
The World Bank/WBI's CBNRM Initiative

Case Received: January 23, 1998

Author: Michel Azcueta

Tel.: +51 493 0444

Fax: +51 493 0686

MUNICIPAL ADMINISTRATION AND PERFORMANCE IN VILLA EL SALVADOR, PERU

Villa El Salvador is one of the most recent municipalities of the Metropolitan Area of Lima, the capital of Peru. Although Villa El Salvador was founded in May 1971, 25 years ago, as a result of the rapid growth of its population and the properties and characteristics of the zone, in 1983 it was converted into an independent district with its own municipality.

Villa El Salvador has continued growing and currently has a population of 350,000, being one of the zones of Lima which has been developing most rapidly in different levels, seeking to ensure relatively homogeneous development for all of its population.

Villa El Salvador, located in a true desert on the Peruvian coast where, in 1971, there was absolutely nothing, has been progressing thanks to certain principles that have been applied throughout its short history: planning, organization and the permanent mobilization of its residents in pursuit of clearly defined objectives.

The "Integral Development Plans" have been the basis for this progress.

MINIMAL PREREQUISITES FOR PREPARING AN INTEGRAL DEVELOPMENT PLAN

Real Knowledge of the Zone

This first condition may seem obvious, but it is always good to bear it in mind. The logical starting point for preparation of a plan is to have the most in-depth knowledge possible of the actual situation, with its possibilities, the interests of the population, the social relationships within the zone and its relationships with the surrounding areas and elsewhere, its human and material resources, its culture and customs, and also its past and recent history.

Clearly, a mayor and the body of councilmen must take pride in knowing their community and its residents. This can be presumed to be the basis (together with their spirit of service) on which they are elected by the community to the positions they hold. And this knowledge and familiarity with the current situation is something that has to be constantly updated, so that the information concerning the community's progress will be complete and shared by all.

Target Image to be Achieved

On the basis of this knowledge of the actual situation, we can delineate an image of the type of city or community we would like to build.

This image is connected with the identity that it possessed and which it is desired to strengthen. We are not speaking of a bureaucratic or merely "professional" creation here, but of something live, felt by the majority of the population and which the municipality must know how to convey through concrete actions, keeping it constantly

before the population in everything that it does and in all the works that it carries out, being aware that the target image is being constructed little by little and year after year, becoming increasingly evident and "visible" both to the members of the community and to those outside it. In other words, this target image must be recognized by the people of the community and those who are not part of it.

Levels of Organization and Full Democratic Representation

Another fundamental prerequisite. For planning with participation it is necessary that the population of the community in its different groups, both social and age-based, have representative organizations through which both individual and collective input is possible.

This is important, as we shall see, in order to be able to determine the specific interests of each segment of the population and in light of these interests, also to be able to determine the objectives of the development plan.

The better the organization, the better the democratic representation and the greater the participation.

Political Will

Another of the prerequisites for the preparation and launching of an integral development plan.

It is essential that the mayor, the councilmen and other local authorities demonstrate the political will, in the broadest sense of the term, to carry out the plan. A leader must be convinced of what he is doing and also of what he wants to do and must be able to communicate this political will to others.

The mayor and the councilmen are the main community workers for their municipality. They have to take up the challenge of present-day circumstances, consisting of combining democracy with efficiency. This is what we call political will: a readiness to set objectives and to accomplish them, and to do so as a municipal function, in other words, openly in the eyes of the public and of their community.

Availability of Basic Resources

We have deliberately put this requirement last, since it is generally the one that municipal authorities talk about (and complain about) most.

Resources, i.e. funds, are unquestionably necessary. But in preparing an integral development plan, one has to start with what one actually has in hand, while taking into consideration justified growth possibilities. Every community always has some wealth of its own which forms the basis for its subsequent development.

It would appear logical that the more resources one has, the better off one is; however, it is also true, as has frequently proven to be the case, that one may have sufficient resources available and still not use them wisely, or even, in the worst of cases, they may be misappropriated. We accordingly speak of "basic resources", meaning those which a community can count on having available to it with all certainty.

CHARACTERISTICS OF THE INTEGRAL DEVELOPMENT PLAN

Objectives achieved and assumed by the population

These are like the two sides of a coin: achievable objectives, i.e. not theoretic objectives but ones that are tangible and clear to the population, which then assumes them as its own and not as something imposed from above.

The fact of achieving an objective sets the foundations for accomplishing a greater one. And if we bear in mind what has already been noted about knowing how to combine individual interests with those of the community, we will see how effectiveness is multiplied and the identity of the people and of the community as a whole is strengthened.

Social sector defined in and for each objective

This is the best way to achieve the foregoing. Each development objective has to have its social subject defined. This may appear difficult but it is not, if we are meeting the basic requirements and, among them, political will and citizen participation. This subject has to be defined in the plan and then one must advance as it were by means of a set of concentric circles with which one moves from specific individual interests to those of the community as a whole.

Schedule of activities

If we are to speak of a plan, this must be a concrete plan, with dates and deadlines set in advance and publicly announced, thereby taking up the challenge to meet them within the time specified.

