, Macanché and Las Viñas, with service 24 hours a day; in the last two communities there were some problems in the year 1997 due to failures in the pumping system. Service was provided again thanks to the support from the Flores Municipality and the Spanish Cooperation Agency (two new motors were purchased).
- In the communities of Zapote and Naranjo, services are inefficient because the water sources are insufficient. Feasibility studies are underway in order to improve service with the production from mechanically perforated wells.
- With the support of the Flores Municipality and the Spanish Cooperation Agency, work is underway with the help of EMRA so that when the new system starts, rates applied to the water consumption cover the administrative, operative and maintenance costs.
- In Ixlú and in Remate, being two communities depending from a single supply system and because they are populations in growth due to tourism potential, the service is rationed six to eight hours daily. The problem is that there is no control in the use of water, because they don't have meters; water usage has no constraint and the families that live in elevated areas do not receive the service.
- The Municipality and the Spanish Cooperation Agency contributed to the purchase of water meters which EMRA would put in place, as intended. Communities are being told that with this decision service would improve and water would be used rationally.
- A study of the distribution network and the design of the project is being done in order to improve the service.
- In 4 months of running the operation as manager of EMRA, several activities have been carried out:

§ Organization of the companies

§ Updating of data for the preparation of the 98 budget

§ Technical and administrative advice from INFOM has been received as well as a contribution to the Inscription in the General Court of Bills.

§ The Inscription of the Company is 90% completed; starting in July, we have the authorization to administer funds. The inscription in Internal Rents was obtained, after producing the required documentation.



§ Recruiting of personnel, which at the moment carry out multiple functions.

§ Meetings have been held in the communities; we have met with the problem that very little is known about the functions of EMRA. We have carried out a campaign to inform about the objectives of the company, and we considered we have a 80% rate of acceptance.

The neighbors that have a negative opinion of EMRA, act like that because they are delinquent in payment, and have not fulfilled the agreements accepted by the committees.

The neighbors consider important the participation of the communities in the administration of EMRA. Mainly because government institutions approach them to help with their autonomous projects.

§ Some administrative actions geared to contact institutions with experience in the formation of Municipal Companies have been pursued.

### **Decentralization of the service**

The Flores Municipality has decentralized the administration of the water service in the rural communities according to the Article 31- part a) of the Municipal Code, Ordinance 58-88. An example of this is the recent creation of the municipal company of drinkable water and sewer system of Flores and San Benito, with very good results and in a short period of time, in regard to the revenues and self-supporting maintenance.

The Municipal town council agrees to the creation of the Municipal Rural Water Company (EMRA) in the jurisdiction of Flores, Petén; it was decided that for the effects of the statutes and regulations, they will obtain technical advice from the Institute of Municipal Development, INFOM.

### **Institutional support**

The Water Committees and the Improvement Committees entrusted with the administration, operation and maintenance of the systems for several years have requested the support of the Flores Municipality, in order to create an administrative department for the management of the systems, given the lack of responsibility among users with the payments for the services provided.

Committee members work ad-honoren, but only a small part of the population recognizes the efforts they do in managing this organization.

The Flores Municipality requested the support of institutions such INFOM and the Spanish Cooperation Agency, for the organization and formation of EMRA, what produced positive results, both financially and technically.

### **Financing**

The Municipal Rural Water Company was initiated thanks to the contributions from donors, as follows:

### **Flores Municipality**

- Office space
- Furniture
- Office supplies
- Fuel
- Technical Advice from UTM
- Technical Advice from INFOM
- Repair of municipal vehicle
- Installation of water treatment equipment
- Financial contribution for the 98 budget

### **Spanish Cooperation Agency**

#### Staff Salaries

- Manager
- Head of finances
- Head of administration
- Operation and Maintenance technician

#### Transport

- Motorcycle
- Motor for a vehicle

#### Office equipment

- Computer
- Typewriter
- Office furniture
- Training
- Water meters
- Topographical studies

In the month of July, EMRA began the administration, operation and maintenance of the systems, having inscribed the company legally in the General Bills Court and Internal Revenues.

With the institutional support received for one and a half year, the main objective now is that the company supports itself with the revenues from the payments for services provided, and becomes a self-supporting company.

