Municipal Development

Project “Alliance to Create Opportunities for Rural Development through Agro-enterprise Relationships” ACORDAR
Contents

1 Producer Organizations in Alliance with Municipal Governments to Strengthen Value Chains

20 Linking Actors to Contribute to the Economic and Social Development of the Nicaraguan Municipality of Rancho Grande
Prepared by the Municipal Development Technical Committee:
Ronald C. Flores Medina, Catholic Relief Services (CRS)
Augusto C. Vázquez Vasquez, Caritas–Estelí
Ernesto A López Fonseca, Nicaraguan Association for Social Development (ASDENIC)
Ever M. Acuña Acuña, Mayor’s Office of Pueblo Nuevo
Naví Rodríguez, Consultant

_Estellí, Nicaragua, July 2012._
Producer Organizations in Alliance with Municipal Governments to Strengthen Value Chains

The project “Alliance to Create Opportunities for Rural Development through Agro-enterprise Relationships” (ACORDAR) aimed to help increase the income, ensure permanent employment, and strengthen the business capacities of 7000 poor rural households in 50 municipalities of Nicaragua, in alliance with municipal governments and the private sector.

ACORDAR was financed by the United States Agency for International Development (USAID) and implemented by an important consortium headed by Catholic Relief Services (CRS), together with other partners such as Lutheran World Relief (LWR), TechnoServe (TNS), Global Village (GV), Latin American Financial Services (LAFISE), the International Center for Tropical Agriculture (CIAT), and other local partners in the area of influence of the project.
This project was initially established in 2007 for a 3-year period; however, given its significant impact, it was extended for another 2 years until the end of 2012 to further disseminate its results and empower more farmer families and producer organizations.

This systematization document analyzes the lessons learned about municipal development during the intervention carried out by Caritas–Estelí and the Nicaraguan Association for Social Development (ASDENIC, its Spanish acronym) within the framework of the ACORDAR Project. This process began in late 2007 in the municipality of Pueblo Nuevo, and aimed to achieve that cooperatives and individual producers involved in the vegetable and fruit production sectors be considered as agents of economic development by establishing strategic alliances with municipal authorities and other organizations present in the territory.

ACORDAR worked with two cooperatives served by Caritas–Estelí that gather approximately 120 vegetable and bean producers, 45% of which were women: the “15 de Mayo” Eco-Cooperative and the “Nuevo Amanecer” Cooperative. ASDENIC, on the other hand, worked with 560 individual producers.

Caritas is a not-for-profit Catholic organization belonging to the Diocese of Estelí and working with 46 rural communities throughout the department of Estelí in different social projects that address issues related to production, water, sanitation, environment, gender, and economic and entrepreneurial development.

ASDENIC, on the other hand, is a regional not-for-profit association of professionals that works in the departments of Estelí,

---

1. Source: Follow-up report on cooperatives that completed the rural enterprise empowerment process promoted by the ACORDAR Project (see final report on the Business Development Cross-cutting Theme: Rural Associative Enterprises on the Path to Self-Sufficiency).
Madriz, and Nueva Segovia to build human capabilities in economic, environmental, and social issues.

The municipal government of Pueblo Nuevo—the maximum municipal authority—is formed by the Mayor, the Deputy Mayor, and the Municipal Council, and is responsible for regulating and overseeing, in benefit of Pueblo Nuevo inhabitants, those public affairs stipulated in the Constitution and by law.

All these actors worked together to ensure the impact of the ACORDAR Project in Pueblo Nuevo, a municipality located in the northeastern tip of the department of Estelí, 56 km from the department’s capital city. Covering 222 km², the approximate population of Pueblo Nuevo is 25,271 (49% men and 51% women), with 87% living in rural areas. Hence, its principal economic activities are agriculture and, to a lesser extent, livestock production. Most of the urban population also depends on agriculture-related activities.

Given this context, it is pertinent to clarify that this systematization gathers the experiences of two agriculture-based cooperatives and individual producers in the creation of strategic alliances with the municipal government of Pueblo Nuevo for value chain development during the period 2007–2012. This innovative experience sought to develop vegetable and beans value chains, and focused on using communication and local consensus-building spaces between producers and the municipal government—actors have a distant relationship with each other.
Where it all began

The value chain approach has been part of the ACORDAR Project since its conception and seeks to involve all key local actors in its implementation.

Municipal governments were accordingly identified as strategic actors to forge alliances with cooperatives because, by law, they regulate the municipality’s socioeconomic activities. As a result, ACORDAR became an opportunity for cooperatives and municipal governments to work together in activities oriented toward economic and entrepreneurial development.

When the creation of the vegetable and beans value chains was initially addressed, the following municipal-related aspects were taken into account:

- The cooperatives did not take advantage of existing spaces to coordinate actions with the municipal government because of the lack of communication between the two.

- Women and men cooperative members did their own legal paperwork before the municipal government through community entities.

- Cooperatives were not considered as influential actors of the production sector in the local economy and, as a result, were not represented in decision-making processes of citizen participation spaces.

- Although the local government did have a municipal development plan in place, it lacked strategies to link this plan with the production sector.

- Facilitating organizations did not address municipal development in their institutional work plans.
Furthermore, in 2007 the Government of Nicaragua decreed a new structure for citizen participation at the municipal level, parallel to the provisions of the Law of Citizen Participation\(^2\), with the resulting process of reorganization. However, the structures and procedures of the new consensus-building spaces were not clearly defined. In the case of the municipal government of Pueblo Nuevo, the new structure was adopted and the Municipal Development Council, which had been serving as consensus-building space, became inoperative.

