

PARTNERSHIP BETWEEN ASOCIACIÓN DE MUNICIPIOS DE NICARAGUA AND THE ASSOCIATION OF MUNICIPALITIES OF MANITOBA

INSTITUTIONAL STRENGTHENING FOR IMPROVED MEMBER SERVICES

1. Project scope

1.1. Summary

The Association of Municipalities of Nicaragua (AMUNIC), composed of mayors and municipal councillors representing the 153 municipalities of Nicaragua, is the only association dedicated to the protection and promotion of municipal interests in Nicaragua. AMUNIC's priorities and objectives include creating and strengthening the capacities of public services and local government institutions, as well as the promotion of local economic development (LED).

To spur LED, the Nicaraguan national government contributed funds and financial programs to support small businesses and farmers, and allocates 10 per cent of the federal budget to Nicaraguan municipalities. However, there are major barriers in LED management: limited knowledge and ability on this issue among public servants due to a lack of systematized experience in the field; lack of diagnostic studies and grounds for guiding local LED activities; and weak LED technical and organizational processes in some municipalities.

The Federation of Canadian Municipalities (FCM) implemented the five-year Municipal Partners for Economic Development (MPED) program in 2010 with the support of the Government of Canada. Canadian municipal experts supported local governments and local government associations from seven countries in Africa, Asia and Latin America to provide more effective LED services. As the national association of municipalities in Nicaragua, AMUNIC was involved in the MPED program by providing support for strengthening LED knowledge among key Nicaraguan stakeholders through experience exchanges, consultancy and technical support.



1.2. Methodology

As an MPED participant, AMUNIC had the goal of supporting project implementation in selected municipalities and strengthening the association's member services. It worked through several stages to achieve these objectives.

First, AMUNIC selected Matagalpa and Somoto as the participating MPED municipalities through a request for proposals using established criteria. Canadian municipal experts supported local governments to provide more effective services for LED. These projects are known as demonstration projects (see the case studies of Matagalpa and Somoto for more information). AMUNIC conducted background research for the two participating municipalities to focus project activities and guide local partners involved in LED. This enabled the design of strategies with direct application to local conditions, the country's political and economic context, and local actors. Institutional and national LED strategy were coordinated to create greater alignment between the two levels and promote stronger and complementary processes and actions within shared guidelines.

Emphasis was later placed on LED training, which focused on the municipalities of Matagalpa and Somoto, as well as AMUNIC members. Experience exchanges occurred between the Corporation of Municipalities of the Republic of El Salvador (COMURES) and the Association of Municipalities of Cochabamba (AMDECO) in Bolivia.

To strengthen AMUNIC, the Association of Manitoba Municipalities (AMM) shared models of sustainable institutional services, which should be adapted to Nicaragua's specific conditions.

1.3. Key partners and stakeholders

FCM's role in the MPED program was to channel funds in order to make AMM participation possible. The AMM facilitated the management and training in LED knowledge and tools through experience and information exchanges.

In addition, AMUNIC facilitated experience exchanges among key stakeholders, provided support for training and consultancy, and created municipal technical teams and a local committee.

The key stakeholders of this program included AMUNIC's board of directors, executive management and technical team, which are the main agents of change in replicating and strengthening LED knowledge in Nicaragua's municipalities. Other key stakeholders included: the municipalities of Matagalpa and Somoto, the Nicaraguan Tourism Institute (INTUR), the Institute of Water, the Ministry of the Environment and Natural Resources (MARENA), the Nicaraguan Institute of Municipal Development (INIFOM), the Central American University (UCA) and the Nicaraguan University of Engineering (UNI).

2. Project outcomes

The active participation of key partners and stakeholders led to excellent results for strengthening LED nationally, including new tools, diagnostic studies and plans to promote the replication of LED projects. The main results achieved by AMUNIC are listed below (see the table in Annex 1 for details):

1. Strengthened technical capacities of AMUNIC's public servants regarding the municipal legal framework, knowledge management and exchange of experience in associative financial sustainability and LED
2. Developed the *MPED Baseline – Nicaragua* (according to the Regional MPED logical framework)
3. Developed the *Knowledge Management Plan*, which is being applied to municipal LED and taxation issues
4. Developed the *Strategic Plan for Service and Promotion to Small Businesses* to be carried out by AMUNIC



5. Supported the municipalities of Somoto and Matagalpa in the process of implementing the LED demonstration projects
6. Developed a proposal for a *National Local Economic Development Strategy* focusing on the environment and gender.
7. Identified a brokerage service for auto-insurance that AMUNIC can offer its members using research conducted by a consultant.

