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RISING TO THE URBAN CHALLENGE? The Roles, Strategies and Performance of NGOs in Lima, Peru

Caroline Sahley with Janet Danziger

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INTRAC
PO Box 563
Oxford OX2 6RZ
United Kingdom
Tel +44 (0)1865 201851
Fax +44 (0)1865 201852
E-mail: info@intrac.org
Website: <http://www.intrac.org>

Registered Charity No. 1016676

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ACRONYMS

ADEC-ATC	Asociacion Laboral para le Desarrollo
AIDER	Asociacion para la Investigacion y Desarrollo Integral
ANC	National Association of Centres
APIAV	Association of Small Industry of Ate-Vitarte
CASI	Centro de Apoyo al Sector Informal
CBO	Community-based Organisation
CENDIPP	Centro de Investigacion y Promocion Popular
CENTRO	Instituto de Estudios Socioeconomicos y Fomento del Desarrollo
CODESURMI	Committee of Urban Planning of the Left Margin of Chosica
EU	European Union
ILD	Institute for Liberty and Democracy
INPET	Instituto de promocion del Desarrollo Solidario
MA	Municipal Authority
NGO	Non-Governmental Organisation
ONP	Office of Neighbourhood Participation
PREHAVI	Programme of Housing Rehabilitation
PREMOVI	Programme of Housing Remodelling
PROES	Emergency Sanitation Programme
UNICEF	United Nations Children's Fund

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INTRODUCTION

The global trend of urbanisation has created serious socio-economic problems, especially in developing countries in the past two decades. Third World capitals once regarded by many to provide escape from rural poverty have grown into mega-cities. Large and ever growing populations have outstripped the limited resources, and put severe strain on the economic and social infrastructure. The situation has generated competition for the limited jobs, housing, transport and health care services, leaving large proportions of the inhabitants in a state of destitution. Conditions in the cities are also affected by economic factors both internal and external and by natural disasters such as floods and earthquakes. Governments are largely unable to control the growth of cities, nor able to cope with the growing socio-economic problems.

Urban poverty has become a major international concern and has attracted the attention of governments, donor agencies and many local and foreign non-governmental organisations (NGOs). NGOs particularly have been involved in improving the living condition of the populations in these shanty areas. However, the nature and effectiveness of their interventions are not well understood, and is the subject of this study.¹

Peru's capital Lima; which is the subject of this report, is no exception. Lima's development after its founding has been largely spontaneous. Squatter settlements sprung up and continue to expand without much government or municipal guidance. Establishing these settlements often takes the form of land invasion followed by construction of temporary shelters. As a result, basic services (e.g. water and electricity) are usually lacking in the early stages; and the inhabitants depend on informal sector economic activities for economic survival. The outcome has therefore been the creation of shanty towns with a high incidence of poverty and disease.

This paper is the result of a two-phase research project carried out in Lima, Peru, between 1997 and 1998, intended to identify, analyse and assess the work of urban NGOs. The research examined issues of resource, internal organisation and administration, and policy which are crucial to NGO effectiveness and weaknesses. In particular, it examines the role of co-ordination, institutional learning, political factors that shape the performance of urban NGOs in Lima. It is hoped that these will highlight important aspects of the activities that enhance operational effectiveness in poverty alleviation.

Some of the questions it attempts to answer include: What activities are urban NGOs engaged in? Who are their target beneficiaries? How effective are they in reaching the poor? What organisational structure do they have? Which institutional arrangements work well? Why are certain institutional arrangements more effective than others? What relationships do the NGOs have with other agencies, and with beneficiary organisations? Do NGOs have

¹This is part of wider INTRAC study on Urban NGOs undertaken in five countries (Bangladesh, Ethiopia, India, Peru and South Africa). This paper examines the case of Lima, Peru.

potential for larger roles than they currently have? Are there distinct characteristics and capabilities for effectiveness?

These questions along with many others have been investigated with particular reference to NGOs in Lima. The purpose has been to build a baseline understanding of the roles, performances, relationships and internal organisation of urban NGOs.

Methodology for the Research

The project entailed a literature review followed by field research. The latter employed various methods to gather information, which include workshops with NGOs, administration of structured questionnaires and semi-structured interviews with NGO leaders and staff, government officials and beneficiary groups.

The field research was undertaken in two phases. The first phase consisted of questionnaires sent to 120 selected NGOs from a list of 133 identified to be involved in urban poverty alleviation in Lima.² The questionnaire covered a wide range of issues including those intended to highlight their characteristics and some aspect of self-evaluation by the NGOs. Forty-four of the 120 NGOs contacted responded (see Appendix A). In addition to the questionnaires, interviews were conducted with twenty-two NGOs, representatives of government and municipalities, CBOs and beneficiaries, and with academics using a combination of closed and open-ended questions.

The second phase of the research examined in greater detail the strategies and performances of three NGOs operating in Lima: IDEAS, CENCA and CEPROMUR. The purpose was to follow up the general survey in the first phase with an in-depth study of these well-performing NGOs in order to obtain further insights into strategic factors that enhance or constrain urban NGO performance. The factors in question relate to strategic decisions that NGOs make regarding programme design, institutional relationship and the nature of contact with beneficiaries.

Organisation of the Report

The paper is organised in three parts. Part I (Chapters 1–4) gives an overview of the general characteristics of NGOs in Lima, Peru. This is based largely on the first phase of the field research; and gives the historical background of Lima and the evolution of NGOs in Lima. Current NGO profiles with regard to income and size, staff profile and training, sectors of intervention, target groups, methodologies of intervention, and degree of specialisation are examined. This is followed by examination of NGO relationships with other actors (municipal authorities, other NGOs, the government, donors and CBOs).

²These NGOs were selected from the databases of SECTI (Ministry of the Presidency) and the National Association of Centres (ANC), an umbrella organization for NGOs. It was estimated that 133 registered NGOs in the city of Lima.

Part II (Chapters 5–7) examines in detail, three NGOs - CEPROMUR, IDEAS and CENCA, with particular emphasis on the evolution of their programmes, organisational structure and leadership. It also highlights the challenges these NGOs have faced, and how they have adapted their programmes to changing political and economic realities. These shed light on the characteristics that have led to their overall effectiveness and success.

Part III (Chapters 8–10) discusses the internal organisational structure of NGOs and strategic factors that facilitate their success, drawing from the experience of the NGOs in the case studies. Issues of NGO performance in Lima are discussed, with respect to scale and replication, influence on national public policy, strengthening CBOs, participation and reach to the poorest. The paper concludes by examining whether Peruvian NGOs are ideological or technical agents of change and their scope for collaboration for city-wide urban development strategy.

N. Simon Dradri
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PART I: THE URBAN NGO SECTOR IN LIMA, PERU

1. NGOs in Lima, Peru: Struggling with Urban Growth and Change

1.1 Introduction

The global trend towards urbanisation marches relentlessly onward. Third World capitals, once viewed as an escape from rural poverty, are becoming mega-cities, whose swelling populations compete for limited jobs, housing, transport and health care. Urban planners are unable to either control or cope with growing populations. The development patterns of large cities are led more by the spontaneous processes of land invasions, self-constructed housing and informal sector economies, than by government policy.

NGOs in Peru and elsewhere are struggling to develop poverty alleviation strategies that work effectively in urban areas. NGOs are beginning to realise that to heighten their impact in cities, their role should not merely be to alleviate the symptoms of poverty, but also to foresee and influence trends in urban development.

This chapter considers some of the complex changes that Lima has undergone in recent decades. It identifies some of the key challenges facing both policy-makers and NGOs working to improve the quality of life of urban dwellers in Lima. It is necessary to consider briefly the context and problems of the city, to better understand the forces shaping the missions, strategies and methods of Peruvian NGOs. Given the limitations of space, this section summarises some of the basic socio-economic conditions in Lima.

1.2 History and Profile of the City

Lima, 'the City of Kings' was founded in 1535 by Francisco Pizarro, and was settled around the rivers Rimac and Chillón, both vital lifelines in this parched desert coast of the Pacific. Lima initially grew slowly and surpassed 100,000 inhabitants only in 1876 (INEI 1997). The first real push towards urbanisation occurred in the early 1900s, when the city expanded beyond its historic, colonial centre. The pressing need for urban planning and the development of urban infrastructure became apparent at this time, as semi-rural areas surrounding the city centre were converted into residential districts. In 1921, a tram system was developed to serve the city's transport needs.

In the 1940s, Lima's growth accelerated. The advent of radio and the construction of highways lured many to the apparent prosperity of the city. An agricultural crisis in the early 1940s and the beginning of agricultural modernisation displaced peasants and further fuelled migration to the cities. Migrants began to settle in central Lima, and also began to move into the steep hills surrounding the city centre. The pace of urbanisation continued to increase in the 1950s, and by

1961, the population of Lima was slightly less than two million inhabitants. This figure represented more than 18% of Peru's total population (INEI 1996:14).

Urban squatter settlements, known as *pueblos jóvenes* (young towns), began to spring up in the sandy deserts surrounding the city. Many new districts were formally incorporated during this time. Metropolitan Lima grew to include Comas and Villa Maria in 1961, Villa el Salvador in 1963, Independencia in 1964, El Agustino and San Juan de Lurigancho in 1967.

Census results revealed that the population of Lima had grown to 3.4 million in 1972 and to 4.8 million in 1981 (INEI 1996:14). Although this represents a strong nominal increase in the size of the city, the rate of growth began to slow down. However, the upsurge in guerrilla activity in the central Andes resulted in thousands of internally displaced refugees fleeing the violence. A steady stream of migrants arrived in Lima throughout the mid- to late 1980s. The latest census, conducted in 1993, puts Lima's population at 6,434,323 (INEI 1996:14), or 28.4 % of Peru's total population. Currently, the expansion of the city is the result more of natural population growth than of rural to urban migration.

1.3 Types of Settlement

It is difficult to generalise about the conditions of the urban poor in Peru. Many *pueblos jóvenes* have been in existence for decades, and families within these communities have had differing degrees of economic success. Overall indicators for a district tend to mask the tremendous differences in standards of living and levels of income within the community. In many older *pueblos jóvenes*, it is not uncommon to see a nicely painted three-storey home next to a basic, one-storey dwelling that has remained largely unchanged for years.

It is important to make a distinction between the squatter settlements on the periphery of the city (*pueblos jóvenes*); inner-city slums in or near the centre of old Lima; and peri-urban areas that remain partially agricultural. Not only do the social and economic challenges differ in each of these settings, but forms of social organisation and economic activity vary among them.

1.3.1 Inner-City Slums

The first areas to be settled by migrants were the inner-city districts near the old centre of Lima, including Brena, La Victoria, Rimac and Lima itself. These districts were once the preferred destination of recent immigrants due to their proximity to the city centre and the availability of public transportation. They were also close to industrial areas that held promise for potential employment. In addition, housing was available for rent in these areas, unlike the more desolate *pueblos jóvenes*. Central areas of the city were also more likely to access basic services, such as water and electricity.

In recent years, however, this trend has changed. While the *pueblos jóvenes* are growing at a rapid rate, the inner-city slum population now shows a slow decline. Between 1981 and 1993,

the population of the district of Lima declined by 1%. Other inner city-districts showed even greater declines. Brena experienced a 2.1% population decrease during this same period, and La Victoria a 1.8% decrease (INEI 1996:22).

The declining living standards in these crowded areas are stimulating migration to the expansive districts on Lima's periphery; but population densities remain high and living standards are deteriorating. In the inner-city districts of Brena and Lima, for example, there are an estimated 28,336 and 15,706 inhabitants per square kilometre respectively. By contrast, in the populous districts of Comas and Villa el Salvador, population density is 8,411 and 7,282 inhabitants per square kilometre respectively (INEI 1996).

The inner-city slums, known as *tugurios*, are characterised by older housing in varying states of deterioration. In these high-density districts, many houses are subdivided and most residents rely on rented accommodation. Hygienic services are inadequate in these overcrowded living conditions, and populations in *tugurios* are at high risk of gastrointestinal and other diseases. Dampness and structural weaknesses in older houses create dangerous living conditions. Basic infrastructure, such as sewage lines, water pipes and electrical lines are in a state of disrepair. Ruptured pipes flood some houses with raw sewage, and faulty electrical lines have been known to cause fires. Deteriorated housing puts the population at risk in this area of regular seismic activity.

Inner-city areas are also notable for the limited number of community organisations. While some community-based organisations (CBOs) exist, the wide range of dynamic CBOs found in the *pueblos jóvenes* are absent here. It is of some significance that the reformist military government's social mobilisation programme of the early 1970s, SINAMOS, was implemented exclusively in the *pueblos jóvenes* and not in the inner-city areas (Sanchez Leon et. al. 1979). Government support for community organisations in the *pueblos jóvenes* in the early 1970s did serve to affirm their role in society and strengthen their institutions. This is perhaps one of the multiple complex social factors that have limited the scope of community organisation in the inner cities.

The absence of CBOs in the inner city makes it difficult for NGOs to gain entry to the community, where there is a sense of distrust toward outsiders. The high rate of violent crime in these areas, moreover, makes work here difficult for NGO workers. Assistance is not easily obtainable for families that have lived for generations in rented inner-city housing without improvement. Most NGOs choose to work in the *pueblos jóvenes* on the periphery of Lima where; despite the very real deprivation that exists, there are signs of progress.

1.3.2 *Pueblos Jóvenes*

The majority of Lima's urban poor live in sprawling *pueblos jóvenes* in the North, South and East 'Cones' of the city. The demographic explosion of Lima's periphery began in the 1960s. According to official statistics, the population of the *pueblos jóvenes* grew by nearly 700% between 1956 and 1970. By 1981 they accounted for more than 30% of the population of Lima, with approximately 1.5 million inhabitants (Driant 1991:57-67). According to the 1993 census, 2,188,445 people lived in 1,147 registered *pueblos jóvenes* (INEI 1997: 265). It is important to

note that the census probably underestimates the number of residents in informal housing, in part because it excludes newer settlements.

Most of Lima's squatter settlements were created on publicly owned land, although there are many cases of 'invasions' of privately owned land. Initial squatter settlements were not always formed by individual efforts to secure land, but in many cases were carefully planned by organised groups of families. Community *dirigentes* (leaders) would determine the state of ownership of a property, arrange for the transportation of building materials and pre-establish lots. Arriving *en masse*, settlers establish a presence and build shelters literally overnight. At times, the state responded with violence, evicting inhabitants by force and setting shelters on fire.

In other cases, *pueblos juvenes* were established in locations explicitly sanctioned by the state. The most notable case was the establishment of new settlements in Villa el Salvador in 1971, when the government relocated 3,000 families evicted from another settlement.

Neither state housing programmes nor the commercial housing sector are able to cope with the tremendous demand for low-cost housing. In the face of totally inadequate state provision of housing, self-help strategies predominate. Unlike the inner-city areas, the majority of houses in the *pueblos juvenes* are built by the communities and families themselves. Families initially use light reed matting which provides sufficient shelter in Lima's dry climate until permanent materials can be bought. Most houses in a *pueblo joven* remain unfinished for years, with new additions or floors added as building materials become affordable.

The areas with a high concentration of urban poor in the North and South Cone districts are distant from the industrial centres in the central and east side of the city. Many of the residents of Lima's *pueblos juvenes* have no option but to develop informal economic activities in either the productive or commercial spheres. Most families are engaged in multiple economic activities, involving all family members including children. The recession of the 1990s has been both prolonged and severe, and few families have remained unaffected.

1.3.3 Peri-urban Areas

An often overlooked characteristic of the city is that in the outlying areas of metropolitan Lima are semi-rural, agricultural districts. These areas are among the poorest in Lima, and include districts surrounding the river Chillón, such as Carabayllo. These areas are facing pressures on land use, as the growth of low income settlements spreads into agricultural areas. Environmental and pollution problems are generated as the population increases in the fertile valley areas, degrading the land and increasing the demand for water.

According to NGOs working in the field, recent changes in legislation have made it easier for agricultural land to be sold for high density housing. Commercial builders targeting the mid-income market are purchasing land from small-scale farmers. The cash offer for land is an attractive offer to many families, but can leave them without a livelihood in the long term.

Other peri-urban areas are non-agricultural. The desolate and sandy coastal districts in the far north and south of the city have very limited infrastructure, and have some of the poorest living standards. The beach-front districts of Santa Rosa, Ancon, San Bartolo and Punta Hermosa attract thousands of middle-class sunbathers each summer and many wealthy residents have summer homes here. Paradoxically, they are also the sites of some of the most deprived *pueblos jóvenes* in Lima.

1.4 Recent Socio-economic Trends

The election of Alberto Fujimori in 1990 coincided with a period of hyperinflation, recession and growing poverty. Inflation surpassed the 1,000% mark in 1989. The implementation of a structural adjustment programme in 1990 sent inflation soaring to 7,000%. The economic crisis had a devastating impact on the standard of living of most sectors of the population as the real value of their income plummeted. The crisis plunged a significant sector of Lima's population into extreme poverty in the early 1990s. By the mid-1990s, the economy began to recover gradually. Inflation has remained under control and the economy is once again growing.

Yamada and Perez (1996:41) analysing income and expenditure surveys carried out by the Peruvian government, estimate that the incidence of extreme poverty in metropolitan Lima has declined from 10% in 1991 to 4.7% in 1994. Those living in poverty also declined from 47.6% to 37.6%. They conclude that while the incidence of poverty remains high, there has been significant improvement since the crisis of the early 1990s.

1.4.1 Housing and Infrastructure

During the 1980s (sometimes called the 'lost decade' for Latin America), living standards did not show great improvement. State provision of services was unable to keep up with growing demand. Between 1985 and 1987, for example, the percentage of houses in *pueblos jóvenes* in Lima with plumbing dropped from 35% to 27%.³

This trend has been reversed in recent years. Since the privatisation of the electric and telephone companies, the *pueblos jóvenes* are now viewed as vast untapped markets. The provision of electrical and telephone service throughout the *pueblos jóvenes* has demonstrated a marked increase. Similar increases, however, have not been seen in the more critical and non-privatised services of water and sewage systems. Some basic indicators for 1993 (INEI 1996) for metropolitan Lima are listed in Table 1.1.

Table 1.1 presents some basic housing and service indicators for all of metropolitan Lima. It shows that in metropolitan Lima, only 15% of households are without electricity, with only 12.9% having to purchase their water from trucks. These global figures, however, include the affluent and middle-class sectors of Lima and therefore fail to reflect the extent of deprivation in Lima's *pueblos jóvenes*. For comparison, the table also includes disaggregated statistics for

³ Estimated from data in Ministerio de Vivienda y Construcción (1989) and (1987).

the poorer districts of San Juan de Lurigancho and Villa el Salvador. It can be seen that the percentage of households without electricity approaches 25% in these districts, while the percentage of households having to purchase water outside their home exceeds 30% in San Juan de Lurigancho and approaches 25% in Villa el Salvador.

Table 1.1: Comparison of Housing Conditions in Metropolitan Lima with Poorer Districts

Indicators (% of households)	Metropolitan Lima	District of San Juan de Lurigancho	District of Villa el Salvador
Water purchased from trucks	12.9	30.1	24.7
Houses with dirt floor	19.5	36.0	24.8
Straw roofing	13.8	25.1	12.5
Without electricity	15.0	23.5	24.9
With telephone	18.5	1.6	0.2

Despite the success of the economic stabilisation programme at the macroeconomic level, a significant percentage of Lima's population remains in conditions of poverty and deprivation. Although there have been notable improvements in the provision of services to squatter settlements, the more important indicators of income and expenditure illustrate that families are still struggling to make ends meet.

1.5 Patterns of Urban Settlement in Peru

It is beyond the scope of this study to examine the challenges facing urban planners in Peru. However, it is important to recap and highlight some of the more salient features of current trends in urban expansion.

First, growth trends and land use patterns have largely been spontaneous and unplanned. Government urban plans have failed to predict or guide the growth and evolution of the city. Government intervention in the form of public housing, relocation of evicted families, or designating areas for the *pueblos jóvenes* have not had a significant impact in Lima's spatial development.

Second, Lima's growth pattern has originated from the densely populated central area, outward to less populated areas on the periphery. This development has been horizontal rather than vertical. Most homes in the *pueblos jóvenes* are single-family, one-storey dwellings. Even in large *pueblos jóvenes*, population density is increasing relatively slowly. In the search for new

and unused land, settlements are starting to extend into the valuable agricultural areas by the river. This is a potential damaging trend in a country where a very limited percentage of land is arable and suitable for agriculture. Moreover, this pattern of outward expansion and relatively low density populations makes it increasingly difficult for the government to supply basic services such as water and sewage.

Third, many *pueblos jóvenes* are undergoing a period of consolidation and development. The term *pueblos jóvenes* (young towns) is in fact a misnomer, as many of these settlements were established in the 1940s and 1950s. Most poor districts now have a central area with full access to basic services, small-scale enterprises and restaurants. Unlike in the outlying regions of these districts, two- and three-storey buildings are common. A significant degree of social differentiation exists in these older towns, and some of the houses would not look unusual in a middle-class suburb. It is important to recognise that the problems faced by *pueblos jóvenes* in periods of consolidation are different, but no less acute, than newer settlements.

Fourth, goods, services, jobs and infrastructure remain concentrated in central Lima. Most private and public-sector organisations remain in central areas, with small-scale enterprises found in more distant districts. Bus stations, factories and federal offices are situated mainly in central areas, forcing many to commute long distances. The availability of goods is limited in the *pueblos jóvenes*, even though there is a burgeoning 'middle class' in these districts. This excessive centralisation in the centre of Lima exacerbates transportation problems and further marginalises these populations.

NGOs and governments attempting to alleviate urban poverty need to recognise these trends. It is not enough for NGOs to make modest increases in income or to assist in the building of low-cost shelters. NGOs have the ability to develop alternative strategies that encourage a new model of development which incorporates Lima's urban, marginalised population in a more equitable fashion. In order to do so they must increase their understanding of urban planning issues and situate their specific projects within a broader plan of development.

2. History of NGOs in Lima

2.1 Introduction

NGOs are an important feature of Peru's civil society, with a long and complex history. There are a large number of registered NGOs in Peru, totalling 1,624 in 1996.⁴ The history of the NGO sector has been a rocky one, punctuated by intermittent growth spurts and periods of declining activity. Analysis of the NGO registration database reveals three peaks in the histogram; with many NGOs being founded in 1977, 1985 and 1991, with respective declines in numbers being founded in 1981, 1987 and 1994. Different contextual forces converged during these years that stimulated the creation of new NGOs and development strategies. More significantly, these contextual factors shaped the nature of the NGOs' outlook, ideologies and strategies.