The new citizen participation structure was established under the figure of Citizen Power Councils (CPC, its Spanish acronym), an alternative model of citizen participation that organized citizens at the community and neighborhood levels. The CPCs were formed by 16 members per community (8 men and 8 women), chosen by each community to exert direct democracy. The responsibilities of the CPCs include the promotion of citizen rights, communications, public safety, community participation, women’s rights, youth rights, senior citizens’ rights, as well as the rights to health, education, a healthy environment, sports, and culture.

The CPCs work alongside the Government. Their coordinators are responsible for communications, inter-institutional relationships, and implementation of proposals with their government counterparts. Councils are summoned by the State to coordinate certain community processes, such as consultations about the municipal budget.

\(^{2}\) Although the Law of Citizen Participation was not invalidated, the municipal government adopted the new structure of citizen participation in response to the guidelines set forth by the central Government.
By this time, the Nicaraguan Government had also prepared a Human Development Plan that set forth new guidelines to revitalize the country’s economy, especially through the cooperative sector and small and medium producers. These guidelines addressed the development of infrastructure to facilitate and enhance production, processing, and marketing processes, with the national government co-sharing responsibilities with the municipal governments, especially regarding road infrastructure. These endeavors strengthened the links between the local government and the production sector.

On the other hand, the vegetable and beans production sector of Pueblo Nuevo, of direct interest to cooperative members participating in the project, faced the challenge of competing with expanding tobacco crops. As a result, several women and men producers, who were also cooperative members, were displaced from their plots and forced to change their economic activity. This situation adversely affected the organization of the cooperatives because those members who lost their land could no longer continue as members, while those who changed economic activity fell outside the cooperatives’ scope of action.
Getting started

Municipal elections were being held when the ACORDAR Project was launched so, with the change of Government, the project had to be presented again to incoming authorities to determine their interest and commitment to continue with the agreements established by the previous administration.

Between 2007 and 2009, the ACORDAR Project received the support of the Institute for Women and Community (IMC, its Spanish acronym), a nongovernmental organization (NGO) with experience in municipal development, gender, and citizen participation issues that already had worked closely with municipal governments, especially with that of Pueblo Nuevo.

IMC’s responsibility was to facilitate capacity-building events for women and men producers and technical personnel of the project in municipal-related legislation, preparation of action plans, and logistics. This NGO also worked closely with the Pueblo Nuevo Municipal Government to ensure the insertion of cooperatives in local citizen participation spaces. The first steps were also taken to establish alliances between the cooperatives and the municipal government.

The activities carried out with IMC allowed the Project’s member organizations to invite women and men producers to these events and ensure their participation by assigning quotas for participation. IMC’s participation ended in 2009 with the completion of Phase I of the ACORDAR Project.

3. Because these capacity-building events were held within the framework of an alliance that was just beginning between the municipal government and ACORDAR, quotas for participation were previously defined for the different stakeholders.
The approach to municipal development work was reoriented when the project’s 2-year extension period began. Caritas began to spearhead the process, administered project funds, and coordinated field activities with ASDENIC. With this new work scheme, member organizations began to support municipal development activities. A person was selected to serve as liaison with other participating organizations to carry forth pertinent work.

A Consortium-wide Technical Committee on Municipal Development was created in 2010, with the participation of the technical staff members named by each member organization (Caritas and ASDENIC). The Committee’s purpose was to plan, coordinate, and evaluate, on a monthly basis, all the activities related to municipal development issues. Technical staff members were responsible for facilitating and strengthening the creation of strategic alliances with the municipal government. This helps create a climate of trust between cooperatives, individual producers, and the municipal government, bringing them closer together. All these activities were carried out with the accompaniment of the ACORDAR Project’s technical adviser on municipal development and gender issues.

From this moment on, the social organizations of the ACORDAR Consortium as well as the municipal government coordinated and facilitated capacity-building events in accordance with the Municipal Planning Process. Women and men producers were able to associate the knowledge they acquired with citizen responsibilities within their municipality. For example, tax-related issues were addressed during capacity-building events held precisely during municipal tax collection periods.

Topics for facilitation were assigned according to the competence or interest of staff of the municipal government or governmental institutions. This facilitation helped consolidate alliances and, as a result
of these strengthened relationships, the quotas for participation in capacity-building events were redistributed and a percentage was assigned to the municipal government, which, in turn, invited community leaders to participate.

Cooperative leadership is different from community leadership, although sometimes the same person has responsibilities as cooperative executive and also as community leader. It was important to define this identity at the individual and collective level to strengthen the sociopolitical and economic empowerment of cooperatives.

Under the umbrella of the ACORDAR Project, both cooperatives and individual producers adopted new technologies, learned about business development, increased their production levels, and established marketing alliances. Incomes improved and cooperatives were consolidated as associative organizations, playing a role in the economy and capable of exerting influence.

