THINKING OUT LOUD VI

Innovative Case Studies on Participatory Instruments

Summer 2005


Civil Society Participation in Development Policy Lending: Public Sector and Fiscal Adjustment Loans in Ecuador

Public Works and Citizenship: Empowerment in Venezuela’s Barrios

Empowerment as a Tool to Leverage Property Reform

Roads towards Local Development

From the Needs of Women to Rural Extension Networks: Family and Community Empowerment in Venezuela

PROLOCAL: Reaching Consensus and Empowering Communities
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Civil Society Team

LATIN AMERICA AND THE CARIBBEAN REGION
THE WORLD BANK
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As one of the pillars of poverty reduction, empowerment has become a critical component of World Bank operations, and is demonstrating its impact for development effectiveness. The fundamentals of empowerment –namely, access to information, inclusion and participation, accountability, and local organizational capacity– can be seen in each of the cases presented in this edition of Thinking Out Loud. In this publication, the impacts of empowerment can be seen as supporting three general processes towards increasing development effectiveness: i) the promotion of participation to strengthen policy reforms, ii) the building of ownership through information and accountability, and iii) the transformation of social capital for productive activities.

There has been a growing trend in recent years within the Bank to encourage participation in policy-based lending. This recognition and commitment recently has been institutionalized through a new Bank policy (Operational Policy/Bank Procedure 8.60), which requires that all development policy loans consider opportunities for civic engagement in their preparation and account for actions and impacts made in this regard in project documents. The two articles presented in the first section of this publication discuss macro-level reform programs, and speak specifically to how this new policy is stimulating forums for participation to advise and support effective reforms.

Interestingly, the three articles presented in the following section, on the strengthening of social dynamics towards productive development, are all taken from the rural context, where empowerment is often more closely tied to collective action. The strengthening of relationships, not only among civil society actors, but also with local government and the private sector, and even within families, has produced favorable conditions for local development.

Empowerment, through information and accountability, also has served as a means to overcome resistance in conflict or controversial situations, as can be seen in the two articles presented in the final section of this edition. By providing voice to, and oversight by, the beneficiary populations, the projects discussed in these articles have been able to increase the level of local ownership and prevail in difficult contexts.

These case studies provide examples of the potential of empowerment to transform the lives of the poor in direct and concrete ways, and consequently are changing the way the Bank works. I hope this publication will serve to generate greater discussion and stimulate further innovations to help promote our vision of “a region with greater equity and less poverty, with institutions that are responsible and responsive to the interests and contributions of its citizens”.

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Abstract
In recent years, community participation, social monitoring, public transparency, and accountability have gained increased importance in the Latin America and Caribbean Region (LCR). Ensuring participation and civil engagement in policy design and monitoring is expected to improve commitment to reforms and to their goals. This approach has supporters among constituencies and administrations, as they increasingly acknowledge that social dialogue and community enforcement are part of the modus operandi of democratic governance. Based on this assumption, civil society and private stakeholders in Latin America have become involved in the design, implementation, and monitoring of several public programs, many of which are supported by the World Bank. Reasonably, experiences vary widely across LCR countries, but compared to other regions, the LCR is definitely at the forefront of the process. This research provides an overall assessment of development policy lending approved in Fiscal Years 2000-2003 (FY00-03). The study reveals increased civil society involvement in commitments made between the World Bank and governments in the region, evidence of the efforts aimed at strengthening Latin American governance and fighting corruption.

I. Introduction and Background

The goal of the study is to examine the tools used by the World Bank to promote public transparency, community participation, social auditing, and accountability in development policy lending during the past four years, and to assess the extent to which these objectives have been met.

Information is based on a review of all development policy loans within the fiscal years FY2000-2003.2 Projects approved in FY04 (the 12 months ending June 2004) are not included. FY04 information will be collected during the coming months, however, so as to assess the last five fiscal years of LCR Region lending.

This research has relied on financial support from the Government of Denmark.

1 This study relied on the support of Steen Lau Jorgensen, Director of Social Development at the World Bank, and Jeff Thindwa, Interim Coordinator of the Civil Participation Group at the Social Development Department, who have been making strong efforts to institutionalize monitoring and assessment within the Bank’s operations on topics such as public transparency, accountability, community participation, and social surveillance. Likewise, the study was carried out thanks to the support of Annika Silva-Leander, Social Development Expert at the World Bank, who assisted in the design of research methods and contributed valuable ideas throughout the investigation.

2 Projects approved in FY04 (the 12 months ending June 2004) are not included. FY04 information will be collected during the coming months, however, so as to assess the last five fiscal years of LCR Region lending.

3 This research has relied on financial support from the Government of Denmark.
New World Bank Policy on Participatory Processes

In its new Operational Policy called OP/BP (Operational Policy/Bank Procedure) 8.60 effective as of August 2004, the Bank institutionalized the importance of participatory processes in its operations. These processes previously had been implemented gradually in a non-institutionalized manner in operations known as Structural Adjustment Lending (SAL), Sectoral Adjustment Loans, and Programmatic Lending. According to the new policy, the above operations are now known as “Development Policy Lending”. The policy redefines the goals and procedures of these lending tools as fast disbursing tools that provide budgetary support to borrower countries. This means that funds are not earmarked for specific uses. These loans are characterized by a matrix of policy measures to which the borrower is committed, on the basis of which the Bank Executive Board decides its approval.

Adjustment loans were a financial tool aimed at helping countries to cover short-term balance of payment deficits. During the nineties, however, these loans increasingly began to redirect their focus to poverty reduction, structural reforms, sectoral reforms, and institutional development and capacity building. Currently, although they still support short-term measures, many operations have medium-term programmatic goals and institutional and governance reform objectives.

Past experience has demonstrated that policies are more effective when there is country ownership of new programs, when policies reflect the country’s priorities and when the views of the society have been taken into account in their design. Therefore, the new OP/BP8.60 places a special emphasis on participation and consultation processes, as follows:

a) The OP confirms the commitment made by the Bank about advising borrower countries to consult with the main stakeholders and engage them in the process of preparing the national development strategies.

b) Based on their own Constitution and legislation, borrower countries shall define the manner and scope of consultations and participatory procedures in the preparation, implementation, follow-up, and assessment of the operation.

c) The Bank staff in charge of the operation shall prepare a Program Document describing the consultation and participatory methods defined by the country for the operation. Similarly, this document shall contain the outcomes of the participatory process used to design the country’s national development strategy.

These three points provide added support for these issues in the future, which will surely be apparent in the future lending portfolio.

Other types of lending operations are investment loans, which are not covered in this study.
Methodical Arrangement of the Information

The information gathered in the lending documents was gathered and recorded in a systematic way so as to reveal preliminary outcomes. Evidence that could show trends or correlations was considered, for instance, whether the design of the operation involved participation or dialogues, the target audience, and the type of participatory or social control mechanism used.

Immediately, an upward trend in participation was detected during the years of the study.

Table 1: Percentage of Adjustment Loans in Latin America with Participation and Civic Engagement (PCE) 2000-2003

The chart above shows the increasing participation in loan design in the LCR between 2000 and 2003, and the increasing use of social monitoring methods, participation, and governmental accountability in the content of reforms. By fiscal year 2003, these issues were present in 66 percent of all Development Policy Loans.

II. Participation and Civic Engagement in Loan Design

In fiscal year 2000, only one operation included some type of participation in its design. This operation (the SAPRI Forum) took place in Ecuador as part of the analysis for the “Voices of the Poor” study, and was used—more recently—for the Country Assistance Strategy (CAS). The Bank carried out consultations over 18 months with different representatives of civil society, including NGOs, indigenous associations, the National Coordinator of Social Movements, academics, and the private sector, among others. The results of these consultations were taken into consideration, particularly for the FY00 SAL, along with additional input from other meetings with representatives of civic movements, intellectuals, and the private sector, specifically with members of the financial sector and small enterprises.
In fiscal year 2001, participatory design was evident in three loan operations: Argentina, Bolivia, and Peru. The loan approved for the Province of Catamarca, Argentina, involved a general survey and focus groups with the most relevant stakeholders. In Bolivia, the Regional Programme for Food Security (RPFS) was informed by the National Dialogue, which involved extensive consultations with representatives from all municipalities, civil society organizations, and the private sector. Subsequently, the National Dialogue was used to define amendments to the Civic Participation Act regarding municipal governments. The recommendations resulting from this dialogue were used to design the World Bank loan. Finally, dialogue and consensus were key aspects that coalesced around the end of the Fujimori administration in Peru. Social demand for transparency, anti-corruption, and community participation were, and still are, permanent features of the social movement. The emergence of country-wide Poverty Reduction Consensus Committees, demands for participatory budget decision-making and the first district-level elections in the history of Peru all show the increasing demand for greater civic participation.

In fiscal year 2002, however, participation in the loan design process declined. Only in Argentina were social concerns regarding public service delivery assessed and an attempt made to engage the population in implementing the potential solutions. An income, gender, age, and occupational survey was conducted and interviews held with 100 participants. Finally, three focus groups were conducted in order to provide an in-depth discussion about social demands and key concerns. Additionally, the loan to the Province of Santa Fe in Argentina also considered the impacts on women, and response strategies.

Several loans approved in 2002 were related to private sector development, where there traditionally has been very little community engagement, which may explain the decrease in participation during that year. In these loans, transparency and accountability prove more relevant issues.

In fiscal year 2003, great progress was made in participation both in loan design and in reform content. Nine loans included participatory design procedures, as well as a greater variety of mechanisms to capture citizen demands.

In Bolivia, again the National Dialogue was used as a space to search for consensus. In this particular case, the dialogue focused on electricity. It was agreed to continue with dialogues to reach consensus on topics such as cocaine production, wages, land titling, gas extraction, and the economic model that Bolivia should follow.

Extensive consultations were also carried out in Brazil. A proposal on Social Security and Tax Reform agreed by consensus was even sent to Congress and gathered the support of 27 Governors. Perhaps one element that supported the work carried out by the Bank is that the Lula Administration has been characterized as promoting participatory measures, consequently the government itself expressed its commitment to the dissemination of these practices. The Government of Brazil also started a participatory process for the preparation of the multi-annual public budget 2004-07.

Ecuador is another example worth mentioning in terms of participatory loan design. It led an extraordinary dialogue process in which civil society was consulted on how the Bank could best
support the country. In January 2003, the World Bank carried out a workshop with incoming officials of the new administration, intellectuals, private sector representatives, and several other actors from civil society organizations. A week after the new administration took office, a World Bank mission and the members of the country’s field office attended a National Dialogue meeting that discussed several loan issues. Subsequently, the consultation extended to other areas of the country, which provided valuable input for the work of the Bank in Ecuador.

A similar experience took place in Guyana, where loan-related discussions gave rise to a Country Financial Accountability Assessment (CFAA), which was discussed extensively within the government. Another important issue in Guyana was the consultation process carried out for this operation that crossed all social and ethnic boundaries, thereby helping to alleviate the country’s social tensions.

Another successful participatory approach in fiscal year 2003 took place under the environmental loan granted to Mexico. This loan aimed to facilitate a shared approach to the Mexican environment that involved all related sectors (energy, water, tourism, etc.), which explains why many of the loan activities are related to consensus-building.

### III. Which Participatory Mechanisms Are Fostered by Loans?

Graph 1 also shows increased community participation in the monitoring of implemented policies with the emergence of mechanisms for citizen oversight, governmental accountability, and access of citizens to information, as well as social inclusion measures to secure civil rights. The evolution of this trend is apparent in the growing percentage of loans that include civic participation, accountability, and citizens’ access to information in the loan matrix. While only 38 percent of development policy loans in the LCR region included these types of methods in fiscal year 2000, the amount increased to 45 percent in 2001, 50 percent in 2002, and 66 percent in 2003. Besides an increase in the number of loans that included conditions regarding civic participation, the mechanisms promoted have been increasingly innovative and attractive for civil society and the targeted beneficiaries.

In 2001, for instance, Argentina began conducting surveys to measure the level of user satisfaction with health services. The outcomes of these surveys were to be publicly disclosed and posted in each health center throughout the country.

That same year, Bolivia promoted consultations in each of the nine districts to discuss local reforms with local governments and community representatives (indigenous people, women, political parties, and other civil society representatives). The loan itself considered the design and implementation of a methodology to measure knowledge and understanding of the government’s programs by different social groups, including indigenous people and women. This same loan included preparation of a plan to promote social representation and the design and implementation of participatory procedures as one of its goals.

Equally noteworthy was the loan approved to Peru, which involved 14 actions associated with accountability and four with governmental transparency. These actions included, for instance,
increasing the number of Local Health Management Councils for health care delivery that engage the community in the service delivery process; posting on the Internet of transfers made under programs such as the Glass of Milk school feeding program, FONCODES, PRONAA, Rural Roads, PRONAMACHS, and Rural Electrification, broken down by district. In addition, the establishment of a Complaints Desk in the Ombudsman Office was required in order to prevent the political use of social programs, and the establishment of social oversight mechanisms to monitor social spending, which had to include a national monitoring program implemented by a civil society organization.

In 2002, one of the conditions agreed by Colombia in one of its loans was a negotiation plan between unions and the Public Health Institute regarding the costs and benefits of public health care.

Finally, in 2003, participatory mechanisms regained strength. For instance, Bolivia established Departmental Project Approval Committees (CDAP), who are in charge of collecting community input on policy monitoring. Representatives of civil society were also included in a Unified Fund Board and the government was required to enter into agreements with 118 Surveillance Committees for the enforcement of social control in the applicable municipalities. There was also a Charter of Pregnant Indigenous Women’s Rights, which provided women with information about their health care rights and services in indigenous languages.

Brazil created the Citizen’s Report Card at the state and municipal levels to assess educational services, as well as a toll-free line for complaints regarding public health care. The required educational assessment was carefully designed and an evaluation model was established, as well as a monitoring and impact evaluation system. Additionally, a user satisfaction survey about health care services was to be conducted and all complaints received were to be answered.

In 2003, Ecuador agreed to hire an independent firm to conduct an impact assessment survey of the Human Development Voucher. Additionally, the Dialogue Secretariat arranged a consultation process to gather recommendations about how to improve the quality of public services in rural areas. These recommendations then were to be implemented. Finally, it was agreed to assess at least one social program in each sector (education, health, and social security) through Citizen’s Report Cards. This program was to be implemented by civil society organizations.

In that same year in Guyana, the framework of a loan required the government to implement a plan to fight AIDS through NGOs, community organizations, and several organized groups. The same loan also promoted the participation of all stakeholders in the establishment of School Boards.

In Mexico, participation was included in the environmental loan, which developed high profile workshops with stakeholders aimed at reaching consensus on issues such as water, solid waste, energy, and tourism. For this purpose, 13 participatory regional plans were to be developed in order to gather suggestions from all stakeholders involved in environmental issues in every region. This entire process was aimed at developing and implementing a strategic plan with the agreement of all stakeholders.

Nicaragua passed the Participatory Education Act, which provided members of the new school boards with the training required to hire teachers and managers, as required by the law.
Finally, Peru institutionalized the National Household Survey (Encuesta Nacional de Hogares or ENAHO) to gather information about the perceptions of communities on government transparency mechanisms. In addition, the Ombudsman had to launch an information campaign about citizens’ right to public information. A pilot project for the assessment of public services also was to be launched, specifically for six priority social programs (CIVISO). Finally, of utmost relevance, regional participatory budgets agreed by Consensus Building Committees were to be approved and institutionalized, a procedure that required a governmental directive.

IV. Where Do We Find the Most Participation?

As might be expected, citizen participation and surveillance are more common in loans related to education, health, social protection, nutrition, and the public sector, where governments have a more direct relationship with service users or beneficiaries.

Graph 2: Participation and Civic Engagement in Lending by Sector

In World Bank operations in the LCR, community participation and/or the presence of social accountability mechanisms increases when users feel the direct impact of an operation or the policy promoted by that operation and obviously, when they are invited to participate. This is most evident in social security operations, and also in sectors like education, health, nutrition, and population.

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5 Although separate within Bank operations, Education and Health were merged with Nutrition and Population for the purposes of this study, since in practice they are complementary areas.
6 Loans do not always follow the sector classification used by the Bank, and many loans cover multiple sectors. For example, many public sector loans include health, education and social security interventions, or vice versa. To carry out this analysis, however, we needed to use a simple classification.
V. Final Conclusions

In all cases, participation is less evident in the loan design process than in the reforms promoted or mechanisms for social auditing supported by operations. This lack of consistency may result in shortfalls in the outcomes that could be expected if citizens were engaged in defining policy goals from the outset. That is, without participation in the initial discussion of loan priorities, citizens who become involved in later stages may not agree with the policies being implemented. It is equally important, when designing participatory accountability processes, to solicit the views of stakeholders whose participation will be required to implement the actions supported by the loan. Again, this lack of consistency must be examined closely to assess whether social auditing of programs is more efficient if civil society or direct beneficiaries have been engaged in the design of programs or in setting priorities.

In cases where stakeholders in social sectors impacted by reforms supported by a loan are not consulted, there may be resistance or lack of support from groups due to the mere fact that they have not been consulted or informed during the design stage about the motivation, expected goals and impacts of the reform.

As noted above, the World Bank has been promoting participatory mechanisms more aggressively in the LCR in the sectors with a more direct relationship between the state and public service users.

Finally, it is important to note that despite problems and inconsistencies, the Bank has been promoting participation and civil engagement as part of its institutional policies. Based on the approach proposed in the Comprehensive Development Framework (CDF), the World Bank is now clearly focused on engaging civil society in policy dialogue, an approach that is evident in the preparation of both PRSPs (Poverty Reduction Strategy Papers) and Country Assistance Strategies (CASs). This approach is gradually being extended to operations themselves, where civil society representatives have taken part both in their design and in implementation and monitoring.

Purely institutionally speaking, in addition to its expert Civil Society Teams based in Washington, the World Bank also has appointed experts in civic engagement issues to its country offices worldwide. This means that committed country staff continually are making efforts to gradually introduce civic participation in the policy agenda. At the same time, these civil society specialists have influenced project managers to introduce PCE issues into Bank operations systematically and effectively and offered specific tools for clients to include the voice of citizens into macro policy decision-making.

Within this institutional framework, the LCR Civil Society Team has been working systematically to increasingly introduce PCE into the region’s operational agenda and has succeeded in its efforts. Many of the Bank’s operational staff are committed to this agenda. Therefore, as evidenced by this study, participation and civil engagement are not only included in the preparation and implementation process of projects and programs, but are increasingly being considered as an output and part of the very content of operations.
Civil Society Participation in Development Policy Lending: Public Sector and Fiscal Adjustment Loans in Ecuador

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Abstract

This article summarizes the outcomes and lessons learned from a broad-based consultation process organized around the preparation of two World Bank (or “Bank”) loans in Ecuador – the Fiscal Consolidation and Competitive Growth Loan (FCCGL II), a development policy loan (DPL), and the closely linked investment loan Ecuador Institutional Reform Project (IRP). The consultation process around these loans fits within the Bank’s strategy to maintain a continuous dialogue with civil society around the Country Assistance Strategy (CAS) and its lending and non-lending operations in Ecuador with the aim of assessing their pertinence and eliciting feedback. The case also provides an illustrative example of the participatory processes recommended in the Good Practice Note on Participation accompanying the Bank’s recently approved policy on development policy lending (OP/BP 8.60). The case highlights some of the management and procedural lessons to consider when organizing this type of process as well as some of the potential long-term benefits in terms of sustainability, impact and risk management around policy reforms. The case clearly shows that consultations can be more than a means to disseminate information and that if well-planned, timed and managed, consultations around loan operations can provide critical input into the content of both investments and policy-based loans, and thereby contribute to improve the quality of the loan design. They also can help identify those measures that do not have societal backing and therefore would encounter difficulties in their implementation. Finally, consultations also can help flag new issues that are of concern to citizens.

I. Introduction

In March 2004, a broad-based consultation process was organized by the Bank and the Government of Ecuador as part of the preparation for the Fiscal Consolidation and Competitive Growth Loan (FCCGL II), a development policy loan, and its closely linked investment loan Ecuador Institutional Reform Project (IRP). The consultation brought together more than one hundred fifty stakeholders from civil society, academia, central and local governments, and the private sector to events in the capital Quito and the second largest city Guayaquil, to discuss the main thrust of the

1 OP/BP 8.60 was approved on August 9, 2004 as the new policy on development policy lending (formerly adjustment lending). It deals with core issues of design, fiduciary arrangements, financing options, participation and dissemination and disclosure around development policy loans.
reforms supported by the loans. The consultations generated a fruitful discussion on the proposed reforms, helped assess the political viability of some of the measures, assisted in identifying gaps and areas in need of further strengthening. The consultations did not aim to reach any formal agreement, but to achieve broad consensus among most participants on the adequacy of selected loan issues and to tackle them in the design of the operations.

This type of consultation process reflects a growing recognition within the Bank that reform processes can only be sustainable if they have the broad-based support of citizens. All too often, reform processes, albeit technically sound, have failed because they have not garnered broad-based political support before implementation. The new Bank policy on development policy lending (OP/BP 8.60) reflects this shift in thinking, by encouraging client countries to promote stakeholder participation in the preparation and implementation of policy reforms. As the second time consultations were organized for the FCCGL-II operation in Ecuador, it provides interesting lessons on the organization, outcomes and follow-up to previous commitments vis-à-vis civil society and contributions of this type of processes to development policy loans. It also sheds light on some of the benefits of combining consultations for development policy loans with closely associated investment loans.