2.2 The Birth of the Traditional NGO

Although there were a handful of NGOs that emerged in the 1960s, including prominent NGOs such as DESCO, the first real wave of NGO development began in the mid-1970s. NGOs emerged as a sector during the period of intense politicisation of society, and could be considered an outgrowth of a renaissance in the Peruvian social sciences. The growth of universities in the 1960s fuelled an interest in rural power structures and drew attention to the extreme inequities in land ownership and standards of living. The predominant philosophical/political issue of that time was how to incorporate marginalised populations into the process of national economic and political development.

In 1968, a radical military body under the leadership of General Velasco assumed control of the government. The new government vowed to defend the rights of peasants and tackle the land question directly. The expropriations of land and industry that followed under the leadership of General Velasco were not uncommon in the Latin American context. This military government did, however, implement a series of urban policies which were more far-reaching than many other attempts at reform. Velasco believed that forms of peasant organisation in rural areas could also be stimulated in urban settings, and his government promoted community organisation in the city. Most notably, *organizaciones vecinales* (neighbourhood organisations) were formally recognised during this period. The generals in power encouraged CBO work, and made the establishment of community-based organisation a prerequisite for receiving some types of public service. Although informal community organisations already existed in urban areas, the reformist government was responsible for strengthening and institutionalising CBOs during this period.

⁴This refers specifically to NGOs that were registered with the Ministry of the Presidency Secretariat of International Technical Cooperation (SECTI). Registration with SECTI is only required if NGOs are receiving overseas funding. Not all NGOs appear in the SECTI database.

In 1975, General Velasco was replaced by a more conservative general in a bloodless coup. Mass firings of reform-oriented officials followed; some of who created NGOs to continue to pursue their vision of equitable development. The creation of NGOs peaked in 1977 and continued more slowly until 1980.

NGOs established in this period were driven by strong political and ideological motivation. They shared a concern with popular education and enlightenment of the masses. They sought to promote conscientisation, social awareness and co-operative forms of ownership. Despite the similarities in their outlook and philosophies, however, these NGOs were of diverse origins. Some had links with the church, some had university roots, while others were established by ex-Velasco officials. The influence of social science academia was particularly strong. Many NGOs and non-profit research institutes during this period developed research programmes into the problems that contribute to the perpetuation of poverty in Peru.

Urban work was further stimulated in the immediate aftermath of the Velasco government. The labour movement faced tremendous challenges under the economic stabilisation programme of the late 1970s and the subsequent industrial recession. General strikes were organised in Lima, and NGOs found themselves allying with social groups in opposition to the government and its economic policies.

In sum, the 'traditional' NGOs that emerged in Peru in the 1970s were founded on the ideology of solidarity with popular movements. They clearly perceived themselves as political actors in opposition to the state, responsible for advocating alternative development strategies to benefit the poor.

2.3 The Second Generation: NGOs in the 1980s

The ideology of solidarity with popular movements weakened somewhat in the 1980s. While in the 1970s NGOs attempted to negotiate with the state for popular demands, in the 1980s a growing emphasis on production and technical assistance began to emerge. This changing emphasis was stimulated by both international trends, and local initiatives. On the one hand, donors became more interested in raising the income of beneficiaries than in raising awareness. On the other, new recognition and respect for the informal sector led to projects that were more self-help and economic in nature. As a result, in the 1980s NGO projects became more technical in nature and the NGOs themselves became less politicised.

Evidence suggests that a new generation of NGOs was founded during the period of growth of direct official funding to NGOs (Bennett and Gibbs 1996). The newer NGOs were more likely to be specialist agencies, focusing on a particular sector of activity, than the traditional generalist NGOs that provided multiple services to a specific community. They were smaller and more results-oriented than their traditional counterparts, focusing more on immediate outcomes than long-term changes in the national power structure.

The early 1980s was a positive era for Peruvian NGOs. Democracy had been restored and in a landmark election, a socialist, Alfonso Barrantes, became mayor of Lima. Barrantes implemented many important programmes to support the urban poor. Among these was the Glass of Milk programme which provided a daily glass of milk to each child living in the poor areas of Lima. The municipality forged strong relationships with both NGOs and CBOs. In fact, many NGO staff went to work for the municipality of Lima at this time.

In addition to Barrantes, some mayors of Lima's 49 districts were socialist and began to implement a reform agenda. As many elected politicians during this time expressed a desire for social change, many traditional NGOs sought to redefine their roles. They gradually began to move from confrontation and antagonism with the state, to a more co-operative and collaborative attitude.

In the late 1980s, however, another powerful force made its presence known in Lima. The Shining Path (*Sendero Luminoso*), a guerrilla movement that previously had focused exclusively in rural areas, began to operate in Lima. One of its objectives was to infiltrate and control CBOs in both rural and urban areas. The activities of the Shining Path together with the extreme counter-measures imposed by the government made many types of political activity and community organisation dangerous.

NGOs faced many difficult decisions. Their primary partners, CBOs, were under attack from the Shining Path. CBO leaders were routinely threatened and often killed. As a result CBO members became wary of participating in activities, and community solidarity was weakened. Municipalities feared CBOs because of possible Shining Path infiltration, and relations between CBOs, NGOs and municipalities suffered. Many NGO workers also received death threats and some were actually killed. Most NGOs began gradually to scale back the visibility and extent of their activities, while still maintaining some presence in the community.

By the early 1990s, NGOs were caught in the crossfire. They faced the dual threats of terrorist attack and government repression. NGOs demonstrated solidarity with CBOs that were the primary focus of attacks. However, allying themselves too closely with CBOs generated government suspicion and some NGO workers were accused of terrorism and arrested. Nevertheless, NGOs continued to work with communities despite the very difficult political circumstances. By 1992, however, collaborative working relations between NGOs, CBOs and government had deteriorated as a result of mutual suspicion.

2.4 The Third Generation: NGOs in the 1990s

In 1990, Alberto Fujimori was elected President of Peru, and he immediately tackled two of Peru's greatest ills. Through a structural adjustment programme, hyperinflation was eventually brought under control. More significantly, the leadership of the Shining Path was captured and imprisoned in 1992.

Although the levels of political violence declined in Peru, economic pressures on the poor were not eased. The severity and length of the recession further impoverished large sectors of the Peruvian population. A perceptible change in NGO strategies in this period occurred in the early 1990s, with a renewed focus on supporting economic survival strategies. Major initiatives include CBO-controlled food kitchens (*comedores populares*), ongoing work with the Glass of Milk programme and new health care programmes. The cholera epidemic in 1992 provided a clear illustration of just how dire circumstances in the *pueblos juvenes* had become.

International aid poured into Peru, much of it going to the government. Fujimori developed new social development programmes for the urban poor, such as FONCODES. Approximately \$600 million was distributed by FONCODES between 1991 and 1996 to community led-projects in the areas of social assistance, social infrastructure, physical infrastructure and productive activities (Pratt 1997).

The Fujimori government can be said to be ambivalent, if not mildly negative about NGOs. According to some NGO leaders, Fujimori views NGOs as competition for the minds and hearts of the poor. The government is directly implementing many social programmes, and in doing so is bypassing both municipalities and NGOs. At the same time, some multilateral donors have pushed the government to work with NGOs, and has led the government to subcontract some of its programmes. Another spurt in NGO development occurred at this time as small NGOs were established to take advantage of these new sources of money. Simultaneously, many NGOs established in the mid-1980s found themselves unable to handle the economic crisis and closed.

NGOs are moving towards the new century uncertain about the future. Relations with the government have not been improving, and funding for Latin America appears to be on the decline as the former communist countries continue to absorb aid money. There are in excess of 1,500 NGOs in Peru competing for limited funding. Increasing competition for funding has encouraged NGOs to become highly technical and specialised. This report examines the NGO sector at this important moment in their development. It attempts to assess the current trends that shape the development of NGO strategies and influence their performance.

3. Profile of the Sector

3.1 Methodology

A questionnaire was sent to 120 NGOs undertaking urban poverty alleviation projects in Lima, Peru. The NGOs selected were drawn from databases compiled by SECTI (Ministry of the Presidency) and the National Association of Centres (ANC), which is an NGO umbrella organisation. From these databases, it was estimated that 133 registered NGOs work on urban poverty issues in Lima. Of the 120 NGOs included in the sample, forty-four responded to the questionnaire.⁵ In addition to the written survey, twenty-two NGOs in Lima were interviewed by the authors, using a combination of closed and open-ended questions. Representatives from the government, municipalities and academics were also interviewed.

This section summarises the basic characteristics of the NGO sector in Lima, with a particular focus on their areas of intervention, strategies and approaches, and target groups.

3.2 Income and Size of NGOs

The average income of NGOs in our sample for 1996 was \$1,259,759.⁶ However, if you exclude two of the largest, (CARE-PERU and Accion Comunitaria) then the average drops to \$594,234. The combined income for the forty-four NGOs in our sample was in excess of \$20 million (excluding CARE and Accion Comunitaria).⁷ This represents a fairly significant contribution to the city's economy, and as such one would imagine it would endow the sector with a certain amount of political clout.

In comparing income levels in 1997 with the year before, twelve NGOs are receiving the same amount, eight are receiving less, while thirteen are receiving more than the previous year. Meanwhile ten NGOs do not specify. If these NGOs are representative of the whole urban sector then this is encouraging.

Most of the NGOs reported receiving the largest proportion of their funding from Northern NGOs. Two-thirds are receiving funding from Northern NGOs, and of those, nearly all received over half of their income from these sources, with half receiving as much as 71–100% of their income from them.

⁵The same questionnaire has been used in Ethiopia, Bangladesh, South Africa and India as part of a larger INTRAC study.

⁶Many of the NGOs responding to the questionnaire do not work exclusively in urban areas. These income figures probably refer to the organisation as a whole, not merely the urban programme.

⁷Total income for the 36 NGOs that provided information on income for current and previous years is \$21.4m and \$25.5m respectively.

Just under half reported income from official agencies, but these contributions generally amounted to less than 30% of total income. However, recent trends suggest an increase in direct funding and the reduction of financial support coming from Northern NGOs as they direct more of their resources towards Africa and Eastern Europe. It is therefore surprising that such a small proportion of the funds comes from official agencies. It is possible that new and important forms of official funding, such as the Peru-Canada Countervalue Fund are not perceived as such.

Table 3.1: Sources of NGO Income and Proportion of Funding

Source of funding	Number reporting funding	>10%	11–30%	31–50%	51–70%	71–100%
Northern NGOs	29	0.0	10.3	3.4	37.9	48.3
Official agency (Northern)	19	31.6	31.6	10.5	15.8	10.5
Southern government	12	50.0	41.7	8.3	0.0	0.0
Other sources	12	41.7	41.7	8.3	8.3	0.0

Only a quarter of NGOs surveyed received any income from Southern governments, and again the proportion was small. This amount probably reflects the subcontracting income of NGOs participating in government programmes.

A quarter of NGOs received income from ‘other’ unspecified sources. It is possible that these sources might be the result of fees for services. A number of NGOs report that they are doing some consulting work and these activities might be supplementing their grant income. There was a definite feeling that NGOs were starting to look at ways of becoming self-financing in order to minimise their dependency on foreign donors.

The level and nature of NGO funding affects (limits or enables) many aspects of internal organisation including the number of personnel, their quality and training, and the ratio of project resources to administration and research resources. One pervasive concern of Peruvian NGOs is the limited amount of funding available for institutional support and overheads. On average, 20% of a grant is specified for core funding/institutional costs, although many NGOs report a 10% limit on core funding.

One consequence of this is that NGOs cannot afford to hire experienced administrators. Approximately 15% of NGOs have no full-time administrative staff. The result is that often skilled project staff end up shouldering much of the administrative duties. A number of NGOs reported situations in which highly skilled water engineers and doctors are burdened preparing donor reports and doing accounting. More money invested in administration would mean more

effective use of qualified personnel. It would also mean that NGOs might be able to get the appropriate financial and administrative systems to help them achieve their objectives.

3.3 Staff Profiles and Training

The number of staff of surveyed NGOs ranges from 3 to 232. The average number of paid staff from our survey is 37. Approximately 50% of the NGOs have a staff of 20 or less.

Data extracted from the SECTI directory enables a preliminary analysis of the qualifications of the staff. On average, just 11% of staff had no formal qualifications. This demonstrates that NGOs are still attracting very able personnel, the majority of whom are educated to university standard. SECTI also distinguishes between technical and professional staff.⁸ Generally the proportion of staff with technical qualifications was not that high, with 65% of NGOs reporting no technicians on their staff. The proportion of professional (usually social scientists) staff remains high.

3.4 Sectors of Intervention

The questionnaire asked NGOs to specify the sectors in which they worked. In addition, NGOs working in multiple sectors were asked to estimate the amount of time spent working in each sector. The results are presented in Table 3.2.

3.4.1 Education

Approximately 66% of NGOs responding to the survey are involved in educational activities. The primary target group of educational efforts are women (86%), meanwhile 58% focus their efforts on children. This focus on adult education assumes many different forms, such as literacy training, health education or citizenship awareness seminars. NGOs working with children work with both formal and informal forms of education, developing materials and curricula, or training teachers. TAREA, for example, works closely with the Ministry of Education and has participated in developing courses and materials for use in schools.

3.4.2 Economic Activities: Income-Generation and Micro-enterprise Development

Sixty-four per cent of NGOs work with micro-enterprises. Micro-enterprise development became an attractive strategy for the NGO sector in the mid-1980s. The Peruvian economy was growing rapidly, protectionist policies benefited locally produced goods and donor money

⁸SECTI does not give definitions for these two categories, although it can be assumed that technical staff generally refers to engineers and similarly skilled staff, while professionals are those with university degrees in non-technical areas, such as the social sciences.

poured into credit and training programmes. Many NGOs working in other sectors jumped on the micro-enterprise bandwagon and started economic development programmes.

The track record of the sector has been mixed. NGOs have become more business-like in their approach to enterprise development and now focus on providing credit on favourable terms, rather than grants. Although few programmes are genuinely financially sustainable, programmes are becoming more efficient and are reaching more people. However, the ongoing economic recession of the early and mid-1990s has hit informal sector producers hard. The flood of imported goods has devastated many important sectors once competitive for small-scale enterprises, such as shoemaking and clothing. As one micro-enterprise NGO director lamented, many of the productive enterprises NGOs supported and trained in the late 1980s have now collapsed. Commerce and trading became one of the few economically viable alternatives available.

Table 3.2: Sectors of NGO Intervention and Percentage of Time

Time spent working in each sector	%	NGOs working in each sector	%
Education	28	Education	66
Economic activities	23	Economic activities	64
Health	13	Health	48
Other	10	Other	43
Environment	9	Environment	41
Shelter	5	Shelter	25
Water	4	Water	23
Sanitation	3	Sanitation	18
Land and titling	3	Land and titling	14
Transport	1	Transport	2

3.4.3 Health

Approximately half of the NGOs are working to some degree in the health sector. There is a positive correlation between those working in health and those working with children and women as their target groups. This would include projects such as child nutrition, vaccinations and education to mothers about how to look after their children. Most of these programmes are highly participatory. Many NGOs train local health ‘promotoras’ within communities to provide basic health care and advice.

The Ministry of Health has shown itself to be somewhat receptive to interaction and collaboration with NGOs. For example, EDAPROSPO initiated a project to increase knowledge about and use of natural and herbal medicine. As part of the project, this NGO set up a training

course for doctors employed by the Ministry of Health. Although attendance at the seminar was limited, the ministry accepted the notion of an NGO providing training to its doctors.

3.4.4 Other

The 'other sector' which ranks highly includes a wide range of activities such as training, consulting, urban planning, institutional development and food distribution.

3.4.5 Environment

Active interest in environmental protection in urban areas has emerged only recently. The types of programme considered environmental vary widely, and tend to encompass sanitation programmes, creation of green spaces and reforestation. Education on environmental issues for both children and adults is also a key component of these strategies.

Significant overlap exists between environmental programmes and sanitation. Many environmental NGOs are involved in education and awareness raising about recycling, the dangers of burning garbage and dumping into rivers. A network of NGOs, called ProRimac, is attempting to develop an environmental management plan for Rimac valley. This includes integrated plans for reforestation, water clean up and sustainable agriculture. This type of co-ordinated and comprehensive environmental management strategy, however, remains rare. Most efforts are isolated and very small scale.

Environmental work is becoming more common, but is not yet a high priority for most NGOs. As Table 3.2 illustrates, although 41% of NGOs have an environmental component to their work, only 9% of their time is spent in this area.

3.4.6 Housing and Shelter

Although a quarter of NGOs are working on housing issues, it can also be seen that the intensity of this work is low, with only 5% of their time spent on this on average. Housing is a very acute problem for most of the urban poor, however, few NGOs attempt to address shelter needs. Housing projects in Lima, according to one NGO director, have always been, '*super-micro - their reach is extremely limited.*' According to the director of the NGO CUIDAD, '*there is no way to have a greater impact in housing*'.

Direct investment in housing is clearly beyond the reach of the NGO sector. NGOs will need to develop indirect means of scaling-up their shelter activities, such as engaging the support of the government or banks to encourage them to offer credit for home expansion. DESCO has a housing project in Villa el Salvador based on a guarantee fund in a commercial bank. This programme has two objectives: it aims to demonstrate the feasibility and potential profitability of housing loans to the urban poor and to promote changes in Lima's spatial growth by encouraging vertical growth (adding second and third storeys to existing houses) rather than horizontal growth into new areas.

3.4.7 Water

Working in the water sector has similar demands in terms of the technical capacity of the staff required and cost. It is an urgent need in this arid climate, and lack of water is the cause of many illnesses and gastrointestinal disorders. Water is a pressing city-wide problem in Lima. As with the housing sector, the scale of the problem is such that NGOs will need to tackle it indirectly or in co-operation with the government. There are some examples of NGOs acting as facilitators, by assisting communities in their efforts to obtain state provision of water. Many NGOs are strengthening CBOs and encouraging them to apply for services. In one case, for example, an NGO hired a water engineer to survey the community. This feasibility study was provided to Sedapal, the state water company, and facilitated the installation of a water system.

Although 23% of NGOs claim to be working in the water sector, the amount of time spent on these programmes is very low (4%).

3.4.8 Land

Few NGOs are working on issues of land access, tenure and titling. Some NGO workers argue that titles are relatively unimportant as the state does not wait for titles to be granted before public services are provided. After a number of years of residence evictions rarely happen, and it is not seen as a priority. Other NGOs, particularly those working in the credit field, argue that titles provide collateral for loans and allow the poor to move from the informal to the formal economy. In fact one policy research NGO, the Institute for Liberty and Democracy (ILD), was instrumental in raising awareness about this issue, and participated in streamlining government policies to facilitate titling of property.

Until recently, the process of issuing land titles was the responsibility of the municipalities. However, as the Fujimori government continues to centralise municipal powers, a national government body (COFOPRI) has assumed titling functions. It is a complex process which includes mapping out the *pueblos jóvenes*, assessing the legal status of the land and then registering every individual lot. NGOs are helping communities organise their papers in order to facilitate the process. NGOs claim, however, that COFOPRI has prohibited NGOs from accompanying applicants and assisting with the registration process.

Land access for markets for street vendors has also become a topic of debate in Lima in recent years. The municipality of Lima has clamped down on street vendors and has relocated them to designated areas downtown. Land for markets is also an issue in the *pueblos jóvenes*. One NGO, EDAPROSPO, is helping vendors lobby the municipality for land to establish markets.

3.5 Target Groups

NGOs were also asked about their target groups. The responses are listed in Table 3.3.

Table 3.3: Percentage of Time NGOs Work with Target Groups

Target groups	Percentage of time working with each group
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Women	77
CBOs	71
Local government	50
Children	46
NGOs	43
Other groups	41
Workers' groups	30
Specific communities	23
Religious groups	5

Women are the primary group targeted by NGOs in their poverty alleviation efforts. Over 77% of NGOs have projects specifically targeted at women.

Approximately 71% of NGOs work with CBOs. CBOs are an active force in civil society in Peru, demonstrating great organisational capacity. They have always been an obvious route for NGOs to become involved in these communities. NGOs work towards poverty alleviation either by strengthening the capacities of these community groups or by implementing projects with the participation and involvement of the community. Some NGOs actively contact CBOs in a community and discuss working with them, while others wait for the CBO leaders to come to them with an idea, or a request for assistance. Whatever the mechanism, the relationship between NGOs and CBOs is extremely important. It can be suggested that the performance of an NGO sometimes mirrors that of the CBOs; when CBOs are weakened then the NGOs lose their partners/contact with the community and as such their programme performance suffers as a result.

The third highest target groups with which NGOs work is local government (50%) followed closely by children (46%), NGOs (43%) and 'other groups' (41%). In latter group the most common include working with small-scale entrepreneurs, teens and teachers. Other target groups mentioned were government departments, networks or associations and *comedores* (communal kitchens).

Few NGOs claim to be working in specific *pueblos jovenes*. This suggests that NGOs tend to define their work on a sectoral basis rather than on a geographic basis. Many NGOs have sectoral or thematic, rather than geographic, areas of specialisation such as credit, education or health. In these cases their work is in a variety of locations rather than in geographically defined communities.

3.6 Methodology of NGOs

Table 3.4: Methodologies Used by NGOs

Methodology used	Percentage of NGOs
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Training	84
Technical advice	71
Research and advocacy	66
Service delivery	61
Networking	50
Building CBOs	41
Awareness raising	25
Social mobilisation	25
Other methods	21

Peruvian NGOs place great emphasis on training and technical advice. Approximately 84% of NGOs are providing training to beneficiaries, while 71% provide technical advice. The emphasis on training and technical support reflects the fact that NGOs generally work to strengthen existing CBOs, rather than to provide basic services directly to communities.

Approximately 66% of NGOs are involved in research and advocacy. The extent of research conducted by NGOs in Lima reflects the historic links that NGOs have with the academic community. The delivery of services is the fourth most commonly used methodology, and includes the provision of services in such sectors as health and micro-enterprise development.

Half of the NGOs are involved in NGO networks. However, it is a low-intensity activity, with only 8% of time devoted to it. The sixth most common methodology is strengthening CBOs as reported by 41% of NGOs, followed by awareness raising, social mobilisation and other methods.

3.7 Degree of Specialisation of NGOs in Lima

Many of the oldest NGOs developed integrated community development programmes which included components such as housing, health, water and CBO training. This approach has some clear benefits. Most generalist agencies work closely with a community over a lengthy period of time. They become familiar with the *pueblo joven* or district in which they work and gain an in-depth understanding of the local social context, such as the politics of the municipality and the nature of the CBOs and community leadership. This approach allows for a systematic intervention based on a careful diagnostic of the community's needs.

However, there are concerns that this approach is not as efficient as it could be. In terms of staff expertise, equipment and experience it is more efficient to specialise in one or two related areas.

Specialisation may also make an NGO's objectives more achievable, as it is not trying to solve many problems at once. Specialist programmes have a greater potential for replication, as NGOs refine their methodologies in their chosen sector over a period of years and in many different locations.