### **Coverage**

The current coverage of EMRA is 10 communities, San Miguel, Pascana, Ixlú, Remate, Caoba, Capulinar, Macanché, El Naranjo, El Zapote, and Las Viñas; these communities have already supply systems working.

Work is underway in 4 communities to improve the systems: El Zapote, El Naranjo, Ixlú and Remate.

Other communities of the Municipality are starting their projects; Uaxactún, La Máquina, Monte Rico and Altamira are working towards joining the water network or other alternative to solve their water problems.

**Users  
in the Rural Communities  
of Flores, Petén**

| No. | Community    | Real Users  | Feasible Users | Potential Users |
|-----|--------------|-------------|----------------|-----------------|
| 1   | Caoba        | 235         | 30             | 17              |
| 2   | Capulinar    | 32          | 3              | 2               |
| 3   | Ixlú-Remate  | 184         | 100            | 55              |
| 4   | Macanche     | 211         | 114            | 37              |
| 5   | El Naranjo   | 180         | 40             | 20              |
| 6   | Paxcaman     | 225         | 103            | 31              |
| 7   | San Miguel   | 134         | 10             | 5               |
| 8   | Las Viñas    | 189         | 19             | 10              |
| 9   | Zapote       | 112         | 10             | 5               |
|     | <b>TOTAL</b> | <b>1502</b> | <b>429</b>     | <b>182</b>      |

## **SUCCESSFUL EXPERIENCES IN RURAL ROADS**

### **Costa Rica**

#### **Reconstruction and conservation of roads after the emergency of hurricane Caesar in the Pérez Zeledón Canton**

#### **Ottón Solís**

#### **Ex-Minister of Planning and Ex-Legislator**

In the Pérez Zeledón Canton a project with the cooperation of the GTZ has been developed, that has allowed to materialize some of the virtues of communal organizations and those of the decentralization in the field of rural roads. I will begin describing the things that have been made in a period of less than 2 years.

Pérez Zeledón is a canton located in the southern part of Costa Rica; it has almost 2,000 Km<sup>2</sup>, 115,000 inhabitants and is basically agricultural. Towards the end of July 1996, it was damaged severely by hurricane Caesar.

In this moment, the rehabilitation of the system of drainages in the 250 km of prioritized roads in the eleven districts of the canton of Pérez Zeledón has been achieved; this happened thanks to the active participation of the Regional office of MOPT, the Municipality and the District Councils (together with the organizations of the communities involved). On the other hand, starting in March 1998, the placement of roadbeds of gravel have begun in the prioritized roads in Barú, Río Nuevo, San Isidro, Rivas and Daniel Flores districts. MOPT, the Municipality, the National Emergencies Commission and the CRUSA Foundation have contributed with machinery.

With the contributions offered by the donors, nine factories were kept producing concrete tubing, with a production of 6,048 meters of reinforced tubing 60 cm and 90 cm in diameter. Also, 5,567.5 meters of tubing have been put in place in approximately 218 km of prioritized roads and 1,678.4 cubic meters of concrete have been produced for bolsters. Thus, about 198 km of roads have already their drainages rebuilt.

With the machinery from MOPT, the Municipality, the National Emergencies Commission and the CRUSA Foundation, approximately 130 km of prioritized roads have been rebuilt and have gravel roadbeds. Mountain or river cuts have produced nearly 66,500 cubic meters and the placement of ballast is now estimated in 56,462 cubic meters. Also, manual maintenance of the works carried out in approximately 73 km of roads has started.

#### **Participation of the communities**

The role of the communities has been fundamental in several stages of this process. First, in the immediate reconstruction after Caesar hurricane. The communities used their organizations in order to face the most urgent problems, like the opening of an alternative road or make a bridge. In a very short period of time the most relevant problems were solved with the participation of the communities.

On the other hand, communities participated in the elaboration of a diagnosis prepared by the GTZ on the damages caused by the hurricane. I would like to share an experience on how safe it is to rely on organizations at communal level. Three days after the hurricane, the engineers of the GTZ arrived to Pérez Zeledón and asked if it was possible for the social organizations to participate in a preliminary damage diagnosis. A meeting was organized to which the leaders of the 11 districts attended. The engineers of the GTZ had elaborated some forms with columns in which they should write the requested information, not only about roads, but about other damages as well.