<table>
<thead>
<tr>
<th>Item</th>
<th>Area (ha)</th>
<th>Production (quintals/ha)</th>
<th>Total sales value (US$)</th>
<th>Jobs generated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vegetables and fruit trees</td>
<td>62.98</td>
<td>63,694.9</td>
<td>1,368,541.52</td>
<td>85</td>
</tr>
<tr>
<td>Beans</td>
<td>432.9</td>
<td>7,729.0</td>
<td>249,326.39</td>
<td>116</td>
</tr>
<tr>
<td>Total</td>
<td>495.88</td>
<td>71,424.9</td>
<td>1,617,867.91</td>
<td>201</td>
</tr>
</tbody>
</table>

*Table 1. Data on production, sales and jobs generated for the “15 de Mayo” Eco-Cooperative during the ACORDAR Project.*
Caritas and ASDENIC helped the cooperatives in the preparation of their action plans, which consisted in identifying value chain needs and subsequently prioritizing municipal-related needs for presentation at citizen participation spaces. This task was easier because, due to IMC's work, cooperatives and individual producers had a better understanding of the municipal legal framework and the scope of activities of official institutions.

Action plans allowed cooperatives to opportunistically present their petitions before the municipal government so they could be considered in the annual municipal planning process and then follow up on whether these petitions were included in the municipal budget.

Every year, as part of the municipal planning process, the municipal government holds citizen consultations to analyze the tentative municipal budget. Both of the cooperatives (“15 de Mayo” and “Nuevo Amanecer”) as well as individual producers began to participate in these consultations. By doing so, they knew whether their petitions had been included or not in the municipal budget and then adopted pertinent measures in their own action plans. Producers became increasingly aware of the importance of participating in these consultations to make sure their proposals were taken into account.

Information on the investments made and planned by the ACORDAR Project was shared with the municipal government, aiming to strengthen the alliance between both entities. The municipal government included pertinent data in the municipal budget under the item corresponding to the concerted portfolio\(^4\). Several projects were

---

\(^4\). Of the three types of financing that the municipal government establishes in its budgetary program, one is a concerted portfolio that includes self-financed projects or projects financed by other agencies.

"As a cooperative, we have seen the change in how the municipal government now relates to us. We are now invited to participate in meetings, we understand pertinent laws and regulations, and we are increasingly aware of the advantages of participating in events held by the municipal government."

**Marilyn Cruz**, member and manager of the “15 de Mayo” Eco-Cooperative
coordinated and co-executed with the municipal government through this initiative such as drinking water systems, local fairs, presentation of projects before public ministries, and environmental permits.

The municipal government, in turn, provided ACORDAR information on the projects being implemented in ACORDAR target communities, on a quarterly basis. Several of these projects were in response to the petitions presented by individual producers and cooperatives before the municipal government. This allowed ACORDAR to monitor the fulfillment of the commitments acquired between the municipal government and producers.

Furthermore, during the capacity-building process, producers saw the opportunity of forming part of the environmental committee (governed by law) and, as members of this committee, lobbied for environmental protection ordinances. With the technical advice of a lawyer contracted by the ACORDAR Project, producers submitted proposals that were approved and set down in three ordinances: (1) the standardization of public services of cleaning, collection, transportation, and treatment of solid waste (Ordinance No. 1 2009); (2) declaration and regulation of a municipal protected forest area (Ordinance No. 3 2012); and (3) prevention and regulation of controlled burnings of farmland (Ordinance No. 4 2012).

One of the most innovative aspects in the creation of ordinances was that their approval stemmed from a civil society consultation held by the municipal government. Previously, these proposals were only discussed by the Municipal Council, the agency responsible for approving them.

The Municipal Council invested US$1,746,802 in improving, opening and rehabilitating roads; a roofing program; and drinking water coverage.
A positive aspect was the disposition of the municipal governments that were nearing the end of their administrative periods to establish an alliance with ACORDAR. Consortium member organizations made contacts to coordinate activities, and cooperatives and individual producers were presented to these municipal governments as economic actors actively contributing to local development.

It should also be highlighted that the methodology implemented by the project was innovative and based on the assertive communication among different actors in the search for adequate times and spaces to forge an alliance between the two cooperatives, individual producers, and the municipal government.

This methodology has four phases:

1. **Contact and dialogue with municipal authorities and cooperatives:** The project was presented before municipal governments and cooperatives before ACORDAR selected the local governments of target areas that it was going to work with, and a commitment was reached to make a joint investment in value chains.

2. **Capacity building:** Cooperatives and individual producers received training in issues pertinent to the municipal legal framework. They also received technical assistance in the preparation of action plans to state their petitions.

3. **Integration of women’s and men’s producer groups into citizen participation spaces:** Cooperatives and individual producers participated actively in consultation processes and council meetings held to prepare and approve the municipal budget. Technical assistance was also provided so they could follow up on the inclusion of their petitions in the budget. During this phase, producer
groups participated in the environmental committee to analyze the establishment of local public policies and how these affected the creation of ordinances that benefited value chains and the environment.

4. Institutionalization of the municipal management process: Every three months, the municipal government reported the investments made in the project’s target area, which constituted the contributions or funds leveraged for strengthening value chains. The Annual Departmental Workshop was also held with government staff to present and assess the advances made. The project’s investments in the municipality were presented before each Municipal Council meeting.

Another project outcome was the incorporation of the public gender policy and strategic guidelines emerging from the 2009–2011 National Development Plan into the institutional work plan of each municipal government. As a result, there were no conflicts among the different local development actors because all of them considered gender, municipal development, and business development issues when carrying out capacity-building actions.

Regarding the way obstacles and difficulties were overcome, it should be highlighted that ACORDAR partners correctly managed the conflict generated by the change in the citizen participation model at the beginning of the project (when two participation structures co-existed) once the new governments were legalized by elections. Municipal legislation (Ordinance 2009) was slowly reactivated and the other local actors (agencies and institutions) got involved through sectoral meetings, town meetings, and other mechanisms.