II. Rationale for Participation in Development Policy Lending

The Good Practice Note on Participation helps provide a guiding framework for the consultation process that took place around the Ecuador loans. It clarifies the rationale for participation as well as some of the potential benefits and challenges associated with these types of processes.

The Good Practice Note argues that the often complex policy and institutional reforms associated with a development policy operation can only be adopted and implemented if they have sufficient political support within the country. A well-implemented stakeholder participation strategy can help develop support for the policies proposed and can help improve the quality of the reform program in several ways. It is important to clarify, however, that participation does not imply final consensus or that all the views gathered through a participatory process will necessarily be reflected in a given reform program.

- **Coalitions for change.** The participation of different stakeholders in the dialogue around development strategies and policy reforms helps build alliances and coalitions, sometimes across conflicting immediate interests, for change.

- **Ownership.** The Bank recognizes that reforms can succeed only when they are country-led. Stakeholder participation in the policy process helps build ownership by involving a variety of groups in formulating the policy and thus engaging their interest in its implementation.

- **Sustainability.** Country and stakeholder ownership, in turn, increases the likelihood that the reform program will be sustained beyond the duration of the policy support operation and the period of a specific government administration.
• **Effectiveness.** Involving stakeholders can increase the effectiveness of the policy reform process, because the knowledge and viewpoints of stakeholders contribute to the definition of priorities and more informed decision-making. The process also can reduce the social risks of policy reform by clarifying misperceptions about the policy.

• **Accountability.** Stakeholder participation in the policy reform process enhances transparency and strengthens upstream and downstream accountability, which is key for improving governance and public sector efficiency.

Participation can take place in all stages of the policy cycle. Although most of the current experiences on participation in development policy lending have focused on the design phase, through national debates and consultation processes, there are cases in which stakeholder participation is promoted in the monitoring or evaluation of reforms supported by a World Bank loan. There are also an increasing number of cases in which the content of a loan includes benchmarks or even full components in support of civic participation, transparency and social accountability processes.

However, the extension, breadth and effectiveness of participation in the context of a development policy loan will depend on two main factors: i.) **the country context of the policy**, and ii.) **the type and content of the reform supported by the loan**. Country-specific conditions like existing regulatory frameworks and institutional arrangements; citizens’ access to information and voice; presence of dialogue and negotiation spaces; level of social cohesion or conflict; and the country’s political culture are all key factors shaping the process of participation. Similarly, not every policy reform lends itself to the same type, level, and extent of stakeholder participation. The type of reform supported by the lending operation may also have an effect on the level of risks associated with participation, such as the eventual exclusion of vulnerable groups, the exacerbation of expectations, or the escalation of social tensions. All these elements would play out differently in the context of macro, structural, or sectoral reforms.

**III. Background: Country Context and Bank Strategy**

- **Country Context**

In order to understand the underlying political, social and economic dynamics surrounding the Ecuador consultation process, a contextual reference point is needed. At the time of the consultations, Ecuador had begun to emerge from one of the worst economic crises in its history\(^2\). The 1999 crisis resulted in a 9 percent reduction of per capita income\(^3\) and hit the urban poor most

\(^2\) The external factors were related to the Asian economic crisis, the El Niño flooding and to the fact that oil and banana prices fell drastically. The default on public debt as a consequence of poor fiscal management, which also entailed the closure of almost half of the banks in the country, were internal factors responsible for the crisis.

severely, with an increase in their numbers, from 1.1 million to 3.5 million. In 2000, skyrocketing inflation rates reaching 96.8 percent led the government to ‘dollarize’ the economy. The new government entering office in 2003 marked a shift in power in Ecuador, being conformed of a large coalition, including among others indigenous, peasant and labor organizations organized into a new political party called Pachakutik. The new Government announced a medium-term development strategy with key reforms to ensure economic recovery and social inclusion. It focuses on: (i) promoting growth through increased competitiveness; (ii) reducing poverty and exclusion; and, (iii) fighting corruption and increasing transparency in the public sector.

- **Economic Policy Reforms**

Supporting these objectives, the series of the Bank’s FCCGLs are aimed at enhancing fiscal consolidation and promoting growth and improved competitiveness in Ecuador. The second phase of the DPL (FCCGL II) proposes a number of measures to improve tax policy and administration, reverse expansionary spending, improve budget transparency, control the public payroll, clear arrears and improve public debt management, support trade reform in the context of the negotiation of a free trade agreement with the U.S., promote competitive pricing and regulatory policies and increase labor flexibility.

Complementing the policies supported by FCCGL II, the Institutional Reform Project (IRP) seeks to improve efficiency and transparency in public sector management, thus helping to generate more government revenue, in order to improve the quality of public expenditure and promote higher growth and competitiveness. Choosing an ‘island approach’, the investment operation aims to support the administration’s medium-term development strategy, which seeks to extend public sector reforms to selected areas that have a broad-based impact on citizens, in particular customs, procurement, civil service, and other public services, thus creating ‘champions’ of reform. The rationale behind this approach is to achieve transparency and efficiency in a few high impact reform areas, and then expand to other areas on the basis of visible reform progress in key public agencies. At this juncture, the involvement of civil society is intended to create and expand pressure for reform implementation.

- **Civil Society Participation**

Since 2003, the inclusion of indigenous and peasant organizations in government office for the first time in Ecuador opened up spaces for dialogue with civil society that had not existed before.

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7 Civil society refers to the wide range of nongovernmental and not-for-profit organizations that have a presence in public life, expressing the interests and values of their members or others, based on ethical, cultural, political, scientific, religious or philanthropic considerations. The term excludes for-profit businesses, although it may include professional associations or business federations (Consultation Sourcebook, June, 2004).
Traditionally, civil society organizations (CSOs) in Ecuador had viewed the State with suspicion and often adopted a stance of opposing public reform initiatives. However, the arrival of Pachakutik to power not only increased the credibility of the state in the eyes of many civil society organizations by giving a more inclusive character to the government coalition, but also created de facto more spaces for citizen participation in budgeting and planning, particularly at the local level. This provided the context for the emergence of a more collaborative relationship between the state and civil society, where both work together to improve governance and transparency of public actions. However, the split of the government coalition with the departure of Pachakutik in August 2003, contributed to a certain fracture in the dialogue between the state and civil society. It was in this context that the consultations described in this article took place.

Recognizing the increasingly important role of civil society in Ecuador in the process of enhancing governance, accountability, transparency and effectiveness of the public sector, the Bank has maintained a continuous dialogue with civil society in recent years in Bank operations. An example of this approach is the Structural Adjustment Participatory Review Initiative (SAPRI), of which Ecuador is one of the six participating countries. SAPRI has provided an important forum for a civil society-government-World Bank dialogue around the review of adjustment policies undertaken in Ecuador since 1996. Based on these dialogues, the SAPRI network developed recommendations on how best to involve civil society in public policy-making. A comparison between these recommendations and the de facto process for preparing and designing the IRP and FCCGL II in Ecuador shows that the Bank has to a large extent incorporated the suggestions put forward in the SAPRI dialogues (see Annex 1). In addition, in preparation of the Bank’s Country Assistance Strategy for Ecuador, the Bank participated in a National Dialogue and carried out a broad-based consultation process in nine different cities to get input on the country’s development priorities. To reinforce the dialogue around Bank-supported policies, consultations are often held with civil society organizations in the preparation of Bank loans. Hence, in 2003, consultations were organized around the first phase of the SAL and the Programmatic Social Reform Loan I. Pachakutik actively participated in the consultations of FCCGL-I, the first DPL operation, and in the CAS consultations.  

Before setting definite policy priorities for the FCCGL-I loan, on 25 March 2003 a one-day workshop was held with about 60 representatives of NGOs, indigenous and other CSOs in Quito. It examined the adjustment operation and solicited reactions and suggestions on the contents, sequencing, and risks. The main lessons from the consultations revealed substantial common ground among participants, as well as some differences, and contributed to reshaping the loans in several ways, including: (a) the importance of combining macroeconomic stability with fiscal responsibility, and adopting measures to sustain economic recovery as the main vehicle for creating employment; (b) the validity of the Bank’s approach to complement this operation with another addressing the

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social sector needs, but especially its structural programs; (c) the perception that decentralization is not among the first priorities of the new Administration, and confirmation that the reform focus on immediate fiscal emergency needs; (d) the need to adopt measures strengthening budget transparency, because this is the only tool that allows CSOs to actively participate in formulating the budget and to audit its implementation; (e) the disagreement of some CSOs with the government’s decision to devote a large amount of oil resources to repaying debt, instead of financing social programs; (f) the need for ex ante dialogue with CSOs on specific incoming reforms, such as civil service and tax reform; and (g) the suggestion that dialogue with CSOs be institutionalized, and that the Bank and other donors take some leadership in encouraging the government to organize consensus-building processes. Such consultations were considered as the initial step in a continuous process of dialogue leading to continuing reforms in the upcoming months. Building on the dialogue initiated with civil society and the lessons learned from the first process, it was decided to organize a second consultation around the second phase of the operation and the supporting IRP.

IV. Analysis of Consultation Process: Recommendations and Outcomes

- Description of Consultation Process

Building on the dialogue and lessons learned from the first consultation around the FCCGL, the consultation process for the preparation of the FCCGL II and IRP was expanded to: (a) ensure greater geographical diversity, and (b) expand broader-based participation. Hence, the dialogues were held in both the capital Quito and the second largest city Guayaquil in March 2004. A total of 300 stakeholders representing a broad range of institutions (a total of 112) from a variety of sectors were invited to the consultations, out of which 53 percent attended the events (in roughly equal numbers in both cities). Of these, 47 percent were from civil society, 27 percent from government institutions, 10 percent from universities and think tanks, 8 percent from the private sector, 4 percent from the media, 4 percent from bilateral and multilateral institutions, and 1 percent from religious organizations.

The organization of the meeting was straightforward and encouraged participation. Invitees received a presentation with the key content of both operations. After presentations from the government and the Bank, participants were organized into working groups to discuss the three main areas of the reforms supported by the two loans respectively: (a) Budget, Public Expenditures, Fiscal and Tax Policy and Fiscal Transparency (SAL II); (b) Policies for Economic Growth: Trade Policy, Competitiveness and Labor Policy (SAL II); and (c) Customs Reforms, Public Procurement and Civil Service and Institutional Strengthening (IRP). The working group sessions aimed at gathering specific feedback and recommendations from the stakeholders on the content of the proposed reforms, which were then discussed among all the participants in a plenary forum (see Annex 2 for list of recommendations made). The process helped in reaching some agreements, while divergences in opinion remained on a few sensitive issues. For instance, the Guayaquil Network of Jubilee 2000
distributed a document expressing disagreement with the current status of the Ecuadorian public debt and the intention of the government to contract new loans with international financial institutions. Their view, which was endorsed by a minority of participants, was that reforms, such as the ones discussed in the consultation, could and should be financed and implemented with Ecuadorian resources. Other participants, however, disagreed and rather expressed support for the operations and provided important feedback on their specific content, some of which was incorporated into the loan designs. The recommendations resulting from the consultations have helped illustrate some of the concrete results that consultation processes can have on Bank-supported loans.

**Consequences for FCCGL II**

For the FCCGL II, the consultations proved to be key to help assess the political viability of some of the measures proposed. They also helped identify gaps in the proposed reforms and pinpoint components that needed strengthening. As a result of the feedback, some measures were eliminated from the draft matrix, like tax reform, others were added, like pro-budget transparency and enhanced civil society participation in customs reform, and some were modified and adjusted in response to the recommendations made during the consultations, like those related to trade reform, in support of free trade negotiations.

For example, in the area of tax reform, the consultation process helped the government and the Bank recognize that the timing was not ripe to implement a major reform. This recommendation was thus dropped from the loan matrix and the tax reform benchmark limited to providing continuity to existing efforts. The consultations demonstrated that although most stakeholders agreed on the importance of increasing revenues and improving tax collection, the specific measures needed in a tax reform remained the subject of strong discrepancy in very volatile political context. The consultations thus helped to avoid proposing reforms lacking societal backing and flagged the need to engage in further discussion about specific policy options in order to achieve a stronger consensus.

The consultations also revealed the general lack of knowledge in Ecuador about the country’s currently negotiated free trade agreement with the United States and its potential economic and social impacts. Many participants raised the need for more information on these issues. This helped the Bank realize that the domestic process around the free trade agreement needed to take its full course and that Bank involvement prior to that may put at risk the outcomes of the negotiation process. The originally foreseen component on trade was thus, on the one hand, modified to accommodate the need for an overall trade strategy; and, on the other hand, simplified to a minimum regarding the specific elimination of trade barriers, so as to avoid any interference with the domestic process until the approval of the free trade agreement.

In addition, the multi-stakeholder dialogue helped the government and the Bank ascertain the perceived lack of information around customs reform and the issue of debt repurchase and the newly

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9. A copy of the document and the Bank’s response can be found on www.worldbank.org/ec
created Fund for Stabilization, Investment and Public Debt Reduction (FEIREP). Under FEIREP, a part of the revenues generated from the sale of heavy crude oil are used to repay public debt. This communication gap confirmed the need to pursue efforts to disseminate information about the use of FEIREP resources. The need for creating a website for FEIREP was therefore reemphasized as a principal prior action of the loan.

Finally, all stakeholders during the consultations emphasized the importance of promoting transparency, access to information and citizen participation on other budget, public expenditure and fiscal policy issues. This feedback led to expanding the transparency and participation component of the loan. The government now has discussed the yearly national budget with the Observatory of Fiscal Policy, a non-governmental organization independently monitoring Ecuador’s fiscal policy, and committed to put in place systems and tools to provide public access to information on customs reform.

- **Consequences for IRP**

The consultation process around the IRP helped the Bank (i) to receive feedback and recommendations on the respective loan components and build demand for reforms; (ii) to identify possible partners for the implementation of accountability mechanisms that enhance transparency and effectiveness of the proposed reforms; and, (iii) to discover needs for capacity building for effective civil society engagement.

The consultations demonstrated that general support for the reforms foreseen by the IRP prevailed among all stakeholders. Participants agreed that customs is affected by inefficiency and corruption that significantly increases transaction costs of trading goods. Therefore, reforms of the current customs management were perceived as necessary. All stakeholders identified the lack of political support and lack of access to CONTRATANET, the recently initiated e-procurement system, as one of the main deficiencies of public procurement. Concerning civil service, stakeholders emphasized the need for improved professionalism and transparency in recruitment processes. Furthermore, participants shared the opinion that reforms are necessary, especially in key social areas like education and health. Another area of concern pointed to strengthening institutions and policies to support food security and production. Finally, all participants perceived the need for law enforcement, increased transparency and civil society participation at all levels of government as crucial for these reforms to be effective.

Based on these recommendations, the consultation process helped identify several entry points for civil society engagement and social accountability mechanisms, as well as potential partners for their implementation. For enhanced transparency of custom management, the creation of an Observatory of Customs Reforms, led by the Anti-Corruption Commission (CCCC) and integrated by representatives of CSOs, was tasked with defining monitoring indicators to implement reliable and participatory information-gathering mechanisms, and to issue regular progress reports to national authorities and to the public. In order to improve effectiveness and efficiency of public procurement,
participatory monitoring and evaluation activities involving CSOs and users will evaluate the overall performance of CONTRATANET, the effective commitment of public agencies to subscribe to the system and its accessibility. Finally, as an outcome of the consultations it was discussed that some CSOs could conduct the design and implementation of Citizens’ Report Cards (CRCs)\(^\text{10}\) to monitor performance of the reform process in selected agencies chosen for the IRP. Finally, the consultations helped to discover a need for more specific capacity building in the implementation of the Access to Public Information Law and use of social accountability tools. In order to enhance the project’s sustainability, training will be provided to the implementing public officials as well as to CSOs monitoring and evaluating the project. These measures will assure that the project is managed and monitored effectively and that a greater consensus for reform is being built.

In addition to specific impacts on the proposed reforms supported by the two World Bank loans presented for discussion in Ecuador, this extensive consultation process provided the opportunity for the Bank and the government to learn more about these processes and extract lessons that can be of value in the future for Ecuador and in other contexts.

V. Lessons Learned

The consultation process around the Ecuador loans have helped generate a number of lessons that can contribute to the emerging body of knowledge on the topic, particularly in light of the recent approval of the new policy on development policy lending. Lessons were extracted both in relation to the management of the consultations process and on broader strategic issues.

- Lessons Learned on Process and Procedures

The careful selection of participants was key to ensuring that the consultations represented a wide diversity of opinions, sectors and geographical variety. Using the Bank Quito Office’s database of participants to the SAL I and the CAS consultations helped to ensure the continuity of the dialogue. The database was expanded and updated so that it can form the basis for participant selection in future consultation processes. Meetings with key informants in civil society and local Bank experts early on also helped to expand the database and identify participants.

To broaden the geographical representation was important in a context like the Ecuadorian, where political power is concentrated in the capital. While the consultation for the SAL I had been held only in the capital city Quito, for FCCGL II, it was decided to expand the consultations to also include the second largest city in the country, Guayaquil. This offered the opportunity to engage with some stakeholders who otherwise would not participate.

\(^{10}\) Citizen report cards are nation-wide quantitative surveys that help assess citizens’ perceptions on the quality of public services.
Efforts invested in providing participants with access to government officials and adequate information on the proposed reforms prior to the consultation helped put participants on the same footing and generate a well-informed discussion. A careful balance has to be held between the confidentiality of the policy matrix, which cannot be publicly divulged prior to final approval by the government and the Bank, and the need to provide participants with enough information to generate a productive discussion. In this case, the balance was achieved by translating the Project Information Documents (PIDs) into Spanish, while more information was added to them from the Initiating Memorandum. The documents were complemented by presentations in both the plenary sessions and more detailed presentation in the working groups.

Quality of facilitation and neutrality of facilitators are key to give credibility to the process. FLACSO, a well-respected and technically sound Latin American research institution, selected their most appropriate facilitators, based on experience, track record and knowledge of the topics to be discussed. The facilitators played a key role in allowing all viewpoints to be equally represented while managing the timing and keeping tensions at bay.

The adaptation to level of technical knowledge of participants with diverse backgrounds is important to allow for a fully informed participation of all stakeholders. The challenge was to keep a balance between the capacity of some to bring the discussion to a technical level, while not ostracizing those with less technical knowledge. A way to level the playing field of all participants, was to start the consultations with presentations explaining the rationale, main objectives and expected outcomes of the reforms. Working in small groups also offers more chances to all participants to ask questions and make their points.

For the process to be credible and transparent, feedback on the outcomes of the consultations has to be provided to participants. In this case, the summary of the discussion and inputs as well as the impact of these on the loans has been published on the Bank’s website in both Spanish and English (www.worldbank.org/ecuador). Critical opinions about the process were included to ensure that all viewpoints were represented and heard.

- Lessons Learned on Strategic Issues

Continuous dialogue with civil society as part of the Bank’s strategy in Ecuador has led to a comprehensive approach of civil society inclusion into the design, monitoring and evaluation of reforms. The consultation process itself and the mechanisms to facilitate civil society participation in the content of both loans illustrate how closely the Bank’s civil society strategy is converging with the SAPRIN recommendations—e.g. independent and inclusive civil society outreach, the creation of independent civil society committees and accountability in the formulation and execution of public policies (see Annex 2).

If resources allow for it, another possibility could be to provide capacity-building courses for those participants with weaker technical capacity and to complement broad-based consultations with more targeted meetings with specialists on specific topics for those who are willing to solicit more specific input on the design of the loans.
There are ways to minimize risks of backlash and protest inherent to opening up a reform processes to public debate. Prior sector work can help to better assess the potential social impact of the reforms (strongly encouraged in the new policy on DPLs), their political viability and the positions of different stakeholders. Such studies can help filter out at an early stage measures that have little or no political viability. This was not done in the case of tax reform for Ecuador. Such studies would have provided for an even better informed discussion. Another important measure, which was not adopted in the Ecuador case, was to inform the public about progress in the execution of measures committed in the first operation. However, this was partly offset by clearing with the government all documents that were distributed to participants prior to the consultations on the proposed content and process for the next operation. This helped the government weigh the risks and take appropriate steps to propose anything that could be considered potentially contentious. These measures assured the consultations to proceed in a peaceful and constructive way.

The combination of focused meetings and workshops with CSOs on specific reform issues with consultations to solicit feedback from a broad range of civil society actors augments legitimacy of reforms. Targeted meetings with CSOs specialized in respective reforms areas and workshops to discuss the specific content of reform components provided technical input on the design of the loans. This specific input was complemented by civil society’s general perception of the proposed reforms, thus helping to identify potential beneficiaries of reforms as well as possibilities to compensate the potential losers. This combination of technical and general debate adds to the legitimacy of the reform processes.

The consultations built channels of communication and nurtured dialogue between civil society, the government and the World Bank. The consultations confirmed that the Bank was not considering them as a one-time event, but as a trust-building process. This is particularly important in a country prone to political protests and opposition to Bank-supported structural reforms. Maintaining and showing a genuine commitment to dialogue around proposed reforms, informing and explaining their objectives and possible impacts, resolving differences, and hearing feedback, concerns and recommendations from diverse sectors helps create a climate of constructive and democratic debate. Central to building a climate of trust into the process was the participation of the government, both in the plenary and in the working groups, and its availability to answer questions and provide clarifications.