2.2. Compatibility with cross-cutting program objectives

Throughout its duration, the program integrated the cross-cutting objectives related to gender and the environment. In terms of gender, an institutional policy was established from the beginning to promote the equal participation of women and men (50 per cent each). For the environmental component, energy consumption and efficiency in the AMUNIC offices were linked to the strategies of the central government, and reproduced in the Matagalpa and Somoto demonstration projects thanks to the expertise of an AMUNIC official.

2.3. Success factors

The national meeting of key stakeholders was one of the success factors, since it provided training in organization for implementing the Somoto and Matagalpa demonstration projects.

Using a request for proposals with established criteria was a very successful way of selecting the participating municipalities, establishing agreements and signing contribution agreements, and establishing the municipalities' organizational needs.

The involvement of AMUNIC – one of the three agencies in Nicaragua with the greatest credibility and participation of municipalities (the other two being the Nicaraguan Institute for Municipal Development and the Professional Program in Municipal Administration) – facilitated participant recruitment and supported processes for assisting and strengthening Nicaraguan municipalities.

Equally important were the political will of the board and executive management, adherence to LED laws regarding processes in the demonstration projects, and the internal and external transparency of fund disbursement (audited by the Office of the Comptroller General).

The partnership between FCM and consultants was key during exchanges of experiences with training in LED matters and strengthening the program. Now other municipal associations and embassies have expressed interest in working in tandem with AMUNIC to join efforts in LED.

2.4. Sustainability

Organizational sustainability is strong because AMUNIC is able to continue its involvement in the implementation of other LED projects. Similarly, the AMUNIC Board, which is made up of different municipal members, adds credibility to AMUNIC's work.

On a technical level, AMUNIC LED plans have been adapted to the needs of other municipalities and more municipalities have been selected to replicate LED projects.

In terms of financial sustainability, AMUNIC has a sound budget for reproducing the LED experiences of the municipalities of Matagalpa and Somoto. AMUNIC also introduced a new service for members by offering a discount on the purchase of auto insurance. AMUNIC receives a percentage of sales.

3. The experience

3.1. Lessons

Based on the experience with this FCM-sponsored program, realistic and easily achievable indicators should be used for allocating human and material resources according to local needs. The use of realistic indicators in the call for participants will also allow applicants to submit proposals for realistic projects that respond to the country's needs. Work with the central institutions and appropriate actors should be clearly stated during the project's implementation phase.

Lessons learned by the partners include having organizational models for improving channels of communication (social networks supported by technological resources), and the coming together and participation of alliances appropriate to each sector (organizing and executing fairs, conferences and negotiating tables).

To reproduce this experience, AMUNIC recommends that all interested municipal governments commit to LED and sustainability by managing funds for such projects, and coordinating efforts with local partners and strategic local alliances. Creating budget offsets for this purpose is also recommended.

3.2. Best practices

AMUNIC assisted municipalities with organizational processes and technical training for local actors on basic tools for fostering LED with an emphasis on small businesses. In addition, it developed a strategy for financial sustainability by setting up a service for its members.

AMUNIC decided to offer a service at a preferential rate. First, it studied its members' needs. As a result,

it selected two service options for consideration: the sale of auto insurance and the sale of tires. After studying the legal framework for these options, only the sale of auto insurance was feasible. AMUNIC proceeded to negotiate a preferential rate with an insurance company. The negotiations aimed at securing a preferential rate for the municipalities and at ensuring a profit for the association. Once the agreements were set up, a pilot project was set up involving only the largest municipalities. After the AMUNIC board approved the pilot, this service would be offered to all association members in a second phase.

3.3. Success stories

Support provided to municipalities allowed actors to feel supported and highly confident in implementing their projects. This support also facilitated the strengthening of the technical capacities of AMUNIC public servants on issues of reforms to the municipal legal framework, knowledge management, exchange of experiences in financial sustainability for associations, LED, graphic design and basic English. AMUNIC also developed the Knowledge Management Plan and the Plan of Service and Promotion for Small Business, which the country's municipalities can use as guidelines for addressing different local demands and needs.