On the other hand, it must be recognized that, despite the change of the
national government and its policy toward local citizen participation spaces, ACORDAR maintained its relationships with the government and strengthened alliances by adapting to the changes.

As can be imagined, a project of this type required significant investment. The ACORDAR Project invested US$312,854 in municipal development efforts in the municipality of Pueblo Nuevo. This investment was distributed as follows:

*Figure 1. Allocation of investments of the ACORDAR Project in Pueblo Nuevo.*
The total investment in capacity building was US$21,478, distributed as follows:

Figure 2. Allocation of ACORDAR Project investment in capacity building in Pueblo Nuevo.
The Municipal Government invested in the improvement of road infrastructure and drinking water systems to strengthen value chains, with the resulting increase in tax collection because cooperatives now have higher income and increased awareness about their tax liabilities.

**The results**

An outcome of the ACORDAR Project was a strengthened alliance between both cooperatives—the “15 de Mayo” Eco-Cooperative and the “Nuevo Amanecer” Cooperative—and the municipal government. Producer organizations now name a representative to participate in the different citizen participation spaces. Consortium member organizations and women’s and men’s producer groups recognize the need and importance of taking advantage of citizen participation mechanisms to participate in the municipal planning process and thus socialize their proposals so they are taken into account during the preparation of the municipal budget.

In fact, the petitions presented by women and men producers, consultation bodies, and other local development actors involved in this project served as vital input to achieve the investment of US$1,746,802 by the municipal government in communities in the area of influence of the ACORDAR Project, specifically oriented towards improving, opening and rehabilitating roads; a roofing program; and drinking water coverage.

As a result, cooperatives have taken the initiative to include important dates for the municipal planning system in their own annual plans, especially dates corresponding to the citizen consultation for preparing the municipal budget, town meetings⁵, and Municipal Council meetings⁶.

The project’s achievements in the area of municipal development can be mainly attributed to the municipal government improving its mechanisms for direct citizen participation.

---

5. Two town meetings are held every year: one in which the government informs the local population about the petitions that will be included in the municipal budget and another in which the municipal government reports the actions carried out during the previous year. At the first meeting, citizens can still insist that an unaddressed petition be included in the budget, and the second serves as a social control mechanism.

6. These meetings are spaces where proposals can be submitted to address specific needs or problems as part of the municipal agenda.
participation and consultations to prepare its municipal investment plan. The municipal government is now able to prioritize within this investment plan the improvement of road infrastructure and drinking water systems to strengthen value chains. Improved tax collection can be attributed to the cooperatives’ increase in income as their products are now being sold on the local, regional, and international markets. In addition, capacity building and citizen participation processes can help individuals better understand their responsibilities, which would improve their compliance of tax liabilities.

So while changes were occurring in women’s and men’s producer groups, they were also occurring in municipal development. Policies related to the municipality’s priorities—housing, road infrastructure, and drinking water systems—were even made public. Overall, the municipal development process led to increased citizen awareness about natural resources and environmental rights and responsibilities.

Now then, the presence of well-structured, teamwork-oriented cooperatives played a key role in these outcomes. The ACORDAR Project did not have to start from scratch and could target its efforts towards complementary funding to strengthen the cooperatives’ technical, production, and negotiation capacities.

In this regard, with improved production infrastructure and use of new technologies achieved thanks to the intervention of the other thematic components of ACORDAR, the cooperatives and individual producers participating in this experience improved their income derived from production activities. During project implementation, sales valued at US$11,350,987 were recorded and 1482 permanent jobs were generated in Pueblo Nuevo. This gave cooperatives economic power and made it possible for them to feel as actors with the right to participate because they were helping stimulate the local economy.

During project implementation, sales valued at US$11,350,987 were recorded and 1482 permanent jobs were generated in Pueblo Nuevo. This gave cooperatives economic power and made it possible for them to feel as actors with the right to participate because they were helping stimulate the local economy.
Lessons learned

• Consortium member organizations initiated the process with practically no experience in municipal development issues, while the municipal government had little knowledge about value chains and a distant relationship with the cooperative sector. This is why it is important to highlight the type of facilitation, project management, and methodology used, which were based on a strategy of establishing alliances and implementing a value chain approach that proved decisive for achieving the proposed goals.

• By incorporating the municipal development theme into the ACORDAR Project’s agenda, using a participatory learn-by-doing methodology, women’s and men’s producer groups were identified as economic actors with their own leadership, capable of taking full advantage of different spaces and events to present their petitions, depending on the local citizen participation system.

• Processes like this help women’s and men’s producer groups not only understand the importance of preparing their petitions, but also create awareness about the importance of their meeting tax liabilities.
Conclusions

It is fundamental to encourage citizens to seek solutions to the problems occurring within their communities that are based on available material and human resources, complemented with resources procured with private entities and state institutions.

After conducting the pertinent feasibility and environmental studies, municipal authorities should try to find the way to implement the projects proposed by the local population.

For those interested in implementing projects similar to the ACORDAR Project, the recommendation is to include activities and strategies related to the municipal development cross-cutting theme in the Annual Operational Plans of partner organizations so these are viewed as an indispensable component of value chain strengthening.
Prepared by:
José Augusto Centeno Sánchez, Municipal Government of Rancho Grande
Marvin Antonio Monge Zamora, Association for Community Agricultural Diversification and Development (ADDAC)
Janira Damarys Centeno Zamora, ADDAC
Ronald Flores Medina, Catholic Relief Services (CRS)

Estelí, Nicaragua, July 2012.
About this document

Linking Actors to Contribute to the Economic and Social Development of the Nicaraguan Municipality of Rancho Grande

The project “Alliance to Create Opportunities for Rural Development through Agro-enterprise Relationships” (ACORDAR) aimed to help increase the income, ensure permanent employment, and strengthen the business capacities of 7000 poor rural households in 50 municipalities of Nicaragua, in alliance with municipal governments and the private sector.