In the 1980s and into the 1990s, international donors began to encourage NGOs to become more specialised in their programmes and develop more technical skills. Consequently, many Peruvian NGOs are adopting a more specialised approach to development, working in one or two related sectors.

The survey revealed that NGOs in Lima work in an average of 3.6 sectors. The modal number of sectors worked, that is, the most common number of sectors, is two. When broken down by age, it can be seen that the younger NGOs are, in fact, slightly more specialised than their older counterparts. The NGOs founded between 1987 and 1997 worked on average in 3.1 sectors (n=14). NGOs founded between 1977 and 1986 work on average in 4.3 sectors (n=22). The oldest NGOs, founded in the 1960s and early 1970s remained specialised, with an average of 2.6 sectors (n=7).

The trend towards specialisation can be a positive one, if it matches high-quality technical skills with the urgent needs of the poor. However, one concern with the proliferation of technical-oriented NGOs is that less attention is being directed at the rights of the poor, and the many social problems they face. One NGO, Antisuyo, is an example of an NGO that has become more technical in its approach as a result of donor pressures. It supports the cultural preservation and promotion of Peru's indigenous population, specifically through handicraft production. It has become a fully self-sustaining NGO by directly exporting these products at market cost. As it moves towards becoming an economic development focused NGO through handicraft production, many of its cultural programmes have been discontinued as funding is less forthcoming for it.

Specialised NGOs, like Antisuyo, do not necessarily lose their wider social vision of development. It is possible and, in fact, necessary to develop a level of technical expertise while

remaining within a clearly articulated ideological framework. Even NGOs working on highly technical infrastructure projects, such as water installation, can continue to have an impact on social issues. Working with CBOs on a water installation project, for example, can strengthen CBO capacities and legitimise them to their members, and in doing so act to promote participatory democracy.

However, there are some technical NGOs that rely heavily on consulting and subcontracting roles. The limitations of this type of work are that it places that NGO in the role of implementor, not innovator. Subcontracting NGOs are rarely involved in project design, and as a result, they sacrifice their ability to proactively set priorities and design methodologies. They remain primarily responsive to municipalities, private industry and central government, as the entities that offer the contracts.

The trend towards specialisation is still under way. Most NGOs are consciously forging a delicate balance between technical and social issues, subcontracting and project development. It will be many years before the consequences of these changes become fully apparent.

4. RELATIONSHIPS AND NGOs

4.1 NGOs in Urban Areas: Opportunities for Collaboration

One of the hypotheses guiding this research is that urban NGOs work in a crowded institutional context and have a greater range of opportunities to forge collaborative working relationships with a multitude of organisations in the private and public sectors. This is in contrast to rural areas where a more limited number of organised groups and institutions form part of the social fabric. In urban *pueblos jóvenes* NGOs can choose to work with any of a number of community-based organisations, public sector entities, commercial organisations, municipal departments or other NGOs.

How well NGOs select and collaborate with other actors will influence the effectiveness and reach of their interventions. This section reviews the institutional relationships formed by NGOs working in Lima as revealed in their responses to the questionnaire, and considers the factors that shape their choice of local partners. NGO relations are fluid and complex. They are shaped not only by their development ideologies and strategic aims, but also by the existence or lack of personal contacts and friendships. NGO institutional relationships have evolved rapidly in recent years, and are spreading beyond community-based organisations as the sole or primary project partner.

4.2 NGO–Municipal Collaboration

Most NGOs have regular contact with the municipal authorities in the districts where they work. They recognise the importance of co-ordinating with the municipal authorities who are designing urban development plans that affect their beneficiary groups. But some NGOs are going beyond mere co-ordination, and are aiming to strengthen the capacities and capabilities of the municipalities themselves.

The nature of this partnership varies. In most cases, this interaction is sectoral or project specific. SUMBI, for example, is an NGO that works to develop nurseries for working mothers. They educate municipal officials about the little recognised problem of unsupervised children, and encourage the municipality to participate in setting up nurseries. This type of specific collaboration is seen across sectors, and includes NGO–municipal collaboration on a variety of issues including micro-enterprise development, health and housing. Despite the narrow scope of this type of intervention, there have been many positive outcomes. Collaboration has encouraged municipalities to work with CBOs, helped NGOs to increase their scale through joint programmes, and has often heightened the municipalities' awareness of specific problems in their districts.

Other NGOs, however, are moving beyond a uni-sectoral, project focus in their co-operation with municipalities. They work with municipalities not merely on sectoral issues, but aim to influence and participate in the municipalities' urban planning processes. SUMBI also works at this level, advising and supporting Neighbourhood Committees that represent the community and prioritise needs. Neighbourhood Committees often participate in the municipal Management Committees and help determine planning priorities for the district.

The agenda of NGOs in the city, therefore, extends beyond running projects with municipal collaboration. NGOs are seeking to reform municipal structures, ensure community participation in decision-making and encourage decentralisation of authority within the city. In other words, they are working to consolidate and strengthen democracy and participation.⁹

4.2.1 Obstacles to Collaboration

Although the potential advantages of collaborating with municipalities are great, many practical obstacles to this relationship exist. Municipalities have very limited resources and those that do have resources often administer them poorly. CENCA, an NGO working exclusively on urban issues, conducted an evaluation of municipal resources and management skills in the East Cone of Lima. This study revealed that most municipalities lacked even basic capabilities and resources to professionally administer their programmes. Financial management systems were unclear, staff untrained and offices under-resourced. Many municipalities lacked even basic office equipment, such as a computer with a hard drive to keep accurate records. The municipalities of Lima's forty-nine districts have a clear need for improved human, physical and financial resources.

Management weaknesses, however, do not necessarily constitute the primary obstacles to closer and improved relations. NGO leaders have found it difficult to work with elected officials whose position is short term in nature, and subject to election cycles. One NGO leader claimed that mayors; *'don't have clear long-term plans, as they are only concerned about the next three years.'* Another observed that; *'investment cycles coincide with election cycles.'*

Most NGOs find the discontinuity in mayors' objectives and views particularly difficult to cope with. One NGO, for example, had developed a successful garbage removal project, that provided subcontracted services to the municipality. This programme had successfully achieved its dual objectives of generating employment and reducing the amount of uncollected trash in the district. But when the mayor was replaced at the next election, the new mayor suspended the contract and the business closed immediately.

A mayor's perception of NGOs and their roles in the community is influenced not just by personal views, but also by partisan alliances. Many suspect that districts controlled by the governing party have facilitated access to funds from the government's FONCODES programme for social and economic development projects. Some NGO leaders believe that this makes mayors more competitive with NGOs, and less receptive to collaboration. Some NGOs claim that it is easier to forge constructive relationships with municipalities controlled by

⁹ For examples of these programmes, see chapters 7 and 8.

opposition parties. But even in these districts, mayors want the municipality to be seen as the primary provider of services to the community.

NGOs are increasingly seeking to engage the support of non-elected municipal officials that can provide a greater degree of continuity. These relationships need to be institutionalised, as their impact is ultimately limited if the relationship does not supersede political changes.

The objectives and roles of municipalities, moreover, have evolved in recent years. In the 1980s, some mayors were elected from the socialist United Left party. Innovative programmes of democratic participation and strengthening of community-based organisations were developed during these years. However, most municipalities are currently putting primary emphasis upon the provision of basic services almost to the exclusion of social issues. Their tendency is to focus on tangible, infrastructure projects. As argued by one NGO director; '*a broader development vision is what we are asking municipalities for now*'.

It is important to recognise that the issues of urban planning, allocation of funds and inter-municipal relations are very politically charged. The municipality of metropolitan Lima is currently controlled by the opposition, and the mayor has revealed his presidential aspirations. As a result, the municipality of Lima has a poor working relationship with the Fujimori government. In addition to the central municipality, each of the forty-nine districts of Lima has a municipality responsible to the social and economic development of that district. The highly partisan nature of municipalities makes inter-district work difficult, and few NGOs report having close relations with numerous municipalities. So why do some municipalities choose to work with NGOs while other do not?

The mayor of Los Olivos reflects the often contradictory views of municipal officials to both NGOs and CBOs. When questioned, the mayor acknowledged working with Alternativa, because '*they have close relations with CBOs, they know the population.*' Yet, he argues, '*CBOs are also highly politicised. They are not the pure uninterested representatives of the people that many like to assume they are.*' Fear and suspicion of CBOs has intensified since the Sendero infiltration of some important CBOs in the late 1980s. During the period of most intense violence, numerous elected officials around the country lost their lives to terrorist attack. The residual suspicion that remains is an ongoing obstacle to CBO–municipal collaboration.

Working with municipalities also has dangers and risks for NGOs. NGO leaders worry that they will lose their independence if they are seen to be working too closely with local government. They do not want to be perceived by the population as close allies of the state. There was (is) the added risk that Sendero would attack an NGO that appears to be a tool of the state. Although these fears have diminished somewhat, there is still an active Sendero presence in Lima, particularly strong in the East Cone by the central highway. As recently as 1997, a car bomb exploded outside the municipality of Ate-Vitarte.

4.2.2 Examples of Collaboration

Our research revealed that 81% of NGOs have active links with the city. The types of relation that NGOs have with local authorities varies widely. Participation on a local committee was reported by 65% of NGOs, while 57% claim to be involved in a joint project with a municipal authority.

Table 4.1: Ways of NGO Collaboration with Municipal Authorities

Type of collaboration	Percentage of NGOs
Active links	81.8
On committee of MA	64.9
Joint project with MA	56.8
Consultant/ supervisor to MA	62.2
Support to local politicians	10.8
Receive grant from MA	5.4
Negotiate regularly with MA	10.8
Lobby municipal authorities	37.8
Other links with MA	16.2

Other types of collaboration reported by NGOs in Lima include the following:

- NGO provision of materials on topics such as property taxes and titling to inform and advise municipalities on how to streamline these processes.
- municipal provision of office space and publicity for NGO events.
- small rubbish collecting enterprises organised by NGOs to provide services to municipality.
- NGOs contracted to provide technical assistance to municipalities on issues ranging from water, reforestation and housing.
- NGOs assist municipalities to develop databases and plan for emergencies.

This list is by no means exhaustive. Most NGOs have various examples of NGO–municipal co-operation. What is clear, is that there are seemingly endless options and opportunities for NGO–municipal collaboration, although similarly there is a variety of obstacles to this relationship.

NGOs leaders are becoming more systematic in their approaches to working with municipalities, and are relying less on informal personal contacts to get work done. Many are developing materials to educate municipal officials and they are focusing on non-elected officials that have a lower turnover rate. NGOs are increasingly participating in local planning efforts, by assisting municipalities with needs assessments and by mediating between CBOs and local governments. NGOs tend to be strongest in the traditional areas of social development, including work with *comedores*, children and education. They appear less confident about

engaging in urban planning efforts that deal more directly with infrastructure and spatial growth.

NGOs also worry about becoming too closely linked with any institution of the state. The key, according to one NGO director, is '*collaboration with autonomy*'.

NGOs in Lima have demonstrated themselves to be politically astute, and aware of political currents and tensions in the management of the city. Peruvian NGOs, in general, do not shy away from some involvement in the political affairs in their communities. NGOs understand that their work has political undertones. Any attempt to influence the allocation of resources away from one group in society to another group is essentially a political act. However, it is also clear that they are becoming more cautious and non-partisan in these strategies.

4.3 NGO–NGO Collaboration

Approximately 93% of NGOs report regular interaction with other NGOs. The most common form of interaction reported was membership in an NGO network (84%).

The growth of networks in recent years is partially due to donor encouragement. A large variety of NGO networks currently exist in Lima, with varying degrees of intensity of activity. Networks are largely on sectoral issues. These include COPEME which unifies micro-enterprise development agencies, and Ecovivienda which brings together NGOs working on housing issues. REDFOR provides a forum for forestation NGOs, while the Peruvian Environmental Network is more broadly defined to include all NGOs involved in environmental protection and conservation.

These networks facilitate NGOs' interaction and co-operation. Intra-sectoral communication and debate can stimulate learning and can help NGOs as a sector to develop a clear agenda on important issues. Their limited focus enables networks to engage with a topic in-depth and can help to improve NGOs' technical expertise.

Increased contact amongst NGOs can also create opportunities for joint projects or other forms of collaboration between NGOs. For example, as result of its network the environmental NGO AIDER has signed agreements with seven NGOs that range from the exchange of information to the joint implementation of projects.

Issue-based networks also enable NGOs to develop joint communiqués and influence policy on specific issues. They provide a structure through which NGOs can articulate their views to the state and to the press. However, in practice it is often difficult to achieve consensus, even on narrowly defined issues.

Geographically defined networks seem to be less common, but those that do exist appear to have been the product of NGOs' own initiative, rather than that of their donors. The objectives

of these networks contrast sharply with those of sectoral networks. They enable NGOs to coordinate their efforts within a particular locality and avoid duplication. They bring together NGOs with different types of programme and strategy, which have in common only the community in which they work.

Of course, these networks also deal with sectoral issues. An example of a geographically defined network addressing sectoral issues is the East Cone 'Mesa de Concertacion'. This network includes CARE, CIDAL, ADC-ATC, INPET, CENCA, IDEAS and CENDIPP, and has been operative for one year. Currently, it is engaged in an in-depth diagnostic study of micro-enterprises in the East Cone. Each agency had carried out a similar study in their particular district, and they are in the process of joining these efforts to carry out a more comprehensive study. Each participating NGO donated some funds for contracting a researcher to assist with the process. It is expected that following the research phase joint projects will be developed.

One of the most dynamic and interesting networks in existence in Lima is ProRimac. ProRimac is a consortium of 14 NGOs working throughout the Rimac Valley. They are engaged in a variety of issues relating to environmental conservation and sustainable development of the area, including reforestation and management of the water supply. The strength of the network lies in the fact that it unifies NGOs working throughout the valley from San Pedro de Casa to Callao. These NGOs are developing strategies to preserve agricultural land in peri-urban areas, and ProRimac enables NGOs to have a more comprehensive presence throughout the valley. Thus, an NGO is able to develop a genuinely integrated approach that is consistent in its application from district to district. ProRimac has developed good relations with the mayors in the districts involved, and has also engaged the support of the public sector Environmental Institute.

Despite the tremendous opportunities for enhancing NGO impacts through networks, few are realising their long-term potential. Most networks are underfunded or unfunded, and NGOs are unable to release staff from their day-to-day duties to assist in network development. It is also important to recognise that NGOs often feel competitive with each other in terms of funding, and sometimes view each other in a spirit of friendly competition rather than as potential collaborators. Moreover, NGOs have different ideological orientations and may have strategic disagreements.

Networks are also being underused as tools for lobbying and articulation of NGO interests. A lack of internal consensus is clearly one factor that limits the effectiveness in this area. It is also possible that networks define their activities as directed inward at the sector itself, rather than outward, as a means for NGOs to increase their policy impact.

Non-network forms of NGO collaboration also exist. Fifty per cent of NGOs share resources and information with other NGOs, while 34% receive training from or provide training to other NGOs.

4.4 NGO–Government Collaboration

NGO–government relations in Peru have gone through periods of relative closeness and collaboration, as well as outright antagonism and opposition. By and large, it is fair to say that most Peruvian NGOs view themselves as alternative actors in society, and many have traditionally defined themselves in opposition to government.

The relationship with the current government of Alberto Fujimori is complex and difficult to characterise, as the government appears to be ambivalent about NGOs. Although it recognises that NGOs work closely with CBOs, it may see NGOs as competitors in winning mass support. Fujimori’s governing style is autocratic in nature, and it is clear that he does not welcome powerful organised groups such as NGOs in society.

Fujimori has established a social and economic development fund, FONCODES, which is mounting large-scale infrastructure projects in the *pueblos jóvenes*. The funds go directly to municipalities in given districts and sometimes directly to communities. NGOs participate in FONCODES in subcontracting roles, but funding is not given directly for NGO programmes. According to a World Bank representative, FONCODES initially involved more active NGO participation, which was later reduced because the government felt that NGOs were being too critical.

An interesting situation has emerged in which the government now has money to dedicate to social programmes, and a sense of competition with NGOs seems to have developed. NGO leaders argued that FONCODES’ projects are poorly planned, and random in their targeting. Many expressed disappointment that NGOs were not consulted by FONCODES when it established its planning priorities.

NGO leaders tend to believe that the government does not trust NGOs, but is forced to work with them in subcontracting roles due to pressure from international donors. According to one NGO director, ‘Fujimori sees NGOs as a necessary evil. He is forced to work with NGOs because they understand how to work with communities.’ This theme was expressed by various NGO leaders. Another argued,

The government is turning to NGOs because of need, not desire ... The government doesn’t have the know how to work well with communities. NGOs know how to work with the poor. NGOs have many of the technical skills that the government needs to implement its labour and social programmes.

NGO fears that the government would increase regulation of NGOs have remained largely unrealised. However, there are some indications that the government and some public sector institutions would like to limit the scope of NGO activity. For example, many NGOs working in urban areas claim that the state titling organisation, COFOPRI, has told them that they may not accompany beneficiaries to the agency and advise them on the process of gaining titles to

their plots. NGOs have been told that intermediaries are not allowed to intervene on behalf of a family.

Yet, the Fujimori government has opened up subcontracting as a new avenue of participation for NGOs. Many NGOs are positive about the current trend towards subcontracting of NGOs. This has introduced another source of funding, and has given new life to many financially strapped NGOs.

A recent example of a large-scale subcontracted programme is Pro Joven. Pro Joven is a youth programme run by the Ministry of Labour which had an open bidding process for the training component. The programme aims to provide training to 160,000 youths over five years. NGOs, educational centres and private sector organisations were entitled to prepare bids to offer training to youths. NGOs that participate in Pro Joven claim that the ministry supervises their training programmes, but not excessively. There are no signs that the government wants to strictly regulate or control NGOs through the subcontracting process.

However, an incomplete picture is derived by talking in broad brush strokes about the government's policy towards the NGO sector. In a large and partially fragmented state, different departments, state entities and ministries will develop their own perspectives on the roles of NGOs. The possibilities and limitations of collaborative work between the state and NGO will vary from sector to sector. Our interviews revealed, for example, that NGOs working in the field of enterprise development are relatively positive about the prospects of dialogue with the Ministry of Industry. The Ministries of Education and Health also appear to be open to contact with NGOs. NGOs working on environmental issues, in contrast, have found the Ministry of Agriculture to be openly hostile to them.

Yet, while most NGOs do have some type of interaction with Ministries, no NGOs felt that they had the ability to influence policy in a significant way. According to one NGO director, *'ministries call us together for roundtables, but do not follow through with the consequences.'* Even NGOs implementing joint projects with pro-NGO Ministries, such as education, claim that their influence is limited. While subcontracting has created new financial opportunities for Peruvian NGOs, they are also aware that this may come at the expense of their independence. A common worry is that they will end up replacing the state or becoming its *'implementing arm'*.

The clear consensus from the NGO sector and academic observers alike is that the ability of NGOs to have policy influence is limited. This is particularly problematic because NGOs in Peru see their role as innovators, developing and testing solutions. Many refer to their projects as pilot projects that demonstrate solutions which can later be adopted and replicated by the state. Yet, evidence points to the fact that NGO access to policy-makers is largely blocked.

So, are there any examples of NGO-initiated strategies which have been assumed by the state? A select few examples exist. One recent programme which now has significant state involvement is a water infrastructure project originally developed by CUIDAD in collaboration with UNICEF. The water project entailed installing public water taps for each block of twenty houses. Community participation is required, as beneficiaries contribute to the costs of installation and participate in controlling water quality. Currently, the EU is supporting

government implementation of this programme. Sedapal, the state water supplier, has now installed 250 reservoirs, benefiting a total of 40,000 people. CUIDAD has been subcontracted to run a community training role.

This case presents an interesting example of how donors can play an important role by influencing governments that may not be receptive to local NGOs. While local NGOs may not be able to successfully pressure policy-makers, it is clear that international donors that have privileged access to government officials can. Are NGOs able to use their donors as a conduit to pressure governments to make changes that benefit NGOs and their constituents? The question that remains, therefore, is how able are local NGOs to influence their donors and get their priority issues on the agenda? If both channels of influence are blocked to local NGOs, then their impact will clearly remain limited.

While NGOs are currently frustrated by their inability to influence government, some express optimism about their future ability to shape public policy. Some NGO leaders believe that by becoming more technical in their approach to development, and becoming less overtly political, they will appear less of a threat to governments. NGOs recognise that while acting as neutral technical agents, they are more likely to be able to work with the government and push their ideas subtly into place through regular interaction than by confrontation. This process may in fact already have begun. Recent examples of NGO–government interaction include: NGO subcontracting in training roles (Pro Joven, water projects), participation in the implementation of Ministry of Labour research, NGO programmes to strengthen the capacity of state-run vocational training schools, NGO provision of diagnostic studies to the state water company, NGO provision of advice to municipalities on land titling and taxes, etc. This study revealed a wide range of ways in which NGOs interacted with government entities by offering specific skills and technical advice. This trend is likely to continue.

4.5 NGOs and Donors

Peruvian NGOs work closely with CBOs and have an in-depth understanding of the needs of the communities with which they work. They aim not to be donor driven in their programmes, reacting to priorities set by international organisations, but responsive to community needs.

NGOs' own assessment of their ability to influence donors appears contradictory. In face-to-face interviews, many NGO leaders complained about the difficulties of getting their views across to international donors. Many within the sector expressed the feeling that donors set their funding priorities without consulting with local NGOs on the most urgent needs facing communities. According to one NGO director, *'the NGO sector lacks maturity, we lack an institutional proposal. We must be able to articulate the needs of the country to donors, not merely respond to their initiatives.'*

Yet, in the questionnaire survey, 84% of NGOs believed that they were able to influence their donors in some way. More significantly, 76% said they could influence their donors' policies and priorities.

These figures suggest that while NGOs may not be able unilaterally to set the development agenda, they do not perceive themselves to be voiceless and subordinate to their donors. These figures, of course, refer only to their ability to have some influence, and not the degree to which they influence their donors. Despite these qualifications, this is a positive finding that reveals that funding priorities are probably the result of some give and take, and are subject to ongoing negotiation.

Donors need to be aware of the limited political space available for Peruvian NGOs under the current government. As a result, international donor ability to influence government has given them heightened responsibility. They need to be conscious of their ability and perhaps even obligation to wield this influence for the benefit of the urban poor and the local NGOs that serve them. The increasing use of NGO subcontracting by the government is a clear example of this in practice. International donors can play a greater role by ensuring NGO participation in the design of these projects, rather than just in their implementation. Moreover, they can encourage local government to develop clear and stable legal frameworks for NGOs, to make them less vulnerable to frequent policy changes.