The consultations helped to further institutionalize and deepen the Bank’s dialogue with civil society on key issues and to raise greater awareness about the Bank’s internal processes. For example, it helped dispel certain misperceptions about the Bank, of which the agenda is often considered on par with the IMF’s. The consultations provided the opportunity to show the specificity of the agendas of each institution and how the Bank’s program points to medium and long-term changes, therefore allowing a more integrated response to development issues.

The fact that the consultations were jointly done for an investment and an adjustment loan also helped explain to participants the complementarities between both instruments and how
their impacts differ. While public perceptions are often more positive about investment loans, as their impacts are seen as less negative and results are more tangible than adjustment loans, the Bank team was provided the opportunity to explain the long-term nature of changes promoted through the latter. This complementarity may not always be guaranteed and a combined consultation may thus not always be the appropriate format.

The consultation process helped to strengthen the Bank’s civil society strategy in Ecuador. It is important to see the relationship with civil society as a continuous process, in which the Bank commits to maintain a dialogue through its operations and the CAS. In this case, the consultations not only played a key role to help identify specific measures and mechanisms related to civil society monitoring in the loan; it also helped identify new areas for deepening the Bank’s interaction with civil society in Ecuador. Potential civil society partners were identified as well as capacity-building and technical assistance needs to which the Bank could respond. Local capacity needs to be strengthened for the application of methodologies facilitating the independent monitoring and evaluation of public sector reforms as well as the preparation and execution of budgets, on the macro and on local levels. Technical assistance will be provided for the implementation of monitoring tools that allow citizens to provide feedback on the performance of public service providers such as citizen report cards, community scorecards and to carry out independent budget analyses. Complementary grant resources have been raised by the Bank to provide training and technical assistance focusing on the implementation of these methodologies in parallel to the project implementation. This helps to further expand the Bank’s support to civic engagement in Ecuador and diversify its civil society strategy.

VI. Conclusion

The Ecuador consultations provide a LAC showcase example of the benefits provided by the type of participatory process recommended in the new policy on development policy lending. By pioneering a broad-based consultation around a development policy loan (in this case in combination with an investment loan), this experience provided valuable lessons for task managers and staff that are considering embarking on similar endeavors. The case has highlighted some of the management and procedural aspects to consider when organizing this type of process as well as some of the potential long-term benefits in terms of sustainability, impact and risk management. The case clearly shows that consultations can be more than a means to disseminating information and that if well-planned, timed and managed, consultations around loan operations can provide critical input into the content of both investments and policy-based loans and thereby contribute to improve the quality of the design. They can also help identify measures that do not have societal backing, and therefore would encounter difficulties in their implementation. Finally, consultations can also help in flagging new issues of concern to citizens, such as in this case, budget participation and transparency issues. Carrying out such consultation processes is a continuous learning process, and new experiences add to the body of knowledge on this emerging issue that both the Bank and its clients can draw on for future applications.
## Annex 1: Comparing the Matrix of SAPRI Recommendations for Civil Society Participation in Public Policymaking and Consultations held for Bank Loans

<table>
<thead>
<tr>
<th>SAPRI recommendations</th>
<th>FCCGL / IRP measures</th>
</tr>
</thead>
</table>
| Independent, and inclusive, civil society outreach, mobilization and organization | * Organization of workshops with about 60 representatives of civil society around first phase of FCCGL to examine the adjustment operation and to solicit feedback on content, sequencing and risks.  
  * Expansion of dialogue around the second phase of FCCGL and the supporting IRP to the coastal city of Guayaquil and extension of base of civil society organizations (CSOs).  
  * The database of the Civil Society Organizations (CSOs) to be invited to consultations, workshops etc. is regularly updated and expanded |
| Independent civil society committees                           | * Independent oversight committee for the monitoring of customs reforms led by the Anti-Corruption Commission (CCCC) and integrated by representatives of CSOs created in the context of IRP.  
  * Independent budget analysis regularly carried out by a CSO in the context of FCCGL.  
  * Annual discussions of budget with CSOs part of FCCGL. |
| Civil society control of own finances                          | * In agreement with the Government, the Bank has prepared grants that will strengthen activities to be directly implemented by civil society. The grants will be used for civil society to monitor state actions at the national, regional and local level, with the aim of enhancing public accountability. |
| Time for extensive organization and preparation                | * Consultation process around both, FCCGL and IRP, started before the design of loans and contributed to set definite loan policy priorities |
| Prior access to all relevant documents                         | * Project Information Documents (PIDs) translated into Spanish and circulated to all participants prior to consultations, information complemented by special written and oral presentations in plenary sessions and in the working groups during the consultations. |
| Government informed that Bank is open to alternative economic approaches and policies | * The Ecuadorian Government was involved in the preparation of consultations and workshops with civil society from the outset.  
  * Mechanisms for improved access to information and civil society participation in the independent monitoring and evaluation of reforms are an integral part of the negotiations between the Government and the World Bank in the design of the loans.  
  * The Bank published on its website CSOs’ views brought to the loan consultations. |
<p>| Participatory, rather than consultative, public discussions with CSOs, commercial sector and government | * The dialogue with CSOs included focused discussions with NGOs to get technical input on different components of the loan, workshops with representatives from government, civil society and the private sector to solicit feedback and suggestions on the content of the loan, e.g. in eliminating tax reform from the policy matrix |</p>
<table>
<thead>
<tr>
<th>SAPRI recommendations</th>
<th>FCCGL / IRP measures</th>
</tr>
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<tbody>
<tr>
<td>Ex ante social, economic and environmental assessments of</td>
<td>• The Bank has supported the preparation of environment regulations in Ecuador –among</td>
</tr>
<tr>
<td>issues raised by CSOs</td>
<td>the best in LAC. Besides, the matrix of policy reforms of the FCCGL contains specific</td>
</tr>
<tr>
<td></td>
<td>commitments to comply with these regulations. Compliance so far has been positive.</td>
</tr>
<tr>
<td>Transparency in PRSPs, CASs and adjustment loan negotiations</td>
<td>• Loan documents are available for public use from the authorities. The Bank has also</td>
</tr>
<tr>
<td>Public accountability</td>
<td>extensively disseminated its CAS and policy reform proposals contained in the loan</td>
</tr>
<tr>
<td></td>
<td>documents to the public through multiple seminars in several cities, written</td>
</tr>
<tr>
<td></td>
<td>documents, and the media.</td>
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</tbody>
</table>
Annex 2: Agreements and Recommendations generated through Consultations

<table>
<thead>
<tr>
<th>Reform Area</th>
<th>General Recommendations / Agreements</th>
<th>Specific Recommendations</th>
</tr>
</thead>
</table>
| Fiscal Policy | - Fiscal policy should be based on equity, human and social development objectives  
- More effective control of tax evasion to improve level of tax collection | - Levying of taxes for environmental externalities  
- Inclusion of sectional governments in the tax reform to strengthen their financial sustainability |
| Public Expenditures | - Improving flexibility of public spending  
- Increasing quality of current public spending in order to positively impact social equity and poverty reduction | - Revising existing pre-allocations, and strengthening control and monitoring of recurrent expenditures at all levels of government |
| Debt Repayment | - Three positions:  
- Repaying the debt under current conditions  
- Repayment but no further borrowing  
- Renegotiation of the debt and a reduction of its weight of GDP varying from 10-20% | - Trading debt for environmental protection  
- Creation of a multi-sectoral council to control and rationalize the public debt. |
| Fiscal Transparency and Citizen Participation in Budgeting and Public Expenditure Monitoring | - Establishing systems and incentives at the national and sub-national level to promote transparency and provide citizens with access to information | - Establishing systems of social auditing.  
- Creation and strengthening of observatories at the national and sub-national levels and in different sectors  
- Educating citizens about macro-economic issues so as to enable a more informed participation in dialogues on public policy  
- Institutionalization of citizen participation in national budget discussions and in municipal budgeting  
- Establishment of a legal framework for social auditing |
| Policies for Economic Growth and Competitiveness | - The population has to be better informed about Ecuador’s trade agenda  
- A national dialogue has to take place between political actors, the financial sector, the private sector and civil society of which conclusions have to be integrated into decision making process around the FTA  
- Existing asymmetries between Ecuador and the US in terms of productivity, technological know-how and agricultural policies have to be reduced.  
- Entering the FTA without adequate preparation of the productive sectors, especially the agricultural sector and small and medium-sized producers, could potentially exacerbate existing inequalities. | - Support to a national dialogue with representatives of civil society organizations, governments, and business on the development of a national FTA information and dissemination plan  
- Mobilization of international experience from other FTAs signed in the LCR region  
- Carrying out an assessment of the winners and losers of the FTA in order to identify appropriate compensations to the losers  
- Conducting analytical work on the vulnerabilities of the Ecuadorian economy and pursue early mitigation and compensatory actions. |
<p>| FTA | | |</p>
<table>
<thead>
<tr>
<th>Reform Area</th>
<th>General Recommendations / Agreements</th>
<th>Specific Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policies of Economic Growth and Competitiveness</td>
<td>• Quality of the services are currently deficient, costly and not accessible for everybody</td>
<td>• Improved competitiveness by reducing utility fees eliminating the adoption of the principle of marginal costs to determine the price and fix prices according to real costs.</td>
</tr>
<tr>
<td>Access to Electricity and Telecommunication</td>
<td></td>
<td>• Developing of alternative energy options for underserved rural areas, such as for example mini power stations.</td>
</tr>
<tr>
<td>Custom Reforms</td>
<td>• Current custom system needs to be reformed due to inefficiency and corruption that significantly increase transaction costs of trading goods</td>
<td>• Promotion of national negotiation tables for dialogue among employers, employees and the government around salary adjustments and labor market flexibility.</td>
</tr>
<tr>
<td>Public Procurement</td>
<td>• Effective commitment of public agencies to subscribe to the public procurement portal CONTRATANET</td>
<td>• Concession and privatize the custom management and create a sound institutional framework deciding which part of the revenue goes to the concessionaries and which part goes to the state.</td>
</tr>
<tr>
<td>Human Resource Management and Institutional Reforms</td>
<td>• Addressing key social areas like education and health. • Strengthening institutions and policies to support food security and production. • Developing a comprehensive reform program</td>
<td>• Improved professionalism of public administration employees through ongoing training measures.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Enhanced transparency and performance of the human resource agency SENRES, through strengthening of oversight and M&amp;E of key public agencies.</td>
</tr>
</tbody>
</table>
Abstract

This paper analyses the design and implementation of participatory mechanisms in the World Bank funded CAMEBA (Caracas Mejoramiento de Barrios) infrastructure improvement project in the slums of Caracas, Venezuela. The analysis points to the unlikely convergence between the Bank’s call for participatory approaches in its projects and the discourse of the current national government of Venezuela. This has, on one hand, leveraged the outcomes of CAMEBA and produced inspirational models of participation and, on the other hand, posed risks to the overall success and integrity of the project itself. CAMEBA demonstrates the challenges of implementing participatory processes in politically charged and unstable environments. The project also teaches important lessons in the design of consistent mechanisms for citizen participation, enhancing direct project outcomes, but also building social capital among the most disenfranchised citizens.

I. Introduction and Background

In 1998, during the last months of the presidency of Rafael Caldera, a loan agreement was signed between the World Bank and the Government of Venezuela for the implementation of a slum upgrading project in the Metropolitan Area of Caracas: CAMEBA. In December 1998, when the agreement was signed, the outcome of the presidential elections had just been known: Hugo Chavez Frías was to be the President of Venezuela.

CAMEBA followed a previous Bank-funded initiative in Caracas slums – PROMUEBA Caracas. The budgeted loan of US$60.7 million was also to be a pilot for a larger project, which would eventually span all of the country’s barrios (slums). The executing agency, FUNDACOMUN (Fundación para el Desarrollo de la Comunidad y Fomento Municipal), is a branch of the national Ministry of Infrastructure with ample experience in municipal decentralization, but a rather limited track record in public works and infrastructure construction.

1 Andres Falconer (afalconer@ciblis.net) wrote this paper on a consultant assignment to the World Bank. A review of literature and project documentation, and a visit to Venezuela, in June 2004, where he met key CAMEBA stakeholders and visited the barrios of Petare Norte and La Vega, were the basis for this study. The author would like to thank the staff of the World Bank country office in Caracas, especially María Magdalena Colmenares, and Maria Inés Sucre-Guillén, the staff of the CAMEBA Unit, especially Luc Eustache and Giancarlo Pezzotti, and Roby Senderowitsch at the World Bank Latin America Civil Society Team. Dean Cira also provided invaluable feedback to the first draft and Indu John-Abraham was an attentive reviewer and editor.
During the first months of the new administration, the loan agreement was left simmering, and was eyed with suspicion. After all, multilateral organizations were generally seen by those now in power as co-responsible for the economic downfall of the once-prosperous oil-driven economy of Venezuela. Furthermore, in the early days of the Chavez administration, the strategy of the government to respond to the issue of urban slums was seen to be at odds with CAMEBA’s approach. Yet the relevance and social appeal of CAMEBA spoke louder, and the project was resumed in December 1999.

CAMEBA drew from the expertise of the World Bank in financing similar slum infrastructure upgrading projects in other parts of Latin America and also from the recent experience of the executing body, FUNDACOMUN, in projects in Venezuelan barrios.

With the green light given by the government to CAMEBA, the project team was assembled in FUNDACOMUN and began its first activities. Assessments of territories, surveys of households and the first “informational” assemblies were conducted with the residents of Petare Norte and La Vega, barrios that had been targeted for the project.

Despite the following turmoil in the political environment and the numerous obstacles faced in its implementation, CAMEBA proceeded with its activities and is still currently in operation, with

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Box 1: Hugo Chavez - The Political Context

The election of Hugo Chavez to the presidency of Venezuela is a milestone in the history of the country. Whether in opposition or in his support, analysts agree that this is a period of deep change within the society and institutions of Venezuela. An army lieutenant colonel who championed popular dissatisfaction with the state of the economy and the political establishment, Chavez failed in an attempted coup in 1992, but later succeeded to reach the presidency by popular vote. He has named the process that followed his election the “Bolivarian Revolution”, proclaiming to return to the path and complete the task of the Venezuelan-born Latin American independence hero Simón Bolívar. Populist, demagogue and non-democratic to some, visionary leader and man of the people to others, Chavez has increasingly polarized public opinion and fully captured political attention around himself.

Among his accomplishments, he succeeded in approving a new national Constitution, which provides for increased and direct participation of the population through, among other instruments, plebiscites and referenda. This very mechanism has recently been used against him, as the growing opposition, after failing in a coup against him in April 2002, garnered the necessary signatures to call a vote to revoke his presidency, only to have Chavez’s mandate reconfirmed by popular vote in August 2004.

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2 In sharp contrast to the notion of upgrading slum areas, the incoming government spoke of the ideal to populate the interior of the country, particularly the southern limits, and to allow inhabitants of slums to return to the countryside.

3 As the fieldwork for this paper was conducted (June 2004), the electoral rules of the referendum were being debated, the mobilization of pro-Chavez and opposition supporters took place, and the outcome (as well as possible subsequent consequences) still seemed nebulous.
Troubled Implementation

CAMEBA has had more than its share of difficulties. The project faced obstacles that threatened its success and nearly led to the early termination of the project. However, the capacity to rebound, crisis after crisis, and the commitment of the core staff, both at FUNDACOMUN and at the World Bank, have turned it into an unlikely success, with lessons to teach in terms of participation and citizen empowerment. Among the difficulties faced were:

1. National political instability: growing socio-political polarization, long national strikes, a failed coup d’etat against Chavez and the long process of a presidential callback referendum have diverted political priorities and detained the functioning of government bodies.

This last component was to be addressed through a microcredit program that, to the date of this report, had not been implemented.
2. **Administrative discontinuity:** a corollary of the former problem, FUNDACOMUN has had six (politically appointed) presidents, and ten general managers since the start of the project in 1999.

3. **Attempted interference and hampering** for political and economic interests, or merely due to changes of orientation in leadership, resulting in cancellation of contracts and delays in construction.

4. **Major currency devaluation** of the Bolivar in February 2001, leading to the disbursement of less than a third of the total original loan.

5. **Vargas state tragedy:** a massive mudslide that wiped out communities and towns, killing tens of thousands in 1999 redirected priorities of all government infrastructure projects, by presidential order.

6. **Initial incredulousness and hostility of population** of barrios to any type of government intervention, due to the problematic histories and patterns of settlement in the barrios.

II. **Barrios as Hotspots of a Polarized Venezuela**

- **Barrios in Caracas**

  Urbanization in the Caracas metropolitan area follows patterns similar to other Latin American metropolises. For decades, waves of immigration from the countryside swept into the capital city in search of employment and better opportunities in life. New immigrants settled precariously in the city outskirts in mountain slopes and valleys, often in public lands or protected areas. Informal settlements, once established (as occupiers were often expelled by police), faced tremendous challenges, and were, in fact, all but ignored by authorities. In urban plans and official statistics, barrios simply did not exist (and were often portrayed as parks or empty land). Public infrastructure was either nonexistent or built haphazardly by the barrio dwellers themselves, with scarce support from government. The absence of government has been a constant. Authorities and politicians are seen as those who come to make promises during electoral campaigns, to collect bribes or to threaten to remove residents.

  Lack of public infrastructure and common spaces, precarious living conditions in constructions often built on unsuitable ground, difficult access through inadequate streets and pedestrian passages, gang violence, a general lack of opportunities, and environmental tragedies such as floods and landslides, compound the plight of the inhabitants of the barrios. Economic stagnation since the 1990s has reduced the inflow of new settlers, but has led to an unprecedented level of unemployment, hitting the barrios hardest.

  The large barrios of Petare Norte and La Vega, while physically apart and different from one another in historical and geographical traits, share the legacy portrayed above. Petare Norte’s 140,000-strong population lives in an area of 256 hectares, while La Vega’s 85,000 occupy 297 hectares.
Nearly half of Caracas lives in such barrios, and recent political developments have drawn attention to this large population. From fears of the elites that the masses will “take to the streets” and create chaos, to accusations of attempted electoral cooption of the poor by the current administration, much more than what meets the eye is taking place within the barrios of Caracas.

**Chavismo in the Barrios**

Generally supported by the lower strata of Venezuelan society, Chavez finds strong backing in the barrios. A series of projects benefiting these communities, baptized *misiones* (missions), are currently being implemented. Health (in a celebrated and controversial partnership with Cuba), nutrition, adult literacy and continuing education are among the fields covered by the *misiones* dotting the barrios. Direct access to the people, service to the poorest, and organization of community and grassroots groups are the groundwork for *chavismo*. Political manipulation through the same service and participation schemes are, critics argue, the reverse side of this system. *Brigadas Bolivarianas* and, more recently “Electoral Patrols” of citizens “armed” with copies of the Constitution, suggest that direct democracy, citizen empowerment and manipulation of the masses may walk hand in hand in present-day Venezuela.

Barrio-dwellers can be divided among enthusiastic supporters of Chavez, who attribute to him, as patron and benefactor, all positive changes that have been occurring in their communities; and skeptics, who either have not yet seen any benefit for themselves or doubt that these will be sustained in the future, by Chavez or any successor. Yet, visibly, a deeply rooted feeling of disenfranchisement gives way to its direct polar opposite—empowerment. In these politically-charged times, enthusiasm becomes contagious, and a new civic awareness rises in barrios. Constitution in hand, they say, repeating Chavez, “We have been asleep for centuries, but now we are awake and know our rights.”

It is amidst this fermenting mix that the participatory dimension of CAMEBA emerges, and with these ingredients it interacts. In the barrios of Petare Norte and La Vega, neighborhood assemblies, negotiating tables, local co-management groups and citizen watchdogs, supported technically by CAMEBA staff, help write a new page in barrio history, together with Cuban community doctors, “Bolivarian” schools and missions.

### III. CAMEBA: Ciudadanía & Obras

**The Groundwork**

“Citizenship and public works” is how a past president of FUNDACOMUN described CAMEBA. In its early stages, there was some question in the agency as to whether this was to be an infrastructure project with a participatory component or a citizen empowerment project with a public works element.

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5 Skeptics are quick to rule out this new political awareness as mere manipulation of the masses by an able demagogue. Reality seems to suggest differently when barrio-dwellers turn their criticism against their president and say: “Chavez, beware: without us you are nothing, you need us!” and “if Chavez changes, the people will keep to the way he has shown us”.

6 In fact, originally a sub-component of an infrastructure project, the social accompaniment dimension of CAMEBA became a central and cross-cutting element of the project.
While the participatory aspects were clearly designed into the project document, negotiated with the World Bank in the previous administration, this question still divided the CAMEBA Unit – on one side, architects, engineers and urban planners; and on the other, social workers, social scientists and more socially-minded technicians.

This dispute was solved by a genuine and successful effort to intermingle “technical” and “social” staff and combine the expertise of both. In CAMEBA, it is not easy to point out the social worker from the engineer, as practice has led to the emergence of a cadre of socially-aware and technically-minded professionals from all backgrounds, working jointly.