There can be no plan without a timetable setting out the short and medium-term objectives in such a way that progress is made toward the desired target image.

Permanent evaluation

And as we have emphasized in everything relating to municipal activity, performance and accomplishment must also be public. By definition, we have a public function and this public nature must be maintained at all times and especially as regards evaluations, since the residents and citizens will undoubtedly be making their own evaluations.

In an integral development plan, evaluation not only assumes recognizing progress and failures, but also the laying of foundations for new objectives and participation practices.

Information and transparency

It is generally recognized that information is power. So when we speak of planning and participation, the sharing of information, all information, is fundamental and the necessary channels for doing so must be available.

Information is the most secure basis for transparency in public life. Information and transparency go hand in hand, and together they ensure the basic success of any process.

ELEMENTS OF THE STRATEGIC PLAN

Vision

- * Villa El Salvador: a productive district
- * A united community
- * A wholesome city

Institutional Mission

The municipality of Villa El Salvador is a public entity which promotes the economic development of the city in all its expressions, efficiently provides public services and administers funds in furtherance of investments designed to raise the population's standard of living and regulate activities connected with the healthfulness of the district and its ecological conservation.

Analysis of the Environment

OPPORTUNITIES

- The macroeconomic indicators are maintaining a stable trend, GDP is around 4% p.a., inflation is running at 9% p.a. and the exchange rate is at S/. 2.70 to the U.S. dollar. This is a favorable context for investment and sound medium-term planning.
- As regards taxation, the improvement in SUNAT collection favors better IGV (General Sales Tax) allocation as a component of the Municipal Compensation Fund
- Growing capital investment in the district, especially by medium commercial companies and including foreign capital.
- Promotion of small and medium enterprises by the State and the financing of various organizations and agencies represent a favorable factor for the district's small entrepreneurs and producers.
- Legislation aimed at improving the municipality's management, specifically as regards budgeting and execution of expenditure in investments.

RISKS

- Policies that tend to reduce municipal powers as regards functions and authority to tax.
- The opening of the national market, which introduces a degree of competition for small enterprises, whose costs and quality levels do not equip them to compete.
- The slow pace of the reactivation of the national economy, which is inadequate for providing solutions for the people's crucial problems, such as joblessness, low household incomes, food prices and access to training and vocational courses for low-income young people.
- The development of a culture of extreme self-centeredness, which complicates collective solutions to the problems and therefore limits an effective option in urban areas like ours.

INTERNAL ANALYSIS

STRENGTHS

- Villa El Salvador maintains an internal and external image of a city committed to its own development, which creates a reputation that strengthens negotiating capacity.
- As regards territorial organization, the district has clear spaces set aside for development: Industrial Zone, Agricultural and Beach Zone, and Urban Zone with its growing business activity.
- There is a level of unity and identity in the population, deriving from past successes and conflicts resolved and the traditions developed.
- The municipality understands the need for integral modernization as regards its role as promoter of local development, the role of modern administration of resources and investments and the efficient provision of services.
- The municipality has a small structure and is not overstaffed, which means that it can focus on upgrading its efficient and effective operation.

WEAKNESSES

- Villa El Salvador currently has a heterogeneous urban make-up, a situation that generates differentiated and in some cases contradictory interests.

- Weakness of grassroots organization, which limits the ability to voice interests and work on resolving problems of a common nature.
- Low commitment on the part of the community in assuming shared joint responsibility for functions that contribute to its standard of living: environmental sanitation, taxation, citizen security, beautification of and respect for the use of public areas.
- The municipality has slowmoving and costly procedures, and retains untrained personnel with limited motivation and commitment.
- Low levels of tax collection.
- Absence of updated studies and specific indicators that would enable formulation of consistent solutions to the problems in the way of implementation of the strategies adopted.

STRATEGIES

- The image of a productive district conveys the idea of a locality with economic activity in all spheres and generating income, whether from trade, services or manufacturing. The consolidation of the industrial park as the leading small and medium enterprise sector at national level, the special attention paid to producers in the urban area and along the fringe of the beach zone; the promotion of orderly wholesale and retail trade together with the development of supply centers for southern Latin America, are consistent with this image, the viability of which is sustained by the strengths detailed above and surmounting of the weaknesses listed.
- Villa El Salvador is building its identity on the basis of shared values, where individual interests does not exclude the common interest and citizen participation in development lays the foundations for an appropriate institutional structure and organization in the district. Shared responsibility for development must be the strategic objective for resolving the problems and ensuring smooth functioning of society with the support of the citizens.
- A district with the potential ecological reserves of the agricultural zone and tree-planting in the urban zone, a greater commitment on the part of the population as regards environmental sanitation, efficient cleaning services, improved water and sewer services, reduction of child malnutrition and prevailing diseases, provision or mental health in all levels and reduction of the causal factors of environmental pollution, are all components for making Villa El Salvador a wholesome city.

OBJECTIVES FOR THE 1997 PERIOD

In accordance with the legislation and regulations governing planning and budgeting, and specifically Ordinance N 099-96-MLM for the local governments planning, and budgeting have been organized by Subprograms (Management Units), with the aim of deconcentrating responsibilities in the administration of resources and their relationship with the objectives and goals of the present fiscal year.