Appendices

- Institutional LED policy
- Gender strategy
- Training sessions
- Minutes of the experience exchanges, and the technical team and board of directors meetings
- Sustainability studies (baseline)
- Experience exchanges

The above documents are in the environmental management unit of the AMUNIC offices.



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ANNEX 1. Achieved Results

Initially, resistance to change from some AMUNIC staff and municipal council officials presented a barrier for the program. This resistance was due to different understandings and visions of LED. Nevertheless, we were able to overcome this resistance.

EXPECTED	ACTUAL	STRENGTH	WEAKNESS	DECISION FACTORS
Strengthening LED capacities in the field of UGA	Was achieved throughout the entire AMUNIC organization (internal and external)	Participation, strong convening ability, availability for and openness to knowledge management, all areas involved in training, willingness of the board of directors. All sectors put their knowledge into practice in all the project components beginning with the board of directors.	None	Broaden the knowledge of technical experts concerning LED.
Developing the National LED Strategic Plan	A change was made to align the project with the national strategy. An institutional strategy was created under the human national development plan to help guide this process.	The institutional proposal for developing the LED project was in line with national objectives. An external consultant facilitated by FCM aligned the project to the current situation in the country.	This was not included in AMUNIC's role when the expected outcomes were specified, so it was reoriented within the organization.	Awareness of the situation in Nicaragua, and increase human resources in order undertake LED activities.
Creating the National Recycling Center (CENARE)	This was not achieved, but activities and potential sustainability efforts were identified (selling auto insurance and tires).	Other funding options were identified for developing LED so as not to depend on external funding.	The issue of solid waste management is very complex in legal and financial terms and it is not a convenient time to pursue this option.	AMUNIC embraces other issues to bring about sustainability.
Implementing 2 demonstration projects (Matagalpa-Somoto)	Was achieved with an emphasis on small businesses focused on gender and the environment.	Experience working on LED, political will, trained and available human resources. AMUNIC human resources available to strengthen and support LED processes. Project monitoring. The administrative side is separate from the coordinator's responsibilities to streamline the financial aspect and speed up the project processes. Strengthen good participation and involvement by stakeholders (men and women). Complementary participation by government organizations such as INTUR, MARENA and INIFOM.	Redirecting project themes, such as solid waste to environmental tourism in Matagalpa, and a change in coordination in Somoto since there was no official assigned to coordinate the project. Officials are not 100 per cent available for the project because they have multiple duties. The Somoto project partner withdrew its financial support.	
Counting on a municipal LED network focused on small businesses (national level)	Was achieved and strengthened through the government's national political strategy of creating small business offices.	Political will, participation of all convening municipalities. Other networks became involved in the process and became stronger. Field assessments for broadening the stakeholders' understanding of LED.	Minimal weakness in LED knowledge.	

The results that stand out among others are the following:

- Strengthened partnership with institutions of the Government of Reconciliation and National Unity – GRUN (Nicaraguan Institute for Municipal Development – INIFOM, AMUNIC) to strengthen local governments
- Municipal collaboration networks (communication, legal and economic advice, environmental management and LED)
- Strengthened acquired knowledge in the process of local economic development (knowing what to do)
- Development of the LED Institutional Strategic Plan focusing on small businesses
- Development of an institutional gender equity policy
- Development of an ecological assessment for the El Arenal Reserve
- 24 LED graduates with specialization in small business for offices promoting micro enterprises in northern municipalities

- Development of Terms of Reference (TOR) for AMUNIC officials, and the municipalities of Matagalpa and Somoto
- Development of a Procurement Management Program (PMP) for demonstration projects
- English course for 13 officials: 10 from the municipality of Somoto and three from AMUNIC
- Possibility of providing a new service for AMUNIC financial sustainability for Nicaraguan municipalities (in progress)
- Implemented two LED demonstration projects with municipal partners.

Unexpected outcomes resulting from all the implemented activities are:

- Development of the *Strategic Plan for Knowledge Management*
- Strategy for *Institutional Gender Equity*