4.6 NGO–CBO Relations

One of the distinguishing characteristics of the NGO sector in Lima is the strength and depth of the relationship that exists with community-based organisations. CBOs have a relatively long history of existence in Lima's poor neighbourhoods, and most *pueblos juvenes* have numerous CBOs engaged in different self-help activities and strategies. Some of the more common types of CBO active in Lima include the following:

- *Comedores* - These are community-managed kitchens that provide meals at a subsidised price. *Comedores* exist throughout Lima and they often receive subsidies from international donors and the government. Each district has a co-ordinating body of *comedores*, comprised of the presidents of each *comedor*.
- *Vaso de Leche Committees* - These committees were created in the mid-1980s at the time that the municipality was controlled by socialist Alfonso Barrantes. This ongoing programme provides a glass of milk a day to children in poor areas of Lima. Until recently, these committees were federated and had a central governing committee. However, the government has decentralised the programme, and now the municipalities in each district run their own programme.
- *Organizaciones Vecinales* - Neighbourhood Organisations have traditionally been a key NGO entry point for work with a community. Generally, each block of houses elects one

representative, and these representatives meet at a community, then district, level. *Organizaciones vecinales* generally address basic issues such as accessing services (water, electricity) from the state.

- *Associations of Vendors and Entrepreneurs* - In most *pueblos jóvenes*, street vendors or small-scale industrialists organise themselves in associations. This enables them to lobby the government for the right to establish markets, access industrial parks, services and credit.

Other common CBOs include Clubs de Madres, local health committees, women’s and youth groups.

Community organisation is an entrenched feature of Peruvian society, both in rural and urban spheres. Although many analysts point to the centuries old Inca social structures as the origins of these participative structures, it is also important to recognise the government support for CBOs during the 1970s as a key factor that consolidated community structures.

Nearly all the NGOs participating in the questionnaire survey work with CBOs; only 5% did not. NGOs work primarily with existing community-based organisations, and attempt to stimulate the creation of new groups only in contexts where these CBOs do not exist. Most instances of encouraging new forms of organisation were found in inner-city areas where community organisation is weaker.

Table 4.2: Ways of NGO Collaboration with CBOs/ Beneficiary Groups

Type of collaboration	Percentage of NGOs
Regular formal meetings	63.8
Working with local groups	80.5
Planning project	73.2
Funding	53.7
Technical advice	80.5
Training	85.4
Other ways	17.1

There is strong evidence to suggest that NGOs work with CBOs in a highly participative fashion. Approximately 73% of NGOs involve CBOs in the planning stage of a project. This suggests that NGOs do in fact view CBOs as project partners, not merely as project recipients. It can also be suggested that if CBOs are involved in planning a project, then it is more likely that they will participate in its implementation and possibly in its management once the NGO has withdrawn.

Approximately 81% of NGOs provide technical advice and support to their CBO partners. Given that the CBOs in Lima are already established, then NGOs can concentrate on working with them in more complex ways than might be necessary for younger CBOs. Training is provided by 86% of NGOs to CBOs.

Training for CBO members, it should be emphasised, encompasses more than skills in specific areas, such as health or education. Many NGOs provide leadership training classes to CBOs, and attempt to provide them with the management skills needed to run an effective and efficient organisation. Additionally, CBOs provide an important forum to reach community leaders to educate and raise awareness about issues such as citizenship rights and obligations. CENDIPP, for example, works closely with the Vaso de Leche Committee in their district providing training on a wide range of issues, including leadership, management and citizenship. This organisation includes 16,000 members.

It is also important to point out that many CBOs were seriously debilitated as a result of the economic crisis of the 1990s. CBO leaders and members are preoccupied with daily survival, and have less time to devote to CBO activities. One field worker explained;

CBOs are seriously weakened by economic crisis. CBO leaders are working on lots of different subsistence activities and have no time to dedicate to the organisation. Recession destroys CBOs and destroys family structures.

Possible exceptions to this trend are the CBOs that are engaged in providing basic food relief to the poor, such as the *comedores* (kitchens) and Vaso de Leche (Glass of Milk) committees.

NGOs often act as mediators between CBOs and NGOs. The Comites de Gestion (community management committees) of the early 1990s have largely disappeared, and institutionalised structures linking CBOs to municipalities need to be strengthened.

What role should NGOs be playing in this process? The role of NGOs should be to support and initiate processes of sustainable and equitable development, but not to replace existing social agents of change. Stronger municipalities and CBOs are an essential component of more participative and democratic development processes. NGOs should encourage their interaction and act as catalysts to their development. NGO involvement in a community is temporary (or should be), while the role of the municipalities and CBOs is not.

The survey results, summarised in the preceding two chapters, provide an indication of the general trends and predominant approaches used by NGOs in Lima. The following chapters examine in greater depth the urban development strategies of three NGOs operating in Lima.

Part II: URBAN NGO CASE STUDIES

5. CEPROMUR: Centre for Urban Promotion: Targeting the Forgotten – Housing and Lima’s Inner-City Slums

5.1 Introduction

An overwhelming emphasis on the *pueblos jóvenes* is evident in development thinking and practice in Peru. Social scientists have long been fascinated by the complex patterns of social organisation and autonomous development found in Lima’s sprawling squatter settlements. The existence of active community-based organisations in the *pueblos jóvenes* makes development work there attractive to both local and international NGOs. The concentration of aid in the *pueblos jóvenes*, however, has led NGOs, social scientists and governments alike to overlook the problems facing inner-city slum dwellers.

In contrast, the processes of social dislocation, physical deterioration and growing delinquency found in Lima’s inner city are poorly understood phenomena. While vast numbers of academic studies and Ph.D. theses have examined patterns of social and economic development in the *pueblos jóvenes*, few serious studies have been carried out in the inner city. Similar disparities are found in the geographical distribution of aid resources. Of the nearly 100 NGOs working actively in Lima in 1997, only a select few had projects in central Lima.¹⁰

CEPROMUR, the Centre for Urban Promotion, is one of the few exceptions to this trend. CEPROMUR was founded in 1988 by a group of social workers with work experience from the *Beneficiencia Publica de Lima*, a now nearly defunct state-run charitable entity. These social workers, led by current director, Luz Estremadoyro, fled the *Beneficiencia* in frustration, deeply disappointed in the state’s inability to tackle the problems facing the urban poor. They created CEPROMUR to highlight the deplorable conditions in Lima’s inner city and to develop alternative strategies to assist this important subgroup of the poor.

In the ten years since its inception, CEPROMUR has undergone significant changes in strategy, while remaining true to its central mission of promoting inner-city development. Staff have continually revised and refined their intervention strategies to meet the needs of beneficiaries in a turbulent and rapidly changing environment. CEPROMUR provides a useful case study of how an NGO learns and adapts over time. Although a relatively young NGO by Peruvian standards, the organisation has matured rapidly, updating its strategic approach to increase efficiency, expand scale and affect policy. CEPROMUR remains a small NGO, with only eight full-time, paid staff. It has developed, however, a series of five effective and interrelated programmes whose impact transcends its size.

¹⁰Of forty-four survey respondents only three were confirmed to be working in central Lima.

5.2 Development of a Strategy

5.2.1 The Early Years: 1988–1990

CEPROMUR was launched in 1988 with an ambitious programme of assistance in the inner-city district of La Victoria. As with many young NGOs, CEPROMUR faced the temptation to try to address many of the social and economic ills affecting the target population. CEPROMUR developed a variety of small projects in many sectors in La Victoria. Health concerns were addressed by the creation of small health posts run by the community that distributed low-cost medication. A small tree planting project was started with as yet *ad hoc* community groups, and a small park was created to provide a safe place for children to play.

CEPROMUR's strategic development was guided by a desire to reach the most vulnerable residents of inner-city communities. The primary target group in the first few years was children. It actively participated in the municipality's 'Glass of Milk' programme of nutritional supplements for children by providing training to the local women's groups responsible for distributing milk. In addition, staff launched a major public awareness campaign to promote the rights of children in conjunction with other local NGOs.

Alongside the primary focus on children's rights, CEPROMUR began to look at the issue of tenants' rights. Tenants of slum dwellings were also identified as an impoverished and vulnerable group, usually overlooked by government policies on housing and development. The majority of slum dwellers in central Lima are tenants, who face not only poor living conditions, but also must deal with the constant threats of rent increases and evictions. The government's proposed new Law of Urban Renovation in 1989 sparked interest in this issue, and CEPROMUR entered the growing national debate to ensure that the needs of slum tenants were taken into account in the new law. CEPROMUR saw its role as one of an interlocutor; educating communities about the potential impacts of the proposed law, and communicating their concerns to legislators. CEPROMUR also provided direct support to tenants by providing free legal advice on issues facing them.

To reinforce this interest in urban renovation, CEPROMUR began actively to promote the creation of neighbourhood committees, Comites Vecinales, which can be legally registered as community-based organisations. It is further evidence of the marginal role of the inner city that legislation governing Comites Vecinales did not appear until the mid-1980s, even though such organisations were legally recognised in the *pueblos jóvenes* more than a decade earlier. CEPROMUR began a capacity-building programme for fledgling community-based organisations, providing training, support and legal advice.

Although these wide-ranging programmes in the fields of health, environment, children's nutrition and housing may appear to be largely unrelated, they were in fact designed with a clear philosophy of development in mind. The driving principal behind all of CEPROMUR's programmes was, and is, that the starting-point of any development intervention is grass-roots participation. The belief system underpinning efforts in every field was the need to strengthen

the capacity of people and community-based organisations to initiate real changes in the conditions of life in the slums.

5.2.2 Responding to Emergency: 1990–1994

In 1990, political and economic events shook CEPROMUR's strategy. The economic shock programme implemented by the newly elected government of Alberto Fujimori had an immediate and devastating impact on Peru's economy. Inflation soared and the country's poor found their already precarious standard of living falling sharply. The NGO sector scrambled to find a role for itself in the midst of the turmoil and was forced to divert its attention from long-term development programmes to short-term emergency projects. NGOs struggled to develop effective strategies for supporting high-risk groups, as millions nation-wide were plunged into extreme poverty. New types of funding were pouring in from churches, international organisations and the central government to support basic needs projects with communities.

Responding to the crisis, CEPROMUR supported community organisations receiving subsidised food for the poor, and helped to create four communal kitchens. Many NGOs at this time, including CEPROMUR, developed income-generation programmes to help the unemployed become self-employed.

A cholera epidemic in 1991 further exacerbated the economic crisis. The epidemic highlighted a major issue that CEPROMUR had long been concerned about: health problems caused by poor sanitation, faulty sewage systems and contaminated water supplies. A major strategic change occurred at this time as CEPROMUR became directly involved in repairing and improving housing conditions. Although they received international funding for a child nutrition project, the organisation became more clearly focused on finding direct and practical solutions to the problems of unsafe housing. In 1992, they launched a programme to install water and sewage systems and shared bathroom facilities. These sanitary facilities were built with donated materials and labour from communities. A water chlorination programme was also developed.

According to CEPROMUR,

Both emergency programmes interfered in our institutional work for many months, but we had experiences and processes which we learned from, and which were reoriented towards more stable and long term programmes.

From this initial direct involvement in the construction of sanitary facilities, it was a small jump to housing renovation and rehabilitation. In 1993 and 1994 the projects of Housing Renovation (PREMOVI) and Housing Rehabilitation (PREHAVI) respectively, were launched and gradually began to assume greater importance within the organisation.

At first glance, the shift in strategy in five short years from children's rights and nutrition to housing rehabilitation and renovation appears incongruous. But, below the surface there is a clear and logical transition in focus. The NGO's director explains that while they made major advances in elevating public and government awareness of children's rights, the NGO could not see much direct improvement in children's living standards. Staff felt a need to find a better balance between the indirect activities of lobbying and awareness raising, and the direct provision of assistance leading to measurable improvements in standards of living conditions. What is more basic, argues the director, than a child's right to safe housing?

5.2.3 Programmes Refined: 1994–

CEPROMUR's primary objective is to contribute to a process of inner-city renovation and rehabilitation in the antiquated, deteriorated zones of Lima. Working primarily in the central districts of metropolitan Lima (La Victoria and Cercado de Lima), CEPROMUR promotes inner-city rejuvenation by stimulating community organisation and encouraging residents' participation in housing renovation efforts.

Currently, CEPROMUR is implementing five programmes. The two main programmes, detailed below, concern urban renovation and rehabilitation; while the three secondary programmes complement and reinforce the work in housing. Most significant of these is the Urban Leadership Programme which provides intensive organisational and legal training to leaders of community-based organisations. In addition, CEPROMUR operates a small-scale environmental programme which includes garbage removal, tree planting and other issues. Finally, there is a youth training and employment programme which focuses on training in the construction trades.

In 1994, CEPROMUR launched PREHAVI, the Programme of Housing Rehabilitation with Legal Assistance, aimed at improving living conditions in inner-city slums and obtaining legal security and stability for residents. The objectives of the project were to:

- rehabilitate housing and infrastructure in deteriorated housing units primarily in the districts of Lima Cercado and La Victoria;
- improve the living conditions of residents and reduce risk of illness and vulnerability to earthquake damage by making physical improvements to housing and common facilities;
- introduce residents to the use of credit; and
- promote the participation of private entities (banks, construction companies) and government in urban renovation and rehabilitation.

PREHAVI initially targeted the neighbourhoods of Barrios Altos and Monserrate which contain pockets of deep poverty within central Lima. The programme targets dwellings that are capable of rehabilitation, in that structural damage is not so severe as to make the buildings irreparable. The programme also exclusively targets *quintas* and *solares*, which are multi-family units specific to the older, inner-city areas. These densely populated multi-family units are long

alleys, sharing a single entrance from the street. They often also share water and toilet facilities. Individual rehabilitation of units is problematic, as main sewage pipes and electrical lines are common to the entire block. The agreement and co-operation of all owners within the block is therefore usually required to make any significant improvements in living conditions.

The essential prerequisite for participating in the programme is the existence of a Neighbourhood Organisation. Many beneficiaries are introduced to the programme through CEPROMUR's course on training neighbourhood leaders. After graduating from intensive training in community organising and formally establishing a Neighbourhood Organisation, community leaders can apply for assistance through PREHAVI. Although beneficiaries are not drawn exclusively from the Urban Leadership Programme, this programme clearly complements and sets the groundwork for PREHAVI. Only Neighbourhood Organisations that have legal registration, elected officials and a degree of consensus on the type of infrastructure improvements required are eligible for support. In so doing, CEPROMUR takes its Urban Leadership Programme one step further. It combines its existing community mobilisation and awareness-raising programme with concrete projects in conjunction with local organisations. For those Neighbourhood Organisations with a degree of organisational capacity, participation in PREHAVI provides a means to access loans and assume greater responsibility for their own development.

Funding for PREHAVI takes the form of a guarantee fund placed in a private bank, Banco Wiese. The fund is leveraged by a factor of three, thus a \$30,000 guarantee can be used to make \$90,000 in loans to residents. Loans are given to registered Neighbourhood Committees or Associations for communal, not individual, home improvements. Priority improvements include replacing sewage pipes, installing or expanding water services, repairing walls and roofs, upgrading electrical wiring and installations and enhancing security by replacing doors and gates. Costs for these upgrades vary, but average \$2,500 per project, which is shared by all the families in the block.

In addition to the physical improvements to housing and infrastructure, CEPROMUR provides legal advice to property-owners to ensure that their property titles are in order and up to date. They also provide legal advice on current laws and legal requirements to Neighbourhood Committees to ensure that titles are noted in the Public Registry.

A related programme, PREMOVI, (Programme of Housing Renovation) was also developed in 1993. Unlike PREHAVI, this programme targets dwellings that are in an advanced state of deterioration, requiring complete or partial demolition. Four buildings were selected for participation in the programme, and each received technical assistance tailored to its needs.

By 1996, thirteen *quintas* were rehabilitated under PREHAVI. Nearly 250 families had benefited directly from dramatic and immediate improvements in their physical standards of living. Most significant have been the lowered risk of disease from exposure to sewage, reduced structural vulnerability to earthquakes and lowered risk of fire hazards caused by faulty electrical wiring.

TEXT BOX 1
PREHAVI CASE STUDY: Junin Street Rehabilitation

Residents of blocks 8–16 on Junin Street in central Lima are organised in one Neighbourhood Association. This umbrella association is comprised of nine Neighbourhood Committees; one for each block. The residents of Junin Street had received training, legal advice and other assistance from CEPROMUR in the past. In 1995, they decided to participate in CEPROMUR's newly designed PREHAVI programme.

The Neighbourhood Association, led by Betty Pacheco, signed an agreement with CEPROMUR to organise the individual Committees, assess their requests for support, and monitor loan repayments. Training for participating community leaders then began.

Each block, represented by their Neighbourhood Committee, presented a formal request for repairs of water pipes, sewage systems or electrical wiring. Community leaders visited each block, considered the need for the requested repairs and assessed the level of organisation and commitment to the project.

Seven projects were approved, based on the urgency of the proposed project, motivation of residents and ability to repay the loan. Technical and construction feasibility plans were drawn up by CEPROMUR, free of charge. A private construction company was then contracted to complete the work.

A Credit Committee was formed within the Association. They received training on credit management, opened a bank account and received the loan funds. Its role was to monitor the loan programme and ensure timely repayment. Upon completion of the construction work in each block, the Credit Committee paid the contractor, and began to monitor repayments. Copies of monthly deposit slips were sent by the Credit Committee to CEPROMUR.

In total, on Junin Street, seven *quintas* had their homes partially rehabilitated at an approximate cost of \$2,500. With an average of twenty families per multi-family unit and a loan period of up to two years, monthly repayments per family are not prohibitively high. Families pay for the full cost of construction, including commercial rates of interest on the loan. Indirect subsidises from CEPROMUR take the form of training, technical advice, feasibility studies of the project and training.

5.2.4 Looking towards the Future: 1998 and Beyond

As PREHAVI and PREMOVI evolve from their pilot stage into more comprehensive development programmes, two clear themes have emerged. First is the need for greater collaboration with other entities, including both state and private organisations. As argued by CEPROMUR, the extent of the housing problem is so great that it must be an issue taken on board by the state. NGOs are useful in developing alternative strategies, but their impact will ultimately depend upon the state assuming these strategies as their own. Second is the need for expansion, both in terms of sheer numbers assisted and geographically. In other central districts

of Lima there are areas characterised by older, deteriorated housing rarely targeted by other NGOs.

A major expansion of the projects which fully involves the municipality in housing rehabilitation and renovation is set for 1998. It has been nicknamed 'Cuatro Patas' or 'Four Legs', as four organisational partners will jointly implement the programme. Most significantly, the Municipality of Lima is a full partner in the process, providing partial funding for the programme and participating directly in rehabilitating eighty buildings. Three NGOs are collaborating partners: DESCO will manage the credit fund, while CIPUR and CEPROMUR will each rehabilitate fifty blocks of housing. In addition, CEPROMUR will renovate, that is partially demolish and rebuild one building, that currently houses multiple families.

Furthermore, CEPROMUR has received funding to expand PREHAVI into four new districts of Lima. An estimated 400 families will receive assistance from the expanded PREHAVI programme in a two-year period. Most significantly, CEPROMUR has forged an alliance with the municipalities in each of the five districts. In all five districts, CEPROMUR is a member of the 'Mesa de Concertacion', an advisory committee with representatives from the community. Each municipality will assist in mobilising the community and will implement some small emergency sanitation projects. CEPROMUR is encouraging each municipality to consider the needs of slum dwellers in each District Development Plan.

CEPROMUR has refined its approach to housing development. Its methodology has developed over the years to encompass key components responsible for its success. Its fundamental premise is to start by mobilising and educating communities. The housing programme has moved towards economic sustainability by working with credit, and emphasises the need to involve local government. It is not a static or final model which has stopped evolving. Rather this experience shows how urban NGOs need to continuously update and refine their methodologies to improve their reach and impact.

5.3 Opportunities, Constraints and Achievements in the Inner City

5.3.1 Targeting the Most Vulnerable

One of the more interesting issues raised by this case study is the difficulty NGOs face in targeting the most vulnerable groups in society. The experience of CEPROMUR illustrates many of the difficulties in reaching these groups and demonstrates the types of trade-off NGOs are sometimes forced to make.

CEPROMUR's main concern with inner-city housing has always been on promoting and defending the rights of tenants. Tenants make up the vast majority of slum dwellers, and their living conditions are in general the most deplorable. CEPROMUR campaigned and lobbied hard for tenants rights and has had some important successes. They continue to provide legal

advice to tenants who are facing eviction and to those seeking to purchase their homes. However, there are considerable constraints to providing more direct, physical housing improvements to this sector.

CEPROMUR has evolved to a credit-based approach to housing improvements. This methodology is due, in large part, to their philosophy of promoting self-help in all aspects of urban development. However, the use of credit also results from a need to increase financial efficiency and reach more families. The PREHAVI programme initially had very scant funding of \$30,000. The use of credit through a guarantee fund enables this small amount of funding to be leveraged.

Tenants are less likely to participate in a credit programme for many reasons. First, their lack of home ownership robs them of the collateral that would make them a reasonable credit risk. Second, renters, not surprisingly, are reticent about making improvements to housing that is not theirs. As one resident explained, 'why invest in something that is not mine?' Third, many tenants have antagonistic relations with their landlords, and are unable to secure the necessary permission to make home improvements if desired. And fourth, many tenants fear rent increases if home improvements are made. For these reasons, CEPROMUR's housing programmes unwittingly tend to favour home-owners.

This is an evident source of frustration within the organisation. The problems facing tenants are urgent, and there are few obvious solutions to assist them. CEPROMUR remains active in lobbying to promote a favourable legal framework that benefits, or at least, does not penalise those reliant on rented housing. Although the impact may not be immediate or direct, it does in fact appear to be the strategy with the greatest possibility for positive change.

5.3.2 Participation

One of the strongest features of CEPROMUR's programmes is the depth and degree of community participation. One aspect of its work which has remained constant throughout the ten-year period has been the support programme for Neighbourhood Organisations. These efforts involve not only the provision of training, but also much needed legal advice on how to register legally as an organisation.

CEPROMUR has attempted to systematise its approach to urban renovation. It explains:

our working hypothesis, and all our experience of urban renovation in slums, takes as a starting point the organisation of the population, so that the community becomes the determining social actor in the process of urban renovation ... We believe that those most affected, those that face the problems of deterioration are those that live in slums, and they should be the first to participate in the transformation of their material conditions of life.

Much debate and discussion exists over what constitutes 'participation' within the NGO sector. Within the evolution of CEPROMUR's housing strategy there have been some marked changes in the role of the community. Strong emphasis is placed on developing community-based organisations with the knowledge and capacity to diagnose and tackle common problems. It is interesting to note that the role of community-based organisations has been transformed from beneficiary and source of labour, to co-implementor with considerable management responsibilities. In CEPROMUR's earliest efforts at implementing construction projects, the most cost-effective methodology was thought to be acquiring donated materials and with cost-sharing provided by the community in the form of manual labour.