With that information the GTZ prepared a document that combined the techniques of the engineers with the information the communities provided. This document is the most important diagnosis of the tragedy, and it is used and accepted by national and international organizations as the nearest truth about what damages produced hurricane Caesar. I stand out this example for the short time and the low costs with which the diagnosis was elaborated, and because had it been carried out in the classical way, that is to say hiring engineers, it would have been much more expensive.

Crews organized by the communities also participated in the reconstruction of public works damaged by the hurricane, that is to say in the works that the National Emergencies Commission did not contract, but rather in those handled by the Ministry of Public Works (MOPT). These crews participated in all that was not technical nor involved contributing with materials, that is to say manual work.

In that context, communities have worked together with a great number of organizations. They have worked with the municipality, MOPT, international agencies, National Emergencies Commission, embassies of countries that are friends of ours, and of course in the context of the project of the GTZ.

### **Sustainability**

In this project, the communities besides contributing with their organizational skills, have made a great contribution in resources, because the GTZ project has road maintenance as one of its goals, that is to say their sustainability, which requires two factors: local contribution of resources in a permanent way and training and commitment with the maintenance of the roads.

Community leaders have organized the rest of the community in order to contribute with what it has to contribute to have the work done. According to the principles of sustainability, the project has a training component for those who have to work in road maintenance. It has been explained to the communities that under the new circumstances that national states face, and those of municipal finances, communities that do not maintain their roads, are not going to have roads. They have been trained in technical aspects and in the engineering of water management as the foundation for road maintenance; in how to build a sewer, build bolsters; in how to repair street holes, etc. The project also contemplates the incorporation of women in the process.

To improve sustainability of the road system, the project has established an agreement with the Ministry of Public Education in order to prepare boys and girls by teaching them the importance of roads as a cost factor in the production process, as well as in the bringing of inputs and in the sending of agricultural products to and from the region.

This technical advice has been carried out under the modality of "Learning by Doing." Up to now, a total of 670 men and 141 women have participated actively in programming and executing the several activities required for the rehabilitation of prioritized roads.

The monitoring and control of the works are carried out by means of elaborating biweekly and every-three-months programs, which are incorporated in the System of Programming and Execution of Maintenance, that operates in the Regional MOPT.

### **Training**

Starting in the month of July 1997, a Training Plan focusing on gender has been developed, with the purpose of promoting the participation of men and women in all phases of the process of planning, executing, controlling and monitoring the participatory road conservation. As part of the Training Plan, efforts have been directed towards the strengthening of organizations in the districts involved, specially by means of impelling the formation and development of the Road Committees, in which the participation of men and women in mixed groups is promoted, with the purpose that they share the decision-making process. At the moment women participate in training activities, popularization, motivation, elaboration of maintenance reports, among others. The Training Plan has 11 instructors, four of which are municipal employees and 3 belong to MOPT. Up to now, 7,536 people have participated in various training sessions and 75.4% of them have completed the training. As for the formation of Road Committees, today there are 42 committees with 218 men and 111 women.

With regard to the impulse given to the School Formation Program, 318 boys and 311 girls from fifth and sixth grade, belonging to 34 schools of the participant districts, have been involved. Another fundamental aspect promoted at the present time is the incorporation of gender concerns to school activities. In this environment, boys and girls are asked to participate in school organizations, like School Patrols, that participate in various activities such as the popularization, motivation, organization and training of peers in the Participatory Road Conservation Plan. With the incorporation of the gender perspective at a very early age, in the long run we hope to create the mentality that road conservation is the responsibility of both men and women. Of course, this is an activity that is being carefully planned, with the purpose that this does not become an increase in duties for the women alone. Until this moment, 35 School Patrols with 112 boys and 133 girls are functioning.

### **Popularization**

The promotion and popularization of the project and its philosophy of road sustainability with the involvement of the communities, have been carried out in a permanent way, by using the local press, and radio stations. Both actions have also been carried out through lectures and talks to the communities and participating organizations associated with the Participatory Road Conservation Plan. Also, posters and murals are shown in strategic places of the Pérez Zeledón Canton.

These ideas are intimately bound to decentralization; one could not teach all this to the communities unless one believes in decentralization. Therefore, this form of road maintenance, turned into sustainable by the communities, is possible if and alone if there is decentralization.