ACORDAR was financed by the United States Agency for International Development (USAID) and implemented by an important consortium headed by Catholic Relief Services (CRS), together with other partners such as Lutheran World Relief (LWR), TechnoServe (TNS), Global Village (GV), Latin American Financial Services (LAFISE), the International Center for Tropical Agriculture (CIAT), and other local partners in the area of influence of the project.
This project was initially established in 2007 for a 3-year period; however, given its significant impact, it was extended for another 2 years until the end of 2012 to further disseminate its results and empower more farmer families and producer organizations.

This systematization document gathers the main actions, results, and lessons learned by incorporating the cross-cutting theme of municipal development into the value chain approach. It also reports the process of consolidating the alliance between three local actors to build consensus on public policies that contributed to more open governance in the municipality of Rancho Grande, Nicaragua.

Located 213 km from Nicaragua’s capital city of Managua and 83 km from Matagalpa, the capital of the department of the same name, the municipality of Rancho Grande is a highly productive area, with its economy mainly centered on cacao, coffee, and basic grains, with beans occupying a privileged position. Livestock production is also important. An estimated 2000 manzanas¹ are planted to coffee and 800 to cacao, making both crops important in the generation of family income and livelihoods.

¹ 1 manzana (mz) = 1.72 acres or 7,026 m².
Multiple actors converge in this municipality, one of them being the “Ríos de Agua Viva-21 de junio” Multi-Service Cooperative, which currently has 425 members, of which 239 (98 women and 141 men) were beneficiaries of the ACORDAR Project. Special emphasis is given to the changes that occurred within the Cooperative during the policy-organizational consolidation phase.

Another important actor is a nongovernmental organization, the Association for Community Agricultural Diversification and Development (ADDAC, its Spanish acronym), a not-for-profit organization that supports the community in social processes and serves as adviser to the “Ríos de Agua Viva” Multi-Service Cooperative in capacity-building processes in production and entrepreneurial aspects.

When the ACORDAR Project was launched in the municipality of Rancho Grande, the municipality was in the process of fine-tuning its municipal planning system, which included the establishment of citizen participation mechanisms such as citizen consultations to prepare the municipal budget. It lacked, however, direct communication with the different production sectors.

After assessing the status of the relationships between these three actors—the “Ríos de Agua Viva” Multi-Service Cooperative, the municipal government, and ADDAC—the ACORDAR Project began to forge a public-private alliance between the three to contribute to the socioeconomic development of Rancho Grande from a value chain approach. To do so, the theme of municipal development was regarded as key element.
ADDAC began to work in Rancho Grande in 2002. Since then, this organization has worked with women’s and men’s producer groups that belong to the “Ríos de Agua Viva” Multi-Service Cooperative, providing technical assistance, training, and credits in the modality of revolving funds. ADDAC has also been pioneer in implementing a gender strategy, thus facilitating processes that aimed to reduce the gap between women’s and men’s rights. However, it only began to work with a value chain approach under the ACORDAR Project.

In late 2007, before the ACORDAR Project was launched, the “Ríos de Agua Viva” Multi-Service Cooperative had 360 members, 60% of which were men; however, it lacked sufficient economic resources to sustain its operations, had little production infrastructure, and low operational capability, and it was just beginning to position and consolidate itself as a local development actor.

In this context, the “Ríos de Agua Viva” Multi-Service Cooperative was:

1. Not eligible for credit under the private sector financial system. Although legally constituted, its organizational, administrative, and management performance was weak. Hence, the cooperative only had access to funding provided by ADDAC in two modalities—revolving funds and conventional funds—handling a total portfolio of US$230,000.
2. Struggling to establish itself as a cooperative, which would enable women and men producers to consolidate their produce. At that time the cooperative did not meet the expectations of several members in terms of the services that it should offer. Because of this situation at the economic and associative levels, the Cooperative was unable to position itself as development actor in the municipality. Its priorities focused on internal organizational and entrepreneurial consolidation.

Problems became increasingly more serious because of the Cooperative’s incipient and sporadic relationship with the municipal government. Several of its members participated in meetings of the Municipal Development Committee (CDM, its Spanish acronym)3 in their capacity of community leaders or deputy mayors, but not in representation of the Cooperative. In addition, the Cooperative was not represented at the municipal planning consultations promoted by the municipal government.

Meanwhile, civil society organizations working with local organizations to engage them in local citizen participation spaces saw this as a mechanism to lobby for basic services for the general population but not to address the needs of the economic-production sector.

As a result, there was little participation of the production sector in citizen consultation spaces for municipal planning processes, attributable also to the lack of information on civil rights and responsibilities (including existing consultation mechanisms); the low investment of the municipal government in building the capacities of citizens in these areas; the focusing of women

3. This committee was a citizen participation tool that existed at the municipal level. In 2007, the Law of Citizen Participation created a new structure to replace this committee: the Citizen Power Councils (CPC, their Spanish acronym). The CDM, however, continued to operate in the municipality of Rancho Grande after 2007.
In addition, in the calls for citizen participation made by the municipal government, members of rural communities found it difficult to cover the costs of food and transportation. Citizens’ apathy to participate in micro-regional consultation mechanisms also became evident. Furthermore, the lack of a collaborative strategy between different local actors or organizations made it difficult to analyze and promote municipal policies in a more participatory and consensual way.