This approach caused many problems. Most serious of these was the technical difficulty in implementing construction projects with inexperienced labour. While these efforts did have some positive impacts by teaching residents basic technical skills, project implementation suffered considerable delays and often generated cost overruns. Currently, projects are completed quickly and efficiently by an outside contractor.

Rather than being displaced as a partner, Neighbourhood Associations found themselves being promoted to project co-manager. In the PREHAVI programme, the local organisation assumes considerable responsibilities. Initial assessments of requests for loans are made by the Association, with minimal assistance from the NGO. The Association is required to open a bank account and is responsible for paying the outside contractor directly. The Association also performs the key function of monitoring loan repayments.

If one were to point to a reason for CEPROMUR's evident success, it may be this consistency and continuity in ideology and methodology. An emphasis on participation and grass-roots capacity-building underlies all of its programmes, and provides a strategic direction to its planning.

5.3.3 Lobbying and Policy Influence

One of CEPROMUR's strengths has been its readiness to become involved in lobbying in housing legislation. Since its inception, CEPROMUR has had a strong legal department able to analyse existing bills, develop legislative proposals and provide technical advice to beneficiaries - both as individuals and as community-based organisations. CEPROMUR was instrumental in the shaping of legislation and actively supported Law 696 which promoted private and state investment in urban renovation.

However, a subsequent law, D.L. 709 passed in 1991 provides a legal definition for buildings considered 'slums', for those dwellings that lack the minimum conditions for living, and stipulates that these dwellings be demolished. This law entitled, 'Promotion of Private Investment in Rental Housing', frees rents to be set by the market. CEPROMUR worked closely with legislators and in mobilising the population, and was successful in obtaining a delay in its implementation with regard to slums.

Despite these advances, CEPROMUR feels pessimistic about the state's response to inner-city housing. Many new housing programmes have been launched by the Fujimori government, and all are targeted at self-built housing in the *pueblos jóvenes*. Inner-city housing is exempt from these programmes, including construction loans from the Bank of Materials.

CEPROMUR continues to raise public awareness about the unique housing realities in the inner cities. It is proud to have developed an intervention model which is not only cost-effective, but also that demonstrates that there are alternatives to previous government strategies of relocation and demolition.

5.3.4 Sustainable Social Impact

Are the changes brought about by these projects sustainable and long-lasting? There is evidence to suggest that in the short term at least, the Neighbourhood Committees will remain operational. As of 1998, all thirteen participating Neighbourhood Committees remained operational, although most of them naturally slow their pace of activity as the construction work is completed. The experience of having successfully implemented a project certainly boosts the self-confidence of community leaders and the capacity of their organisations.

CEPROMUR, however, remains honest in its assessment of the sustainable social impact of its programmes. It is operating in an environment which is not necessarily conducive to stable community-based organisations. The inner cities do not have the strong tradition of organisation found in the *pueblos jóvenes*. For example, after the economic emergency programmes of 1991, many self-help organisations dissipated. According to an internal report:

Certainly, (the crisis) mobilised much of the population, and put their solidarity and collective work to the test. However, this is not an experience that corresponds to the traditions of these groups, and as soon as the purchasing power of the population recovers, these (organisations) disappear.

CEPROMUR has found that close ties between neighbours exists within alleyways or *quintas*, but not between them. This may be due to the sheer importance of physical layout, in which people from different *quintas* have little contact with each other. There are no common areas, such as a central plaza, where one can meet other neighbours. The only shared common areas are within the *quintas* themselves.

CEPROMUR's leadership understands all too well the limitation of NGOs. The social problems are many and immense, and a single NGO may at best attempt to tackle one or two of them. The growing problems of delinquency, violence and drug abuse continue unabated. As the director laments, 'we may improve their housing, or provide kids with technical training, but they must return to their social reality, which we can't fix.'

Despite these self-acknowledged limitations, it is clear that CEPROMUR is having important and sustainable impacts in the communities in which they work. Beneficiaries are certainly more knowledgeable about their legal rights, they are organised and they have learned how to

make demands on government and policy-makers. Many have repaid their loans in full and a select few appear to have graduated to the formal financial system.

More importantly, they have involved other entities into the process of urban renovation. Through their new relationships with municipalities, they are in a position to exert some influence, however small, on local government. They have worked with a private bank and demonstrated that the urban poor are, by and large, good credit risks. They have shaped legislation and stimulated public debate. All of these lasting impacts are in addition to direct improvement of living standards for hundreds of families living in Lima's inner city.

6. Case Study: CENTRO IDEAS: Strengthening Participatory Local Democracy

6.1 Introduction

The urban programme of CENTRO IDEAS is rapidly approaching its twenty-year anniversary. Its long-term and intensive involvement in one district of Lima has enabled it to become an integral part of that community. Interviews with local leaders reveal that rather than being perceived as an outside actor intervening in local processes, IDEAS is gaining acceptance as a legitimate local actor in its own right. This NGO has accompanied the community through the ups and downs of its political and economic development throughout the two decades, and has gained a degree of understanding of the local context only made possible by long-term involvement. This approach has enabled IDEAS to gain the trust and respect of local actors throughout the community.

IDEAS has programmes nation-wide, in three clear thematic areas: promotion of organic agriculture, environment and sanitation, and the development of local institutions. The latter two areas, environment and institutional development, form the core of the urban programme in Lima.

IDEAS works primarily in the district of Ate-Vitarte, on the east side of metropolitan Lima. Since 1980, the primary objective of their programme has been to promote community participation in local government planning. Currently, IDEAS has a collaborative agreement with the municipality of Ate-Vitarte, with the objectives of implementing a model of participatory local planning. Significant advances have been made in involving community groups in local development decisions.

In addition to its institutional development programme, IDEAS operates a fund to support small-scale sanitation projects in the district. This sanitation project, however, is not a separate and distinct programme. Instead it should be thought of as an integral component of the core programme. It's objectives are not only to improve sanitary conditions in the district, but also to initiate a programme in which community and municipal collaboration can be formalised and put into practice.

IDEAS' strategy over time has had to respond and react to complex social and political events. The following section focuses on the Urban Programme, and illustrates how the programme has evolved over time. It offers many lessons for other NGOs working in urban areas in a turbulent political context.

6.2 Historical Background

IDEAS was born in the politically charged atmosphere of the late 1970s. The purchasing power of the population dropped dramatically after the military government of Morales Bermudez implemented an economic stabilisation programme to reduce government spending and correct balance of payments. Unions became antagonised as some of the pro-labour legislation introduced by the previous government was dismantled.

The combination of economic crisis and declining political influence of labour proved to be combustible. In July 1977, unions successfully organised a national strike that extended across all sectors of the economy and across the country. The district of Ate-Vitarte, part of the industrial heartland of Lima, became a focal point of this movement. Massive lay-offs and factory closures sparked an active labour movement in the district. University students, professors and communities showed solidarity with workers in a heightened atmosphere of political mobilisation and protest. Among those showing solidarity were the founders of IDEAS: a group of young sociologists and economists, recently graduated from university.

6.2.1 Phase One: Surveying the Political and Physical Landscape (1980–1983)

IDEAS established a presence in the district of Ate-Vitarte in 1980. Initial efforts focused on two main issues: first, working with the municipality to develop a coherent development strategy for the district; and second, providing training and other forms of support to union leaders.

The selection of these two strategic areas was heavily influenced by political events at the time. Support for unions reflected a deep concern over the government's economic policies, and a strong ideological belief in the promotion of workers' rights. The impetus for reform of municipal management and planning was the return to democracy in 1980. This meant that free elections would now determine municipal leadership. The new opportunities for political openness and popular participation generated a tremendous amount of excitement and optimism in Peru at that time.

IDEAS began working in earnest with the newly elected mayor of Ate-Vitarte in 1981. Given the recent transition to democracy, municipalities throughout Peru were largely unprepared to undertake a central role in urban planning and development. The information available to city planners at the time was woefully inadequate. The lack of such basic data as up-to-date maps severely hampered the ability of many municipalities to plan adequately for economic and physical growth. IDEAS' support to the municipality was critical at this time. NGO staff, comprised of sociologists, architects and economists, took the lead in launching a diagnostic survey of the district.

IDEAS and the municipality undertook a physical/spatial survey of the district to determine its physical limits, current land use patterns and existing infrastructure. In addition, the IDEAS team surveyed the community-based organisations in the district, with an emphasis on housing associations to determine the number and nature of organised groups in existence. After an extensive period of surveying the physical, social and political landscape IDEAS was in a position to develop and present urban development strategies to the municipality. After this lengthy diagnostic process, the municipality, with constant guidance and support from CENTRO IDEAS completed the First Stage Development Plan.

6.2.2 Phase Two: The First Stage Development Plan (1984–1987)

By 1985, IDEAS and the municipality were able to initiate their development strategy for the district. The first major step was to make the urban planning process more manageable by dividing Ate-Vitarte into zones. Given the large physical expanse of the district and the social and economic differentiation within it, division into zones would allow participatory diagnostic studies and planning at subdistrict levels. Simultaneously, local housing organisations were encouraged to organise at zonal levels. Consequently, district-wide protests and petitions were gradually replaced by zonal meetings that enabled local planning issues to be addressed directly.

The plan focused largely on the physical, spatial dimensions of planning and dealt with zoning, infrastructure and housing. As part of the diagnostic process, the development plan reviewed the land use patterns in the district. It became evident that there were zones suitable for habitation as a result of their proximity to services, but were unoccupied and unused for agricultural purposes. Subsequently, groups of residents organised and established claim to the land, giving rise to Huaycan, one of the largest informal settlements in Lima.

In retrospect, it is clear that the development plan was a significant step forward as it genuinely took into account the needs of the impoverished sectors of Ate-Vitarte and was based on carefully gathered field data. However, it still fell short of the ideal. The financial and budgeting aspects of the plan, for example, were far from realistic. More importantly, while there was a willingness to work in partnership with communities, no clear mechanisms had been created to formally incorporate citizen participation, monitoring and evaluation.

The reasons for these shortcomings were multiple. Political leaders within the municipality, not surprisingly, were reluctant to relinquish their near autocratic control over local development. The political will to make the necessary administrative reforms within the municipality was lacking. Yet, not all of the shortcomings of the plan were due to a lack of political will. It may well be that local government officials simply lacked both the political and management skills necessary to work with community groups and balance conflicting interests within the community.

In addition, the many community-based organisations in the district may not have been in a position to work effectively with the municipality. IDEAS realised that most CBOs were

poorly organised and were ill prepared to advocate clear development proposals at a local or zonal level. Moreover, the political situation was worsening rapidly in the district, as both CBO leaders and municipal officials were receiving direct threats from terrorists.

Despite these shortcomings, some concrete projects were realised during this period. These included access roads, water and electrical projects.

At this point, IDEAS made a strategic decision that determined its objectives and priorities for the following decade. The mission of its work in Ate-Vitarte is to develop mechanisms to link CBOs to the municipality and promote a genuinely democratic local government. This objective necessarily requires intervention at two different levels: first, strengthening the capacity of community-based organisations; and second, reforming municipal planning systems.

IDEAS focused its energies on improving its support programme for community-based organisations. It worked with Neighbourhood Associations (*juntas vecinales*) and encouraged them to organise on a zonal, not just neighbourhood level. It also worked closely with networks of women's groups that operated communal kitchens for the district's poorest residents. At the same time, it refined its ideas for involving CBOs in local planning. NGO staff continued to provide advisory services to local government officials on many different issues.

6.2.3 Phase Three: Municipal Estrangement 1988–1993

In the late 1980s, progress in encouraging participatory planning systems began to gradually slow down gradually, then finally ground to a halt. In the 1989 municipal elections, the Popular Action party replaced the United Left mayor.

A number of factors led the municipality to become more hesitant about working with IDEAS and CBOs at this time. First, the new mayor resisted working with IDEAS, in part, because of the NGO's close links with the previous administration. There was a lingering perception that because IDEAS had worked closely with the United Left mayor, it had a partisan alliance. The municipality was also suffering from financial difficulties.

Second, the boundaries of the district had been re-defined, and the revenue generating zone of Santa Anita was lost to another district. Growing budget problems were exacerbated by the national economic crisis and rising inflation. This preoccupied local officials, distracting them from other issues that were less urgent.

Third, the municipality was battling inertia in moving from the planning stage to implementation. The early stages of engaging in diagnostic studies and designing mechanisms for community participation was one in which IDEAS took the lead. Implementing these ideas would now require significant commitment of the municipality's human and financial resources.

Fourth, it became clear that the strategy of working with the top decision-makers, mostly elected officials and political appointees, had backfired. With every election, relationships that had been carefully nurtured were ruptured. The transition from one administration to another meant that the groundwork and forging of alliances with government officials would have to begin anew.

Fifth, the growing influence of the Shining Path terrorist movement led the municipality to be cautious of working with community-based organisations. As evidence grew that many CBOs were being infiltrated by Senderistas, the risks of working with these groups became considerably higher.

For a variety of reasons, therefore, contact between IDEAS and the municipality declined in the period 1988–9. As a response to the limited opportunities for work with the municipality, IDEAS' focus shifted to strengthening CBOs. While the objective remained the same (i.e. municipal–community collaboration), the methods were adapted to changing realities. Ideas for municipal reform were not abandoned, but they were necessarily put on the back burner. A bottom-up strategy for reform emerged, in which stronger CBOs were encouraged to make demands on the municipality. Strategically, they realised that it was important not to concentrate exclusively on municipal reform which may or may not be implemented. It was important to reinforce these efforts by working at a grass-roots level.

IDEAS began to focus on local planning issues in specific zones. It chose Santa Clara for a pilot project in zonal local planning, and started with a process of community diagnosis of the basic planning issues in the zone. It held sixteen workshops with community-based organisations in different neighbourhoods within Santa Clara. This enabled IDEAS to gather important information regarding land use and basic infrastructure, and helped the community to set its own priorities for development. A Plan of Community Development was prepared. This local development plan guides the efforts of community leaders in their relations with the municipality and central government. It has successfully implemented some aspects of the plan, contacting the state water company and having new sewage systems installed, for example. Technical land surveys, furthermore, have helped many residents gain titles to their land. However, the majority of the projects set out in the development plan have yet to be implemented. The municipality demonstrated limited interest in engaging in dialogue with community leaders. In addition, financial constraints stopped most of the proposed infrastructure projects from being implemented.

IDEAS began working with a new type of CBO that emerged nationally in Peru during the mid-1980s, associations of informal sector entrepreneurs. IDEAS launched a micro-enterprise support programme and provided training and technical advice to the Association of Small Industry of Ate-Vitarte (APIAV). It developed a small rotating credit fund, but growing Sendero influence in the sector made work difficult. Repayment rates suffered as Sendero encouraged borrowers not to repay.

Peru's political crisis began to deepen during the late 1980s. Growing terrorism in Lima's *pueblos juvenes* became a major factor that all NGOs had to grapple with. Sendero Luminoso (Shining Path) rank and file were increasingly infiltrating community-based organisations. The

military response was also crushing, and many local community leaders disappeared. An atmosphere of fear and suspicion permeated urban communities. In 1992, the worst-case scenario became a reality for IDEAS. Staff were devastated by the assassination of one of their colleagues by Sendero.

These events ushered in an era of uncertainty not just for IDEAS, but also for all NGOs. Difficult dilemmas and decisions faced NGOs as fieldwork became increasingly dangerous. NGOs reassessed and reformulated their intervention strategies, trying to balance the desire to support and show solidarity with the community, while minimising the danger to staff. In the case of IDEAS, a decision was made to adopt a low profile in the community. Publicity was kept to a minimum, and organised events were held without publicly acknowledging the name of IDEAS.

In 1991, another event faced the NGO sector. The cholera epidemic made apparent the devastating consequences of poor sanitation and unhygienic living conditions of the urban poor. Thousands of people in Lima's *pueblos jóvenes* fell victim to this potentially fatal disease. NGOs focused with greater intensity on environmental issues such as water systems and disposal of waste and garbage. In addition, CBOs such as the communal kitchens and Glass of Milk Committees were targeted for intensive training and education. In previous years, NGOs had made the error of promoting the expansion of these community-based feeding programmes without first considering whether they had sufficiently clean and sanitary conditions. As a result, environment and sanitation became a priority for many NGOs, and in 1991 they were included into IDEAS' strategic plans.

6.2.4 Phase Four: Transition (1993–1995)

The goal of modernising and reforming the municipality's administrative structure had only minor impact by 1993. Although IDEAS had worked closely with various local government administrations, few structural changes of any significance had been made. In 1993, the election of a new mayor from the Obras Political Movement party created a political opening within the municipality. IDEAS had long campaigned for the creation of a department within the municipality that was responsible for liaison with community groups. A major achievement occurred in 1994 when the municipality, upon the advice of IDEAS, created an Office of Neighbourhood Participation. This renewed interest in community participation had been facilitated, in part, by the political situation which was stabilising since the capture of the leadership of the Shining Path in 1992.

The municipality signed a series of collaborative agreements with IDEAS. Staff worked closely with officials in developing a streamlined information system. While information systems had increased the efficiency and efficacy of the municipality's planning, community involvement still remained limited. It became evident that there was a lack of political will in making the newly created Office of Neighbourhood Participation (ONP) a fully functioning part of the municipality. The head of the ONP met rarely, if ever, with the mayor, and the office remained largely inactive.

A secondary focus of the strategy at this time was the development of training courses for mid-level municipal officials. Past experience had taught IDEAS to develop relationships throughout all management levels at the municipality, and not to be dependent on direct contacts with the mayor.

In 1994, IDEAS launched its Emergency Sanitation Programme (PROES). Created partially in response to the cholera epidemic, the programme had the dual objectives of strengthening community-based organisations and improving sanitation conditions in Ate-Vitarte. The programme worked closely with the existing Committee of Local Management comprised of community-based organisations, NGOs, church groups and local government. These Committees of District Management were created in August 1990 to participate in the government's social emergency programme and acted as channel for government aid to the district. By 1993, these organisations were fading as outside assistance began to dry up. PROES, however, gave the Ate-Vitarte Committee added vibrancy, and as a result it is currently the only remaining Committee in Lima.

IDEAS created a small fund for sanitation projects, PROES, to be administered by the District Management Committee. Community-based organisations can request funding from the Committee. The requesting organisation is required to contribute 10% of the cost of the project in cash or in form of labour. PROES has to date supported more than forty small-scale projects such as communal bathrooms, kitchens and bathrooms for *comedores populares*, recreational green areas and water pipe repairs. These projects addressed some of the most urgent health problems facing residents of Ate-Vitarte, including unsanitary conditions in schools and in communal food kitchens.

PROES was successful in strengthening local community organisations, providing them not only with training but also experience in designing and implementing projects. The programme was highly participatory in nature, involving community-based organisations in all aspects of small-project identification, assessment, design and implementation.

Yet, this programme failed to develop the participatory mechanisms to bring local government into contact with community groups. As IDEAS' staff argued, 'the municipality should play a leadership role in community development'. It was decided to redouble efforts and try to institutionalise the programme within the municipality. In 1996, municipal elections introduced a new era of opportunity for citizen participation in Ate-Vitarte.

6.2.5 Phase Five: Achieving a Municipal–CBO Partnership (1996 –1998)

Between 1996 and 1998, many of IDEAS' proposed models of citizen participation in planning went from the conceptual stage to implementation. The new mayor from the governing Cambio 90 party was committed to the concept of participatory local planning, and IDEAS was engaged formally as a technical advisor to the process.

Progress was made rapidly. The Office of Neighbourhood Participation was upgraded to a department, giving it greater decision-making responsibility and more significant resources. Now entitled to an independent office, full-time staff and eight field workers, the ONP was able to have a real presence in the community. The ONP has been given unprecedented importance, and its staff work closely with the mayor's office on planning issues.

The municipality signed a series of collaborative agreements with IDEAS for technical advice in a variety of areas. The most significant area in which IDEAS has input is in formulating mechanisms of citizen participation. Additionally, IDEAS has agreed to provide advice to the municipality on how to improve their information systems and planning mechanisms. Specifically, IDEAS is working with the ONP in implementing diagnostic studies, mapping activities and the setting up of local information databases on a zone-by-zone basis.

IDEAS has also encouraged the municipality to take an active role in implementing development projects in co-operation with community groups. IDEAS and the municipality have developed a joint sanitation programme to complement PROES. This environmental project fund (FISMA) of \$300,000 has been established, one-half of this funding coming from the municipal budget. IDEAS perceives this as an enormous step forward as it demonstrates municipal commitment to the process. Community groups are also required to make a contribution of 10% to their projects. To date, FISMA has supported thirteen projects.

Other structures to encourage open discussion during the planning process have been put into place. Local planning committees (CODELA), have been created by the municipality. Currently, CODELA is comprised of thirty members, with representatives from the private sector, NGOs and community-based organisations (such as the Glass of Milk Committees, *comedores*, etc.), and representatives from the six zones of the district. Although they play only an advisory role, they are instrumental in advising local government officials on local development issues.

6.3 Achievements and Constraints in Urban Planning

The municipality of Ate-Vitarte has undergone visible changes in the way it engages in local planning since the inception of the programme in 1980. With the technical support from IDEAS over the long term, great strides have been made in developing effective planning systems, and in incorporating community participation and input into the planning process. The municipality

has the ability to gather the relevant diagnostic information needed for effective planning. Basic data management and computerised information systems now exist. More importantly, mechanisms to ensure regular communication between organised community groups and local government are becoming institutionalised.

After many years of intensive and involved work in the district of Ate-Vitarte genuine progress in reforming municipal policies was made only recently. The determining factor for these gains clearly is the political will shown by the recent mayor to make participatory local planning a priority for his administration. Yet, it is important to highlight the elements of IDEAS' strategy that allowed this to come to fruition. By the time a mayor receptive to these ideas arrived on the scene, the conditions conducive to implementing these changes had already been created. Strong CBOs, familiar with planning processes and able to articulate their demands existed. IDEAS had developed plans and models for municipal restructuring, some of which had been implemented by the previous administration. There were other elements of IDEAS' strategy that enabled it to be readily accepted by the incoming mayor. Continuity had been achieved by developing strong ties with municipal officials that would not be replaced at every election. More importantly, according to IDEAS, it had adopted a technical approach to development. In order to be accepted by any incoming mayor, it had to build a reputation of political neutrality and non-partisanship. IDEAS perceives and present itself as a source of technical expertise in areas of local development and planning, yet without sacrificing its beliefs in strengthening local democratic institutions, environmental preservation and gender equity. The remainder of this chapter looks at the elements of IDEAS' strategy that have enabled it to have such an impact.