The process has been developed in such a way that there has been no complains from participating organizations. Both in the GTZ project and in the other tasks related with road works in which

communities have participated, they have had contacts with many institutions, all of which have been coordinated by the GTZ, in order to bring together technical, financial, physical resources for a shared objective. This kind of convergence is very difficult in our bureaucracies, and thus it has an enormous cost. Some works at the moment are not being executed simply because that convergence has not occurred and not because the resource is lacking. What here has been demonstrated is the great potential that exists when institutions converge and when the coordination between institutions takes place. Communal organizations have been in contact with many institutions without complaints, although some problems have subsisted. Another important aspect is that political forces have not affected the process in a negative way; perhaps because the process belongs to the communities, and the communities themselves are multipartisan.

On the other hand, the process has not been corrupted; on the contrary, we could say that what has happened is inverted corruption. The classical corruption occurs when part of public resources end up in the pockets of a few for personal benefit. Inverted corruption occurs when 100 units came from the State and the works done are worth 300, simply because communities contribute with their own resources when they have been given a place in the efforts to find solutions.

### **Why has the project been successful ?**

One of the reasons is that there has been a previous experience, that I believe all Latin America has: experience in communal development. Here, the communal movement developed a certain capacity to organize itself. Ex-post one could say that “petitionary powers” were given to the communities. Starting in 1994, certain centralized institutions changed that to “decision powers”.

What came out from this experience was that communities received real decision powers. Trust in communities grew.

## **El Salvador**

### **Society of Mayors` Offices from the Sonsonate Department (SASO, Corp)**

**José Angel Medina**  
**Manager**

#### **Antecedents**

The project “Procurement of machinery and equipment for maintenance of rural roads in the Sonsonate Department” is promoted by the Agency for International Development (A.I.D), through the National Reconstruction Secretariat (S.R.N.), within the program Municipalities in Action (MEA), as an answer to the problems brought to the attention of the Departmental Mayors Councils (CDA). This project looks for solutions in order to give rural roads timely maintenance, because the Ministry of Public Works is not able to cope with all rural roads. Through the CDAs, Road Maintenance Projects are financed with the provision that more than two Municipalities must benefit and share the investments as well. In many occasions, due to a high demand in the country for heavy equipment, projects could not be started and during the delay roads damage even more.

In this way, in 1994 four million Colones were granted to the 16 Municipalities that conform the Sonsonate Department, and so began the work of what would be called Society of Mayors` Offices from the Sonsonate Department, known for the SASO, S.A. of C.V. acronym.

Operations began in August of 1995; the objective was to strengthen local development efforts as a contribution to the decentralization process. The Sonsonate Department is considered together with the Usulután Department, Pilot Projects for the National Decentralization Plan.

#### **General objective**

To provide a timely service to each one of the municipalities associated with the program in the maintenance of rural roads.

#### **Specific objectives**

- That municipalities have a fleet of the equipment required for the maintenance and opening of rural roads.
- To compete with other companies that provide the same service in the Department, so that prices in the market tend to stabilize.
- To strengthen municipalities with fewer economic resources, by means of establishing differentiated prices.
- That the profitability of the company be such that it covers its costs and produces dividends to distribute at the end of each year.



- The acquisition of more equipment, either with funds generated by the Company or through credit lines.

### **Equipment**

- Motoleveler 120 "G"- Caterpillar Brand
- Chain Bulldozer D4H- Caterpillar Brand
- Front loader 721 "B"- Case Brand
- Dump Truck - Dina Brand

### **Types of works that are carried out**

- Opening of new rural roads
- Repairs of rural roads
- Other types of projects where such equipment is required

Table. Comparative costs  
EXCEL.

## **THE ROLE OF FUNDS FOR SOCIAL INVESTMENTS IN MUNICIPAL DEVELOPMENT**

**El Salvador**

**Fund for Social Investments in Local Development- FISDL-**

**Benjamín Trabanini**

**Executive Director**

September 1996 marks the date when, by means of reforms to the law that created it, the FISDL becomes an institution in charge of facilitating local development.