A decision made early on leveraged the social dimension of CAMEBA: social accompaniment tasks would not be outsourced to consulting firms as originally planned, but would be performed by full-time project staff.

Aware of the lack of faith in government in the barrios, CAMEBA set off with an intensive communication and information campaign about the objectives of the project. Initial results were not encouraging, as apathy, suspicion and hostility were the most common reactions. It became clear that a strategy of participation based on informational assemblies was insufficient, and technical staff would have to change its “know-it-all” attitude and establish a relationship of trust.

Another false start and disappointment came when a “contest for ideas” for improvement of the barrios, a competition for the selection of contractors, had to be called off for not meeting the World Bank’s procurement standards.

It was only gradually that the elaborate social acompañamiento actions were designed and put into practice, often on a trial and error basis. Once the strategic plan for social accompaniment was drawn – beyond assemblies – steady progress was achieved.

- **Participation in CAMEBA**

The ultimate design of CAMEBA offers a wealth of mechanisms for participation, ranging from one-way communication, such as information meetings, to joint responsibility in implementation.

Empowerment in CAMEBA is not limited to participation in assemblies and decision-making processes, but also is directed at the enhancement of the capacity of actors to decide, monitor, manage and control their destinies. This dimension, which was present in the original Project Appraisal

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7 The word *acompañamiento social*, “social accompaniment” refers to the broad range of activities performed with individuals, families and communities by the team of social workers, lawyers, psychologists and other professionals. Activities include convening, informing, engaging, training, negotiating organizing, monitoring and other forms of support that are carried out both as a means of enhancing CAMEBA’s infrastructure outcomes, but also as end in themselves, with emphasis on community organizing.

8 This study follows the definition proposed by the World Bank’s “Measuring Empowerment Study”, as “increased capacity of individuals and groups to make choices and transform these choices into outcomes”, empowerment, according to this study, depends on people’s assets and the institutional environment within which they operate. A scale of types of empowerment range: passive access, active participation, influence and control. CAMEBA adopts a similar definition of empowerment: “the expansion of the freedom of choice and action”.

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Document, prepared in the previous administration, found new support in the Bolivarian government. The new Constitution mandates engagement and direct participation of beneficiaries in government action. However, this has not always been matched by a consistent practice of participation, whether because of diehard habits in public administration or by misconceptions of the new government. Here, the World Bank team played a key role, continuously and closely following up and negotiating the terms of the project, transforming commitment to participation in real citizen empowerment.

The Consultative Council of CAMEBA, which includes community members from Petare Norte and La Vega along with representatives of the municipalities of Sucre, Libertador and the Metropolitan Area of Caracas, as well as other government bodies and utilities, opens the way for formal participation and empowerment of barrio-dwellers. Yet it is at the lower levels and details of implementation where one finds the innovation and consistency of CAMEBA’s participatory approach.

The Social Monitoring Strategic Plan of CAMEBA lays out dimensions of action and engagement of community actors:

1. Information, communication and mobilization:
   - Production of information material (brochures, plans, posters etc.)
   - Dissemination through radio, theater, sports events
   - Meetings, assemblies, dialogue tables
   - Training of Community Promoters

2. Community empowerment
   - Mapping of community organizations and leaders
   - Support to community organizations
   - Training of community leaders

3. Capacity-building and technical assistance
   - Training courses, seminars and workshops in management, leadership, and project and construction skills

4. Intersectoral and intergovernmental coordination
   - Support to community participation in CAMEBA Consultative Council and in relation to other governmental bodies

5. Monitoring, evaluation and social accountability
   - Design of indicators and monitoring instruments
   - Training of community leaders in monitoring and evaluation

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9 The World Bank’s role, amidst the administrative discontinuity and political turmoil cannot be minimized. Interestingly, also the core CAMEBA team at FUNDACOMUN learned to “play the World Bank card”, using the terms of the contract and Bank policies to fend off undue political interference and to guarantee the integrity of the project.
In CAMEBA, a variety of tools, mechanisms and organizational bodies for participation come into play. The main vehicles of participation are described in the following box.

**Box 3: Units of Participation**

- **Community Organizations**
  - **Local Co-Management Groups (LCG, Grupos de Cogestión Local)**, with elected representatives from all administrative units in the barrios, oversee all actions of CAMEBA in each barrio, and are being empowered to take a more active role in the “transfer” phase.
  - **Urban Land Committees (Comités de Tierras Urbanas)**, elected in areas where land titling takes place, oversee and legitimize the land titling and relocation processes.
  - **Neighborhood Committees (Comités Vecinales)**, formed by groups of neighbors on the location of construction sites and meet regularly with the CAMEBA team and the contractors. The Neighborhood Inspectors report to the Committees on the progress of construction works.
  - **Condominiums (Juntas Condominiales)**, a type of neighborhood association (introduced in La Vega) responsible for preserving public spaces and maintaining the improvements introduced in their areas.

- **Information and decision-making forums**
  - **Assemblies** are open meetings, where technical staff, along with social promotion personnel, present the proposed plans (construction, relocation, titling etc.) and discuss implications with the community. These can be large-scale meetings or restricted gatherings of residents directly impacted by small construction works such as an alley or stairway.
  - **Dialogue Tables** are meetings with community leaders, usually as follow-up to assemblies, where details of plans are presented, issues and conflicts are discussed. Tables are usually thematic rather than territorial, dealing with issues such as water.

- **Roles in project devolved to the community**
  - Numerous roles and activities of social accompaniment are performed by residents of the barrios rather than by FUNDACOMUN staff or external professionals. The rationale for this, according to CAMEBA management, is two-fold: 1) enhancement of quality and cost effectiveness of work by directly involving beneficiaries in roles of oversight, community engagement and even construction itself, and 2) producing positive economic results through generation of direct employment and training in professional skills in the communities. As a rule, CAMEBA strives to hire within the community at least 75 percent of the positions, including those requiring higher levels of education.
The table below describes the chronology of activities involving community participation, interwoven in the processes of construction, land titling, relocation, and data gathering. While it describes an ideal process, these activities are often performed simultaneously, interwoven in the numerous administrative units in the barrios, and adapted according to need and even to the style of the local management.

- **Neighborhood Inspectors (Inspectores Vecinales)** are residents of the barrio elected by their peers to monitor constructions in their neighborhood. One inspector, in most cases a woman follows each construction site, as a full-time paid position. Neighborhood Inspectors oversee, and often collaborate with, the resident engineers (contractor staff) and the inspector engineer (CAMEBA staff) in the progress of constructions and adherence to the plan. Their tasks include the control of supplies and personnel. Input and usage of materials, time of arrival of workers and other details are recorded daily. Any deviation from the plans is reported both to CAMEBA as well as to neighborhood organizations. Social accountability in barrio construction sites appears to be an effective mechanism not only to monitor contractors, but also to curb theft of construction materials\(^{10}\). The 29 Neighborhood Inspectors are previously trained by CAMEBA to perform their job.

- **Social Promoters (Promotores Sociales)** are staff employed by CAMEBA social accompaniment team, recruited within the barrio and trained to perform the key monitoring tasks. The fact that the on-the-ground social team is comprised of residents of the barrios creates greater credibility for the project.

- **Surveyors (Empadronadores)**, responsible for the first household survey and subsequent updates of the database are also residents of barrios. They are trained in research methods, and lend their legitimacy in the communities to ensure accuracy of information.

- **Seers (Veedores)**, members of the community regularly invited to monitor procurement, to guarantee the transparency of the process.

Theft of cement, sand or other materials in construction sites by residents of barrios is commonplace where there is no community buy-in.\(^{10}\)
Figure 1: Chronology of Community Participation Activities

**INFRASTRUCTION CONSTRUCTION**
- Assembly to inform of construction plans
- Dialogues to establish agreements on specifications
- Invitation of community members to witness presentation of technical & financial bids
- Community meetings to elect Committee & Neighborhood Inspectors
- Training of Neighborhood Inspectors & other community members
- Meetings and site visits with contractors (prior to formalizing contracts) to present territory, roles & commitments to the communities
- Mapping of local workforce

**LAND TITLING**
- Recruitment of community members to work with social promotion & survey
- Survey of households
- Establishment of Urban Land Committees
- Training of community members

**RELOCATION**
- Assemblies & meetings with communities to present the site analysis, urban projects & resettlement plan, specifying zones to be affected by construction or of high geological risk

**HOUSEHOLD DATABASE**
- Community assemblies to present the survey, utility of database, proposing that the process be managed by the community itself
- Recruitment of community residents as researchers

**BEFORE**

**DURING**
- Assemblies to inform of progress, provide safety & other information
- Dialogues on issues of common interest
- Workshops in skills training & citizenship
- Joint monitoring of construction
- Community meetings to define use & maintenance policies
- Dialogues with participating government & NGO representatives

**AFTER**
- Regular meetings of Land Committees with CAMEBA staff and other agencies
- Meetings with families targeted for relocation
- Individual visits to families to discuss details of relocation & alternatives offered
- Mapping of local real estate market to identify ideal resettlement homes
- Social & psychological support for relocated families
- Training of community researchers in survey methodology
- Assembly to inform of end of work & define approval of community
- Dialogues
- Workshops on maintenance
- Beautification
- Delivery event/Transfer to
Similar processes of assemblies, dialogues and intensive two-way communication take place in the Environmental Management Planning and the design of Integral Projects, integrating all the interventions in the territories into one consistent plan.

The social accompaniment process is often messy and time-consuming, despite the order suggested in the previous boxes. The social process combines itself with geological and engineering aspects of the project. Many processes are performed simultaneously, and a large investment of time and energy is usually required in presenting alternatives, persuading and negotiating with the communities. The lack of social capital within communities and in relation to government demands that the CAMEBA team establish an environment of trust and establish bonds rather than simply conduct aspects of social participation according to a plan. The participatory process assumes a dynamic of its own when communities take over negotiations and makes demands, sometimes unrealistic according to the project objectives. Tension builds when communities feel they are being manipulated to accept previously defined plans. Occasionally, a contractor, inexperienced in the art of participation, will find himself in dire straits for failing to respect the process or agreements reached in assemblies.

Technical imperatives, such as the appropriate site for construction of water galleries, often limit the real range of choice for communities, reducing the room for participation in decision-making. But by building the capacity of the communities to understand technical aspects of, for example, construction, such situations are most often dealt with appropriately.

The social and technical teams of CAMEBA are submitted to high levels of stress in their work environment, but gradually, as the links of trust between staff and communities are built, the work becomes smoother, participation becomes amicable, productive, and professionally rewarding.

*Towards Transfer*

While FUNDACOMUN manages the bulk of CAMEBA activities during the implementation phase, “transferring” the project back to the communities is proposed in the later phases.

In the *transferencia* phase, i.e., after the project is formally over, communities are to take over all the remaining responsibilities in the project, and are expected to be empowered to establish direct relationships with authorities to manage the implementation of the Integral Plan, oversee new constructions and provide maintenance to existing infrastructure. The graph pictured on this page is a schematic image used by the management team to describe the changing role of CAMEBA and communities.
CAMEBA’s role becomes one of technical assistance role toward the end of the project. The emphasis on training and capacity building courses changes—from construction skills and social audit, to themes such as urban planning and management of cooperatives.

In the later phase, each of the two Local Co-Management Groups become legal associations, incorporated as local development agencies for their respective barrios. They assume a leading role in the transfer and face the challenge of representing their vast populations. Other experiences, such as the condominiums (juntas condominiales), and cooperatives are expected to complete the transfer and full empowerment of communities.

There is a large amount of uncertainty regarding this phase, as well as an expectation on the part of the communities that CAMEBA will not leave them empty-handed. After all, it was partly through CAMEBA that a new self-esteem in the communities was built, but residents now understand that it is their right to be assisted by government. Furthermore, CAMEBA has represented the creation of a significant number of skilled and unskilled jobs in the community. Will there be more financial resources? Will a new project be signed with the Bank, extending the infrastructure improvements to other parts of the barrios? Is this commitment to participation simply an attempt to boost popular support for Chavez during the recall ballot? These questions are spoken of openly in CAMEBA and in the barrios.

The sustainability of the devolution to communities is at question. If sustainability means that the infrastructure works and new public spaces will be better maintained, this is likely to happen. But sustainability of barrio communities in the sense of quality of life and viable livelihoods, FUNDACOMUN is well aware, is beyond the reach of any single intervention, even of the scale of CAMEBA.

IV. Empowering Results

Participation is sometimes thought to be at odds with efficiency and the capacity of a project to meet its objectives in a timely manner. While in CAMEBA, participation is certainly a time-consuming and complex endeavor, it walks hand in hand with results. The following contributions of the participatory approach to the outcomes of the project can be attested:

- **Quality of construction work**: projects in barrios with community participation were made to high technical standards, unlike past experiences, where standards were low and works were often left unfinished. A process of community input about *what* was to be built, *where*, *how* and *by whom* contrasts sharply with a past attitude by governments and contractors that infrastructure for the poor did not require participation.

- **Building costs** were reduced through social accountability mechanisms, by minimizing the risk of theft of materials or of collusion between contractors and government agents to overestimate purchases. Neighborhood inspectors were the key element here.
• **Maintenance** of sites guaranteed by the community due to their buy-in and engagement in the project through assemblies, dialogues and direct involvement.

• **Conflict** between communities and CAMEBA was limited to institutionalized spaces and to agreed upon rules, whereas in the past conflict could more frequently result in open confrontation, damage to property and delays in work.

• **Adherence to project objectives**: community engagement provided an effective check against noncompliance due to political turmoil and administrative discontinuity in FUNDACOMUN.

In CAMEBA, participation is an instrument to address key concerns of the project: minimizing negative social impacts of construction and relocation of families, and providing effective social control. But participation as a means of empowering communities took on a greater role.

The historical disenfranchisement of barrio communities, as was explained previously, lies at the heart of the vicious cycle of poor living conditions in these areas. Breaking this cycle requires more than building infrastructure. FUNDACOMUN and the World Bank understood this, and knew that the land titling and the construction process would provide the opportunity for building the social infrastructure required to create sustainable communities. While the results of this empowerment are to be felt in the longer term, certain changes can be noted:

• Adoption of community social audit in other (non-CAMEBA) construction projects, following the model of the Neighborhood Inspectors.

• Successful organization of the community through the channels established by CAMEBA to petition government for the establishment of social programs, misiones, community centers, etc.

• Establishment of self-help groups, cooperatives and other mutual assistance initiatives in the barrios, at first to render services to CAMEBA, but soon considering other opportunities.

• Creation of viable non-violent mechanisms of citizen participation and dialogue with authorities.

• Emergence of new grassroots leadership, particularly through women, gradually replacing traditional self-appointed patronizing community leaders.

V. Conclusions

A politically charged context such as present-day Venezuela poses challenges to all types of public action. The case of CAMEBA clearly shows that a project of its kind cannot be dissociated from its environment, particularly as the locus of action, the barrios, are hotspots of the political turmoil. While the temperature of the Venezuelan situation is several degrees above the average developing
country, it is not wholly *sui generis*. This suggests that a clear understanding of the political environment and context, and a willingness to meddle with this sphere for the sake of the integrity of a project is not only desirable but possibly inescapable. This signifies interaction not only with government agencies, but also with scores of other actors, including civil society organizations.

Arguably, a less participatory approach in CAMEBA would have resulted in the failure or loss of direction of the project. It was precisely the aspect of empowerment of barrios that captured the interest of the national government, reviving the project; and it was the active engagement of the citizenry that kept it on track at key turning points. A non-participatory approach in a public infrastructure project, despite good intentions, would have left the already disenfranchised residents of barrios at the mercy of local power-brokers and of traditional clientelistic politics. It also may have led to more traumatic relocation processes and caused more strain. However, in a different context such a participatory approach as proposed in CAMEBA could have been met with discredit and disbelief by the population of the barrios, and the unwillingness to participate would have been difficult to reverse.

In environments where the provision of basic public infrastructure and services is deficient, where self-organization and solidarity among neighbors are the only forms of collective action, participatory approaches to large-scale government interventions are mandatory, in order to prevent further harm to already marginalized populations. What is at stake is not only the integrity of the project itself, but also the inclusion of the inhabitants of these forgotten places into the realm of citizenship.

Yet participation is by no means a simple affair. CAMEBA shows that participatory schemes require planning, shared expertise, commitment, and persistence. The art and science of participation, refined in CAMEBA, teaches the importance of:

- A formal and well-planned strategy of social accompaniment, prioritized within the project.
- An integrated social team, working closely and in harmony with other technical teams.
- Formal and continuous channels for participation including access to information, decision-making and joint responsibility.
- Social audit enhanced by engaging direct beneficiaries as neighborhood inspectors, seers and other roles.
- Clarity of communication and transparency, also of bad news (relocations or adverse impacts, for example).
- Processes documentation and recording of all commitments and decisions made with the community, for future reference.
- Persistence and courage in the face of adversities and obstacles (indifference or hostility, accidents etc.).
• Promotion of local employment as an added incentive to participation.

• Building the capacity of members of the community; empowering them to assume roles and responsibilities in the project.

• Strengthening of community institutions that are expected to outlive the project.

• Role of promoting new leadership, particularly of woman, as a key to success.

Obviously, not all is perfect in CAMEBA. Political instability threatens the project on a daily basis. The once non-partisan community-organizing work increasingly takes on the colors of the charismatic President and his Bolivarian Revolution. So much progress in the social dimension of CAMEBA has been made that it is simplistic to portray it merely as an infrastructure project. But it is also far from providing an integral approach to the sustainable development of barrios. The economic dimension is the most notoriously absent (beyond the direct jobs created in the project and the incipient formation of cooperatives); and this may prove fatal to the long term sustainability and empowerment of the communities.

Though CAMEBA is an ongoing project, it has come to be regarded as successful, if only for thriving in such a turbulent period, in so difficult an environment. The social accompaniment of the barrios is a work in progress. But the community engagement element, scaled-up into a consistent strategy for the empowerment of the communities, is a showcase for participatory approaches that will continue to deserve examination.

As the World Bank introduces empowerment as one of the pillars in poverty reduction strategies, CAMEBA’s integration of citizenship and construction deserves a warm welcome.

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Empowerment as a Tool to Leverage Property Reform

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Abstract

In 1996, Peru began implementing a successful model for the regularization of urban lands that had been trespassed, squatted and built on as a result of migrations that occurred since the early 1960s. Due to the reforms initiated by this new model, by the end of the year 2000, in only 4 years, more than one million families had received registered property titles to their homes. The program is not complete, but it has already benefited 6 million people, or a quarter of the population of Peru. The beneficiaries received legal security and protection for their homes, which was in most cases their only asset, and which they have built by investing their life savings in materials and construction, around $5.5 billion1 – a quarter of the external Peruvian debt in the mid-1990s. In addition to reducing conflict and carrying out this titling process2, various studies suggest other important impacts. First of all, the number of people investing in home improvements after receiving their title doubled that of the number who lacks a title. Homeowners have made improvements to their homes and have greater access to public utilities, which appears to be one of the explanations for the improved health statistics among the benefited families. Homeowners are also paying their taxes in a timely manner.3 Now that the property is secure, family members are released from the obligation to constantly occupy the home to protect it. The project has facilitated greater enrollment and attendance in schools, reduced child labor, and increased opportunities for adult family members to work outside the home in the formal labor market.4 As of December 2003, the use of mortgages as collateral and the number and amounts of credits have grown substantially. With regard to mortgages, various changes have been seen: i) the number of mortgages registered has increased 106 percent between 2000 and 2003, with yearly increases of 10 percent, 45 percent and 28 percent respectively; ii) mortgage amounts increased from US$66 million in 2000 to US$136 million in 2003; and iii) of the total amount of mortgages established between 2000-2003, 80 percent were constituted for the benefit of private financial institutions. Regarding credits, i) the amount of credits granted by the formal financial system has increased by 47 percent in three years (December 2000-December 2003), from US$249 million to US$367 million; and, ii) the number of credits granted has risen 53 percent over the same period (from 154,000 to 235,000).5

1 Consultancy Support (2000) “Estimación del Beneficio de Formalizar la Propiedad Inmobiliaria Urbano-Marginal”. Urban Property Rights Project. Other sources estimate the value of these homes and existing services at US$20 billion.
Approximately 2,300 squatter communities or informal communities (known as human settlements) were regularized through this program. The program included more than 6,000 community meetings with settlers, and visits to more than one million homes to verify that the homes met the legal titling requirements. Large-scale participation by the public was possible thanks to the empowerment strategies that made the beneficiaries of the program the main actors in its implementation. The empowerment practices included: program promotion activities in every informal settlement; activities initiated only when the beneficiaries in each settlement arrived at a consensus and asked to join the project; and the participation of all the beneficiaries in every stage of the regularization and titling process, including conflict resolution. The participation of beneficiaries, the transparent administrative and decision-making processes, as well as the establishment of accountability mechanisms to the beneficiaries, all laid the foundation for the success of the program.

I. Background

The Formation and Organization of the Informal Cities

The 1960s saw accelerated growth in the main cities of Peru. Thousands of displaced people from rural areas came to the cities seeking economic opportunities and access to social services, and later in the 1970s escaping terrorist violence. Over the last 40 years, the urban population grew from 47 percent to 72 percent, while the rural population dropped from 52 percent to 27 percent. This population occupied public and private lands on the margins of urban centers—without permission—and eventually constructed homes in these areas. By 1990, more than 1.5 million residences had been constructed on the edges of Peru’s principal cities, providing homes to more than 8 million Peruvians. The residences were part of the irregular urbanizations or irregular settlements, called human settlements (asentamientos humanos) or popular neighborhoods (urbanizaciones populares).