By Mayoral Resolution No. 106-97 the organization of our plan and budget in accordance with the following breakdown was approved:

- Government and Management Subprogram
- Administration and Finances Subprogram
- Urban Development Subprogram
- Social Services and Neighborhood Participation Subprogram
- Public Services Subprogram

- Business Promotion Subprogram.

On the basis of this classification, the objectives are set forth by subprogram.

OBJECTIVES OF THE GOVERNMENT AND MANAGEMENT SUBPROGRAM

- Modernization of the municipal administration, incorporating concepts, methods and technologies that will form a basis for effective and efficient public services.
- Restructuring and reorganizing of the municipality, with the aim of reducing costs and making it dynamic in its functions.
- Establishing of fluid management, communication and coordination channels between the different levels, strengthening horizontal and participatory management.
- Introduction of appropriate rules that will optimize tax collection, by reducing evasion and expanding the tax base.
- Creating fora for dialogue with the population and organizations for formulating sector development plans.
- Strengthening of interinstitutional relations with internal and external bodies and agencies, with the aim of facilitating private or public investments in the district.

OBJECTIVES OF THE ADMINISTRATION AND FINANCES SUBPROGRAM

- Automation of the procedures connected with the cash, personnel, procurement and facility security administration systems.
- Tax administration based on automation and updating of the tax bases.
- Development of knowledge of the personnel, based on institutional requirements and periodic evaluations.
- Reduction of the operating costs of the entire municipality.
- Improvement of facilities and environments intended for serving the public and taxpayers.
- Developing a modern institutional culture as regards concepts and methods that will radically improve the quality of service to the public.
- Improvement of collection by means of inspection programs and selective collection by judicial means.

OBJECTIVES OF THE URBAN DEVELOPMENT SUBPROGRAM

- Regulation of urban land by preserving areas of community interest and for public facilities or economic development.
- As regards roads and streets, proceed with paved interconnections linking the districts main thoroughfares.
- Start pilot paving projects in the residential areas in accordance with available funds and/or cooperation agreements.
- Establish communication with the public aimed at education and preservation of public attractions and plantings and proper land and facility use.
- Development of selective regulations covering construction of private and public works, in the interests of

attractive appearances and the public welfare.

- Setting up of a data, studies and projects base that will facilitate investments by the municipality or other entities.

OBJECTIVES OF THE SOCIAL SERVICE SUBPROGRAM

- Generate effective citizen participation arrangements aimed at specific needs for services or investments.
- Promotion of community involvement in the execution of infrastructure projects, through establishment of management committees.
- Promotion of sports activities organized at school and youth level.
- Promotion of education, culture and identity of Villa El Salvador for preschool and school-age children.
- Strengthen the agency responsible for welfare of children, adolescents and the elderly, as a means for reducing physical, psychological or any other form of abuse.
- Lower the prevalence of diseases transmitted by tainted foodstuffs by means of controls and regulations governing the healthfulness and handling of foodstuffs.
- Contribute to preventing the diseases prevalent in the district by use of the media and medical care.
- Create areas where youth and young people can obtain information, engage in cultural and sporting activities, and find employment.

OBJECTIVES OF THE PUBLIC SERVICES SUBPROGRAM

- Upgrading of the public cleansing service vehicle fleet and replacement of equipment declared obsolete or unduly costly to operate.
- Incorporation of automated systems in internal procedures and the provision of administrative services.
- Professional upgrading and training of service personnel in accordance with the evaluation of their knowledge and efficiency.
- Definitive studies of the system for collecting, hauling and final disposal of solid waste, with private enterprise participation.
- Prepare a preventive maintenance plan for the service units.
- Reduce service operating costs by study of methods.
- Increase collection of taxes and fines by improving the inspection programs through automation of the payment orders.
- Expand the coverage of the Citizen Security Program, by provision of more vehicles and an interconnected information system.
- Develop citizen education programs emphasizing the public's responsibility for assisting with the environmental sanitation of the district.
- Initiate interinstitutional contacts aimed at exchange of experience and cooperation in the provision of basic public services.

- Regulation and introduction of order into formal and informal commercial activities, so as to preserve spaces set aside for public use, decorative purposes and environmental sanitation.
- Reorganize the maintenance shop, improving its services and scrapping obsolete or unusable units.

OBJECTIVES OF THE BUSINESS PROMOTION SUBPROGRAM

- Promote productive activities of the small and medium enterprises in the district: Industrial Park, Urban Zone and Beach Zone.
- Identify the competitive advantages of SMEs, whether organized or not, in order to potentiate them and improve their position in the market.
- Research domestic and external markets, so as to be able to guide producers' investments.
- Work to promote and facilitate private investment in the district by developing opportunities or encouraging exchange through international cooperation.
- Promote an entrepreneurial spirit among producers, emphasizing the values of quality, competitiveness and social responsibility.
- Create channels for advisory services on management, production planning, marketing and cost structure.