### **Institutional frame of the FISDL**

FISDL stops working exclusively with communities, because it is now an institution that works with both the municipal governments and their communities, in order to support and strengthen the municipality-community counterparts.

### **What is local development?**

Local development is understood as a process directed to the strengthening of the capacities of communities and municipalities, what in turn promotes economic and social growth of the people and of the communities; also as an equitable, growing and self-sustainable process, that incorporates environmental and gender aspects.

### **Objectives of local development**

- Offering opportunities to create local wealth, through the implementation of productive activities.
- Propitiating local progress for the deconsolidation of job and production opportunities.
- Reducing rural migrations by creating training and employment opportunities in the rural areas.
- That development does not concentrate in the main cities, but rather that it reaches the whole country.
- That communities get control of their own development.

### **What will we do?**

#### **Promote**

Opportunities for the development of the poorest population groups of our country.

#### **Through:**

- Participation and shared accountability.
- Decentralization and worker delegation.
- Promoting and strengthening the municipal governments and local sectors.
- Appropriation and Sustainability
  - § Of the process
  - § Of the project
- Investing in economic and social infrastructure.

### **What do we offer?**

- To improve the coverage and quality of the economic and basic social infrastructure service.
- To strengthen the actors of local development
  - § Community
  - § Local government
  - § Private sector

### **In planning, managing and executing of works**

- Assuring the maintenance of public works by means of training and of creating a Fund for Preventive Maintenance.
- Incorporating in projects effective and environmentally suitable actions that contribute to reduce the deterioration of the environment.
- To assure the participation of women in the decision-making process in the projects.

### **How will we do it?**

- Promoting and facilitating the coordination of local development.
- Procuring funds and administering funds for local development.
- Supporting training programs and technical advice for participants.
- Generating and putting into practice the procedures and mechanisms most effective in producing local development.
- Working with all the 262 municipalities of the country.
- Transferring responsibilities to the municipal governments in order to strengthen their capacities.

- Generating wealth at the municipal level, thus propitiating the improvement of the standard of living in the communities.
- Achieving the greatest civic participation possible, through the planning of the participatory processes.
- Allowing the creation of a country full of opportunities for all, with justness and social mobility.
- Complementing at the microeconomic and local levels the efforts towards growth and national development.
- Eliminating production constrains and enlarging the sources of wealth and permanent employment.

### **Implementation of a process of local development**

- 1 PARTICIPATORY PLANNING
- 2 FEASIBILITY STUDIES
- 3 PROJECT PREPARATION
- 4 EVALUATION
- 5 AWARDING AND CONTRACTING
- 6 EXECUTION
- 7 OPERATION AND MAINTENANCE
- 8 IMPACT EVALUATION

- ADMINISTRATING FUNDS
- PARTICIPATION
- INFORMATION AND CAPACITATION
- MONITORING AND EVALUATING
- ENVIRONMENTAL AND GENDER APPROACHES

### **What are we doing?**

#### **Promoting and consulting**

- 262 mayors
- FISDL personnel
- Deputies
- Ministries and autonomous institutions
- Private sector

#### **Organization**

- Definition of fundamental aspects that limit local development
- Institutional reorganization
- New organizational structure

**Administration**

- New internal procedures
- Strengthening of regional offices
- Application of the project cycle concept to the organizational structure

**Operation**

- Cycle of projects
- New system of management information
- Operations manual
- Training of personnel

The FISDL exists to serve the local development, therefore it impels with determination a process that belongs to all.

FISDL intention is to fulfill what Mayors have stated, that it should be THE BEST ALLY for local development.

Let us form an alliance for a better tomorrow.

## **Guatemala**

### **The Fund for Social Investments- FIS-**

**Alvaro Hugo Rodas Martini**

#### **Executive Director**

In Guatemala there are six social funds at the moment, four dedicated to social investments in general and two to more specific responsibilities.

International agencies have been questioning the tendency in Guatemala to create funds. However, one must understand that this results from the present conjuncture of the country, which has just finished an internal armed conflict that tore apart the Guatemalan population, that broke the social fabric and that generated new populations, and displaced or exiled others; as well as the fact that during decades, the country did not invest in social infrastructure, and that in fact, many of the existing one was destroyed during the war.

Today the country is beginning its reconstruction, and is in need of all the help it can get in order to invest in the necessary social infrastructure and to close the historical breach with which the new government found the country in January 14, 1996.