6.3.1 Neutrality

Most NGOs established in Peru in the late 1970s were highly political. While they might not have been partisan in outlook, it is fair to say that most NGOs were overtly ideologically motivated. IDEAS was no exception. The founders of IDEAS perceived development within a leftist, social reform oriented framework. Throughout the years, however, the drawbacks to this approach became apparent. By allying itself with a particular party, such as the IU, relations with subsequent administrations could be jeopardised. Although IDEAS was willing to work with any party that came to power in Ate-Vitarte, new administrations often perceived it as a political ally of the previous mayor.

The political turmoil of the 1980s created additional complications. The growing influence of Sendero Luminoso in the district made any high-profile activity risky. It was particularly important for IDEAS not to appear as though it was working for the municipality and merely implementing the agenda of the state. Even in the absence of these extreme circumstances, IDEAS recognised the need for maintaining its role as an independent actor in local development.

In the mid-1980s a conscious decision was made within the organisation to assert its role as a technical actor in local development. This also meant recognising its independence from community-based organisations. According to one staff member, 'we are a neutral third party –

equidistant from both the government and communities.’ As such, IDEAS strives to be a source of technical expertise that can support local government, communities and other local actors in pursuit of economic and social development.

IDEAS has been successful in this approach. One of the reasons it has been able to gain acceptance from successive administrations has been its technical profile. This makes it less threatening to local politicians. As a municipal official remarked:

IDEAS is different. They don’t ask what our politics are, our beliefs. In turn, we don’t ask them their political beliefs. We just work together on concrete projects. If I have an idea, I call IDEAS and run it by them for their advice.

Only by maintaining itself as a neutral resource for technical advice and support, has IDEAS been able to gain the trust and confidence of the municipality and the community.

6.3.2 Flexible Strategy

A second important element of IDEAS’ strategy is that it simultaneously combines a bottom-up approach of strengthening communities and a top-down approach of reforming local government. Strategically, this is important for two reasons. First, reform at both levels was needed for genuine change. Community-based organisations needed to improve their capacity for management, interest articulation and project implementation. Second, institutionalised mechanisms for community/municipal collaboration needed to be put in place by the municipality itself.

This dual approach allowed IDEAS to shift its emphasis and focus as needed. At times when the municipality was largely uninterested in promoting community participation, IDEAS focused on its bottom-up approach. When the municipality was more open to the idea of reform, IDEAS was carefully positioned to take advantage of emerging opportunities. The lesson here is that it is important to avoid having a strategy that depends entirely on the political will of local officials.

The strategy of IDEAS has been to highlight the common interests between local actors and play a facilitative role to encourage more democratic and equitable development patterns.

6.3.3 Involving Local Actors in Development

IDEAS’ strategy is far-reaching in its scope. Its ultimate objective is to enlist the co-operation of local actors in a process of local development. Many NGOs define their role in a more limited fashion. They see the role of NGOs as one of entering the community with resources and dedicating these resources towards working with the community to implement development projects. IDEAS’ local development model puts local actors squarely in the lead role. CBOs, municipality, church, NGOs and private industry are all encouraged to work together in designing local development strategies. IDEAS seeks to mobilise local resources for

development projects, and encourages the municipality to work closely with community groups to determine priorities in resource allocation.

One area which has emerged as a priority for coming years is encouraging private companies to become more involved in this process. The Development Committee at present has representatives from local companies and this has raised corporate awareness about local needs and realities. Nevertheless, there is a long way to go before the private sector participates actively in solving problems facing the district.

7. Case Study: CENCA: Micro-Planning in Lima's Squatter Settlements

7.1 Historical Development

7.1.1 Initial Efforts: 1980–1984

CENCA was founded in 1980 by a group of sociologists committed to promoting urban development and social change. CENCA pursued four interrelated objectives: to seek alternative solutions to problems facing communities, provide technical and legal services to communities, offer vocational training and promote community organisation.

Their strategy at this early stage was broadly defined and comprehensive, focusing around three programme areas. The technical programme addressed issues of urban planning, including mapping of new settlements, lot distributions, housing and preliminary studies for the acquisition of services. Related issues regarding titling, legal registration of communities and land disputes were dealt with in a legal programme. A third programme focused on the social aspects of development. This educational/cultural programme was a catch-all area for work in health, nutrition, gender, vocational training and community organisation.

The initial interventions were generally short term in nature and focused narrowly on a specific problem, such as titling or feasibility studies for water and electricity. CENCA was essentially reactive in its approach, responding to communities' specific requests for assistance rather than advancing its own agenda. Staff were kept busy attempting to meet the demands of partner community-based organisations, with limited time available for reflection and planning.

The principal achievements in this period, according to CENCA's staff, were the close relationships forged with community-based organisations in various districts of Lima. CENCA forged particularly close relations with two important CBOs: the Federation of *Pueblos Jovenes* and Settlements of Lima and Callao, and the General Confederation of Residents.¹¹ CENCA acted as an advisor to these and other community organisations.

CENCA successfully helped many community organisations tackle the difficult technical issues surrounding titling, access to services and government recognition of settlements. Leadership development training strengthened the capacity of these organisations.

Yet, CENCA faced considerable obstacles in its community development initiatives. Most important of these was the degree of politicisation the CBOs, which was particularly pronounced in the federated organisations with which they worked. At this time in Peru most community organisations were fraught with internal conflicts which were overtly partisan in

¹¹ Federacion de *Pueblos Jovenes* y Urbanizaciones Populares de Lima and Confederacion General de Pobladores del Peru.

nature. Most NGOs, as well, had scarcely veiled partisan ties. All of these political undercurrents acted to complicate inter-institutional relationships among NGOs, CBOs and municipalities.

7.1.2 Developing Alternatives: 1984–1990

The NGO sector was revitalised in 1984 following the election of Alfonso Barrantes, a socialist candidate, to the position of mayor of Lima. The Barrantes administration launched many new programmes aimed at alleviating urban poverty, and hired staff drawn from the NGO sector. The Glass of Milk programme which provided nutritional supplements to children in Lima also acted to energise local women's groups. This large-scale municipal programme used community-based women's groups to distribute powdered milk to children at risk. Many NGOs including CENCA, began to support the Glass of Milk Committees with training and advisory services.

The municipal administration of Barrantes made other far-reaching changes in traditional urban development strategies. In co-operation with NGOs and other entities as advisors, Barrantes initiated a new kind of discourse and public debate about urban development for Lima. Discussions over issues including decentralisation, links between CBOs and municipalities and the need for a more integrated plan for metropolitan Lima, began to filter through the NGO sector and influence their planning.

For CENCA, this was a period of rapid evolution and maturation in its development thinking. The most fundamental philosophical change that occurred within CENCA was rejection of the notion that NGOs had to be junior partners to communities. According to one staff member,

At first we thought that it was only appropriate for CBOs to develop their proposals and for us to be responsive to their demands. But now we realise that it is okay for us to have our own proposals and develop our own alternatives. We also have a voice. It is not that we cover the voice of the people, but rather that we join our voices to theirs.

CENCA's largely reactive strategy was eventually replaced as it began to search for its own institutional voice. It broadened its staff profile by hiring architects, lawyers and social workers. Influenced by the socialist administration of Barrantes, it began to think seriously about its role in urban development at city-wide level. CENCA established a research department to investigate and develop proposals and policy papers on macro-level development issues such as decentralisation and housing policies. The research department also aimed to evaluate and assess CENCA's models of intervention and disseminate these experiences.

The scope and scale of CENCA's vision and strategy also evolved from one based at the level of individual communities and *pueblos jovenes*, to one which looked at the city as a whole. CENCA realised that it was inadequate to think about urban development in a fragmented manner. The problems of access to land or water that communities face needed to be addressed within the wider context of urban development. At this time, also, CENCA began to expand the distribution of their magazine which dealt with issues of urban planning. This publication

became an important forum for debate and discussion regarding the present and future planning needs of the city of Lima.

Furthermore, CENCA also began to develop relations with municipalities in districts across Lima. In the district of El Agustino, CENCA supported the municipality in developing and implementing its District Development Plan. Similarly, in San Martín de Porras, it advised government officials on the functioning of the Commission of Neighbourhood Participation. In both cases, CENCA implemented programmes with specific communities, including housing projects in El Agustino, Chillón and Daniel Alcides Carrion.

In the late 1980s, the issues of regionalisation and decentralisation were promoted by the García government. In 1989, the Plan of Metropolitan Lima was introduced and promoted by the Municipality of Lima. It encouraged a new conceptualisation of urban planning, breaking down Lima into four clear geographical zones: East Cone, North Cone, South Cone and central Lima. The plan encouraged greater decentralisation of resources and institutions away from central Lima into the three highly populated Cones. Planning should be done not merely at the district level, it was argued, but should examine the characteristics and needs of each Cone. Each Cone has its own dynamics of development.

NGOs took this strategy on board, and new inter-institutional relationships to increase communication and collaboration within Cones emerged. CENCA made the institutional decision to focus on the East Cone of Lima, where it had a more active presence. A round-table for NGOs working in the East Cone was created, as was an inter-district committee of CBOs.

In 1990, CENCA and other NGOs began to advise government institutions on issues of sub-regional planning, including the Institute of National Planning, the Institute of Metropolitan Planning and the Institute of Municipal Development.

7.1.3 Implementing Micro-Planning Models in Lima's East Cone: (1990–1997)

By 1990, CENCA's strategy had evolved from a purely reactive approach to service delivery to a more comprehensive approach involving direct intervention, collaboration with other entities (central government, municipalities, CBOs, NGOs) and elaboration of policy recommendations.

One focus of CENCA's strategy had been to engage in urban planning from a more global perspective, elaborating plans for development of the East Cone. It had worked with CBOs and other NGOs to develop committees to conduct needs assessments and planning priorities in the areas of nutrition, health, employment, education and urban development. In 1991, CENCA received financing to establish a development project for the East Cone that would increase collaboration and co-ordination among CBOs, mayors and NGOs operating in the region.

Yet, implementation of development plans across districts was a difficult task. Different mayors held differing political views, and agreement on projects of implement was lacking. These inter-district efforts were further ruptured by the government of Alberto Fujimori who stopped the government's decentralisation programme. Moreover, the growing incidence of terrorism was felt strongly in the East Cone, and the leader of the Inter-District Committee of CBOs was assassinated. Before the project was even under way, these factors led to its virtual collapse.

Throughout this period, however, CENCA had continued to work closely with specific communities providing assistance in the areas of housing, titling and planning. These programmes were very effective and allowed CENCA to work closely with municipalities to develop integrated urban development programmes. In these districts, CENCA worked to create micro-areas of planning. These areas, similar to the zones developed in Ate-Vitarte with IDEAS, provide an intermediary geographical unit between individual *pueblos jóvenes* and the district. These micro-areas of development, called MIADES, joined anywhere between ten and thirty *pueblos jóvenes*.

In 1992, the programme was reformulated to create development projects at zonal level, although maintaining the cone as a wider reference point. The primary focus of CENCA's work from this point on has been to develop models of participatory micro-planning with communities, while maintaining a wider vision of urban development at the district and Cone level.

CENCA developed micro-planning projects in zones in Huaycan, Chosica and El Agustino. It obtained additional funding to operate a housing project in San Juan de Lurigancho. The third and final element of its urban programme was the creation of an economic department which helps set up communal banks throughout Peru. The following section will focus on two of these experiences, the micro-planning projects in Chosica and El Agustino.

7.2 Models of Micro-Planning: El Agustino and Chosica

7.2.1 El Agustino

In 1986, the municipality of El Agustino prepared an integrated development plan for the district. One of the difficulties that emerged in the planning process was the heterogeneity of the district. The district consisted of approximately one hundred *pueblos jóvenes*, which vary in their characteristics and, in particular, in the degree of infrastructure. The development plan completed in 1987 proposed establishing micro-areas of development (MIADES), an intermediary geographical unit combining geographically proximate *pueblos jóvenes*. Creating micro-areas of development would facilitate diagnostic surveys, feasibility studies and planning. These micro-areas, more importantly, would provide a structure through which resources could be channelled.

Eight micro-areas were established in El Agustino in 1988. Provisional boards of directors were established for each micro-area, and they were legally registered. The municipality created a Community Development Fund, accounting for 8% of the municipal budget in 1988, to fund projects in the micro-areas. This mechanism was designed to provide a clear and direct link between the municipality and the communities it is assisting.

Prior to the implementation of the MIADES plan by the municipality, CENCA had been co-ordinating with other NGOs in the district. At the behest of the municipality, three NGOs formed the NGO Technical Commission, co-ordinated by CENCA, to develop the Integrated Development Plan of the District and to provide technical assistance and grass-roots support throughout the process of establishing the MIADES. These NGOs, CENCA, SEA (El Agustino Educational Services) and CENDIPP worked together to advance the participatory aspects of the programme.

The NGOs began by encouraging grass-roots organisations to come together at the level of the micro-area. A CENCA field worker explains:

Most community leaders had a vision only at the level of their own pueblo joven. They never had a vision that was wider. To plan bigger infrastructure projects such as water systems or roads, pressure is needed at a larger level. It was necessary to hold planning workshops that included many pueblos jóvenes. A key achievement of this was an awareness that they shared problems with neighbours. It encouraged greater solidarity. It made them realise that 'my problem is our problem'.

After communities held a diagnostic workshop to identify the most critical problems they faced, they created working groups to look at specific solutions. Examples of working groups include water and sanitation, health, nutrition and relations with the Community Development Fund. Each MIADES eventually developed its own development plan.

CENCA worked particularly closely with the micro-area called Tupac Amaru. This micro-area was comprised of twenty-six *pueblos jóvenes*, and had many active CBOs. These included seven communal kitchens, eleven Glass of Milk Committees, five family clubs and six informal sector associations, among others. Through a series of diagnostic workshops, it was concluded that there were six priority projects, among which were a water and sewage system in the Tayacaja area, expanding Avenue Ricardo Palma, creating a recreational park, paving the Placido Jimenez Road and obtaining lighting for Avenues Riva Agüero and La Atarjea. Financing was obtained from the Community Development Fund established by the municipality, but which only served to implement a very limited number of activities.

CENCA looks back on this as a mixed experience. It demonstrated a clear willingness of the municipality to work directly with communities to implement urban development projects. It allowed the community to have a direct say in resource allocation decisions. However, the programme suffered from many obstacles. The first of these is the debility of the MIADES as an implementing organisation. These community-based organisations were young and had no previous experience managing resources. The second critical factor which limited the impact of this experience was the limited resources available to the municipality to finance community

projects. Large-scale infrastructure projects such as water and road building require other sources of funding and effective co-ordination with other state entities. The creation of the Community Development Fund and subsequent promises of funding raised expectations within the community to unrealistic levels.

Yet, the experience of El Agustino has been studied and considered not only by other NGOs, but also by other municipalities. There are many interesting lessons that can be learned from this experience. CENCA has worked with other communities and districts, with the objectives of promoting participatory models of urban planning. Their work in the district of Chosica illustrates a very different approach to pursuing the same objectives.

7.2.2 Chosica

CENCA's experience with participatory planning in the district of Chosica contrasts sharply with that of El Agustino. CENCA began working in Chosica in 1992, and it began by stimulating the creation of a community-based organisation at a zonal level to lead the process. CODESURMI, the Committee of Urban Development of the Left Margin of Chosica, amalgamated thirty *pueblos juvenes* of approximately 17,000 inhabitants.

The first phase of the intervention was to promote a shared understanding of the problems facing the thirty distinct *pueblos juvenes*. As in El Agustino, the community-based organisation was supportive, as it conducted diagnostic studies and designated priority projects.

CENCA realised from its previous experience that it was important to demonstrate the practical benefits of organisation. It decided to build a medical post to benefit the community. This project was the first experience of the type of collaboration and give and take, that would have to occur among the different communities. Local leaders each wanted the health post to be built in their *pueblo joven*. After considerable negotiation, a central location in Villa del Sol was agreed upon. The experience of planning and implementing this small project allowed CODESURMI to begin developing the key management skills it would need to be a strong local actor in development. Funding for the medical post was received from central government sources.

CENCA's attention then turned to strengthening and institutionalising the zonal organisation. CODESURMI registered as a legal entity and obtained official recognition from the municipality as a representative organisation of the zone. CENCA helped mobilise local leaders, encouraging all thirty *pueblos juvenes* to participate actively in the organisation.

The next stage in the process was to help CODESURMI draw up a development plan for the zone. According to CENCA, the plan is 'technical, participatory, plural and democratic, and is the result of a technical-political consensus on proposals to address urban problems' (Calizayo and Vega Centeno 1996:6).

CODESURMI has designed and developed numerous projects since 1993. It applied for, and received funding to establish a park from the Peru-France fund, and a second health post from FONCODES. An agreement was signed with CARITAS for food donations to support workers on irrigation and canal-building projects. CODESURMI has also worked with the municipality, particularly in the area of sanitation and garbage removal.

CENCA's role in this process is one of technical advisor, and project supervisor. CENCA's support enables CODESURMI to gain funding from international donors and central government. In contrast to the MIADES in El Agustino that were designed primarily to link the community to the municipality, CODESURMI develops relationships with a variety of local and international entities.

CENCA points to impact indicators in three main areas. First, the project has had a strong economic impact in the Left Zone of Chosica. CENCA estimates that the zone received an annual per capita investment of approximately 6.2 soles, compared to an average of 3.3 soles in 1993. The creation of a strong local community-based organisation enabled the zone to apply for, and administer financial resources far beyond what was available to the municipality. The capacity for resource mobilisation was enhanced by having one CBO to represent thirty communities, giving it greater legitimacy and an integrated vision of development.

Second, the programme has had a strong impact at the level of social organisation within the zone. The process of bringing these communities together has not been smooth. Currently, not all thirty communities participate actively in CODESURMI, although the number is steadily growing. Community leaders have developed a zonal perspective, and have a wider understanding of the problems facing their entire district. This wider vision enables them to be more effective in developing solutions. The organisation has also demonstrated its capacity to manage and administer projects. It is not merely an interest group articulating the demands of local residents. With the assistance and technical support of CENCA, CODESURMI is able to identify solutions and implement them.

Third, the programme has had a positive impact on the environmental and sanitation conditions in the area. A number of essential projects have been carried out to improve garbage removal, clean water systems and create green spaces. These projects have improved the quality of life of the residents of the Left Zone of Chosica.

7.3 Strengths and Weaknesses of the Micro-Planning Approach

7.3.1 Top-Down or Bottom-Up Strategies for Local Planning

CENCA uses a flexible approach to participatory urban planning. Its experiences in El Agustino and Chosica illustrate interventions with considerable strategic differences. The first intervention, in El Agustino, was more of a top-down approach to changing planning. It

prioritised the role of the municipality in local development and encouraged community organisations to work with the municipality. In contrast, the community organisations established in Chosica were far more autonomous in their outlook and approach. CODESURMI viewed the municipality as one of many potential sources of funding for development projects in the district.

CENCA recognised and addressed some of the limitations of the first approach prior to developing its strategy for work in Chosica. The primary limitation on the top-down initiative is the capacity of the municipality. This has two components. First, the financial limitations of the municipality are considerable and ultimately act to limit the impact of the CBOs. Second, the continued success of this arrangement depends on the good political will of the local government administration. Until these mechanisms are fully institutionalised, which would take years if not decades, this system remains fragile and subject to shifting political agendas. This strategy encourages the CBO to take a leading role in community development.

The top-down approach used in El Agustino, however, was interesting in that it was an initiative proposed largely by the municipality. CENCA found itself responding and facilitating the implementation of the government's efforts to expand participation in planning. This case, therefore, could be said to be less artificial, as CENCA was advising on local development processes that were already occurring. Institutionalising CBO–municipal relationships brings together two important local actors who must learn to work well together for genuinely democratic community development to occur. While this strategy perhaps does not open a gate to access foreign aid funds, it may establish the CBO on a more realistic footing by teaching it to mobilise local financial resources.

7.3.2 Geographic Levels of Planning

A key question facing NGOs involved in planning activities is what geographic unit is most appropriate for intervention. Most NGO activities have traditionally been targeted at the individual *pueblo joven*, which usually ranges in population from a couple of hundred to a thousand inhabitants. This level of intervention is facilitated by the fact that most CBOs are organised on a per *pueblo joven* basis, with some being federated on a district level.

In collaboration with other NGOs, CENCA made concerted effort to think about development planning at a more 'global' level. It attempted to foment co-operation between CBOs and municipalities across districts in the East Cone. Considerable constraints to inter-district planning exist, but even small steps towards collaboration could have considerable positive outcomes. Not surprisingly, CENCA found that it was easier to encourage collaboration between NGOs and CBOs of the East Cone than among municipalities.

The conceptualisation of the Cone as a sub-regional planning unit has not been abandoned. The strategy has been refined. A network of organisations working across the Rimac Valley has been established and is showing increasing dynamism. This network of NGOs has been more successful in engaging mayors from different districts to come together to look at environmental issues in the Valley.

7.4 Influencing Urban Policies: Methods, Achievements and Obstacles

CENCA's strategy combines efforts at three levels: first, implementation of development programmes and projects; second, facilitation of interaction among local development actors; and third, development of public policy proposals. The latter strategic focus draws from the lessons learned from direct work with communities, in addition to careful analysis and research on urban issues.

Early in its history as advisor to community-based organisations, CENCA contributed to the drafting of the Law of Urban Communities which the General Confederation of Residents presented to the Congress and helped the Federation of *Pueblos Jovenes* in formulating its demands. This included, for example, broadening the uses of the National Housing Fund to fund water, sewage, electrical projects and construction in low-income areas. This latter proposal was finally adopted by the government and helped to expand the National Housing Fund beyond its traditional focus on middle-class areas into *pueblos jovenes*.

Later, as a result of its ongoing work in urban planning and land use, CENCA proposed policies to reduce bureaucracy, lower costs and include community participation in this process. Key to the proposal was the decentralisation of these functions from the Provincial Council to the District Council, to facilitate and streamline land titling in urban areas. CENCA played a powerful role in getting the issue of land titling on the political agenda.

In CENCA's current five-year plan, a main goal is to design (in co-operation with other organisations) a comprehensive strategy for low-income housing and promote its adoption by the government. As part of this effort, CENCA is considering policy proposals that address a wide range of issues including land use, titling, financing and technical aspects of housing.

Another aspect of its public policy efforts is to promote citizen participation in local decision-making. In collaboration with the Urban Network of NGOs, it has drawn up a draft law of citizen participation that aims to institutionalise participation in the urban planning and management at the metropolitan level.

CENCA continues to prioritise policy development, not as a separate component of its work, but as the key final stage of its overall development agenda. CENCA's methodology can be summarised as follows:

- develop pilot projects with communities in urban areas;
- evaluate and systematise this experience, drawing conclusions for possible projects with large-scale impact;
- formulate specific policy proposals that could be adopted by the government, or by other actors (including NGO networks and coalitions) that could apply them on a larger scale;

- supplement these efforts with direct lobbying, and public opinion campaigns through the media.