There was little participation of the production sector in citizen consultation spaces for municipal planning processes. Neither did the municipal government take cooperatives into account in those spaces where decisions on municipal development were made. And men producers on their farms, neglecting their capacity as citizens to influence decision-making processes; and the fact that participation in decision-making on public policies was not part of the Cooperative’s agenda. Furthermore, neither did the municipal government take cooperatives into account in those spaces where decisions on municipal development were made.
Getting started

At the onset of the ACORDAR Project, ADDAC began to inform cooperative directives about the benefits and advantages of participating in the citizen participation spaces promoted by the municipal government. The “Ríos de Agua Viva” Multi-Service Cooperative, on the other hand, made an effort to participate in these spaces to strengthen the cacao and beans value chains.

The strengthening of lobbying and participation in public policies was simultaneous to value chain development. In 2007 the ACORDAR Project accordingly contracted the Organization for Social and Economic Development of Urban and Rural Areas (ODESAR, its Spanish acronym), with experience in municipal development, to promote a collaborative endeavor with the municipal government and serve as liaison between the latter and local development actors. ODESAR carried out capacity-building events directed to cooperatives in aspects related to the municipal legal framework: Law of Citizen Participation, Law of Arbitration Plan (related to taxes on goods and property taxes), Law of Municipal Budgetary Regimen, Law of Municipal Budget Transfer, and Municipal Planning System, among others.

In 2009, the ACORDAR Project adjusted its strategy for lobbying and participation in local public policies. At that time ADDAC directly assumed the role previously carried out by ODESAR, and its Human and Local Development Department began to broaden its scope of work, which until then had focused on community issues, by introducing municipal development as a cross-cutting theme. Field technicians assumed the responsibility for consolidating the alliance.

Although the alliance was initially established between the “Ríos de Agua Viva” Multi-Service Cooperative and the municipal government, ADDAC, as permanent actor in the municipality conducting projects with other communities, envisaged this strategy of establishing alliances as an essential

It was very important for us to participate in capacity-building events on municipal development in La Dalia. We learned how to prioritize petitions for community projects and how to subsequently present them before municipal authorities.

Luz Marina López Herrera, Third Member-at-Large, Administrative Council
In 2009, the ACORDAR Project adjusted its strategy for lobbying and participation in local public policies, and municipal development was incorporated as cross-cutting theme.

In this new initiative, ADDAC directly coordinated activities jointly conducted by the municipal government, the Cooperative, and ADDAC with government officials, the Secretary of the Municipal Council, and the Municipal Mayor. Several agreements were reached. For example, capacity-building events would be scheduled in such a way that they corresponded to the time of execution of different phases of municipal planning; capacity building would be facilitated by personnel of the municipal government or by technical staff of local government entities; and cooperative members, and community leaders representing the municipal government would receive training. This helped build a climate of trust among stakeholders.

The methodology used at the workshops was based on the principles of popular education because it first assesses what is happening and then formulates a theory. In 2009, the “Ríos de Agua Viva” Multi-Service Cooperative began to prepare its action plan with the support and assistance of ADDAC. It also managed to have its petitions incorporated into the Municipal Annual Investment Plan.

At the same time, the Cooperative got involved in the citizen participation spaces that the municipal government had established and institutionalized as consultation mechanism regarding its investment plans. Two senior executives of the “Ríos de Agua Viva” Multi-Service Cooperative were invited to form part of the CDM, informed about investment plans, and asked to provide input. ADDAC, a long-standing organization in the area, was already part of the CDM.

The municipal government assigned a technician to monitor the discussions on municipal development held in citizen participation spaces. This person was also responsible for coordinating logistics and for strengthening relationships with the Cooperative, ADDAC, and the ACORDAR
Project, thus facilitating the consolidation of alliances and the appropriation of the issues addressed at the capacity-building events.

To participate in the consultation process held by the municipal government every year to prepare its budget, the Cooperative previously prepared its petitions by analyzing its problems from the value chain approach. By doing so, they only had to present them when each microregional4 consultation as held because their needs had already been prioritized. On the one hand, this helped women and men cooperative members recognize the importance of citizen participation spaces, while on the other municipal authorities positioned cooperative members as prominent actors of local economic development.

After the consultation, the Municipal Mayor, together with his team, prioritized the proposals and prepared a consolidated report of all petitions according to the budget forecast. The results were later presented to the public for approval in town meetings. In the past, community leaders normally participated in this activity; however, under the umbrella of the ACORDAR Project, this participation was extended to women and men cooperative members, which was crucial so they could defend their petitions in case they had not been included in the municipal budget.

Once the “Ríos de Agua Viva” Multi-Service Cooperative began to recognize the importance of the capacity-building events on municipal legislation and put into practice the knowledge acquired, it began to participate in the process, materialize actions in the form of proposed ordinances, and propose possible solutions to municipal development issues before the CDM committees, among other functions, which strengthened the Cooperative’s identity and positioned it as a economic model in the municipality.

---

4. The Municipality of Rancho Grande encompasses 22 regions and the urban area. The total territory is grouped into four microregions.
Knowledge was shared between the “Ríos de Agua Viva” Multi-Service Cooperative and the municipal government as result of the socialization process. Every year the ACORDAR Project reported the actions it was carrying out in the municipality before the Municipal Council at its regular meetings. The Council, in turn, presented a quarterly report on the projects being implemented in ACORDAR target communities.

