

Participatory Mechanisms in the Formulation, Monitoring and Oversight of Cantonal Public Works Budgets in Costa Rica

International Transparency Costa Rica¹

Summary

There is a law (Law 8114 on Tax Efficiency) that requires the Central Government to provide a certain amount of funds directly to the Municipalities for road maintenance. The Municipalities in turn create Cantonal Transportation Boards [Juntas Viales Cantonales] responsible for making recommendations to the Municipal Councils regarding the use of funds allocated for maintaining, upgrading, repairing, and extending the road network in each canton. For impoverished rural communities in Costa Rica, the absence or poor quality of roads is a significant social risk factor. The aim of our program is to use the participatory cantonal budget mechanism for local roads; design a model for training, implementation, and oversight of community public works; and improve the efficient use of funds allocated for this purpose to maximize the impact in the highest risk sectors. The program is scheduled for implementation in three cantons during one year. The program, which was presented to the diverse actors, enjoys the full support of the institutions involved, technical entities, and of the target communities themselves, which have expressed their commitment to participating in the program. The plan is to consolidate the use of user-friendly indicators that reveal the actual impact of public works in important areas such as distributional significance, increased production, improved marketing processes, and efficiency of increased vehicle traffic.

Background

Infrastructure spending, and primarily road development, has represented an obstacle to balanced investment in local roadways. Spending has been concentrated largely on national highways in poor condition, to the detriment of investment in local roads. On the one hand, the uncontained growth of cities has led to increasing use of local roadways near urban zones as alternative traffic routes, at levels they were ill-equipped to handle. Moreover, resource allocation to improve the national highway network has led to neglect of rural, mostly unpaved roads, which have deteriorated to the point where they have become impassable.

The legal provision is an attempt to reverse this trend through increased central government budget allocations to local governments for local roadways. The Cantonal Transportation Boards were created, with civil society participation, to reduce the deficit in material resources and address the lack of organizational capacity to make optimum use of

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resources; in other words, to contribute to the process of targeting these resources equitably and efficiently.

The program has chosen three cantons that, while different in composition, all have a significant percentage of people living in poverty. It aims to promote a methodology of citizen participation appropriate to each one's particular circumstances that could be replicated in similar communities.

The three selected cantons, Santa Ana, Dota, and Talamanca, are very different in terms of development, location, social composition, and the impact on local government of the poverty of their populations. They were chosen mainly for their history of community organization, a factor that would facilitate civil society participation.

Santa Ana, a canton located near the capital, is small in size, with good communication routes, and an underprivileged population created by urban growth. The public roads to be targeted are mainly urban and semi-urban roadways, sidewalks, and inter-cantonal roads.

Dota, a rural canton with low population density and a significant underprivileged sector due to limitations in the labor force and the characteristics of coffee growing, features significant gaps in local road maintenance.

Talamanca, a rural canton far removed from the center of the country, has one of the lowest levels of relative development, a high proportion of indigenous populations located on reservations, a vast geographical area, and a significant lack of road access. It requires routes into the area and [sic]

Program Objective

To create a broad alliance among public agencies, sectors, and organizations for implementation of a participatory budget system, efficient and equitable implementation of road projects, and effective oversight of the use of resources allocated for investment in local roadways. This will be accomplished by developing mechanisms for utilization of available resources and using training to foster principles of transparency and accountability, oversight and sanction, institution building and efficiency.

Processes and methods

Who

The main actors are the Ministry of Public Works and Transportation (MOPT), the Municipalities and the Cantonal Transportation Boards, and the organized community. The facilitators are International Transparency Costa Rica and Procesos, organizations with years of experience in implementing similar training and local empowerment projects.

MOPT will be responsible for providing the required technical elements so that the local governments and Transportation Boards can perform their tasks efficiently.

The **Municipalities** will contribute their organizational structure to strengthen the Transportation Boards so that the latter can actually influence processes, with the

commitment to target resources based on guidelines developed using citizen participation and accountability methodologies.

The **Cantonal Transportation Boards** will work to establish organizational and operational methods consistent with their underlying purpose, particularly in terms of setting priorities and allocating limited resources based on the principles of need and equity at the local level.

The organized **communities**, particularly in underprivileged sectors, will be the most important actors in this process since its main focus is to provide training in implementing participatory planning methods, self-implementation of programs, and citizen oversight of the use of public resources.

Transparencia Internacional Costa Rica (TICR), the Costa Rica chapter of Transparency International, is an organization created to promote transparency and accountability in public activities, combat corruption in the public and private sectors, strengthen ethical values, and promote citizen participation. TICR has signed a Cooperation Agreement for joint project design and implementation with the Central American Sustainability Program [Programa Centroamericano de Sostenibilidad (**PROCESOS**)], a research, advocacy and consulting center founded with the support of the Central American presidents, to contribute to democracy-building in Central America and the Caribbean. PROCESOS has valuable expertise in the areas of participatory budgeting, analysis of government budgets, and institutional accountability.

Our organizations also have signed a Cooperation Agreement in the area of municipal development resources and programs, with the Institute for Municipal Development and Consulting [**Instituto de Fomento y Asesoría Municipal (IFAM)**], a public entity devoted to strengthening the municipal system. IFAM's role in the program is to facilitate the full involvement of municipal entities in tasks assigned to the Cantonal Transportation Boards.