The government was incapable of offering an effective alternative to meet the growing demand for urban housing. The legal procedures for obtaining formal property adjudication were so complex and required such large investments that the transaction costs of completing and attaining official titles were too high for migrants. On the other hand, housing construction investments made by the government were insufficient and did not target the demands by migrant populations. Finally, the

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6 Empowerment is understood to mean “the expansion of assets and capacity among the poor to participate, negotiate, influence, control and hold accountable the institutions that affect their lives.” World Bank (2002), Empowerment and Poverty Reduction: A Sourcebook, Washington DC.
8 The Institute for Liberty and Democracy (ILD) showed that state housing programs are a palliative with limited results. According with the information from El Otro Sendero, the Peruvian government’s housing investments between 1960 and 1984 amounted to US$862.2 million compared to US$12 billion in informal investments, equivalent to less than 8 percent of the total. These numbers show that state investment alone is not sufficient to provide housing for the population. EYZAGUIRRE, Rolando, op. Cit, pp. 4.
legal rules and restrictions on rental property, intended to provide security and permanence to renters and to control the price of rental units, prevented expansions thereby leaving the growing demand for housing unsatisfied.\textsuperscript{9} These rules created a disincentive for investment in rental homes.\textsuperscript{10}

Consequently, the only alternative left to those in need of housing was for them to trespass, divide and illegally occupy the lands, despite the fact that they would have to bear the costs of this irregular arrangement—costs such as poor living conditions and no legal protection, which acted as a disincentive to invest in home improvements. In this case, it was evident that the costs of having irregular property were less than the costs of going through the formal titling process.

Informal neighborhoods were formed through the organization of neighbors for the occupation of lands, their division, and the allocation of house lots to occupants, usually bound by ties to the same geographic area or family. Later these organizations and their leaders assumed protagonistic roles with the state and the private sector, primarily to obtain legal recognition of the settlements and to begin the process of accessing public utilities.

The central function of these organizations was to arrange assemblies where the settlers could make decisions regarding the settlements, including their organization, typically the responsibility of an executive committee composed of elected neighbors, and their statutes that established the operation of the organization, the obligations and rights of its members, and its form of executive action and deliberation.\textsuperscript{11} Furthermore, the assemblies made decisions regarding the occupation of lands, the use and allocation of squatter lots, and conflict resolution between settlers. Depending on the size of the informal settlement, the assemblies included all of the neighborhood settlers occupying house lots, or in larger settlements, block or sector representatives (sectors were clusters of adjoining blocks.) The residents of the blocks or sectors elected these representatives. In these assemblies, the leaders gave an account of the tasks completed in the process of obtaining legal titles or public utilities, and came to an agreement on the actions required to reach these objectives.

- **Rent-Seeking, Patronage and Neighborhood Organizations**

One of the main objectives of these organizations was to obtain legal recognition of the occupied lands by means of property titles. Property titles would give the settlers legal security over their land and would allow them to invest in home construction and improvements. Legal recognition and property titles were also prerequisites for obtaining important public utilities, such as water, sewage

\textsuperscript{9} Tenant Law No. 21938, enforced by General Velasco’s military regime and the emergency directives mandated during the Aprista administration beginning in 1985, extended the time limits on rental contracts and prevented the increase of rent fees. For more information see “De Puerta en Puerta” which summarizes a study prepared by the Institute of Liberty and Democracy (ILD), published in the magazine, \textit{Caretas}, on December 16, 1985.


\textsuperscript{11} Estudio sobre la Dinámica de los Asentamientos Humanos — SASE, July 2002. www.cofopri.gob.pe/pdpu
drains, electricity or public investment in streets, parks, schools or public health clinics. All of these public services required completion of some of the steps in the titling process.¹²

Property titling became a tool for political control that could lead to important political gains. The municipal Human Settlements General Directorate (Dirección General de Asentamientos Humanos) in the main urban local governments was not only responsible for municipal services that affected the majority of city dwellers (as the property titling administrative procedures), it was also a tool that could generate good or bad relations with a large number of voters. As there were no enforced rules in the local governments’ civil service regime to regulate appointments of public employees, particularly the heads of the municipal offices, their selection and recruitment were largely based on their political links with the municipal authorities of the moment. Consequently, their ability to do their job and to deliver services was subordinated to the political priorities of the municipal authorities.

This political capture came together with the development of rent-seeking practices from the users of the property titling service. The leaders of the neighborhood organizations were appointed based on the candidates’ political connections with the municipal authorities in order to facilitate the titling process. Certainly on many occasions the municipal government monitored these “appointments/elections” closely. This relationship between municipal authorities and settler organization representatives allowed the authorities to exercise political control over important sectors of voters and to give titling priority to settler organizations that had connections and were politically dependent.

This relation had been forged even before the creation of settler organizations, when certain political groups promoted the occupation of public and private lands. Typically, land occupations were made on symbolic dates and were named after current political figures. It is not a mere coincidence that many waves of squatter occupations were followed by official recognition with the purpose of garnering the political favor of the beneficiaries. Proof is in the laws recognizing the validity of these occupations and the dispensing of titles, issued in 1981, 1984, 1986, 1989, 1993 y 2002, coinciding with the dates immediately before and after elections.¹³

¹² Providing water, sewage and electricity required the completion of several steps recognizing the settlement and its organization. The same was true for the approval of an urban plan, construction of parks, schools and health centers. Provision of services were usually prioritized by the state authorities taking into account which settlements had a higher level of legal recognition and had completed more of the required procedures.

¹³ For example, in 1973, the leftist parties and the military government through the National System of Social Mobilization, (Sistema Nacional de Movilización Social — SINAMOS) promoted the organization of the Fronts for the Defense of the People’s Interests, directed to organize and control the public, especially the most poor segments of society. In the same year squatters entered land on the outskirts of Lima that created 71 settlements. With other characteristics, but with similar client objectives, various municipalities organized “municipal housing programs” that in reality were occupations of state land (and in some cases private land) organized by the authorities. These programs incorporated identified mechanisms of “self management” by which the occupation of lands, the distribution of land and urban development incorporated several of the poor organizations’ participatory practices. “Self management” meant recognition and not the creation, on the part of the municipalities, of the practices of promoting participation already in force in the settler organizations. However, the “legalization” of these practices was also used to capture the directors and to establish clientelism mechanisms.
The Failure of Municipal Offices

Political capture and rent-seeking were not accompanied by the efficient management of public services, particularly relating to land titles. Central and municipal governmental authorities across the political spectrum offered to improve services and adopted decisions to this end without satisfactory results. By the mid-1990s, after 40 years of responsibility for the titling process, central and municipal governments had only gained titles for 100,000 of the almost 800,000 squatter lots in Lima. Furthermore, the quality of the titles was very poor. No more than 10 percent could be listed on the property registries, and titles had been granted in legally prohibited areas such as in archeological zones, on private property or in unsafe areas.

The legal procedures for obtaining formal adjudication of lands with the purpose of building housing were sufficiently complex and required investments of such magnitude that the transaction costs were too high for settlers, the majority of whom were poor. Research based on an examination of the files on the awarding of the state’s open or abandoned lands, found that to legally acquire urban property took 43 months, a series of 207 administrative proceedings, the production of 105 documents and passing through 48 private and public agencies—in the local municipality, the Ministries of Housing and Justice, the Presidency of the Republic, public registrars and notaries.

The capture of state agencies, rent-seeking and the inefficiency and ineffectiveness of the bureaucracy insured that access to titling was a rare privilege for human settlements. Furthermore, they facilitated practices and opportunities for corruption, as the complexity of the procedures enabled the payment of extra fees to officials and/or processors or “facilitators” of the procedures. The leaders of the settlements used their political connections with the authorities to exercise control and power over their organizations. These connections allowed certain leaders to participate in corrupt dealings with authorities, by paying sums unrelated to the legal procedures, arbitrarily assigning use of house lots, and other such activities.

II. The Empowerment Strategy of Neighborhood Organizations

Building Consensus and Political Will

Since the publication of El Otro Sendero and its major impact on the explanation of informality, the Institute for Liberty and Democracy (ILD) initiated an ongoing debate about the economic and social importance of regularizing or formalizing the informal occupation of land. ILD’s analysis and proposals were widely discussed in settlement assemblies, as well as in the halls of academia and in political forums. This debate, sustained for years, permitted settlers affected by the lack of property rights, politicians, and academics to reach a consensus on the need for reform.


Ibid.
On the other hand, since the beginning of the 1990s, terrorist groups like the “Shining Path” have had an important presence. In some cases, they have taken political control of some settlements and abducted their leaders, many of whom were murdered for opposing control by the Shining Path. Taking control was facilitated by the absence of the state as a consequence of the withdrawal of the security forces and social programs.

By the mid-1990s, the consensus around the need for reform to facilitate land titling united with the desire of the government to reestablish their presence in the settlements provided the impetus for reform. The regularization of property, demand for which was unsatisfied by successive governments, would permit the government to show the citizenry an efficient state and reestablish its presence in the principal cities of the country.

Studies completed by the Institute for Liberty and Democracy concluded that capture, rent-seeking, corruption, inefficiency and ineffectiveness of titling services resulted from the lack of transparency, accountability, and citizen participation in the public management of property titling procedures. The absence of transparent mechanisms made decision-making unpredictable, such that users of the titling service did not know how, or under what conditions to obtain, get recognized, or protect their property rights. The lack of systems for accountability made it unclear which officials should be questioned for arbitrary decisions, and impeded holding accountable politicians and elected officials who made commitments to improve titling services. The rules that regulated the titling processes were prepared without taking into consideration the information that users had about their own titling problems and without considering the mechanisms and practices for land distribution agreed and used within their own social organizations. As a consequence, in many cases the titles granted by the authorities contradicted the agreements and decisions adopted by the settlement organizations regarding land distribution and use.

Before the reform, the public policies and legal framework for property rights protection were inadequate. They did not prioritize the extension and protection of property rights as a key element for the development of a market economy. The prevailing ideologies of the military government of the 1970s and the municipal administrations of the 1980s considered the granting of property titles as a form of political proselytizing, directed in the best of cases to establish a place of residence to informal possessors.

This “vision” of property caused hundreds of thousands of property titles to be awarded that were insufficient to define, clarify, and stabilize the property rights supposedly granted. These deficiencies in titles kept the great majority from being able to be entered in property registers, and consequently, from being utilized in economic activities, for example, as collateral for loans.

On the other hand, all the urban and rural land titling and property registry programs implemented before the reform were focused on resolving the effects (the lack of titles for invaded lands) without attacking the causes of the problems (the lack of access to property rights). Programs aimed to modernize property registers by incorporating information technology, renewal, and training of personnel were implemented, but they failed to address the regularization and registration of the hundreds of thousands of informal properties.
The reform’s main objectives were to formalize informal property, and create mechanisms to guarantee that regularized properties stayed within the formal system. This meant the implementation of an institutional standard of property in Peru, including the reform of the rules, organizations and practices that regulated the assignment and protection of property rights and the establishment of incentives that modified traditional behaviors of the bureaucracy and its users. The distribution and overlapping of competences and agencies, which increased transaction costs and inefficiencies in the delivery of services, along with the political economy in force that facilitated rent-seeking in the delivery of services, the political capture of public agencies and the dispersion of the interests of the reform’s stakeholders, were the main obstacles to promoting the creation of an institutional property system that would better incorporate property owners into a market economy system. The reform required a radical modification of the institutional standards in force and the modification of incentives to promote institutional conditions in favor of reform.

In 1996, the central government designed and received approval from the Congress for the first of a group of reforms. The first reform created the Commission for the Formalization of Informal Property (COFOPRI), a new state agency that concentrated or reorganized the responsibilities previously exercised by 48 different offices at all levels of the government. Moreover, this first reform ordered the execution of a massive, simplified, and proactive program to regularize urban properties. One year later, COFOPRI completed the preparation of the Project for Urban Property Rights, which with financing from the World Bank, enabled the implementation of the reform.

COFOPRI’s first strategy was the dissemination of its function’s scope, objectives, and implementation plans, which would enable the beneficiaries to know and participate in the reform process. To this end, during 1996, the year it was created, 23 public conferences were organized in each of the districts of Lima, convening the leaders of all the settlements. Conference attendance was massive, and the conferences served to explain the legal reforms and organizational changes approved with the creation of COFOPRI, which would become the starting point to formalize the majority of urban property titling in Peru. Moreover, guidelines were approved and published in the official gazette and national newspapers that established starting dates for COFOPRI actions in each district of Lima and in each major city of Peru.

The initiation of reform activities with a communication strategy, with transparency about the reform’s rules, processes and activities, was intentionally executed to explain to beneficiaries of the reform the new vision, and also to demonstrate a new approach based on transparency and beneficiary participation and public official accountability. This process also served to secure the support of the organizations of settlers for the reform.

To accomplish this work they relied on the support of the experts at the Institute for Liberty and Democracy, led by Hernando de Soto.

The objective was to establish a system that assures the creation of genuine and sustainable property rights in selected, predominantly poor, urban areas, under the assumption that the security of property would contribute to the wellbeing of the beneficiaries. Project Appraisal Document, World Bank, 1998.
But the first reform, which served to develop consensus regarding reform implementation, had to be complemented with many different laws and several rules at lower levels. They all were designed by COFOPRI following several common principles, one of which was the promotion of empowerment of communities and beneficiaries. Citizen empowerment through transparency and participation in the decision-making of titling processes facilitates more and better information about the problems faced by beneficiaries in obtaining a title. This information also would allow for the design and implementation of the best rules and regulations. Finally, it would allow the officials and processes to undergo better scrutiny and control by citizens and beneficiaries.

- **Overcoming Resistance to the Reforms with Citizen Participation**

The debate of positions of interest groups in favor of or in opposition to the reform allowed the identification of reform supporters and critics. The critics from the affected political sectors, principally the City of Lima, were confronted with the inefficiency of the processes they were responsible for, and moreover, by the participation of citizens who would benefit from the reforms.

As the main stakeholders of the project would be its beneficiaries, a strategy of empowerment was designed to encourage the beneficiaries to become the main promoters of the reform. This strategy would have to avoid the continuation or replication of past schemes. Instead of creating new means of coordination between the project and the beneficiaries, governance structures autonomously defined by the beneficiaries themselves were employed and recognized. Instead of identifying representatives with links (political or economic) to the project, as had occurred in the past, the assemblies of each informal settlement were recognized as interlocutors in the project. In this manner, all decisions related to the initiation, development, and continuity of the activities of the project required the approval of the settlers’ assemblies. This mechanism was recognized in the different legal norms that regulated the processes of property regularization. This strategy made it possible to obtain greater legitimacy in the execution of the program and facilitated the execution of its actions by generating consensus and support for the reform among its principal target groups.

One of the examples of the legitimacy achieved through citizen participation occurred at the start of the implementation of the project when, because COFOPRI would assume municipal responsibilities, it was necessary to coordinate with the municipalities for the transfer of the documents that had accumulated in the municipal offices of human settlements. Document transfer committees were created consisting of authorities from COFOPRI and representatives of the settlements of the respective municipalities. With the participation of the representatives of the settlements, it was possible to overcome the resistance of the municipal authorities, ensure that the information turned over was complete, and demonstrate reform implementation advances to the settlements’ leaders.

Other types of reforms, particularly those which required congressional approval of laws, were promoted with the active participation of beneficiaries. The proposal to modify the Civil Code to permit the administrative, rather than judicial, declaration of adverse possession was met with a political debate based on different academic positions. To the extent to which the definition depen-
ded on a legislative option and required political support, COFOPRI disseminated the reform proposal among the leaders of the settlements who would benefit from it, and facilitated the organization of the leadership to defend the reform proposals before Congress. A group of leaders lobbied members of Congress of diverse political sectors in order to demonstrate that the reforms would benefit more than 100,000 families in Lima, which was enough incentive to obtain congressional approval.

A similar strategy of citizen empowerment was employed to create a collaborative relationship with the municipalities. The cooperative agreements, which required COFOPRI to provide the municipalities all the property information generated (which would aid in the management of the municipalities), also included the participation of municipalities and leaders in different stages of the titling process, such as the transfer of documents related to titling, the definition of urban development issues, such as the areas of the settlements that should be reserved for streets or public services in the proposed plans, or the prioritization of settlements to be regularized.

- Access to Information, Transparency, and Citizen Participation in Service Delivery

The new procedures for property titling incorporated mechanisms relating to the access to information, transparency in decision-making, social monitoring, accountability of responsible officials, and citizen participation. These mechanisms allow beneficiaries to have information about the reform’s framework, strategies, implementation and targets as well to participate in specific stages of the property regularization processes. These new elements expanded the beneficiaries’ capacity to participate, negotiate, influence, control and hold accountable COFOPRI and other public institutions in charged of the delivery of their titles.

For instance, to initiate the regularization process in each settlement, an informational assembly was held to explain the details of the procedure, obtain the approval of the assembly, and for the assembly to designate its representatives. At this stage, problems were resolved, such as multiple or questioned leadership groups. This situation was evidence of the lack of representation and, in many cases, of the existence of leadership based on the creation of clientelistic links with the municipal authorities. COFOPRI’s strategy to break this pattern was to establish a direct link with the settler assemblies themselves. The assembly made it possible for the majority of the settlers to link directly with COFOPRI and to decide the best way to initiate the titling process and exercise their representation. To this end, 3,500 informative assemblies were held in 3,500 settlements between 1996 and 2000.

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18 Mechanism to acquire a property right based on an unchallenged and uninterrupted possession of property for a specified period of time.
19 Curiously an analysis (Dynamic of the Human Settlements, SASE) of this process questions this strategy, suggesting that COFOPRI weakened the leaders by dealing directly with the assemblies. It is evident that exactly the opposite happened as the relationship with the assemblies permitted them to name representatives for the titling process to replace the questionable leaders. The majority decision of the assembly and the election of representative leaders allowed the majority of titling processes to be completed satisfactorily. The questionable and consequently replaced leaders were the objects of criticism by their constituency for inefficiency, corruption, and taking advantage of their position.
Through the intervention of COFOPRI, it was determined that the leaders would work with the technical staff of the institution to obtain the technical and legal information needed to carry out the required actions. At this stage, legal obstacles to the regularization of property in favor of its occupants would be identified, such as cases of private property, archeological land, or risk zones. The participation of leaders enabled the settlers to appreciate the difficulties that COFOPRI confronted in regularizing properties, made their expectations more realistic regarding the time required to conclude the delivery of titling services, and made them aware of the need for reforms and complementary actions.

Public review was the final step of this stage, through which the plans that would define the use of the settlement land were published so that the settlers and the leaders could question them. This step allowed the occupants of the settlement to monitor the efforts made by their leaders, be informed about the use given to the lots (including which would remain available for new occupants) and reduced the opportunity for corruption through the selling of lots. Moreover, through the process of community-led negotiations, agreements were forged with occupants of planned urban development areas, such as public roads, parks, and schools, in order to get people to move voluntarily from these areas and to assign them new lots. Hence, a consensus decision among the settlement determined the manner in which the use of the land should be assigned for both public and private purposes.

With these actions completed, the property was entered in the registries in the name of the state, and the occupants of the settlements were able to receive from the state a property title. The technical teams and the leaders prepared a list of the legal occupants, which consisted of the collected proof of occupation of each lot with the objective of identifying those owners who complied with the legal requirements to receive property title. With the objective of preparing the population for this process, 2,500 “preparatory assemblies” were held, equal to the number of informal settlements in all of Peru.

Considering that during a four-year period (1996-2001) 2,274 settlements were regularized in all of Peru, representing one million titled families, the 6,000 informative and preparatory assemblies held during this period are the clearest proof of the high level of citizen participation in the process. These meetings were held to explain to the settlers what type of documents would have to be submitted when the officials creating the list of legal occupants visited their homes, and the manner in which conflicts and the lack of evidentiary documents would be resolved.

An example of this last point is that COFOPRI was able to determine the necessity to create new administrative procedures for adverse possession, for the expropriation of property, for the conversion of rural property into urban property, among others, to the extent to which the processes then in place were designed for individual petitions and not for mass cases such as confronted COFOPRI. Another example is that mechanisms of conciliation and mediation were created as a product of this stage that allowed disputes between neighboring settlements over unoccupied territories to be resolved by agreement, drastically reducing the violent confrontations that regularly occurred in the past.
This massive process to complete the lists of legal occupants, more than 1,000 per day, was only possible due to citizen involvement and participation. The titling of more than one million properties meant that from 1996 to 2000 COFOPRI completed more than one million lists of legal occupants in homes in settlements in the principal cities of Peru.

These visits identified massive and common problems with the settlers, and their solutions were designed with the participation of those affected to guarantee their implementation. For example, one of the great obstacles identified was the large number of women with children abandoned by their spouses, who refused to obtain a title in their names because, under the law, they would be made co-owners with their absent husbands, and at their death the title would benefit the children of his extra-marital relationships. After these cases were identified, a provision was made to permit the property title to be granted to the children of the mother occupying the property—a legal reform with high social and hereditary impact, which addressed a problem that had not been solved during the entire period the titling of properties was under the responsibility of other government agencies.