The information presented between October 2007 and March 2012 indicates that the total investment of the ACORDAR Project in the municipality of Rancho Grande was US$325,756, broken down as indicated in Table 1.

<table>
<thead>
<tr>
<th>Categories</th>
<th>Amount in US$</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technological innovation</td>
<td>107,950</td>
<td>33</td>
</tr>
<tr>
<td>Agricultural production</td>
<td>122,102</td>
<td>37</td>
</tr>
<tr>
<td>Agribusiness systems</td>
<td>44,685</td>
<td>14</td>
</tr>
<tr>
<td>Technologies related to drinking water and irrigation</td>
<td>31,941</td>
<td>10</td>
</tr>
<tr>
<td>Agroforestry systems</td>
<td>4,669</td>
<td>1</td>
</tr>
<tr>
<td>Good Agricultural Practices (GAP)</td>
<td>2,957</td>
<td>1</td>
</tr>
<tr>
<td>Capacity building</td>
<td>11,451</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>325,756</strong></td>
<td>100</td>
</tr>
</tbody>
</table>

*Table 1. Investment of the ACORDAR Project in the municipality of Rancho Grande during the period 2007–2012.*
The following activities were organized, under the umbrella of this alliance, between the municipal government of Rancho Grande, ADDAC, and the “Ríos de Agua Viva” Multi-Service Cooperative:

1. Monthly in-house roundtables with the CDM and environment committees.
2. Cooperative forums.
3. Environmental forums.

It should be highlighted that even with the change of Government in 2008, many of the municipal development staff that the project had worked with continued in their positions, facilitating the continuity of the initiatives launched under the umbrella of the ACORDAR Project and agreed upon with the previous Government.
The Results

In initiatives related to municipal development, ACORDAR worked with 63 community leaders (53 men and 10 women), who also formed part of the “Ríos de Agua Viva” Multi-Service Cooperative’s organizational structure. The strengthened institutional and human capacities helped improve the relationships between the municipal government and the Cooperative.

As mentioned earlier, the Cooperative got involved in citizen participation spaces and, through consensus-building processes with different local actors, made sure its petitions were included in annual municipal investment plans starting from 2009. The following were defined as priorities:

1. Building and rehabilitation of roads.
2. Paving of the urban sector.
3. Rehabilitation of mini aqueducts with gravity flow water supply systems.
5. Preparation of the 2013 Municipal Budget taking into account gender policies and practices, including social control.

Other actions were also executed by ADDAC, the “Ríos de Agua Viva” Multi-Service Cooperative, and the municipal government of Rancho Grande:

1. The municipal government granted ADDAC and the Cooperative the environmental permits to build drinking water systems, expand collection centers, and build drying tunnels to enhance cacao processing.
2. The municipal government made a commitment to prioritize the repair and ongoing maintenance of 22 kilometers of roads that connect the collection center in Kuskawas with the municipal seat of government.
3. ADDAC and other local actors such as the Ministry of Health (MINSA), the Ministry of the Environment and Natural Resources (MARENA, its Spanish acronym), and the Ministry of Education (MINED, its Spanish acronym) held two environmental forums, which served as spaces to discuss the impact of economic activities on both environment and natural resources.
4. A total of 17 Drinking Water Committees (CAP, their Spanish acronym) were organized in different communities. Committees were informed about the special CAP law and received training in how to efficiently manage and use water resources and how to keep their families healthy, among other topics. ACORDAR decided to support capacity-building processes of CAPs and improve drinking water infrastructure, mainly in those communities where cooperative members lived, because water supply had been identified as a priority for communities during municipal consultation processes.

Furthermore, as a result of the entire process carried out by the area of municipal development, the Cooperative increased its awareness of the need to pay municipal taxes. According to data provided by the Municipal Tax Collection Office, between 2008 and 2011 the municipality of Rancho Grande increased its tax-related income by 66.39%. Moreover, by increasing the municipality’s own income, the transfer of resources by the Central Government for the following year automatically increased by law. Sabino Leiva Luquez, mayor of Rancho Grande, commented: “Tax-related contributions have improved. In 2009, transfers from the Central Government amounted to US$521,739 between current expenditures and capital expenditures; in 2010 this amount rose to US$695,652 and in 2011 to US$782,609. In 2013 the Ministry will allocate US$1,130,435. Government transfers increase with increasing tax collection.”

The alliance between the Ixchem Women’s Center, the Mary Ann Jackman Maternity Center, the Ministry of Health, the municipal government, cooperative members, and ADDAC to serve the sexual and reproductive needs of men and women should be highlighted. Capacity-building events were held as well as monthly medical checkups. Visits were made to the “Bertha Calderón” Hospital with the participation of men and women community leaders who helped sensitize communities about the importance of timely health care, particularly for women.

Revenues of the Municipality of Rancho Grande (Nicaragua)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amounts C$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>127,570</td>
</tr>
<tr>
<td>2009</td>
<td>121,051</td>
</tr>
<tr>
<td>2010</td>
<td>160,366</td>
</tr>
<tr>
<td>2011</td>
<td>192,128</td>
</tr>
</tbody>
</table>

Source: Administrative Office of the municipal government of Rancho Grande (July 2012).

According to data provided by the Municipal Tax Collection Office, between 2008 and 2011 the municipality of Rancho Grande increased its tax-related income by 66.39%.
The participation of women throughout the entire process should be highlighted. They gave their opinions, made suggestions, monitored project implementation, and participated in community and municipal decision-making processes such as budgetary consultations, councils, and lobbying for other services such as health, education, and production.