What

The main objective is to apply participatory budget mechanism at the cantonal level to optimize use of funds earmarked for road improvements in rural and urban communities with high levels of social exclusion. To this end, a participatory budget model will be designed for government funds allocated to each canton. A guide will be developed to help the Transportation Boards identify local job creation opportunities through transportation infrastructure projects.

The program seeks to frame the issue of rural roads in the context of social policy in the country. It therefore will conduct social impact evaluations of the Transportation Boards in the selected communities.

Particular emphasis is placed on promoting citizen participation in overseeing implementation of transportation projects. To this end, a mapping and risk evaluation model for public contracts developed by Transparencia Internacional Costa Rica will be adapted and transferred. Such models are designed based on identifying relevant

international experiences that can be adapted into a successful model of participatory budgeting in the field of transportation infrastructure maintenance.

How

Program Implementation.

- a. For the pilot experience, select three cantons where a percentage of the population lives in poverty, through an assessment of socio-economic characteristics and participatory social organizations.
- b. Conduct activities to familiarize people with the project and establish agreements with the Municipalities and Transportation Boards in the selected cantons.
- c. Provide advisory services to the Transportation Boards, District Councils, and neighborhood groups regarding the participatory budget allocation process, taking into account individual cantonal policies.
- d. Conduct workshops to set priorities based on principles of citizen participation, equity, and sustainable, balanced development.
- e. Design a model for allocating resources for local corridors between communities in the canton. Include four indicators: social risk, vulnerability to natural disasters, vulnerability due to lack of access to services, and vulnerability due to lack of access to markets.
- f. Design and implement an impact evaluation model for local road projects in poor communities. Includes the same indicators used in the resource distribution model. Adapt the risk evaluation model used for corruption in public contracts and provide advisory services to the Technical Units, District Councils, and neighborhood groups.
- g. Develop a guide to identifying opportunities for job creation for impoverished residents in the canton in local transportation infrastructure projects.

Complementary Activities:

- a. National seminar with representatives from all municipalities in the country to disseminate the outcomes.
- b. Assist MOPT in systematizing and disseminating a series of technical and operational recommendations on different aspects of participatory implementation of public works projects involving local roads, for replication in other cantons. These recommendations will discuss efficient frameworks for participatory implementation of public works involving cantonal road networks, quality control of public works on local corridors, and accountability in the implementation of public works for the construction, maintenance, and repair of local roads.

Specific mechanisms used to support participatory monitoring and evaluation and accountability

- Design basic participatory budget models for funds earmarked for local roads and citizen oversight tools to monitor implementation of investment budgets.
- Develop training programs including workshops for MOPT officials, municipal representatives and District Council members, and community leaders from municipal catchment areas chosen based on their relative importance.
- Develop program evaluation methods by putting them into practice, with respect to funds earmarked for each municipality, with the participation of the Cantonal Transportation Boards.

- Include gender equity criteria in the participatory process.
- Incorporate transparency and accountability criteria using simple, useful mechanisms to measure program performance, effective resource allocation and dissemination of outcomes in the community.
- Later stages will place priority on training the Cantonal Transportation Boards in management of larger amounts of money, using technical criteria and identifying needs and the tools to meet those needs.

How much

We estimate a total cost of \$150,000 for the three cantons, for one year, including cooperation from international financial institutions and the Central Government. The goal is that the use of National Budget funds allocated for cantonal transportation projects will feature improved channeling of resources from government social assistance institutions, donor organizations and development assistance funds.

Program outcomes

The following are anticipated outcomes:

In the area of ethical responses to citizen aspirations, contribute to the construction of a basic civic ethic to strengthen participatory democracy and promote alliances among different social actors, mainly the users.

In the area of use of public funds earmarked for transportation infrastructure, contribute to the use of mechanisms for allocating public funds and the development of citizen oversight bodies to monitor how such funds are used, with a view toward establishing effective accountability mechanisms.

In the area of economic development and fair distribution, put into practice activities leading to local job creation, promote the inclusion of low income citizens in activities with a high social value, and extend the positive impact of public resource allocations.

In the area of citizen training, design basic manuals or guides so that other interested groups can replicate the methodology and promote the human capital component in community efforts with high social impact.

The program aims to strengthen relevant experiences on a local scale that can be replicated in other cantons.

Limitations and opportunities

To date the program has enjoyed the positive support of the various actors involved. Potential problems are likely to emerge further down the road when it comes time to put into practice a systematic process of accountability between each community and municipal council. It likewise will be necessary to create an appropriate, efficient framework for allocating resource from cooperation sources so that the program's pilot experiences can be replicated relatively quickly.

Dissemination of program outcomes is essential to the success of replicable experiences. It is therefore necessary to design dissemination tools that are easily accessed by other communities and publications designed to achieve the unqualified support of national and international organizations. Including program information in the publications and informational materials of other public institutions could lead to greater commitment on their part. They might be more willing to include coordinated actions with other actors in their transportation programs in order to create more opportunities for the inclusion of impoverished citizens in national development.

Additional Resources

- Tax Efficiency Law Number 8114
- Use of the risk mapping methodology developed by TICR in contracting for transportation public works projects.
- Participatory budget models prepared by Procesos
- Use of the TICR and IFAM Web pages
- Use of tools designed by TI (codes of ethics, integrity agreements)
- Use of citizen participation manuals that TICR has available