CENCA perceives its role not primarily as a service delivery organisation, although that is one of its important functions, but also as a force in developing alternative, viable policy solutions to benefit the urban poor.

PART III: FACTORS AFFECTING PERFORMANCE

8. Internal Organisational Structures: NGO Characteristics that Facilitate Success

8.1 Introduction

An important question arising from these case studies is how organisational structures and internal management policies within NGOs either facilitate or constrain their ability to implement effective poverty alleviation programmes. The case studies featured in this report are fairly typical in their organisation and internal characteristics. Much can be learned by considering in more depth their internal management processes, identifying those features that have enabled them to become the strong performers that they are today.

These features can be grouped into two main categories. The first is organisational structure. Along what lines are these NGOs organised? How many management levels do they have? To what degree is their decision-making centralised or decentralised? These questions do not refer merely to the legal structure that may be found on an organigram. They look beyond the formal structure and consider how the NGO actually works in its day-to-day operations.

The second set of features surround learning and learning systems within an NGO. One of the more notable lessons emerging from all three historical case studies presented earlier is the need for continuous adaptation and revision of activities. NGOs need to adapt not only to complex external environment. More importantly, NGOs with effective programmes got that way because they are continually revising and adjusting their programmes to best meet beneficiary needs. Thus, learning and feedback systems are one key for a successful NGO.

8.2 Organisational Structures and Leadership

The three NGOs in this study share some key characteristics regarding their internal organisational structures and leadership. With respect to the latter, NGOs confront many decisions which become more pressing as the NGO grows. Key among these is how specialised staff should become; and whether departments, and hence knowledge and information, should be organised on a geographic or sectoral basis. Often, these decisions are not made consciously, but emerge almost imperceptibly as an NGO matures. However, they do have real implications for potential programme effectiveness.

8.2.1 Organisational Structure: A Geographic or Thematic Focus?

Most NGOs involved in development and social change are founded by a small group of energetic people committed to a particular cause or activity, operating as a loose and unstructured association. It is not until they register as a legally recognised non-profit organisation that they are compelled to develop a more formal organisational structure.

Generally, at this stage, they develop a simple, two- or three-tier (board, director, project managers) organisational structure as required by law. In Peru, however, these three levels are blurred. There are no legal requirements indicating that boards must consist of external, non-paid staff. The same person can be a member of the board, the director of the NGO and project manager.

These simple organisational models suffice for small NGOs. In fact, these elementary structures are best suited for the needs of small NGOs avoiding bureaucracy, many levels of management and inflexibility. They allow for fluid roles and responsibilities, where each person contributes their skills when and where needed.

As NGOs grow to encompass numerous projects and expand in different geographical areas, they begin to outgrow these operational structures. Multiple projects and locations demand a more complex structure, with more clearly defined roles and responsibilities. At this time in the life cycle of most NGOs, related projects are grouped into departments or divisions. Tensions begin to emerge within many NGOs as organisational structures develop teams and departments that specialise either geographically or on a sectoral basis. As departments become organised as separate units, planning and skill development also tends to develop around these divisions. An effective NGO, however, will strive to achieve a balance within its organisational structure and its strategic planning processes between geographic and thematic expertise.

The potential danger for an NGO organised purely on a geographical basis is that teams must become generalists and may fail to develop technical expertise. On the other hand, the danger for NGOs organised purely on a sectoral basis, with health or income-generating departments is that intervention models are developed theoretically and applied in a standardised way in all contexts.

This tension between developing geographic and thematic expertise is illustrated most clearly by the case of IDEAS. As IDEAS expanded regionally into Cajamarca and Piura, it created departments on a geographic basis. Each regional office began to operate increasingly as separate and distinct units in terms of staff development and strategic planning. Its in-depth knowledge of the local context allows for the development of specific solutions suited to these realities. While teams developed their skills in working in their particular region, they failed to benefit from continuous cross-fertilisation of ideas and plans among the three regional programmes. This structure does not facilitate close collaboration among team members from different regions. Each office tackles similar problems independently and suffers from not being able to draw readily on the skills existing within the organisation.

Perhaps the greatest potential drawback to the development of fairly autonomous departments is the lack of a coherent development strategy at an organisational level. The leadership of IDEAS feared that a lack of consistency at a wider thematic level would develop if they did not make clear changes in the planning process. They decided that in addition to department managers planning and strategising at a regional level, it was essential that senior management develop programming guidelines on a thematic basis. They created a strategic committee, nicknamed the 'Concept Factory'.

In the case of IDEAS, three main themes (environment, local institutional development and agro-ecology) were chosen to guide organisational planning. These strategic priorities were to

be debated and developed by the Board of Directors. Senior management now develops clear programming guidelines and policy papers to ensure a greater degree of consistency and coherence throughout the organisation.

Most NGOs feel the pull between developing geographical or sectoral expertise. While this tension is clearer in the case of IDEAS because of its national coverage, even smaller NGOs feel some conflict at project levels. CEPROMUR, a much smaller NGO working in a limited geographical area, still finds itself compelled to seek a similar balance. Housing renovation projects might work in many districts of Lima, and they do not assign project managers to a specific a geographical area. The social workers responsible for the field-work, however, are encouraged to specialise in geographic area as much as possible. This allows the social workers to develop close ties with the community and gain a deep understanding of local community issues. As with IDEAS, different management levels within the organisation lie on a different end of the geographic–thematic planning continuum.

NGOs must achieve a balance between geographic and thematic expertise within the organisational structure, staff skill development and strategic planning processes. Planning must include analyses on community/project issues, but also take a clear stand on themes across projects. It can be argued that the better performing NGOs are those that have found a way to achieve this balance and ensure cross-fertilisation among regions.

8.2.2 Fluid vs. Fixed Teams

A related question is the degree to which an NGO has fluid or fixed teams. Most funding which is provided on a specific project-by-project basis encourages the formation of fixed teams around a project or department. However, in practice, it appears that effective NGOs work on a less rigid basis, allowing staff to use their skills in many areas and in multiple projects.

CENCA provides many examples of fluid teams in practice. This NGO has an enterprise development department that is separate and distinct from its urban development programme. It not only engages in its own strategic planning, but also has its own funding and staff. The staff composition of these departments, not surprisingly, differs given the unique demands of each programme area. While the urban team is multi-disciplinary, the enterprise development team is comprised largely of economists and accountants.

The CENCA urban development team has full responsibility for implementing a housing project based on credit for housing improvements. Staff members from the enterprise development department, assisting in the design of the credit programme, form part of the credit approval committee and act as advisors to the overall project.

Similarly, staff within departments play multiple roles, as needed. While roles and responsibilities are clearly defined, they are not rigidly defined. An architect may combine a technical planning meeting with making the rounds for credit receipt collection in order to maximise efficiency.

Fluid teams enable project managers to draw from the skills and knowledge of staff working in other departments. In other words, the dividing lines on an organisational chart should remain permeable to prevent the loss of flexible skill use between projects or departments.

8.2.3 Role of Senior Management and Leadership

It is no surprise to find that strong and effective leadership is a key feature of almost any successful NGO. Directors and other senior staff play the lead role in shaping most features of the NGO's internal organisation and external performance. Leadership is exceptionally important in the Peruvian case because of the typical absence of external trustees or boards of directors. While external members are not legally excluded from joining NGO boards, most board members are senior paid staff.

What is striking about the three case studies presented earlier is that all of these NGOs have long-standing leadership. In all three cases, the current director was an active founding member of the NGO. While both IDEAS and CENCA have elections and rotating leaders, their executive directors are drawn from a small pool of senior management, most of who have been involved in the NGO since its inception. CEPROMUR is a much smaller NGO, with limited staff, and its founder remains the executive director today.

It is difficult to make a direct causal link between having long-term leaders and effective performance. In fact, some might argue that a lack of rotation in leadership limits the introduction of fresh ideas. However, we have found that these NGOs have had a very low turnover rate of senior management staff and that this may be a key element contributing to institutional continuity in the midst of external turmoil. In a context where the NGO is continuously having to adapt to changing political and economic realities, firm leaders provide stability and an increased ability to weather the storm. Adapting to new leaders with new planning priorities can be a disruptive (although not necessarily negative) process for an NGO. Long-term leadership may help to put an NGO on a fixed and defined course without yielding to every new trend or funding priority. This does not imply rigidity, however. Having semi-permanent leaders may improve the NGO's ability to learn and adapt as it maintains a strong institutional memory. Lessons learned are not lost.

Of course, the key feature of leadership is not how long it has been in place, but how effective it has been. These NGOs, however, have a combination of effective and constant leadership over the long and often tumultuous period of their institutional life.

8.2.4 Decentralised Decision-Making and Second-Tier Leadership

These cases also suggest that successful NGOs have managed to avoid some of the common pitfalls of having strong founder/leaders. The experiences of other NGOs have shown that founders often find it difficult to institutionalise decision-making and delegate authority as the organisation grows. It is clear, however, that strong and effective leadership does not imply

centralised leadership. In fact, these cases demonstrate that effective leaders carefully nurture a tier of second-level leadership to help carry the organisation forward.

Second-tier leaders are generally comprised of department or programme directors. They play an extremely important role within an NGO and hold many complex responsibilities. They are responsible for the strategic planning of their departments, and manage daily field operations. Moreover, programme directors are the most senior managers out in the field on a regular basis. It falls upon them to develop good working relations with the community and help build the trust of beneficiaries. Programme directors work with field staff on a daily basis, and have an enormous and determinative impact on staff morale. Moreover, programme directors often share the burden of fund-raising with senior management, and must also develop a public relations ability. These managers are the real link between the organisation's mission, as developed by the board of directors, and implementation in the field. Could it be argued that having skilled second-tier leaders is in fact equal to or more important than the executive director?

Both CENCA and IDEAS have strong programme directors with many delegated responsibilities. They structure their own teams and field staff, and engage in their own strategic planning process. CEPROMUR, with only eight full-time staff, has not yet reached the size where it needs to establish clearly decentralised departments. It remains to be seen if it too will opt for this type of decentralised field structure as it grows.

8.2.5 Staff Balance

As NGO work has become more specialised and technical in its outlook, the staff profiles of NGOs have changed. Many more technically skilled professionals work in the NGO sectors, not just in Peru, but around the world. Economists, lawyers, engineers and architects are now commonly found as full-time staff members of NGOs. It was rather surprising, therefore, to find that the three NGOs maintain a strong proportion of social workers and social scientists, and have fewer technical staff than anticipated.

CEPROMUR strongly believes that it is important to have trained social workers as an essential part of the field team. Nearly ten years ago, it signed a contract with a local university that agreed to provide a number of social work students to intern at the NGO. CEPROMUR not only serves as a training ground for young social workers, but benefits by having a pool of social workers available to supplement the work of the paid staff. This innovative arrangement has enabled the organisation to provide a higher quality of support to inner-city residents that would not normally be possible, given their limited budget.

CENCA is perhaps a more typical staff profile of NGO of its size. According to CENCA's own estimates, its staff is currently comprised of 10% lawyers, 30% economists, 30% architects, and 30% social scientists. The percentage of social scientists has declined, from 40% to 30% over the past 15 years. It is important to note, however, that most of the key first- and second-tier leadership positions are held by social scientists.

It is difficult to draw any hard and fast conclusions from this observation. At most one could say that this suggests that these NGOs strive to ensure that even their technical work is placed in a clear social context. Although NGOs are interested in economic development and infrastructure improvements, they have not lost sight of their central mission of social change and development. This is not to say, however, that technical staff are necessarily unable to situate their work within a broader social context. What it does suggest, however, is that a mixed team of specialists and generalists provides an appropriate balance between specific implementation skills and wider planning abilities.

8.2.6 Politically Astute Leadership: Treading Lightly through the Minefield

A final characteristic that emerges clearly from these case study histories is the importance of having politically astute first-tier leaders. NGOs cannot, and do not, operate in a political vacuum. They are enmeshed deeply in the society in which they work, and are not external observers to processes of social change and upheaval. NGOs in Peru in the past decade have dealt with many governments, some that were open and others that were closed to co-operating with NGOs. They have survived a period of intense violence and conflict, and one in which they ultimately became targets of terrorist activity. NGOs that have managed to survive and flourish in this environment were able to manoeuvre carefully through the turmoil. They showed an ability to position themselves appropriately to cultivate allies and avoid generating opposition.

NGOs in Peru have moved visibly over the years from a tepid involvement in partisan politics to a position of political neutrality. NGOs now present themselves more as neutral technical service providers, not merely as advocates for social change. However, there is a subtle but not insignificant difference between being non-partisan and being politically neutral. Organising the community and advocating greater benefits for the poor may not be a partisan issue, but it is clearly politically charged. NGOs see their role as developing alternative strategies to promote a more equitable model of development. As such, they are viewed by the current Fujimori government as a potentially threatening opposition group rather than as potential collaborators.

These three NGOs, moreover, do not shy away from getting involved in political issues. CEPROMUR has been very active in the area of housing law, for example, and informs CBOs of key issues that may affect them. However, these activities are sensitively and skilfully carried out. CEPROMUR has a lawyer on retainer to advise it on the impact of proposed legislation and petition for changes in the law. In addition to formal lobbying on housing issues, CEPROMUR emphasises the importance of providing this information to CBOs potentially impacted by legislation. In some cases, the CBOs choose to speak out on these issues and/or mobilise a public protest. CEPROMUR avoids direct involvement in protest activities, but yet does not side-step addressing contentious housing issues. CENCA also speaks out on policy issues, develops policy papers and often makes public pronouncements through advertisements in the daily paper.

Politically astute leaders are also able to cultivate allies within the central or municipal government when possible. All three NGOs have demonstrated remarkable success in enlisting the support of municipalities in the districts in which they work. IDEAS has a track record of

working with varying degree of success with successive (all four) mayors in the district of Ate-Vitarte since the return to democracy in 1980.

It is difficult to point to specific qualities that constitute a politically astute leader. As emphasised earlier, the ability to cultivate allies even with entities that might have conflicting goals is essential in an urban environment. The underlying key, however, seems to be political awareness. An effective NGO leader must be aware of the potential political sensitivity of its actions. It is necessary to anticipate potential opposition, and find ways of easing this sensitivity without sacrificing the content of the work. An NGO must develop strategies that allow it to function in an atmosphere of a non-co-operative government. Yet, it must be ready to take advantage of sudden openings in government or even to create one.

It is possible that this is a learned process. The fact that these NGO leaders have been at the helm of their organisation for so many years may have enabled them to gain these political skills.

8.3 Learning Systems

Most effective NGO programmes have undergone a process of substantial revision and adaptation at some stage in their development. The programmes developed by CENCA, IDEAS and CEPROMUR have all evolved dramatically over time before reaching their present state. Doubtless, they will continue to evolve as programme managers adapt and refine their services to continue to meet the changing needs of their beneficiaries. The most effective NGO programmes, arguably, are not static but continuously adapting and changing as NGOs learn.

As pointed out by Thomas (1998), this contrasts sharply with the mainstream view of management which emphasises the pre-eminent role of strategic planning. In this model, the effectiveness of an intervention is largely determined by the strategic planning stage, during which beneficiary needs are determined and the programme service delivery is designed. In sum, the planning predates the action.

Certainly effective strategic planning is an essential part of programme design. The process encourages the NGO to specify its aims and objectives, target group and methods. It compels the NGO to consider carefully its methods, specify staff roles and responsibilities, and provides targets for evaluation. Yet, these case studies show that the original programme design, as conceived on the drawing board, requires some modification and a degree of fine tuning before it starts achieving its original objectives. Thus, the key to success might lie in an NGO's ability to gather feedback from beneficiaries, and more importantly, to learn from it. This section makes some brief observations regarding the process and pattern of learning as illustrated by the three participating NGOs.

8.3.1 Systematic Models and Methods

One striking characteristic of these NGOs is the amount of time and careful effort put into developing systematic models of their implementation strategies. Intervening in a community and its development processes is a complex activity. It is essential for NGOs to conceptualise the impact that its intervention may have in a community.

Although most NGOs are generally overburdened with the day-to-day activities and donor reports, the case study NGOs recognise the value of investing time in self-reflection and self-analysis. One might suggest that NGOs with effective programmes are those that allow themselves to take a step back from the demands of daily project management and critically consider their programme models.

This has two components: self-assessment through monitoring and evaluation, and conceptualising intervention models. Why is the latter necessary? It allows NGOs to consider their own efforts and clearly conceptualise how their impact might affect a community's development. Moreover, drawing up intervention models is often the first step in taking a programme to a new geographic location. Such a model will have to be adapted carefully to new realities, but it helps the NGO systematise its own work experiences.

Does the process of systematising always occur after the fact? Certainly, many complex intervention models are found in project proposals and, therefore, can and should be part of the strategic planning process. However, the key point is that NGOs genuinely desire to learn from their own experiences. These NGOs are engaged in a process of continual self-study and reflection, and adopt a more cyclical process of planning and action.

Consequently, NGO programme innovation does not necessarily occur in one sudden step at the blackboard planning stage. Innovation is more commonly the result of continual and gradual modifications in programme design over time.

8.3.2 Evaluation Systems

What role then for evaluation systems within a learning NGO? The NGO management literature, not surprisingly, places considerable emphasis on formal evaluation systems. Periodic evaluations of an NGO's performance highlight potential problem areas and identify areas that need improvement. Evaluations should also provide objective indicators to determine whether a project is on track for meeting its targets. It is also generally suggested that evaluation teams should have external members whose observations are impartial and not coloured by intimate knowledge of the project.

The evidence suggests that external evaluation is a tool that is greatly under-utilised in Peru. Although international donors might send external evaluation teams, it is less common for an NGO to hire a local team of consultants to evaluate its programmes. Instead, most evaluations take the form of self-assessments, undertaken by the department director or by senior management within the NGO. Clearly, critical self-assessment and evaluation is essential for NGOs if they are to learn from their experiences and improve their impact. Yet, perhaps a better balance between external and internal evaluations could strengthen an NGOs capacity to learn and improve its programmes.

However, one gets the impression that most of the learning on a project is done through regular and informal monitoring of projects rather than through the yearly evaluations. These NGOs all have very regular meetings with partner CBO leaders and on-site visits to projects. It is this regular and largely informal system of feedback from the field which enables NGOs to determine their ongoing effectiveness. However, this ongoing monitoring, important as it is, does tend to remain at an informal level. Regular team meetings and staff reports provide feedback about events and activities in the field. Clearer and more consistent gathering of quantitative and qualitative data might allow NGOs to simplify and strengthen their monitoring.

These observations have clear implications for capacity-building efforts by international donors. In terms of capacity building inputs, more emphasis should be put on institutionalising good monitoring and feedback systems, rather than end of project evaluations.

8.3.3 Research

One question regarding NGO effectiveness is whether NGOs should specialise in a specific sector. In other words, are they capable of managing multiple tasks? A related question is whether NGOs can be proficient at both research and programme implementation.

The two larger NGOs participating in this study, IDEAS and CENCA, have formal research departments within their organisations that are engaged in a variety of research tasks and produce numerous publications annually. Their research is focused in three main areas. First, an analysis of macro-level issues and developments. In the case of CENCA, this includes the development of policy papers on pending legislation and other related issues. Second, data collection and analysis of target geographic areas. Both NGOs have conducted in-depth studies considering the economic and social characteristics of the districts where they work. Third, the publication of case studies and institutional reviews.

Certainly, the NGOs feel that this research capacity enables them to have in-depth and up-to-date contextual analyses of their changing environment. It also enables them to disseminate their experiences, and possibly influence the development of other NGOs' programmes. And through the development of policy papers, it enables them to articulate their views to the public and other entities.

9. Strategic Factors Enabling Success

9.1 Introduction: NGO Strategies in an Urban Environment

This report has argued that there are many internal organisational characteristics of NGOs, in particular those that facilitate the ability to learn from experience, that allow them to be effective in the field. This section will now look at some of the characteristics of the programmes of the three NGOs that have enabled them to reach their objectives and have far-reaching impacts in community development.

Many of these characteristics relate to continuity and consistency of purpose, not merely over time, but across projects and geographic locations. These NGOs develop long-term programmes rather than short-term projects, ensure that programmes are cohesive and well coordinated and stick (flexibly) to their original mission. This is not surprising in the Peruvian case, given the considerable political and economic turmoil these NGOs have had to confront in the past fifteen years. Successful NGOs have learned to ride the waves, so to speak, and maintain a degree of continuity in the face of external volatility.

These NGOs also generally attempt to develop strategies for impact at both meso- and micro-levels. They choose to develop strategies that are not just suited to the particular needs of an individual *pueblo joven*, but to gain a contextual understanding of a district or multi-district geographical unit. In addition, these NGO programmes (as with others in Peru) show two clear trends; first, a move towards greater financial sustainability and second, a growing collaboration with other NGO and non-NGO entities.

9.1.1 Programmes not Projects

One of the more striking characteristics of these NGOs' strategies is their continuity of purpose, if not of methods, over time. These NGOs do not have short-time horizons or specific time-bound 'projects'. Instead, they develop long-term programmes in a given area that transcend traditional short-term project cycles.

This does not mean, however, that they are all successful in obtaining long-term funding. CENCA's work in micro-planning and CBO development benefited from receiving an unusually long-term, six-year grant to fund its work. Most NGOs, however, face the challenge of patching together various donors for different time periods to keep the programme going. Often, programmes are slightly revised and shaped to fill the donor's expectations. CEPROMUR's housing renovation programme has been packaged as many different 'projects'. It currently has one donor to fund expansion into four new districts. It also has a separate project in which it is collaborating with the municipality and other NGOs to renovate houses in central Lima. Although CEPROMUR sees its work as one continuous programme, funding realities mean that it is forced to package its inputs as independent units, doubling reporting requirements and administration.

The three case studies illustrate that NGOs struggle to develop strategies that maintain continuity in the midst of political and economic turmoil. One can find too many examples of NGOs in Lima (and elsewhere) whose work swings with donor trends and whose strategies are unduly influenced by external events. Such NGOs often demonstrate major strategy shifts, for example, working with women's groups for a couple of years and then implementing micro-enterprise credit projects as funding becomes available for that purpose. They do so as they perceive their work in terms of projects; that is to say, they deliver a specified set of inputs and then move on.

At least part of the blame for this behaviour rests squarely on the shoulders of donors. Short-term funding does not facilitate or encourage continuity of purpose and objectives. It allows NGOs to fall into cycles of regular funding crises as projects wrap up. As such, NGOs find themselves chasing whatever funding seems available.