This stage culminated with the publication of the list of the occupants who had fulfilled the requirements to receive a property title. This publication enabled settlers to present their claims in cases where certain persons were suspected of not being the actual occupants of settlement lots. This mechanism again made it possible to reach consensus about the occupation and titling of the land. Likewise, it dramatically reduced opportunities for corruption that previously had allowed persons, who had not fulfilled legal requirements, to gain property titles thanks to corrupt practices and/or to their connections with authorities.

- **Accountability in the Titling Process**

To promote responsibility among officials in charge of titling services, the parties responsible for delivering services to each settlement were clearly identified, so that the residents knew which officials were in charge. Unlike the previous titling process where only certain directors had access to information, such as changes in titling procedures and the identity of the officials responsible, COFOPRI guaranteed the right of any person to receive information about the titling process and to know the officials in charge.

**III. Conclusion**

The implementation of this reform demonstrates that empowerment of communities and beneficiaries, by opening the channels of participation, access to information, and establishing accountability measures for public officials, is an indispensable part of a reform’s success. These mechanisms permitted the beneficiaries to undertake an active role in the design and implementation of the required reforms, to have more realistic expectations of success, to generate adequate incentives for everyone interested in the success of the reforms, and to neutralize their opponents. In a random
survey of 5,442 users conducted in December 2003, 88.95 percent of those surveyed reported that COFOPRI’s service was “very good” or “good”, and 92.44 percent said they were serviced in a timely manner. The empowerment tools used in project implementation allowed beneficiaries to be partners of this success. Citizen participation allows more and better information about the reform to circulate among implementers and beneficiaries, which in turn builds a constituency for the reform’s implementation.
Roads towards Local Development

Elizabeth Dasso – The World Bank – Peru

Abstract
Rural communities in the Andean region of Peru face difficult geographical challenges that hinder their social and economic development on a daily basis. To respond to the difficulties of transport and linkages beyond their communities, the Provisas Rural program has rehabilitated rural roads in twelve Departments in the country with high levels of extreme poverty yet strong indicators for their productive potential. These Departments are: Ancash, Apurimac, Ayacucho, Cajamarca, Cusco, Huancavelica, Huánuco, Junín, Madre de Dios, Pasco, Puno and San Martín. The project then went several steps beyond their initial plans by seeking mechanisms to complement the provision of this new infrastructure to yield greater economic development and poverty reduction outcomes. A coordinating mechanism, known as the Local Development Window (LDW), has brought together supply and demand by identifying areas for productive growth, building the capacity of local service providers and facilitating access to financial resources. This article describes the goals, methodology and results of involving civil society organizations (CSOs) in the Local Development Window.

I. Introduction and Background
The “Rehabilitation and Maintenance of Rural Roads” project frames this experience in civic engagement for local development management. The project is implemented by the Ministry of Transport and Communication with a progressive decentralization to the municipal level of the responsibilities for improving transportation along the rural roads network of Peru. The rehabilitated roads not only connect towns, but also link communities to production areas as well as to public and private services. Roads to be rehabilitated are prioritized by the communities themselves, through participatory planning in talleres de priorización, or priority-defining workshops. Two of the key features of the Rural Roads project have been the strengthening of the decentralization process through the establishment of Provincial Road Institutes and the promotion of private initiative of community leaders and groups to establish micro-enterprises for the maintenance of the roads. Other productive initiatives, such as raising cattle, building greenhouses for vegetable gardens, providing transport services, producing milk, among others, were also encouraged through the development of micro-enterprises.

After its first five years of implementation, the World Bank and the Inter-American Development Bank, in coordination with the implementing unit of the rural roads project (Provisas Rural), carried
out evaluations of the project’s outcomes and impacts in the intervention areas. The social assessments conducted to evaluate the project showed positive results of significant benefit to the communities. The project has reduced transaction costs, created employment opportunities, developed the markets and has generated greater growth opportunities for both the local and regional economy. The project uses micro-enterprises, which incorporate the participation of community members, municipal authorities and other relevant actors, to manage sustainable routine road maintenance. The project resulted in 60 percent market access for agricultural and livestock products, a 40 percent reduction in public transport fees in the project areas and a 45 percent increase in access to schools, health services and attendance to community assemblies.1 Over time, it also helped build significant institutional capacity at the municipal level within the new context of decentralization. As a result, the project has improved the living conditions for the rural population.

However, in the fight against poverty, road rehabilitation is not enough to overcome the rural communities’ isolation. Although rehabilitated roads permit increased transport and increased access to markets, there are other resources needed that extend beyond the normal scope of the transport sector. The implementing unit of the rural roads projects recognized the need to complement the road rehabilitation activities with those carried out by the private and the public sectors, in order to receive the full benefits of the alliances and economies of scale. These linkages result in an increased efficiency and effectiveness of local productive activities and of the rural roads project itself.

Based on the positive results of the project evaluation, a second five-year stage was proposed (2001-2005) to systematize the work done with civil society. A coordination mechanism was recommended to build synergies and establish partnerships at the local and municipal level.2

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1 Instituto CUANTO. “Economic, Social, Environmental and Institutional Evaluation of the Rural Roads Program”.
2 For those interested in knowing more about the project, its implementation and social impact, please visit the website: http://www.proviasrural.gob.pe
Consequently, the project team sought to design an independent structure, known as the *Local Development Window* (LDW), to coordinate entrepreneurial and small business ventures in alliance with and support from a national non-governmental organization (NGO) to further promote local development. The aim of the Local Development Window is to promote opportunities for self-employment and income generation by identifying linkages between donors and local services providers, and service providers with consumers. Through the Institutional Development Office of the implementing agency, guidelines were established to work with NGOs, the communities, social leaders, the local authorities and civil society in general to support social accountability and decision making. The strategy was implemented with the full commitment of the team of the Provias Rural program.

The LDW also provided an alternative to the nationwide over-extended practice of having inter-institutional coordination meetings. The long and often unproductive discussions resulted in a general sense of tiredness and dissatisfaction, which even came to be known as “reunionitis”, for the Spanish word *reunión*, or meeting. The concept of a “window” provides a different vision for coordination, focused on identifying and attracting resources, and sharing these development opportunities with many community members.

What resources are needed to overcome poverty and to stimulate development, beginning with rural roads rehabilitation? Some of the tools needed include: (i) a population who is informed in a timely way and has access to training opportunities, credits, financial sources, and others; (ii) training in strategic planning, preparing of investment and development management projects; (iii) investment, credit or loan funding for project implementation; and, (iv) technical assistance for their economic feasibility studies, market studies, and others.

![Figure 1: Community initiatives to increase family income receive technical assistance from the Local Development Window. Source: MTC / PROVIAS RURAL](image)

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3 With President Toledo’s administration the Rural Roads program has been renamed as the Provias Rural (for the name in Spanish)
II. Objectives and Project Activities

The main objective of the second phase of the project is to increase access to basic social services and economic opportunities, and income-generating activities with gender equity, to help alleviate rural poverty by: (i) integrating isolated communities to regional economic centers; (ii) generating employment and strengthening local institutional capacity to manage rural roads; and (iii) launching community–based development initiatives.

Box 2: Linkages to Technical and Financial Assistance:

The “The Sweet Hope for the Poor” yacon (a sweet vegetable) production project was one of the activities promoted by the Local Development Window (LDW). Training and technical support were provided to a community committee to prepare and implement this productive activity. The LDW facilitated the linkages and contact with the Fund for the Americas, the entity that finally funded the project. The yacon project is being implemented successfully in a rural community in the Department of Junín.

Another project promoted by the LDW called the “Community Vegetable Garden” supported farmers to better market their local vegetable production, and thereby increased families’ incomes. The project took place in the community of Palcamayo, Province of Tarma.

- The Local Development Window – (LDW)

The following section describes the basic structures and functions of the actors involved in the Local Development Window:

Actors and Synergies – The LDW enhanced partnerships and synergies among social actors built during the first phase of the rural roads program. The following chart details the many actors involved in this coordination mechanism, their roles and functions and their interactions. The chart of the LDW indicates the many players at the local level: (i) community groups forming micro-enterprises for maintenance of roads and identifying ideas for businesses; (ii) local NGOs providing technical assistance to community groups in project design and preparation, and delivering technical
information on market opportunities, contacts for partnerships and financing, and the preparation of feasibility studies of the sub-projects to assist community groups; (iii) an umbrella organization, in this case Cáritas Perú, coordinating and matching community projects with financial resources, connecting local, regional and national institutions; and, (iv) Provisas Rural, the project implementing unit, financing rehabilitation of roads and sponsoring the coordination mechanism of the Local Development Window.

The LDW builds upon an ancient Andean tradition of community participation, known as minka. In the Quiche language, minka refers to a practice of collective work during certain days of the month, when the whole community dedicates their time and resources to work on community lands or a family land plot or home. As each one of the community members has contributed, one can expect that when he/she is in need of assistance, other community members will extend their support.

The Strategy - The LDW is the outcome of a strategy to stimulate the rural economy through the identification of opportunities for local productive sub-projects related to the market. Its purpose is to strengthen local capacities in order to organize and empower small producers as entrepreneurs to manage their productive initiatives to generate rural employment and income.

A coordinating institution, Cáritas Perú, works as a local vehicle. As shown in the chart above, this institution serves as the focal point of the Local Development Window. This entity provides the central link to all of the various stakeholders shown in the chart.
Cáritas Perú, as the Coordinator, identifies institutions, initiatives and resources available in the project intervention areas, and promotes the participation and commitment of stakeholders. First of all, an inventory of the institutions and/or stakeholders (civil society, private enterprises, donor governments and agencies, etc.) committed to development activities in the area is prepared. Each entity is classified according to their characteristics and capabilities, including operational level, type of business, services provided, financial capacity, position in the market, etc. Based on this information, opportunities and forms of cooperation are identified among these organizations in conjunction with relevant development programs. Finally, this information is disseminated to the wider public through a website with information about the LDW and the opportunities offered for prospective participants.

**Box 3: Roads to Productive Development: New Markets for Sauce**

The village of Sauce had a valuable asset that it could not access – its lake. So when the opportunity arose to prioritize roads for rehabilitation, through the participatory provincial road plan, the community immediately suggested the road between the lake and the provincial market of Tarapoto. Once the road was rehabilitated, the community sought the support of the Local Development Window to develop a business plan and identify financing sources for the development of fish farms. This project, generated under the first phase of the LDW, was presented by Caritas Tarapoto to the Basque Government, who agreed to finance the initiative of approximately US$ 80,000. This enabled the exploitation of the economic potential of the Sauce Lake. Given the predicted levels of harvest and sales for the following years, the beneficiaries expect to gain over US$ 55,000 during the second year and over US$ 95,000 during the third. Currently, approximately 61 families benefit from the project and have constituted a Cooperative, composed by a Committee of non-industrial fishermen (grouping formal and informal fishermen) and a Committee of Dames, which assumes tasks related to product commercialization and coordination with the Sauce Municipality. Female participation is estimated at approximately 40 percent. With the rehabilitation of the roads and the start-up capital identified through the LDW, Sauce has been able to initiate new productive activities, which had been within their sights for a long time, but now is within their reach. In fact, they have been so successful that they are planning to expand their horizons, diversifying their products and increasing the scale of their organization.

*One of the supervision missions to Sauce by the implementation unit, World Bank and Inter-American Development Bank project teams.*
*Source: MTC / PROVIAS RURAL*
An assessment of needs and opportunities for local development is conducted by the coordinating body with a view to identifying lines of action and outlining the profiles for those productive undertakings that both meet the needs and capabilities of the rural communities, as well as have an established market for a solid demand potential. Specific factors that determine the feasibility of those productive activities, including type, quality, volume, price and inputs, are defined. Through participatory planning exercises, with the support of NGOs, assessments are conducted on the human and social capabilities required to implement the proposed productive activities. The LDW particularly supports those programs and undertakings that advance women’s participation and access to income generating activities.

Local NGOs work in partnership with the coordinating body of the LDW as well as directly with the communities. They design and supervise feasibility studies for productive initiatives. At the same time, the local NGOs support the rural grassroots organizations and communities to identify opportunities for small or micro business development, prepare business plans and strengthen their capacities. At the end of the design stage of the projects, the community groups organize an exhibition of their innovative ideas, similar to a Development Marketplace, with the participation of the private sector and donors.

The Coordinator then provides technical assistance to the local NGOs, and through them to the relevant communities, for the structuring and marketing of productive and local development initiatives. The LDW coordinating body offers specialized skills and services, whenever necessary to provide support for the design or implementation of productive activities, such as production processes, quality control, marketing strategies and pricing information. In addition, the LDW Coordinator reviews the feasibility studies, with particular attention given to demand forecasts and the local capacity for implementation. Additional support is provided to local NGOs to explore the availability of micro-credit and other financial services, and contacting prospective investors and funding sources. The Coordinator supports the implementation of productive activities until their funding and sustainability is ensured.

Finally, the Coordinator monitors and evaluates the development impact of the activities stimulated through the LDW. This includes establishing monitoring indicators and referral points, as well as writing reports for the dissemination of information among those participating in the LDW.

The Process – The LDW strategy was developed taking into account three implementation phases: i) a pilot phase, ii) a replication and expansion phase, and iii) the institutionalization phase.

- The Pilot Phase – In this phase of the LDW, the project implementing unit began by identifying a Coordinator for the LDW through a competitive selection process. Given its national reach and institutional structure, extensive experience in local development and its human resource capacity, Cáritas Perú⁴ was selected as the coordinating entity for the LDW. A partnership was then established

⁴ Cáritas Perú is a civil society institution with 40 years of experience in assistance and community development programs. Cáritas’ operational and functional capacity is nationwide. More information about Cáritas can be found on its website: http://www.caritas.org.pe
between Provias Rural and Cáritas Perú through an inter-institutional cooperative agreement. Both parties contributed with their own human and physical resources towards the common objective to establish a partnership that would contribute to rural poverty reduction through the promotion and development of sustainable productive projects, and the generation of synergies with the private sector and civil society, within the intervention level of the Provias Rural project.

24 priority districts were selected in the Departments of San Martín, Pasco and Junín based on their levels of extreme poverty and economic potential. An institutional mapping exercise was conducted in order to better pinpoint potential synergies and partnerships with private and public entities (i.e. local governments, local NGOs, entrepreneurs, financing agencies, private investors, international technical cooperation and private agencies for development promotion). These linkages among stakeholders would serve as the basis for the promotion of development initiatives that could lead to plans and projects as well as the identification of funding sources, with the active participation of the rural communities.

- The Replication Phase – Based on an assessment of the pilot phase, the implementation of the LDW provided appropriate training activities on strategic planning and project design for the formation of local development plans through the municipal governments. The Ministry of Economy and Finance passed a law applicable to every Regional Government for the participation of communities and citizens in the preparation of the annual public budget, known as participatory budgeting. Those governments that submit their budget requirements to the Ministry of Economy...
and Finance without following the guidelines established by the new law are excluded from the appropriation of federal resources. Yet most of the municipalities are rural, and have a limited knowledge of strategic planning and budgeting.

The transition Government of Paniagua passed a law in January of 2001 to create the Mesas de Concertación para el Combate a la Pobreza” (roundtable partnership forum to combat poverty). There are about 1,000 mesas all over the country, and they are actively leading the participatory budgeting process. Cáritas is a member of the Mesas in most of the municipalities and had developed a training package on participatory budgeting that has been well received by mayors. In the replication phase, the implementation of LDW activities continued in the pilot area of the four Departments and expanded in 24 new districts in those four Departments – Huanuco, Ancash, San Martín, and Junín.

- The Institutionalization Phase – This phase is still in the design stage, and its objective is to extend the LDW strategy to other areas of Peru, share the outcomes and systematize the processes. The main issue at this stage is how to ensure the continuity of the LDW without central government funding, while building partnerships with other stakeholders. Cáritas Perú, as the LDW coordinating institution, is actively disseminating the strategy and seeking new strategic alliances. The district mayors have proven some of the strongest proponents of continuing the initiative. Through the process of decentralization underway in the country, new or transformed stakeholders will emerge. These potential partners, among which are the regional governments, local governments, universities, chambers of commerce, private investors, representatives of the international financial institutions and public sector entities working in rural development, could offer needed financial and technical resources, and should be taken into account.

- Gender perspective – About 23 percent of the community micro-enterprises for road maintenance are represented by women. Women are also involved in the LDW activities, in the design and preparation of project profiles to facilitate the identification of appropriate financial resources. For Provias Rural, the gender perspective is part of its institutional policy.

Women’s involvement in the project, and particularly in the LDW activities, had a social and personal impact for both women and their families: (i) men and women had a more balanced distribution of domestic work at home and in the community; (ii) women improved their self-affirmation and self-image, and increased their income; (iii) women valued their time and learned better time-management; and (iv) the participation of women and men in road maintenance also contributes to the emergence of a new image of gender relations in the social and cultural life of the communities. Women are now more active in community decision-making and accessing leadership positions in local organizations as well as their own empowerment.

Currently, the LDW has helped in the preparation of 48 participatory development plans at the district level and 102 productive projects at the feasibility study level. The mobilization of financial
resources has permitted the implementation of 13 productive projects with international cooperation and/or private sector funding. Technical support in strategic planning, as well as administrative and financial management, also has been provided to local governments in the Departments of Junín, San Martín and Huanuco. Specific training has been provided for the preparation of community project profiles for the district participatory development plans according to the guidelines and formats established by the Ministry of Economy and Finance (MEF) for inclusion in the relevant regional government budgets.

III. Civil society participation processes

The rural roads project has sought to transform citizen engagement from “light” participation (attending meetings and consultations) to civic empowerment (decision making and project management) for local development. There are four key elements to promoting full civic engagement, which were incorporated into the project:

(a) Freedom of association– The project promotes the building of local social networks to create micro-enterprises for rural roads maintenance, and promotes spaces for participation and decision-making by community members.

(b) Access to a space for local expression– The project facilitates the voice of the poor to participate in determining priority roads for rehabilitation, to participate directly with their technical knowledge, and to include their perspective as users of the roads.

(c) Access to and use of information– The project contributes to making information about the project available to the population, putting into practice the law of public information by allowing citizens’ access to information, as well as facilitating training on roads infrastructure and maintenance.

(d) Access to negotiation– The project facilitates dialogue between communities and local authorities (Municipal Mayors) to discuss the project’s main activities and the responsibility of each of the stakeholders.

The LDW also served to establish partnerships for the implementation of specific activities under Provias Rural. NGOs collaborated to provide technical assistance to community groups in the rehabilitation of pedestrian roads. Also, NGOs were hired as consulting firms by Provias Rural for the organization of training courses in the rehabilitation of trail roads. The following statement by a member of SEPAR can be considered as an outcome of this training:
Another validated good practice was the technical advice on project management provided by the local NGOs to the communities. The communities, consequently, have been able to implement new business initiatives for income generation and local development.

The linkages between communities and local governments are extremely important to the Rural Roads Project. In most Andean rural areas, the city mayors and councilmen are of rural origin, and consequently have an increased interest in the project. In recent local elections, several former presidents of the Rural Roads Committees also ran and were elected as district council members.

IV . Challenges

There are three principal challenges for the future of the Local Development Window:

(i) Private sector commitment is still incipient in Peru. There are few experiences of private sector or business professionals with a social commitment towards rural areas that can be demonstrated as a good practice. Philanthropy and social commitment are not promoted through public incentives such as tax breaks. The exhoration of taxation has been removed by the Ministry of Economy and Finance for a more restrictive taxation policy. Some good examples of philanthropy and social commitment have taken place in the mining sector by large companies, but this has not been scaled-up throughout the country. Transparency and social accountability of the private sector by civil society organizations can help shift this situation. With reference to the LDW, the coordinating institution is planning a third phase of the LDW to organize a strategy to work with the private sector in rural areas in alliance with Provias Rural. The Project Implementing Unit expects the next stage of the LDW to include the active participation of the private sector in financing community group sub-projects.

Box 4: Transforming Lives and Prejudices

“The money order was issued to the Rural Road Committee. For many of the community members this was the first time in their lives that they had stepped into a bank. That was the case of the Chopecas, a very traditional community in Huancavelica that has learned how to manage the project. The Chopecas are one of the most important ethnic groups, and in contrast with other communities, they stay closely united among them. They are largely illiterate, and the project has made them more connected to the towns in the area. The opinion of the other communities is that the Chopecas are a close and bellicose group. They keep saying ’Be careful with the Chopecas’. Sendero, the terrorist group, was never able to penetrate into that community. The Chopecas have participated in the project as a community, and have demonstrated a great working capacity and their solidarity with the project.”
(ii) The LDW is in the process of becoming a new model for coordination of rural development programs. This decision requires stakeholders at all levels that can play the role as champions of the LDW to promote and build synergies at the local, regional and national level. The sustainability of any innovative project requires champions that can sponsor and support the process of scaling–up. A new opportunity is offered through the decentralization process in the country, where the LDW can serve as a coordination mechanism model that facilitates decentralization. Therefore, it is important to pursue a proposal for the strengthening and capacity building of the LDW, and a long-term plan for implementing the LDW in the country beyond the rural roads project to make it self-sufficient.