In that regard, the country has been understood and helped by the international community. Additionally, some public budget expenditures are being directed to social investment; also, state bureaucracy has been cut and a modification in working procedures is underway. In this regard, the Public Works Office and the UCEE, which used to build the schools, disappeared from the Ministry of Communications and Public Works; UNEPSSA, which belongs to the Ministry of Public Health, is being reduced; the separation of the General Bureau of Roads from the maintenance of the asphalt-covered road network, and concentrating it in the maintenance of second order terrace highways, etc.

At the beginning of the government, there was certain competition among social funds and some of them superimposed. These problems have been overcome in an acceptable way, through the creation of the Bureau of Social Funds, presided by the Vice-president. In this new forum, a higher level of coordination and a distribution of sectorial responsibilities have been reached.

The funds for social investments are the following:

#### **Solidary Fund for Communal Development (FSDC)**

The fund has as its mission the strengthening of the System of Development Councils. It invests in basic infrastructure, covers the urban and rural areas and has national coverage. Fund's projects are carried out mostly by municipalities, although sometimes by NGOs or Committees legalized by the departmental Governments. The Segeplan defines the funds allocated to each Department; considering the funds available, Mayors propose projects to the Departmental Councils and, finally, the Legislative approves each project through the Geographical List of Works.

The following are the deficiencies that I consider FSDC still has: selection of the projects not always respond to technical considerations or to priorities defined in strategic plans; Mayors' offices unable to produce pre-investment funds; interference of Deputies in the approval of the National Budget; still there is no system for monitoring project costs, quality of works, on the part of the Fund guardian entity, the SEP.

### **National Fund for Peace (FONAPAZ)**

This Fund started during the internal war and was designed as an emergency fund in order to cope with urgent needs in the war area. During the peace talks process, it assisted displaced populations and had to deal with the reinsertion of many groups. Once peace was signed, it assisted with the process of troop demobilization. Today, FONAPAZ is assisting in nine Departments known as ZONAPAZ; it participates in productive projects and buys land for displaced communities in or outside the country. The execution of its projects is done by municipalities or by its own means. Congress approves the Fund's budget every year and the Executive Branch defines the projects and the places where to invest.

### **Fund for Social Investments (FIS)**

It was designed to fight poverty in rural areas. At the moment it executes basic infrastructure projects and now it is starting to impel productive projects. It has national coverage, although investments are now being directed to areas of extreme poverty. Last year, the social sector Ministries have given it the responsibility for the building of educational and health infrastructure in the rural areas of the country. Also, it is executing most drinkable-water and sewer system works. The works are carried out through private contractors. Work is underway to prepare communal organizations, so that in the future they could execute their own projects. This is the only social Fund with strong international participation, through loans to the Government. At the moment, the Fund works with BIRF, BID, KFW, OECF, OPEP and soon with BCIE. The Government provides any necessary matching funds.

### **Guatemalan Native Fund (FODIGUA)**

It has been designed to assist projects in the indigenous areas of the country. At the moment, its focus is moving from an infrastructure fund to one that could develop specific programs designed to solve problems in Indian populations, as well as to impulse programs dealing with indigenous customs and tradition-keeping efforts. The execution of their projects is carried out through municipalities, communities and private contractors.

### **Guatemalan Housing Fund (FOGUAVI)**

The fund began operations this year, as part of the Housing Vice-Ministry; it finances housing projects for the poorest population groups. At the beginning, it has had problems with some municipalities, with regard to the definition of the areas to be urbanized and with their not keeping the commitment of providing projects with basic services.

### **Guatemalan Fund for the Environment (FOGUAMA)**

Its operations with projects related to the preservation of the environment have just started. It is interested in financing sewer-treating plants and solid-waste handling projects.

### **What is FIS doing to strengthen municipal development?**

FIS has been coordinating the execution of projects within the Departmental Development Council forums.

The execution stage of some projects have been co-financed by FIS; in many cases, municipalities have paid pre-investment expenses.

However, an eastern region of the country is benefiting from the program PRORIENTE created this year, through which the Technical Municipal Units (UTMs) will be created and strengthened.