Based on the above, the way the gender policy of ADDAC and ACORDAR was enforced to strengthen families as production hubs can be considered as successful. The participation of women in capacity-building activities on gender, health, processing technologies, and municipal development raised their awareness about the importance of participating in the preparation of the petitions made by communities before municipal authorities. These women also consider that they now know how to better prioritize community projects.
Lessons learned

• Local counterparts should be selected to develop aspects related to municipal development and build capacities. Outside entities should not be contracted to execute municipal development projects because they are not familiar with special characteristics of the territory, its culture, its potentialities, and its internal conflicts.

• When local entities execute municipal development projects, human capabilities are also being strengthened and these remain in the territory to carry similar initiatives forward.

• It is important to motivate actors to participate in consensus-building spaces; however, it is also fundamental to incorporate the problems put forth by the cooperative in the local agenda.

• Municipal development is not an isolated component. It should be addressed from an integrated perspective that embraces health, education, production, infrastructure, gender, an agribusiness approach, religion, and trade associations.

• Inter-institutional coordination is necessary from the onset of the project, and the purpose of the project should be communicated to ensure clarity in the alliances established thereof and in the interlinking of actions.

• The compliance of the agreements established under this alliance improved the attention given to the petitions of the rural population and enhanced the relationship with the “Ríos de Agua Viva” Multi-Service Cooperative.

• By participating in municipal work committees, the Cooperative can highlight the activities it carries out as organization and keep cooperative members informed about municipal investment plans and other opportunities of participation.

• The presentation of the project’s interventions was fundamental to the success of this alliance, preventing the duplication of efforts and investments directed to the same communities.

Municipal development is not an isolated component. It should be addressed from an integrated perspective that embraces health, education, production, infrastructure, gender, an agribusiness approach, religion, and trade associations.
Conclusions

• The Municipal Government of Rancho Grande recognizes that the “Ríos de Agua Viva” Multi-Service Cooperative has made important economic, social, and environmental contributions to the municipality, and considers that the support given to its activities and managerial capacity to operate agribusiness programs should be maintained.

The Cooperative should continue to build capacities related to the Law of Citizen Participation, Gender Policy, Law 779 on Violence against Women, Impact of Mining on the Environment, and Food Production. There is a need to inform and create awareness among Cooperative members so they can have greater impact on decision-making processes.

• The strengthening of alliances related to medical attention for women to promote health care and self-esteem should continue.
Appendix

Other interventions with the “Ríos de Agua Viva” Multi-Service Cooperative

Although ACORDAR was a project that addressed different thematic components, such as municipal development, it worked under an integrated territorial approach. Other interventions carried out with the “Ríos de Agua Viva” Multi-Service Cooperative that contributed to its growth while the process of municipal development was being carried out.

The Cooperative received advisory services on how to manage the accounting system and implement the inventory system provided by ACORDAR. Training was also offered on the analysis of results, balances, and monitoring of portfolio management. Internal audits were performed on a quarterly basis by the ADDAC accountant. Support was provided in accountability processes before assemblies of delegates, the General Tax Directorate (DGI, its Spanish acronym), and the Nicaraguan Institute for Cooperative Promotion (INFOCOOP, its Spanish acronym).

Accompaniment was also provided to the Cooperative in negotiation processes, quality control, and postharvest management of cacao to satisfy exportation standards. Support was provided in the development of management tools such as strategic plans, business plans, and annual budgets.

The above interventions helped the “Ríos de Agua Viva” Multi-Service Cooperative became a pioneer organization in the sale of cacao. It began to purchase wet cacao for uniform fermentation to satisfy quality standards.
The added value of cacao increased its sales price by more than 404%, which in turn increased the income of cooperative members by 75%.

In terms of the business development of the “Ríos de Agua Viva” Multi-Service Cooperative, new marketing alternatives were achieved such as the direct negotiation between the Cooperative and Ritter Sport, a direct marketing agreement with Global Village (the social organization of the ACORDAR Consortium) and with other collectors at the departmental level; and the positioning of the Cooperative as bean collection and marketing firm before exporters as well as supplier of beans to a governmental entity, the National Basic Foods Company (ENABAS, its Spanish acronym).

The added value of cacao (drying, cleaning, classification) increased its sales price by more than 404%, which in turn increased the income of cooperative members by 75%. The quality of life of producers also improved, which was reflected in improved housing, access to higher education, and access to credit no longer for agricultural diversification but for investment in farm equipment and infrastructure.

In 2009 the “Ríos de Agua Viva” Multi-Service Cooperative established an alliance with 202 producers of eight communities in the area of Kuskawas and managed to export 106 tons of cacao to the German market. These economic activities strengthened the Cooperative and, as a result, it was recognized at the municipal level as one of leading organizations that market the municipality’s produce.

Moreover, the “Ríos de Agua Viva” Multi-Service Cooperative, with the support of the ACORDAR Project, generated sales valued at US$1,238,966 in the categories of cacao, beans, and root and tuber crops. It also contributed to the creation of 744 new jobs for men and women during the value chain process.
This publication compiling the work of the ACORDAR Project is made possible by the generous support of the American People through the United States Agency for International Development (USAID). The contents are the responsibility of the ACORDAR Project and do not necessarily reflect the views of USAID or the United States Government.
Alliances between ACORDAR and Local Governments Foster Territorial Development