(iii) To expand and replicate this coordination mechanism requires the systematization of the experiences and good practices in the communities of the Departments of Junin, San Martin, Huanuco and Ancash. Cases studies and examples could help local authorities to replicate the LDW in their municipalities. The elaboration of guidelines or a handbook to be shared with others on the methodology, contents and process to implement the LDW in communities, villages or municipalities would be extremely useful. But the production of any guidelines or handbook is a big challenge in a country with an oral tradition. The production of a handbook should be closely accompanied by training workshops.

V. Outcomes

The communities clearly have perceived the benefits derived from these improvements, and the population is trained now in technical and organizational skills. For the communities who participated in interventions related with the trail roads and the assistance received through the Local Development Window, this has meant that they not only have new skills, but also access, for the first time in their lives, to a bank account and the capability to prepare their own development projects.

Through the LDW, the project has contributed to participatory planning and budget systems, and the basic methods and contract terms for local municipalities, thereby strengthening municipal procedures and management capability, road maintenance and local development management.

Last, but not least, the LDW strategy has established a decision-making mechanism from the bottom-up that stimulates the empowerment of local producers to decide their own future. A common reaction on the part of community members when they finally identify their needs and analyze their resources and prospective capabilities is typified by the following statement made by a participating farmer: “For all our lives, we thought that we were poor because we did not receive assistance from the central government. But now, looking at our own resources, we should not continue being poor.”
VI. Lessons Learned and Conclusions

Participation is not a backlash, but an impetus for local development – Throughout the life of the project, the transport team has permitted and motivated spaces for dialogue and participation of community leaders, municipal mayors, NGOs, women’s groups and peasant groups. Community participation played an important role in the constructive development of the project by providing guidance and recommendations, and advancing local development goals.

Private initiative is not only feasible, but critical – The poor are often perceived as lacking initiative or motivation. Under this project, the transport team encouraged the personal and community initiative of the poor from the project’s inception, with notable results. The project demonstrated that the poor are, in fact, highly motivated, when the opportunities are available.

Selecting a good partner is essential – Building partnerships is not an easy task. It requires rules of engagement, standards for agreement, clear objectives, precise conditions, roles and functions, a balance of contributions from the parties and, most of all, trust. The Project Implementing Unit was clear about their objectives and the type of institution to carry out the coordination mechanism of the Local Development Window. The institution would need to have a national outreach, with sufficient human resources and infrastructure, offices around the country, a large national program with local knowledge and a long history of experience in training strategies, and with a strong social commitment to the poor. Cáritas fulfilled all of these requisites.

Emerging new faces in roads – Rural women were included in the collective, low-technology work of minka – to work in the preparation of meals in the communal kitchen or the selection of stones for building the terraces for agriculture. Yet women understood that the maintenance of roads could be an option for employment and income. From the perspective of many people, especially in the urban areas, women should not do hard physical work, so at the beginning of the project, women were not invited to the roads training. The women then came to the project unit to demand similar treatment to the men to participate in the project. Now about 23 percent of maintenance workers are women.

Civil society as an ally to local development – Civil society, in its different forms, through active and committed participation at the local level, enhance and promote development in the rural areas. After implementing the LDW in post-conflict communities, namely in the Departments of Huanuco and San Martin, local leaders, mayors, community groups, women, local NGOs, school associations, expressed strong support for the LDW, because its success also provides for the success of community planning and local projects. Civil society organizations made a great contribution with their local knowledge and confirmed their value added in fostering local and rural development.
Portal for the rural roads programs, Proviñas Rural (http://www.proviasrural.gob.pe).
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This article analyzes the design and implementation of mechanisms for women’s empowerment in the Agricultural Extension Project (PREA). The project was financed in part by the World Bank between 1995-2004, and applied in 127 Venezuelan municipalities, constituting 38 percent of all municipalities and 70 percent of the federal entities (See Figure 1). In the PREA Implementation Completion Report, the establishment of a new decentralized extension service directly involving beneficiaries through the participation of their grassroots organizations is recognized as the most important achievement of the project. The achievement of the social and gender objectives is described as “highly satisfactory”. 

This article reflects the principal findings of ten case studies that focus on women’s organizations promoted in the context of the project, and the key decisions made in the project cycle for the institutionalization of the gender equity approach and the strengthening of the rural family. Among the successful strategies, the following ones require particular attention:

Figure 1: PREA Coverage in Venezuela
I. Introduction and Background

Like many Latin American countries, poverty in rural areas supersedes that of urban areas, 85 percent and 62 percent respectively. Women are increasingly assuming the role of head of households in rural areas. A study conducted jointly by IFCA and the Inter-American Development Bank in 1994 identified 55 percent of women surveyed as heads of their households. The results of the study seem to suggest a growing “feminization” of agriculture in Venezuela. Women play an active role in the preparation, transformation, production and service of food products for family consumption, local markets and commercialization.

It is in this context that the Agricultural Extension Project was carried out in Venezuela between 1995-2004 by the CIARA Foundation (Foundation for Training and Applied Research for Agrarian Reform). CIARA is a public agency assigned to the Ministry of Agriculture and Lands (MAT, Ministerio de Agricultura y Tierras) as a rural development instrument directed towards small and medium sized producers and their families, who derive the backbone of their income from crop production with limited land and capital resources.

3 Since the early 90’s, there has been a concerted effort by the Venezuelan Agriculture Ministry and the World Bank, to revitalize the National Agricultural Extension Program, which had been put on the back burner since the end of the 70’s.
The program was reformulated in 2000, and the emphasis changed from a productive to a more integrated approach, focusing on rural family empowerment as its development objective.

### ORIGINAL OBJECTIVE

Production and productivity increase to improve rural family income and assure a better quality of life.

### REFORMULATED OBJECTIVE

“Establish a permanent Agricultural Extension Service aimed at improving rural family capacities to manage their own development, in order to achieve increased awareness and active participation in the processes of social, economic and technological changes required to improve living conditions in the context of a sustainable and competitive agriculture based on a relation of equity.”

Operational Manual, PREA, 1999

The reformulation of the principal objective of the project took place in the framework of important national transformations that strengthened mechanisms for the empowerment of the poor. The approval of the Bolivarian Republic of Venezuela Constitution in 1999 established the principles of participation and designated a leading role for citizens in the democratic process. The Local Planning Councils Law also embodies the movement towards community participation and co-responsibility in the formation, execution and control of public management as an expression of citizen leadership.

The Agricultural Extension Project recognized as fundamental:

- The principles of the “Gender in Development” (GED) model, aimed at the empowerment of men and women in order to overcome an unequal balance of power that hinders equitable development and the full participation of women. It instead favors decision-making shared by women and men, as actors with equal responsibility for improving the living conditions of the families and the communities.
- The productive role that women, adolescents, children, and the elderly play in the rural Venezuelan context.
- The identification of the variety of needs of men and women through the tools available to the communities, such as participatory diagnostics, focus groups, and other analytical methodologies that facilitate the recognition of the different needs in the beneficiary population.
II. The Keys to Equity and Participation: Women and Family as entry Points to Citizen Empowerment

- **Entry point: An early Gender Mission to seal the World Bank-Government agreement**

The conception of the integral development approach assumed by PREA since 1999 stemmed from the incorporation of the gender approach as a strategy to facilitate development with equity in the rural family. All members of the rural family were consulted, and consequently the project sought to incorporate the needs of these often diverse groups. This proposal was promoted by the World Bank after a mission of gender specialists in 1995 offered the following recommendations:

1. Reorient the agricultural extension services toward the female and male population on equal terms.
2. Incorporate the gender perspective into the entire agricultural extension process.
3. Guarantee women’s participation in all project gatherings and meetings.
4. Promote the incorporation of women into the organizations linked to the program.
5. Include a gender specialist on the project management team in order to support a gender approach in all project activities.

- **The designation of gender focal points that remained active throughout the project cycle.**

Once the World Bank and the Coordinating Unit of the project (UCP-PREA-CIARA) agreed to incorporate the gender approach into the project, one senior and one junior professional with expertise in gender issues were contracted by the Project Coordinating Unit to support its implementation. The World Bank project management team also designated a gender focal point in the Resident Mission and the Team Leader for Gender in the Latin America and the Caribbean Region (LCR) provided additional technical support.

- **The application of the gender approach and social participation in the central activities of the project**

The CIARA Foundation operationalized the approach outlined in the Operational Manual for the PREA project through the following activities:

**Training** The technical field personnel was made aware of the different allusive theoretical and methodological gender tools that promote relationships of solidarity and equity between men and women, in order to incorporate these principles into the daily work of extension. It started in 1996 and has evolved into a distance learning modality on “Gender and Rural Development”,
with 79 percent of all extension workers being trained. The trainings were directed mainly at Extension Workers, Municipal Representatives, and State Coordinators. Various workshops were conducted including: 1) Insertion of the gender perspective in the extension experimental program (1996-1997); 2) Agricultural extension with a gender approach (1998-1999); 3) Participatory Institutional Diagnosis (1996-1997); 4) Insertion of aspects of gender in monitoring and evaluation (1999-2001); 5) Management for the efficiency and productivity of the small businesswoman; and, 6) Gender and rural development (2002-2003). Through the distance learning modality, approximately 441 technicians were trained – 360 technicians between 1996-1999 and 81 in 2003.

Preparation of the Participatory Diagnostics carried out from a gender perspective that incorporated the opinions of men, women, youth and children, and prepared jointly between the community and the management team of the program in the field. The key was the identification of the real, local and perceived needs of the entire family group and the local community.

Design of the Annual Plan of Extension guided by a gender approach from its formulation to its execution, with the active participation of the community. In the development of the program, the formation and establishment of the Civil Extension Associations was considered fundamental by creating a forum for the more active participation of women.

Execution of Productive and Community Projects incorporating the knowledge gained from the gender trainings in the field. These activities have been carried out both with the socio-productive organizations and with the beneficiary families of the program.

Monitoring and Evaluation. Although the program in its early stages did not consider a system of monitoring and gender sensitive evaluation, the expansion of the program incorporated gender data in the producer’s technical file for the first time, making it possible to register the rural woman as producer and head of the household (see Annex 1). These figures compare levels of participation for men and women in the extension service from the beginning, as well as other data of interest that reflect the participation levels of men, women, adolescents, children, etc. in the different productive, family and community activities.

- **Alliances between public and private actors to strengthen networks of agricultural extension as spaces of growing feminine leadership**

In terms of agricultural extension, there were proposed activities that required the active participation of the national public sector, governments, city halls and community members in the project.
design for the first time. This required a major effort at the beginning of the project for its promotion among state and municipal authorities, managing to increasingly convince them to institutionalize the program through the ACEs. Participation in the program has facilitated the approach of the local actors and generated synergies between institutions. A methodology of local planning oriented towards achieving results concerted between all the actors in the different areas of action has been developed and validated (See Box 1). The PREA operation is shared between the central government (CIARA Foundation), the State and Municipal Governments (Coordination Estadal de Extensión Agrícola y Alcaldías) and some actors at the local level, such as extension agents and farmers, the latter as users of the extension services. The decision-making and supervision of the service at local level is the responsibility of the ACEs, made up of the State Extension Coordinator, a municipal representative, the extension agents and users of the service.

Women represent a fundamental pillar in the activation of alliances. For them, the organizations and the networks represent the opportunity to enter the private sector, occupy public positions and stimulate relationships with people, which all contribute to their personal enrichment and improve their family relations, as added value to improved productivity conditions derived from the associations.

The variation in the participation of men and women, as PREA beneficiaries, from 1997 to the 2003 can be seen in the following chart:

Figure 2: Evolution of Gender Participation factor in the Agricultural Extension Program

Source: Users Registry. PREA. Year 2003.

Box 1: Participatory Local Planning Process

1. Description of municipality: definition of economic, political, social, population aspects
2. Municipal diagnostic: assessment of current conditions by local stakeholders
3. Annual Plan for Municipal Extension: strategy for implementation of various projects based on synergies with local, regional and national institutions
Through the nationwide ACEs network, ties are forged between participants in the program, support mechanisms are activated and the experiences are shared between the different regions of the country. In this vein, the re-launching of other community organizations and the establishment of links with social programs aimed at meeting the needs of the participating communities in the project and that complement the agricultural extension services in aspects such as literacy, educational incorporation, and microfinancing is fostered.

Women’s participation was encouraged in the Civil Extension Associations, established by the program in the different participating municipalities. Women not only succeed in carrying out administrative support tasks, but also managed to assume positions on the ACE’s Board of Directors, and in some cases, even as Presidents, as illustrated in the following charts. During the execution of the program, numerous different productive organizations led by women also have been created.

### III. Project Achievements

- **Achievements derived from extension practices with a gender perspective**

  A set of practices has been generated as a product of the work experience gained by the extension workers in the different spheres of activity. These principles promote the participation of the whole family in the trainings and other project activities. The following are some examples:
i) Adaptation of meeting schedules to suit the time available to rural women.

ii) Use of schools to offer courses and workshops, as women and adolescents tend to congregate there.

iii) Analysis of roles to determine the type of training and the areas of work required by rural women and adolescents.

iv) The application of participatory tools, which consider the socio-cultural aspects of the communities with the understanding that gender roles are determined socially and culturally.

v) The promotion of women extension workers for technical and community assistance tasks has encouraged the participation of rural women and corresponding family groups.

vi) Implementation of appropriate technologies suited to the needs of rural women.

Some of the lessons learned were presented in the study “Systematization of Experiences in Gender in the Agricultural Extension program”, conducted by the School of Social Management Foundation, carried out at the end of 2003 with the support of the World Bank and financing from the Japanese Government. This study focused on the qualitative analysis of ten experiences with women’s organizations in the states of Táchira, Mérida, Trujillo, Portuguese, Barinas, Cojedes, Zulia, and Falcón. The study analyzed the program’s limitations and achievements in gender issues, as well as its institutional, methodological, and operational aspects. Among the findings the following ones prove of particular interest:

- Identification of the real needs of the program’s target population, considering the demands and roles of all the members of the family group.

- Recognition of the female work force and the young producer in the production sector and the subsequent design of strategies responding to their needs.

- Recognition of the rural female work force has resulted in the creation of a set of practices and lessons learned by the technical personnel of the program that led to the identification of needs differentiated by gender and the application and development of knowledge that meets training needs.

- Value added to production through training and subsequent participation of women and adolescents in activities pertinent to processing and marketing crop production.

- The impetus to form new organizations by women and mixed groups for the development of productive, community, and environmental activities. More than 60 organizations led by women, promoted by the PREA, were established in the project’s area of action.
The design, management, and implementation of productive projects with the participation of women, financed by national and international organizations, such as the Social Investment Fund (FONVIS) and the United Nations Food and Agriculture Organization (FAO). To date, the project has been supporting the implementation of eight small productive projects to increase food security and three projects to develop productive alternatives.

- Diversification of the production in the communities covered by the Agricultural Extension Program through the incorporation of women and all the members of the family into alternative production activities, such as processing and marketing of foodstuffs, breeding small animals, handicrafts and attention to family orchards.

- The promotion of activities geared towards the rural family has facilitated work and integration within the rural family unit.

Additional achievements identified in the study can be found in Annex 2.

**Social participation as an achievement of the PREA:**

With the implementation of the PREA, the construction of the Extension Service’s institutional platform as a state-society alliance and a formal mechanism of participation by which users had access to decision-making processes was achieved. The intergovernmental articulation between the central, state, and municipal levels of the government was in itself a fundamental task. Among the results demonstrated by the project and derived from the strategies of social participation promotion, the following stand out:

- Creation of a co-financing mechanism through formal agreements between the Central Government at the national level, governors at the regional level, mayors and beneficiaries at the local level. The resources are received through co-financing, which has been assumed as a commitment between the parties, thereby generating co-responsible action between the actors at the different levels of the institutional network. It also acts as an integrating pressure.

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**Box 2: Impacts of the Project: Testimonial from the Minister of Agriculture and Lands, Arnoldo Márquez**

I am very pleased to acknowledge the success of this program in having fulfilled the expected objectives and contributed to the reduction of poverty among the small and medium producers of the rural sector at a national level, giving them the opportunity to organize themselves, participate in the decision making process and in local development, reaching levels of empowerment in the participatory processes of planning, monitoring, as well as playing a role in the evolution and decentralized administration of the program. This has been done together with the participation of the municipal and state governments and the support of the World Bank supervision missions.”
instrument from the grassroots organizations upwards, and gives consistency and soundness to the relationship between local organizations and institutions.

• The civil organizations have an institutional platform that allows them to increase their access to resources and more effectively execute plans that are formulated. It also has made it possible for rural communities to join central government special programs related to investment support for small and medium producers.

• The transfer of responsibilities for planning, monitoring, evaluation, and administration of the program to the ACEs has given the users a higher level of relevance and empowerment, and they have commented that, “We now truly feel that the program is ours”.

Box 3: Transforming Relationships:

“We always fought, because he did not want to be part of the cooperative. He used to tell me, ‘Woman, you are in that cooperative all the time.’ There was a time when I said to said him, ‘Well, you leave home and I will stay with the cooperative. I prefer the cooperative to you.’ Well he left; he left home for three months. Then when he came back again he said, ‘Well, I accept the cooperative.’ I made him understand the conditions under which he could live with me. He had to accept the cooperative. That’s why we fought so many times. The cooperative has cost me tears; because of that and for my home, I have never abandoned my home, because I always take care of my children. Well, spiritually I have changed a great deal. As I said before, the women from Barranquitas spend their lives giving birth and having children, casting these children into the world without having any stability, without seeing what is happening around them. And since I entered the cooperative I’ve changed my mentality; and economically I have also changed because before I did not have a job.”

Eduvina Ramona Ortega
Cooperative of Women of Barranquitas. Town of Rosario- Zulia State

• The possibility of participating, being trained, and making decisions that transform local conditions, has permitted the development of personal values and relationship skills with substantial personal benefits for program users.

• The organizational process generated in the participating rural populations permitted the construction of a holistic view of the municipalities, helping to establish and understand the interests and common problems affecting producers and the viability of proposals and individual projects that link and strengthen the communities. The transference made by the PREA has allowed participation to increase and has also facilitated the empowerment of producers.

• Through the integration of program users into the ACEs, they are helping to solve problems in the community. Their participation in other organizations supported by extension workers also is encouraged.
The achievements reached through the implementation of empowerment mechanisms for individuals and communities and the gender approach can be deepened and maintained, not only within the Project Coordinating Unit, but also through governmental entities in charge of rural development projects in general.

In order to better mainstream the gender equity approach, the executing institutions’ policies and norms can incorporate this approach to permeate all generated activities, and reach all participants in the projects. The institutional opening to incorporate the gender approach into the PREA has been very relevant. Nonetheless, there are a series of opportunities that should be further explored, among which the following is noteworthy:

- Invest more resources, institutionalize training, and make all rural development programs actors aware of the gender aspect in the different areas of execution.

- Refine the identification of gender needs in community diagnostics and develop and update methodological and analytical gender tools.

- Support the gender approach in development through incentives for participation of men and women, guaranteeing them equal access to the resources and benefits of the projects in conditions of equality, based on their interests and needs.

- Generate support systems for the reproductive role of the family, which is considered primarily a woman’s responsibility, in addition to their roles in productive and community activities. Promote the participation of spouses and the family in general in home activities and child care and develop socio-community strategies that help relieve a women’s triple workload.

- Offer sexual and reproductive health services. Take information into the community on sexual and reproductive rights, family planning, prevention of sexually-transmitted diseases (STDs) and HIV/AIDS and principles of equity in the relationships between men and women. Such training should be promoted between men and women alike in all areas.

- Address subjects referring to domestic violence, focusing attention especially on men, and more concretely on alcohol consumption problems in the rural male population as an explosive factor of violence against women and children.

- Promote behavior changes. Develop formative strategies that understand that the social patterns of behavior assigned to women and to men are transformed through “awareness” processes. Workshops directed towards the community on the subjects of self-esteem, human rights, structuring, and allocation of gender roles in boys, girls, and teenagers need to be designed.

- Provide people with psychosocial assistance when faced with “crisis or conflict situations”, especially when the women are the ones that decide to initiate changes and to thereby avoid excessive workloads and achieve the greatest possible equity.
Also pending is an increase in the quota of participating organizations active in the program (ACEs, producers associations, neighborhood associations, parents and representatives associations, among others), and on the Local Public Planning Board (as the entity in charge of promoting organized participation by the population in the processes of participatory planning at municipal level). In particular, such participation is propitious in some of the expected areas in order to: 1) shape the preparation of Municipal Development Plan, 2) facilitate municipal investment through mechanisms of self-management and co-management oriented to local development, and 3) empower themselves as an organized community for channeling the municipality’s development actions through strategies that let them dominate the processes of local planning.

V. Conclusion

Programs with a gender approach encourage participation. When women are integrated into productive activity, the incorporation of the family becomes almost assured, improving communication, relations within the family nucleus and the quality of life. The personal growth of women influences not only the individual and family well-being, but also strengthens her capacity for teamwork and the consolidation of associations and organizations. This benefits not only women, but also men, the family, the community and society as a whole. The experience of the Agricultural Extension Project permitted the CIARA Foundation to demonstrate how attention to family needs, and in particular those of women, gives the program a high social relevance and is a source of incentive to social participation. The networks of Extension Associations constitute today social co-management entities with heavy responsibility by its users. All these factors have given the program high levels of legitimacy and social sustainability.