### **What problems is FIS encountering while trying to support municipal development?**

Although in general coordination with municipalities is satisfactory, the most important problem now is that some municipalities want to execute the FIS projects as if they were FSDC projects; this generates a feeling on their part of not involvement in FIS projects. There have been problems with cofinancing projects and mostly with paying pre-investment expenses. There is also a distrustful sentiment towards the fact that FIS works directly with communities and not through municipalities.

### **What are the most important problems that FIS sees in municipalities?**

- Absence of Municipal Technical Units.
- Absence of comprehensive developmental plans in municipalities; much is being improvised.
- The duty of the municipal system is thought to be only that of providing services, and not that of getting involved in the development of the productive capabilities of the communities within the municipality. Municipal leaders are not interested in promoting industry, trade or agricultural development projects within the municipality.
- There are no plans for territorial development. They are overwhelmed by private housing projects.
- Compliance with pre-investment agreements is deficient, as well as the execution of infrastructure works.



## **Honduras**

### **Honduran Fund for Social Investments**

**Manuel Zelaya**  
**Minister and Executive Director**  
**Honduran Fund for Social Investments**

The Honduran Fund for Social Investments (FHIS) has been transformed from a social infrastructure financing fund to an instrument for the support of participatory communal efforts towards their own development.

To achieve this, the FHIS and the Association of Honduran Municipalities (AMHON) have designed a process in which communities prioritize the most urgent projects.

For this purpose, Communal Assemblies are being held; in these town leaders decide in what projects should FHIS resources be used. In these towns, group representatives are designated so that in an open town council they prioritize the projects that interest the community and the selected ones become an integral part of the national Plans for Social Investment.

These Plans for Social Investment through municipalities include the commitment on the part of the communities to contribute to the construction of public works and to the preventive maintenance plans for the existing ones and for the ones to be built.

The leader of this process is the Mayor, who is responsible for organizing the Communal Assemblies and the Open Town Councils and for providing the communities with the information required to qualify participants on the selection processes.

With such procedures, new for our people, the central government transfers the decision-making process to the communities and these assume the role of directing the construction of the Public Works and then taking care of them.

Also, municipalities will open simple and transparent bidding procedures for the construction of selected Public Works. These procedures will allow not only an ample participation of bidders but also important savings of allocated funds, what will in turn leave communities with some extra funds for small projects.

## CONCLUSIONS

### Romeo Uclés

This forum convened to discuss problematic situations regarding water services, education and rural roads, all within a decentralization process context, in order to show management models feasible to be implemented in the countries that participated in it.

Based upon the analysis of successful regional experiences in these three fields, discussions focused mainly in civic participation and how to make it functional. The operational aspects of public services were also analyzed, leaving for future meetings aspects as quality, policies and strategies with a long term outlook.

Education was recognized as a critical factor for sustainable development, and a great aid in decentralization processes and in promoting civic participation. This was evident through the experiences presented in the forum. We learned that there are several models which can be adapted to the needs of each society and incorporated into the long term process required to modernize our education systems.

The talks about water and rural roads presented very interesting management models whose adaptation to different realities in the countries of our region is feasible.

It is worthwhile to mention that the audience recognized that the Costa Rican experience with rural roads in the Pérez Zeledón Canton was very educational, because all the required components to achieve sustainability in these type of projects were present. It was clear the role of the various actors in the process, the power of civic participation and the importance of coordinating institutional efforts for a better utilization of resources and for achieving a multiplying effect of human, material and monetary resources.

Likewise, it was evident that there are different forms to value the role that municipalities should play in this process. It is necessary that a model for municipal participation be defined, since it is not clear yet if municipalities are coordinators, mediators, an authority figure, or if they have a much more important role. Due to time constraints, this subject was not explored in more detail, but a few important elements came up that are worthwhile to be considered in future activities.

**Anne-Marie Blackman**

**Main Specialist**

**Unit for the Promotion of Democracy**

**General Secretary of the OAS**

On behalf of the Unit for the Promotion of Democracy of the OAS, it is a pleasure to participate in the closing ceremony of this forum. For us it has been very satisfactory to collaborate with FEMICA in the realization of this event. As it was indicated in the opening ceremony, our mandate is to collaborate with States members of the organization in strengthening their management practices and their democratic institutions, and that is exactly what we want to achieve with this type of forums.