4 The Local Public Planning Board is responsible for facilitating the identification and design of projects that meet the real and distinct needs of men and women and communities as a whole, creation of a culture of participation and equity, greater diversification of production and increased household incomes.
Annex 1: Agricultural Extension Program Indicators Summary

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Original Goal</th>
<th>Reprogrammed 1996 - 2003</th>
<th>Greatest Achieved Goal</th>
<th>Gender</th>
</tr>
</thead>
<tbody>
<tr>
<td>N. of States Covered</td>
<td>18</td>
<td>18</td>
<td>17</td>
<td>1 *1</td>
</tr>
<tr>
<td>N. of Specialists at Central Level (UCP)</td>
<td>6</td>
<td></td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>N. of Support Specialists for the Extension Nucleus</td>
<td>13</td>
<td>13</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>N. of Established State Coordinators</td>
<td>18</td>
<td>18</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>N. of Operative Extension Nucleus</td>
<td>180</td>
<td>140</td>
<td>127</td>
<td></td>
</tr>
<tr>
<td>N. of Direct Users</td>
<td>90,000</td>
<td>65,000</td>
<td>45,000</td>
<td>Men 33,300</td>
</tr>
<tr>
<td>N. of Total Extension Workers</td>
<td>720</td>
<td>560</td>
<td>560</td>
<td>Men 443</td>
</tr>
<tr>
<td>Total N. of Introduced Technological Innovations</td>
<td>720</td>
<td>720</td>
<td>4.126</td>
<td></td>
</tr>
<tr>
<td>N. of Established ACE’s</td>
<td>180</td>
<td>140</td>
<td>86</td>
<td></td>
</tr>
<tr>
<td>Total N. of ACE’s Members</td>
<td>13,000</td>
<td>13,000</td>
<td>10,370</td>
<td>Men 7,674</td>
</tr>
<tr>
<td>N. of Induction Courses to Extension Workers</td>
<td>50</td>
<td>19</td>
<td>31</td>
<td>4</td>
</tr>
<tr>
<td>N. of Extension Workers to be trained in Induction Courses</td>
<td>720</td>
<td>560</td>
<td>935</td>
<td></td>
</tr>
<tr>
<td>N. of Induction Training Events for State Coordinators</td>
<td>8</td>
<td>6</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>N. of Trained State Coordinators</td>
<td>18</td>
<td>18</td>
<td>88</td>
<td></td>
</tr>
<tr>
<td>N. of Service Training Courses for Extension Workers</td>
<td>2500</td>
<td>19</td>
<td>13</td>
<td>5 *3</td>
</tr>
</tbody>
</table>

*1 Some goals were changed because of the scale of the operation.

*3 The gender ratio is not provided in this line.
<table>
<thead>
<tr>
<th>Indicator</th>
<th>Original Goal</th>
<th>Reprogrammed 1996 - 2003</th>
<th>Greatest Achieved Goal</th>
<th>Gender</th>
</tr>
</thead>
<tbody>
<tr>
<td>N. of Service Trained Extension Workers</td>
<td>720</td>
<td>560</td>
<td>428</td>
<td>441⁴</td>
</tr>
<tr>
<td>N. of Training Courses for ACE's Members and Directors</td>
<td>24</td>
<td>24</td>
<td>282</td>
<td></td>
</tr>
<tr>
<td>N. of Trained ACE’s Directors</td>
<td>700</td>
<td>700</td>
<td>516</td>
<td>122⁵</td>
</tr>
<tr>
<td>N. of Municipal Characterizations</td>
<td>180</td>
<td>140</td>
<td>122</td>
<td>122</td>
</tr>
<tr>
<td>N. of Municipal Diagnosis</td>
<td>180</td>
<td>140</td>
<td>122</td>
<td></td>
</tr>
<tr>
<td>N. of Special Researches</td>
<td>40</td>
<td>606</td>
<td>59</td>
<td>1⁶</td>
</tr>
<tr>
<td>N. of Impact Evaluation Studies</td>
<td>43</td>
<td>40</td>
<td>40</td>
<td>0⁷</td>
</tr>
</tbody>
</table>

¹ This refers to a Gender Specialist supporting the Project Unit.
² Professions available in the Agriculture Sector (agronomists and vets) are more in demand among men.
³ Capacity Building programs available are: “Experimental Gender Workshop”, Course-Workshop on “Agricultural Extension with a Gender Perspective”, Management Workshop aimed at improving Small Business Efficiency and Productivity”, PREA female Users Get together”, Distance Learning Course on: “Gender and Rural Development”.
⁴ This program trained 360 technicians in the Gender aspects from 1996 to 1999 and 81 in 2003 under the distance modality.
⁵ Working Methodology includes the gender perspective, in the diagnostic and annual extension plan phases.
⁶ It includes the study, “Systemization of Gender Experiences in PREA”, financed through a Japanese Grant.
⁷ The Gender aspect was included in the impact studies as core point.
Annex 2: PREA Project Achievements

<table>
<thead>
<tr>
<th>Proposed strategy of the World Bank</th>
<th>PREA achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Identification of different needs and demands according to gender.</td>
<td></td>
</tr>
<tr>
<td>• Development of strategies and activities aimed at meeting focused training needs and the execution of projects adapted to special demands for the communities, especially for women.</td>
<td></td>
</tr>
<tr>
<td>• Participation of all the members of the family in the training activities orientated to teamwork, increasing solidarity within the family group and family and social integration.</td>
<td></td>
</tr>
<tr>
<td>• Increase in the women’s self-esteem, greater capacity of negotiation for tasks distribution at home and at work, leadership in family and work spaces, and gradual redefinition of family and labor roles</td>
<td></td>
</tr>
<tr>
<td>Promotion of the equity in gender roles</td>
<td>• Active incorporation of women as extension worker (27%), members of the ACEs (26% are women and 14% are Presidents) and as users of projects (35%).</td>
</tr>
<tr>
<td></td>
<td>• Motivation of women to be trained in order to participate in conditions of equity.</td>
</tr>
<tr>
<td></td>
<td>• Gradual redefinition of family and labor roles: participation of the family group in home activities under equal conditions.</td>
</tr>
<tr>
<td></td>
<td>• Improvement in family relations: greater communication, respect, and personal recognition among its members.</td>
</tr>
<tr>
<td></td>
<td>• Strengthening of interpersonal relationships between members of the community</td>
</tr>
<tr>
<td></td>
<td>• Diversification of production based on the incorporation of women and all family members into alternative activities of production, such as processing and marketing foodstuffs, breeding small animals, handcrafts, attention to family orchards, among others.</td>
</tr>
<tr>
<td></td>
<td>• Entry into new markets.</td>
</tr>
<tr>
<td></td>
<td>• Management of technology for agricultural and non-agricultural productive work.</td>
</tr>
<tr>
<td></td>
<td>• Support for new organizations formed by women and mixed groups for the development of productive, community, and environmental activities.</td>
</tr>
<tr>
<td></td>
<td>• Improvement in the quality of life: housing conditions, home equipment, and food supply.</td>
</tr>
<tr>
<td></td>
<td>• Women’s participation in social capital construction through the creation or the strengthening of associations and community organizations.</td>
</tr>
</tbody>
</table>

Based on “Systematization of Experiences in Gender in the Agricultural Extension program”.

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<table>
<thead>
<tr>
<th>Proposed strategy of the World Bank</th>
<th>PREA achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion of the equitable allocation of resources, with emphasis on property titles</td>
<td>- Recognition of the rural female work force and strengthening of the role of women in productive activity.</td>
</tr>
<tr>
<td></td>
<td>- Design, management, and implementation of productive projects with the participation of women in leadership roles and as members of productive associations.</td>
</tr>
<tr>
<td></td>
<td>- Ownership, control, and management of economic and productive resources by women, ensuring that men do not feel threatened.</td>
</tr>
<tr>
<td></td>
<td>- Existence of small output units owned by businesswomen.</td>
</tr>
<tr>
<td></td>
<td>- More active participation of women in conditions of equity, with greater access to the decision-making process, resources management, spaces for leadership, and family and social recognition.</td>
</tr>
<tr>
<td>Promotion of Sexual and Reproductive Health services, in particular of family planning</td>
<td>- As a result of the alliance between the PREA, Asociación Larense de Planificación Familiar (ALAPLAF), and the Lara State government, equipped mobile health units were established in order to reach women in the neighboring communities in order to carry out gynecological controls, pre- and post-natal check-ups, cytology analyses, primary care and referrals in cases of sexually transmitted infections. In addition to medical care, women in the community are trained through the program as Health Promoters, and talks and workshops on prevention of pregnancies, STDs, HIV/AIDS, self-esteem, and decision-making are given.</td>
</tr>
<tr>
<td></td>
<td>- This set of activities has increased responsibility and awareness of sexual and reproductive rights within the community, especially among women, who now acknowledge that they “know they are valuable and that they have the right to express themselves and to be heard.” They have decided to have fewer children and thank PREA and ALAPLAF for giving them the opportunity of not following in their mothers’ footsteps by having 8 or more children.</td>
</tr>
</tbody>
</table>
PROLOCAL: Reaching Consensus and Empowering Communities

Pilar Larreamendy – The World Bank – Ecuador
Carla Avellán¹ – The World Bank – Ecuador

Abstract
Ecuador’s Rural Development Project, PROLOCAL, aims to ameliorate the well-being of Ecuador’s non-indigenous inhabited rural areas. Based on previous rural development experience, PROLOCAL was designed under the premise of increasing social capital through consensus-building and empowering communities. This premise is achieved through three mechanisms: issuing participatory local development plans, strengthening the capacities of CSOs and local services providers and facilitating the financing and implementation of productive activities. Overall, the project’s implementation has had positive results, although, some unexpected challenges have arisen.

I. Introduction:
Since 2001, Ecuador’s Local Development Project (PROLOCAL)², has been working in six rural micro-regions (Cuenca Alta del Río Jubones, Sur de Manabí, Estribaciones Centrales de Los Andes, Zona Oriental de Loja, Zona Occidental de Los Ríos, Cuenca del Río El Ángel). Micro-regions are defined as geographical areas with economic, social and cultural linkages. PROLOCAL is being implemented in 31 cantons and 23 parochial units.³ The selected micro-regions represent 8 percent of Ecuador’s territory and 800,000 inhabitants. These areas represent the regions with the highest poverty rates in the country for non-indigenous inhabitants. Approximately, three-fourths of the micro-region’s population lives below the poverty line, due in large part to poor access to markets, credit and deficient basic services provision.

¹ We would like to acknowledge the valuable inputs of Lourdes Endara in the writing of this article.
² PROLOCAL is co financed by the European Commission with non-refundable funds.
³ The “parroquia” is the smallest political unit of the country. A group of parroquias makes up a canton, which in turn, as group, make a province. Ecuador has 22 provinces, 214 cantones, and more than one thousand “parroquias”.
PROLOCAL’s objectives are to strengthen local empowerment, improve the quality of local services and increase access to productive assets. The project aims to achieve these objectives by, first of all, supporting local development planning, then strengthening local development services and financing local initiatives both in productive and natural resources management areas. Recognizing that in order to be sustainable in the long run, civil society organizations (CSOs) and local governments, who serve as the principal actors under the project, need greater capacity building, the project has established specific mechanisms towards this end.

One of the key features of PROLOCAL has been its focus on building or strengthening social capital. Social capital, as understood in the project, is defined as *trust, reciprocity, norms and rules given in a community and that enhance civic engagement, facilitating action for achieving mutual benefits.*\(^4\) Contrary to indigenous communities where a strong social fabric often exists, the focus on non-indigenous populations under PROLOCAL required greater attention to developing social capital through increased engagement and consultation among local actors.

From its inception, the project took into account the community’s needs while aiming to strengthen local services providers. PROLOCAL has assumed a Community-Driven Development (CDD) approach. Consequently, by its very nature as a CDD project, PROLOCAL has been implemented through a decentralized structure. Local implementing units in each of the micro-regions serve as the principal interlocutor among communities, technical specialists and government officials. These localized entities receive community requests, maintain a database of specialists to respond to needs for technical support, analyze projects, finance sub-projects and establish linkages with other relevant actors.

II. Project Objective and Activities

PROLOCAL’s project design was based on the lessons learned from a wide-range analysis of past Ecuadorian rural development projects. These lessons established that, in order to be effective, rural development projects had to engage and support civil society participation and empowerment, highlighting Ecuador’s social, cultural and environmental diversity. PROLOCAL aims to improve the well-being of households below the poverty line located in the six selected micro-regions through: a) participatory development planning and decision-making; b) strengthening local social and human capital; and, c) co-financing productive initiatives and quality improvement of rural financial services.

In order to address the above-mentioned objectives, PROLOCAL includes four components: i) local development planning that promotes community, parochial and canton level development plans; ii) capacity-building in technical and administrative skills both for local stakeholders (CSOs and local government) and local technicians (services providers); iii) implementing demand-driven subprojects; and, iv) strengthening local financial systems, which includes capacity building, equipment and management provision and access to credits that will support the productive activities identified in the planning phase.

III. Description of Civil Society Participation

- Social Capital Strengthening and Consensus-Building Activities

PROLOCAL has emphasized a participatory approach from the outset of the project. During the preparation stage, the project team mapped the key local social actors. The mapping process was developed through a social assessment that gathered information among possible project stakeholders (CSOs and local government institutions), and documented their role in local development as well as the community member’s perception of their work.

Multisectorial workshops also were carried out to assess the links of the local inhabitants to markets, basic services provision and productive activities. The key local actors identified their municipal governments as an essential actor to promote local development. Moreover, the workshops revealed that the community productive and daily life activities are circumscribed around certain territorial areas or micro-regions, which then shaped the geographic areas of the project. These micro-regions are determined by the economic, cultural and social linkages of the communities living in these regions. The micro-regions do not necessarily overlap with the administrative structures defined by the cantons and parochial units.

PROLOCAL has facilitated the development of Local Development Plans (LDP). Key local stakeholders were engaged in a process of dialogue and consensus-building in identifying key priorities for their micro-region. Reaching consensus was not an easy task considering the amount of unattended needs, the limited funds for development and the multiple types of leadership and social capital relations. Therefore, PROLOCAL supported the engagement of social actors and guided them to reach agreements through compromise and dialogue. By supporting these forums for discussion, PROLOCAL initiated a process to enhance the micro-regions’ social capital and promoted the establishment of alliances between the beneficiaries local government, NGOs and other CSOs.

The Local Development Plans define the communal demands, their prioritized needs and possible contributions for subprojects implementation, linking all the LDPs to an integrated strategic micro-region development plan. Based on the LDPs, the communities developed relevant sub-projects to respond to the priorities. Subsequently, PROLOCAL’s technicians consider the financial, social and environmental feasibility of the subprojects. CSOs are in charge of the sub-project implementation and in some cases establish alliances with local governments and other local CSOs. The mid-term
A review of the project reported that 14,147 beneficiary families have been involved in 119 subprojects. The sub-projects implemented in the five micro-regions included activities with a strong emphasis on supporting agriculture production, post-harvest technologies and market-related issues such as coffee, corn, rice, honey, tahuá (“natural ivory”), among others (See Box). There are also subprojects supporting the production of handicrafts, natural resources management, and associations of local services providers.

PROLOCAL has provided capacity-building to 30 leaders from the parochial or district governmental committees, known as “Juntas Parroquiales”, in accounting and social accountability mechanisms. PROLOCAL will continue to strengthen the municipalities’ institutional capacity to implement social accountability mechanisms. In particular, the project will respond to the demand initiate training on participatory budgeting, seeking to contribute to the enhancement of local social capital.

- **Empowering Community and CSO activities:**

The project has put in place a number of mechanisms, firstly, to support the training and capacity building of CSOs, and secondly, to assign them responsibility for the management and accountability of sub-project implementation. The training programs include accounting and procurement, and non-formal education for local development experts. By the mid-term review of the project, PROLOCAL had provided capacity building to 306 local CSOs. Moreover, the project has trained over 300 leaders of local CSOs (235 men and 71 women) to strengthen their management skills, specifically in the accounting of public funds. There also are 37 students participating in vocational training programs in areas such as administration, animal husbandry, agro-ecology, among others at the Universidad Técnica de Manabí as part of the project’s efforts towards local capacity building.

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**Watermelon Contest in Manabí:** One of the most successful experiences under PROLOCAL has taken place in Manabí, where 160,000 kilos of watermelon are exported every week to Europe and Central America. The watermelon is grown by 140 small-scale associated producers. PROLOCAL supported them with a credit to install an irrigation system. Their watermelons have been recognized in the markets for their quality and sweetness. The small producers even have created a “watermelon fair day”, with a prize-winning contest for the best watermelon, which has enhanced local interest to maintain quality control.
Secondly, PROLOCAL has implemented an innovative communication strategy that promotes local empowerment through regular updates on the progress of project implementation, encouraging knowledge sharing within the micro-regions and fostering social accountability. The communication strategy combines formal media, such as radio (usually community radio) with word-of-mouth dissemination of information, to present the project’s progress to a wide audience. As part of the communication strategy, PROLOCAL maintains a network of young community journalists (*reporteros comunitarios*) in each micro-region. The community journalists (CJ) are volunteer members of the local CSOs who have been trained by the project and know its objectives and planned activities. According to monthly plans, the CJs visit communities and gather relevant information on the beneficiaries’ opinions about the project’s implementation, including difficulties and outcomes, as well as other local news. As the CJs move from community to community, they share the information gathered with the neighboring communities. Moreover, PROLOCAL supports forums for dialogue among CSOs, local government representatives, academics and development specialists. These have become permanent forums to discuss development agendas and issues such as irrigation, agro-ecology, and microfinance, among others. The forums allow agreements among the key social actors to complement their development activities.

After the first two years of implementation, it became clear that the communication strategy needed to be more concretely linked to the local beneficiaries and sub-projects. Consequently, the project is now seeking to institutionalize spaces and mechanisms of information and communication to become more integrated into daily community life, and connect other project components to the communication strategies.

Thirdly, rather than rely on external expertise, PROLOCAL has sought to maximize the capacities that exist within the micro-regions (See Box). Thus, in order to strengthen local capacity, the project has recognized and promoted the establishment of local service providers’ networks in each micro-region. These service providers serve as local development specialists, offering a variety of services to facilitate the effective development and implementation of sub-projects, including issuing feasibility studies, providing assistance in agricultural and resources management, training in accounting and procurement, among other technical support. In this way, PROLOCAL aims to build and strengthen local knowledge to support local CSOs for sound development implementation. In doing so, the project also assures sustainability beyond the life of the project.

### IV. Lessons Learned and Challenges

The objectives presented by PROLOCAL are challenging as they aim to engage and empower the beneficiaries. While technological capacity building is tangible, and thus has clear indicators to monitor, social changes could take time and will likely have less tangible results.

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The PROJUBONES is a network of 20 individual consultants and 5 local NGOs that met through PROLOCAL, and subsequently created the network on their own in order to provide their development services to other CSOs.
Although it is too early to determine PROLOCAL’s full impact, some general observations can be made. The management of the subprojects by CSOs, in addition to allowing local civil society organizations to deliver development solutions, supports the creation of a responsive citizenry. The project strengthens the CSOs’ management skills and those of local development practitioners. It also has supported the establishment of local alliances among CSOs and other key social actors, particularly local government, to improve development implementation. For example, there is already evidence of effective alliances with local universities for technical assistance, especially on productive processes and commercialization.

Another important impact of the project has been its ability to support the decentralization process by strengthening the alliances between local governments and CSOs. Through greater and better information on public issues, such as taxation or service provision, the project has been able to help bridge the gap between the municipal government and its constituency.

However, PROLOCAL faces a number of challenges. For example, to strengthen the micro-regions’ economy, articulating the community’s development plan in a strategic manner proves critical yet complicated. The objective is to use the sub-projects as the first step towards larger initiatives that will benefit the whole micro-region. Another challenge of the project is to effectively link the CSOs to local markets, which will be increasingly globalized with forthcoming international commercial agreements (e.g. Free Trade Agreement of the Americas-FTAA).

V. Conclusion:

Overall, PROLOCAL’s objectives to build social capital in the communities through consensus building and empowered CSOs, have yielded positive results. Many challenges have presented themselves along the way, the most defiant being the articulation of subprojects in a common strategy and the training of CSOs in market-oriented strategies. But, given that the project is still in its implementation phase, these challenges will be assessed and duly managed.
About the Authors

- **Blanche Arévalo** has over nine years of experience in governance, promotion of social dialogue and institutionalization of civil society participation. She headed one of the most prestigious Peruvian NGOs, *Foro Democrático*, which sought to defend democratic values and institutions during the Fujimori’s regime. She has extensive experience working for the public sector and for international organizations, such as the Organization of American States and the World Bank. She currently is a member of the Civil Society Team for the Latin America and the Caribbean Region at the World Bank.

- **Jorge Arévalo** is a specialist in civil society issues. He is currently working as a Consultant to private firms to develop and implement strategies to support the firms’ relationships with civil society groups. He served as the Manager of Field Operations at the Commission for the Formalization of Informal Property (COFOPRI), and as a Researcher at Institute for Liberty and Democracy (ILD).

- **Carla Avellán** has been working on social development and civil society issues at the World Bank since 2001. She has a degree in Sociology/Theology from Georgetown University and a Masters in Non-Government Organization Management from the London School of Economics and Political Science.

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