I feel privileged, honored and happy for collaborating with all of you and with FEMICA, in the success of this exchange of experiences, opinions and information about the decentralization processes, local government and civic participation in the Central American region. I believe that here, in this day and a half, we have seen an incredible wealth of experiences, study cases, opinions and work. It is incredible, all this in only one and a half day.

This is a process that just began, a long term process, with no quick solutions; each Central American country would have to look for answers to its problems guided by certain basic principles and then let the process develop. There have also been talks over policy unification, importance of strategies, formulation of medium and long term policies; over the need to consider social, economic, cultural and ethnic factors, and most of all over how fundamental it is to obtain the participation of all sectors in these processes. In this regard, I would like to stress in particular the importance of the participation of women and minorities, as for example the bilingual populations.

We have also been examining models of different kinds. This alone shows that progress is being made, and still there is no magic formula, but there are several achievements and an ongoing exchange between American countries.

In the same manner, we have been discussing the vulgarization of information regarding the processes we are dealing with here and the importance of people becoming conscious of all this; the importance of the renewal of institutional capacities and managerial capacities; the importance of obtaining resources and the need to coordinate institutions for a better utilization of resources, which are also the inputs for the civic society.

For us FEMICA's idea of bringing into this forum the topic of social funds and their importance was a novelty. This is a very important resource in this kind of processes and represents another way of financing them.

At the same time we talked about globalization and technology and their importance for the advancements taking place at the state level. Nevertheless, for the Unit for the Promotion of Democracy there are a couple of fundamental things. First, the need to relate all these processes of decentralization, participation and experiences with the hemispheric, subregional process of

Democracy consolidation. We believe that this processes of civic participation, of strengthening of local governments are of vital importance for the consolidation of Democracy in the region. Secondly, the analysis of these experiences is important for the re-formulation of policies at a national level.

With this forum we began a cooperation program for decentralization of the local government and civic participation. This is the first forum for the Central American region, and thus the importance we give to this event, since it is going to establish some guidelines for FEMICA and other institutions, in order to keep collaborating with member States in these processes.

As Mr. Rubén Perina indicated at the beginning of this meeting, we are not indeed a financial source, but we do have a commitment to keep collaborating, to promote this type of forums to exchange experiences for the benefit of the Central American region. I feel really pleased that in fact there are at least some concrete results.

Finally, this is the nicest part for me, to thank all of you for your collaboration. First in the list, I thank FEMICA for supporting this event; both in preparing the agenda of topics and in convoking participants, which has been very successful; the authorities of the Costa Rican government, and IFAM; thank you very much for your enthusiasm with the proposal to celebrate this forum in Costa Rica, and for the logistic support given; we also send our gratitude to the National Union of Local Governments.

I would also like to thank the GTZ in El Salvador and the RTI Project from AID in El Salvador, which collaborated with the financing of some of the participants. Also I would like to convey to FEMICA the gratitude from the Unit for the Promotion of Democracy, for this type of collaboration with other institutions is actually a very important objective of the cooperation program.

And finally, to all our distinguished participants in the forum, the FIS Presidents, the Ministers, the Presidents of institutions involved, the Mayors, thank you very much to all of you. Your participation and your will to share all your experiences have been fundamental for the success achieved.

**Patricia Jager**  
**FEMICA Executive Director**

I would like to thank all our guests, for many of them have indeed a busy agenda, but decided to come and share a subject very important to Central American people: efficiency in Public Services.

I must thank in particular the Presidents of the Social Funds for their participation and for sharing with the local actors and the institutions with responsibilities in water services, education and rural roads.

Certainly the work we have shared will help all of us to make resources and public services more efficient. Now it is my duty to specify some activities that after this event we feel responsible to develop in the near future:

- Meeting of Mayors and governing Institutions in the water services field, in order to analyze policies and strategies to be implemented in providing this public service.
- Meeting of municipal development institutions to exchange their observations regarding the management of public services by municipalities.
- Materialize the petition made by some Central American countries to discuss the possible implementation in their countries of the Costa Rican experience with rural roads.
- Take care of the petition made by the delegation from El Salvador in order to arrange visits by employees from the Honduran FIS, to exchange their experiences in local development.