The experiences of the three NGOs also call into question the assumption that NGOs need to plan an 'exit' strategy. These NGOs perceive their roles in the communities to be long term and ongoing, although perhaps not permanent. They attempt to avoid beneficiary dependence on the NGO, not by withdrawing after a set time but by adopting strategies that encourage CBOs and municipalities to become more self-sufficient and effective. This goal, clearly, is one that only long-term intervention in a community could hope to achieve.

9.1.2 Linkages between Programmes

A key feature of these NGOs' urban development strategies is that they are comprised of closely interrelated and inter-linked programmes. These NGOs have carefully crafted a combination of inputs that ensures that the whole of the urban development strategy is greater than the sum of its parts. Although they operate programmes in different sectors such as income-generation, housing and sanitation, these programmes closely reinforce one another.

It is all too common to see NGOs with a series of largely unrelated programmes operating in different areas of the city. Many NGOs have, to give some examples, health programmes, income-generation programmes and/or education programmes that in practical terms operate independently of one another. Early in their institutional development, IDEAS and CEPROMUR both dabbled in a variety of areas, including health and nutrition, before focusing more specifically on one or two related areas. Both organisations learned that having widely dispersed efforts ultimately lessened their impact and generated a significant degree of inefficiency. As these organisations matured, they became more focused in their work, and while they still operate different programmes, they now all have converging goals.

CEPROMUR provides an excellent illustration of well co-ordinated programmes for the inner city. It has five distinct programmes: CBO leadership training, housing renovation, housing rehabilitation, youth employment and environment. Each programme has its own source of international funding; and in principle, the performance of each is measured independently and on its own merit.

In practice, however, these programmes operate as a cohesive unit. CEPROMUR's training programme for community leaders lays the essential groundwork with CBOs to prepare them

for participation in the two housing programmes. In addition, a youth employment programme offers technical training in the construction trade to at-risk youth in inner cities. Well performing graduates of the programme become eligible to bid for construction contracts in the housing programmes. They gain valuable practical work experience, while the housing programmes benefit from trustworthy and skilled labour.

The final programme works to improve the inner-city environment, primarily by planting trees and tackling refuse collection problems. It was designed to complement the housing loan programmes that target individual living units through improving collective spaces in the inner cities. The environmental programme works mainly in locations that have already received support in the area of housing. This final environmental component, which helps create green spaces and clean up common areas, enhances CEPROMUR's impact in a given neighbourhood. Although the programmes are not necessarily sequenced and may all work in the same districts, they are used in combination in as many neighbourhoods as funding permits.

Both IDEAS and CENCA illustrate similar efforts to co-ordinate and integrate separate programmes. CENCA, for example, has a loan programme for housing and a programme of legal advice for land titling. These programmes complement the urban department's main programmes that involve micro-planning with CBOs and municipalities on a zonal level. These programmes have different donors and operate independent of one another. As with the case of CEPROMUR, however, these tools used in combination in that same geographic area can significantly increase the NGO's overall impact in that community.

9.1.3 Micro- and Meso-Focus of Intervention Strategies

The strategies these NGOs have developed over time have impacts at both the micro- and meso-levels. Although these programmes effectively supply services to alleviate the symptoms of poverty of specific beneficiary groups, they also incorporate inputs designed to affect more people and stimulate wider development processes.

IDEAS' programme of democratisation and urban planning in the district of Ate-Vitarte provides a clear example of these dual objectives. The programme includes a fund for small-scale sanitation projects. The fund has been used, for example, to build bathrooms and kitchens for schools and communal kitchens. In doing so, the programme has reduced the risk of disease and illness due to exposure to unsanitary conditions for hundreds of low-income residents.

IDEAS' real goals, however, extend beyond expanding safe water supply in the district. While the programme is very effective at this micro-level, IDEAS is more interested in promoting sustainable social and economic development processes throughout the district. At this meso-level of intervention, IDEAS seeks to bring together local governments and communities to enhance the degree and quality of local planning and poverty alleviation. All of this work, moreover, is situated within a clear understanding of macro-economic and social development trends. CENCA's strategy is fundamentally similar, although its methods differ.

CEPROMUR is also engaged at the micro- and meso-level. At the micro-level, the programme works directly with a few select housing blocks that benefit from loan programmes to improve standards of living. However, CEPROMUR also emphasises lobbying Congress on legislation that could improve housing in the inner cities as a whole. Its primary objective is to promote

replicable strategies to renovate inner cities, and it has been successful in involving the municipality in these efforts.

In a related point, it is noting out that while these NGOs define themselves within strict geographic boundaries, they choose to work not at the level of the individual *pueblo joven*, but at the larger geographical unit of the zones or districts. Moreover, CENCA is attempting to design development strategies at the level of the East Cone of Lima which is comprised of five districts.

Perhaps it is this eye towards meso-level intervention strategies that have allowed these NGOs to make significant achievements. They are not satisfied with meeting some of the basic needs of a select group of the urban poor, even though this is an accomplishment in itself. These NGOs are seeking to make more sweeping social changes. Although it would be fair to say that their impact at the meso-level may not be as direct and measurable as at the micro-level, there is evidence to suggest that these NGOs, in fact, are making some progress towards achieving their wider development objectives.

9.1.4 Facilitation of other Institutional Relationships

As part of these wider meso-level development strategies, NGOs have realised that they must consciously seek to cultivate relationships with social and political entities at the local, district, and occasionally, national level. Collaborating with influential development actors within communities such as municipalities, banks, state entities and CBOs allows NGOs to have a heightened impact on social and economic development.

This is a major strategic change from common NGO strategies which predominated in the past. Rather than operating their own independent projects which are largely external to ongoing development processes within a community, these NGOs are showing some success at working with local institutions to influence existing development patterns. The objectives and achievements of these NGO strategies, therefore, are more far-reaching than their predecessors. The NGOs are collaborating with local governments, state entities and CBOs, and are helping them to become more effective, equitable and democratic in their actions.

Moreover, these NGOs do not merely work with multiple institutional partners, but attempt to encourage interaction among local actors. In the case of IDEAS, for example, it has encouraged the municipality to set up advisory committees on planning which include CBOs, NGOs and local industry. Two such committees have been established in Ate-Vitarte to consider specific planning issues. This is the first forum in the district that has enabled CBOs and NGOs to communicate directly and work closely with private companies. While the practical results of these round-tables have been less extensive than anticipated, it is an important first step of bringing together many different types of organisation and interest across the district.

The goal of these NGOs is to encourage permanent linkages and ongoing relationships between these different types of organisation. These NGOs do not envision themselves as a permanent part of the local institutional landscape. But they do see themselves as pioneers, attempting to stimulate the creation of new and productive relationship between local actors that are presently not working together effectively for the common good. They aim to make permanent changes in

the way local district and national institutions work together, and to create an 'enabling' environment.

9.1.5 Financial Sustainability

Over the past decade, a driving force behind changing NGO strategies has been the quest for greater financial self-sufficiency. The forces driving these changes have been of both domestic and international origin. International donors have pressured local NGOs to improve the cost-recovery basis of their projects and to charge beneficiaries for services where appropriate. Local NGOs have been faced with growing competition for increasingly scarce funds, and consequently are seeking to mobilise local financial resources.

The decision to increase the financial sustainability of projects has implications for programme design. The NGO sector as a whole is moving away from the notion of outright gifting and is instead providing loans to beneficiary groups to cover partial or all of the costs of infrastructure development projects. Besides asking beneficiaries to contribute to projects, NGOs are being more demanding of local and central government and are beginning to look towards the domestic private sector.

The three case studies illustrate the various forms these efforts may take. CEPROMUR provides loans for housing renovation, and has sought to mobilise local resources by establishing a guarantee fund in a private bank. IDEAS has worked closely with local government and has successfully encouraged the municipality to share the cost of sanitation projects. Beneficiary groups, in addition, are required to contribute 10% of the project cost either in cash or in labour. CENCA also has made efforts to increase sustainability. It operates a housing loan programme that charges interest. In addition, it increasingly acts as technical advisor to CBOs, helping them develop proposals and seek funding. Its efforts, too, are focused on mobilising more resources locally.

This trend towards cost recuperation and mobilisation of local resources is largely a positive one for NGOs as organisations. They are slightly less dependent on their foreign donors for income and are somewhat less vulnerable to funding trends. However, the intervention models that prioritise cost-recovery through loans affects their ability to reach the poorest sectors of the community. The housing loan programmes managed by CENCA and CEPROMUR attempt to recover as many loans as possible. As such, one of the primary criteria for loan application assessment is the ability to repay credit. Consequently, the more vulnerable sectors of the population who do not have a relatively stable source of income may be excluded from the programme.

The NGOs involved are aware of the dilemmas regarding sustainability and reaching the poor. They acknowledge that while they might not be reaching the poorest, they certainly are reaching the needy. Successful loan programmes allow money to be recycled, hence allowing NGOs to reach many more people than they could through grants programmes. However, financially sustainable strategies do involve certain sacrifices.

Maybe this illustrates what NGOs have long known; helping the poorest is a complex task, and one that is not often successfully integrated within development-oriented NGOs. Development-

oriented NGOs shun welfarist approaches to helping communities, and attempt to stimulate self-help solutions to local problems. While there are examples of programmes that successfully include the poorest, it can be argued that these programmes are the exception rather than the rule.

9.1.6 Flexible Interpretation of Mission

A final point to make regarding the historical development of these NGOs' strategies is their flexible interpretation of their mission. It is true that these NGOs have long-term programmes and have shown considerable continuity of purpose over time. They have also manifested an ability to adapt to changing circumstances when required. This capacity was best illustrated by the response of these NGOs to the cholera epidemic of 1991. In all three cases, these NGOs quickly established projects designed to address the urgent sanitation needs of their beneficiary groups. CEPROMUR developed a chlorination project and a water pipe replacement programme. CENCA and IDEAS both worked with CBOs to develop plans for improvements in the water supply. IDEAS, furthermore, established an ongoing programme to fund small-scale sanitation projects, with co-operation and partial funding from the municipality. The two NGOs addressed the sanitation issue within the context of their existing strategies. For both IDEAS and CENCA, small-scale water projects are useful tools to teach CBOs management and financial skills. They contribute to the aim of establishing local, self-help community processes.

For CEPROMUR, this event highlighted the devastating living-conditions endured by many residents, and resulted in a real change in strategic direction. Its diversion into water and sewage issues was not a temporary response to an immediate crisis, but has become an integral part of the NGO's strategy.

In sum, while continuity of purpose is important for NGOs, they also must avoid the danger of focusing so narrowly as to exclude new projects that address urgent needs. NGOs in developing countries must maintain their ability to respond to a crisis.

10. The Performance of NGOs in Lima

10.1 Introduction: Understanding Performance

The question of how to measure NGO performance has long been a topic of significant and often heated debate among development practitioners. NGOs intervene in complex social and economic processes, and are often interested in initiating changes that are neither easily observable nor amenable to empirical evaluation. NGO interest in qualitative as well as quantitative change makes evaluation complex. For example, heightened beneficiary awareness and confidence, more equitable intra-community power relations and reduced vulnerability of certain groups in society are changes that elude measurement by empirical evaluation methods.

Despite these difficulties, NGOs are making great strides in refining and improving their ability to evaluate their work. NGOs now realise that quantitative indicators can in fact be developed alongside more qualitative indicators. Moreover, the advent of participatory evaluation tools enables NGOs to draw out beneficiaries' perceptions and experiences of a project. Subjectivity cannot be avoided entirely, but the addition of stakeholder involvement and quantitative methods strengthens the validity of the evaluation process. So while there may be some inherent difficulties and limitations to NGO evaluation, it is both possible and essential for the advancement of the sector.

Initiating a discussion of the effectiveness of the NGO sector as a whole in Peru is equally problematic. As we have seen, urban NGOs in Peru vary widely in their objectives, strategies, internal organisation and inter-institutional relationships. Furthermore, their diverse conceptualisation of urban problems and challenges makes them a fairly heterogeneous group. One school of evaluation argues that NGOs should be evaluated purely in relation to their objectives. Given the multiplicity of NGO objectives in urban areas, how does one examine the performance of the sector as a whole?

While it is not possible to develop a set package of generic indicators that can be applied to evaluate all NGO projects, frameworks can be developed which highlight categories of indicators that help assess performance. The concept of 'performance' may be broken down into more specific components in three broad areas. Performance is an expansive concept which includes the quality and efficiency of service delivery (output); the consequences of NGO intervention on beneficiaries' quality of life (effectiveness); and the influence on society, policy and wider development processes (impact).

These interrelated categories of indicators are needed to provide a complete and comprehensive understanding of performance. Examining any one area to the exclusion of the others may lead to an incomplete and possibly inaccurate understanding of the consequences of NGO activity. For example, it is possible for an NGO to have a strong service delivery mechanism, which is cost-effective, efficient and participative (i.e. strong output). However, the NGO may at the same time be delivering a service which is not a priority for the target community, or which may be providing transient benefits (i.e. low effectiveness). The third level of analysis examines

the influence of NGOs on broader development processes outside the project level. An NGO may demonstrate both strong output and effectiveness, but may be having little or no impact outside the direct project beneficiaries (i.e. low impact).

Given this tri-level conceptualisation of performance, a range of indicators can be developed. The list offered in Table 10.1 is not meant to be a comprehensive tool for the development of indicators. Instead, it provides a general framework which enables a preliminary discussion of the strengths and weaknesses of the NGO sector.

Table 10.1: Framework for the Development of Indicators

Programme design (output)	Results of intervention (effectiveness)	Influence of NGO (impact)
clear intervention; methodology, mission and strategy	meets actual not perceived needs	strengthens the role of CBOs in society
high cost/benefit ratio	strengthens skills/confidence of beneficiaries (empowerment)	informs public opinion, influences public policy, and shapes political debate on development issues
efficient service delivery	effective targeting, reaches the poorest	articulates needs of beneficiaries, not donor- driven
scale (direct numbers reached or replication of project)	effects of project: sustainable and lasting	integrated in the community, works with CBOs, municipality, government, private sector
participation of beneficiaries in project design and implementation	raises level and quality of income/health/education/ housing (specific project indicators)	project situated within a strategic vision of urban development that transcends sectoral speciality
responds quickly and appropriately to external change		

The following sections offer some preliminary reflections on what this research reveals about the impact of NGOs in Peru. These draw from the framework of Table 10.1 and consider the following aspects of performance: scale and replication; influence on national policy; ability to strengthen CBOs; participation; integration in the community; reaching the poorest; and development of a strategic and comprehensive urban vision.

10.2 Scale and Replication

In determining how well NGOs are meeting the needs of the urban poor, one characteristic to consider is scale, i.e. the extent and reach of the NGO sector. NGOs develop innovative and effective models of poverty alleviation in urban areas. But if in practice these models reach only a tiny fraction of the impoverished population of developing countries, NGOs will ultimately become marginal actors on the global stage.

Large-scale impact, however, need not refer exclusively to the direct number of beneficiaries reached by an NGO. Project impact may be 'scaled-up' in other ways, primarily by encouraging other social actors/entities to work more effectively with the poor. NGOs that influence government policy, private companies or municipal planning will indirectly affect the lives of many more people than could ever be reached directly.

With regard to the number of beneficiaries reached directly, it is evident that Peruvian NGOs lag well behind their Asian counterparts. Most NGO projects or programmes in Lima surveyed worked directly with only a few hundred or a thousand families; large-scale NGO programmes were the exception. Even programmes with national coverage such as the IDESI credit programme do not begin to approximate the size of many Asian or African credit programmes.

Most NGO leaders interviewed defined the roles of NGOs in relation to that of the state, and felt that NGOs should not be replacing government services. They defended the relatively small size of most NGOs, and argued that NGOs should resist the temptation to become '*NGO ministries*', characterised by massive size and scale. As one NGO Director argued, '*NGOs cannot solve all the problems of Peru*'. Instead, NGOs see their roles as innovators and problem-solvers whose self-assigned task is to identify obstacles to equitable development and develop clear alternative strategies. Their role is to develop and test solutions that can later be replicated by NGOs and other urban entities.

The purpose of a pilot project, by definition, is to design and test a model for future replication. However, it is clear that in Lima many innovative ideas and solutions remain at the pilot project level and are never repeated. Most NGOs are not often involved in simple replication, that is to say, running a project in one *pueblo joven*, then implementing it in another. NGOs are more likely to define themselves geographically and run different projects in the same locality. The reasons why NGOs tend to be constantly developing new projects are unclear and may have to do with a rapidly evolving environment, constantly shifting donor funding priorities and an overemphasis on innovation. Donors interested in scale should encourage NGOs to refine a project, make it more cost-effective and implement it with other target groups. However, in some cases, by the time a project has been run, donor priorities have moved on to other topical issues and there is limited interest in supporting a replication of last year's project.

The degree of project replication, moreover, may depend upon the sector in which the NGO is working. In certain sectors, some replication of successful methods is occurring. For example, many NGOs supporting small-enterprise development are now running virtually identical credit schemes which have been proven to be cost-effective, efficient and effective in supporting income-generating activities. Replication is seen less often in other areas such as housing, where there is little consensus on how best to address shelter needs. It is clear, however, that international influence through such mechanisms as donor priorities, development publications and international conferences played an important role in disseminating successful models' methodologies in the enterprise development sector.

It can also be suggested that a further reason why replication within the NGO sector has not occurred on a larger scale is that traditional Peruvian NGOs continue to use labour and resource intensive methodologies. NGOs in Lima generally remain within a particular locality for a number of years and work intensively with local communities on a number of projects. Most development interventions do not involve the provision of one or two services, but rather multiple activities. For example, a housing project may involve CBO leadership training, a credit programme, grass-roots education, in addition to community participation in actual housing improvement works. These resource intensive projects may have a strong emphasis on quality and empowerment, but are less easily replicated in other contexts.

In the area of simple replication, the newer, specialist NGOs may have an edge. One would expect the more technical-oriented NGOs to be able to design streamlined intervention methodologies that can be used in many different geographic areas. The micro-enterprise development sector which has many specialised NGOs provides evidence that this is the case. Credit programmes such as Accion Comunitaria and IDESI, have many branch offices throughout the city; and in the case of IDESI, throughout the country. But credit is not the only service amenable to such an approach. CASI is an NGO that provides training for small business owners. They work with a large number of local partners throughout the country, running training courses and disseminating information.

The question asked by some donors interviewed for this study was how Peruvian NGOs could be encouraged to further expand their existing programmes. A useful framework for understanding the process of scaling-up has been developed by Korten and Klaus (1984).¹² In order to scale up impact, NGOs must move through a three-phase process: effectiveness, efficiency and expansion. NGOs must first develop effective project methodologies, then move towards a second stage characterised by greater efficiency. Only when quality services can be delivered in a more cost-effective manner, can an NGO move towards expansion.

It can be suggested that Peruvian NGOs are only now struggling to make the transition from quality to efficiency. They are reluctant to develop the streamlined (i.e. less intensive) types of programme that are able to come to scale, for fear of sacrificing project quality. NGOs have a solid track record in designing and developing innovative solutions to urban problems, but have

¹² Cited in Howes and Sattar (1992).

been less successful at disseminating these solutions. Greater effort needs to be made to systematise experiences for the purposes of programme expansion and/or replication.

Most NGOs feel that the factors constraining the expansion of their projects are purely financial. They point to difficulties in obtaining funding as the primary, if not only, bottle-neck to programme expansion. But, the reality is more complex than that. The pilot project mentality has yet to be broken into, and in many cases donor practices are partly to blame.

In addition, most NGO leaders argue that even widespread replication within the NGO sector itself is unlikely to make profound changes in the nature of development patterns and trends. In order to address the structural problems contributing to poverty, NGOs need to influence government policies and priorities. Most NGOs do attempt this at some level, and it is therefore important to consider their effectiveness in promoting alternative policy proposals.

10.3 Influence on National Public Policy

NGO leaders consistently report that the government of Alberto Fujimori has an ambivalent attitude about NGOs at best, and is generally unwilling to engage in constructive dialogue. The limited political space for NGOs in recent years is a source of constant frustration to NGO leaders in nearly all sectors, including micro-enterprise development, health, environment and housing. Yet, despite the limited political opening for NGO–government dialogue, many NGOs aim to influence public policy at some level.

Although NGO leaders recognise the need to influence policy-makers and government policy, lobbying by NGOs is relatively limited. Few NGOs are engaged directly in lobbying at a national level with specific and concrete policy recommendations in their area of speciality. Where NGOs appear to be more successful is in informing public opinion and shaping political debates. The reason for their relative success in this area may be because NGOs continue to define themselves as alternative actors in society and as part of the political opposition. Rather than negotiating with the government for constructive policy changes for the benefit of the urban poor, NGOs feel more comfortable as commentators on government policy, offering criticism and identifying problems, rather than bringing clear proposals to the negotiating table.

Their ability to do so, in part, is limited by the government's mildly negative attitude towards NGOs. The government is uncertain about the roles and nature of NGOs. Its ambivalence reflects the partial transformation within the sector from ideologically driven agencies set firmly within a leftist political framework to organisations with technical expertise in areas of poverty alleviation. While using NGOs in a limited range of activities through subcontracting programmes, the government still fears NGOs for their political orientation and close ties to community-based organisations.

Some NGO leaders scorned the idea of attempting to negotiate with the government:

We will not co-operate with the state because we are not in agreement with the state. The state is repressive, and there is no possibility for collaborative work.

Others expressed a desire to cloak themselves in a more neutral appearance, and to be identified primarily by their technical expertise:

We want to be perceived as technical experts, promoting solutions. We don't want to be tied to a particular political agenda.

Yet, NGO work remains politically charged and value-driven. NGOs are aware that they may be perceived as being partisan, partly as a result of their close ties with the socialist United Left coalition in the 1980s. Many NGOs now believe that their future survival depends on appearing politically neutral.

There is evidence that NGOs are increasingly perceived as potential providers of technical services without having to sacrifice the content of their work. For example, ADEC-ATC, an NGO that works with trade unions which is a highly politicised field of work in Peru, maintains good relations with the Ministry of Labour and has helped the ministry to conduct research surveys on labour issues.

One way NGOs can begin to ease government wariness of their roles would be to move away from vague pronouncements critiquing government policies. Instead, they should develop lobbying strategies formed by clear, technically based legislative and policy proposals which NGOs may currently be in a position to do. Over the past decade, they have become more specialised and technical in their approaches to poverty alleviation, and have developed intervention methodologies which have proven effective. As with the issue of scale, a question that remains is how well NGOs have disseminated these methodologies.

Few NGOs surveyed were able to give specific examples of government policy changes as a direct result of their work. Yet, the influence of NGO thinking about development has permeated society. The clearest and most prominent example of direct NGO influence is the Institute of Liberty and Democracy, through the publication of its book, *The Other Path*. Written by Hernando De Soto, this book criticises state over-regulation of the economy which has acted as an obstacle to the development of the informal sector. De Soto argues that the state has blocked the dynamic informal sector which, if facilitated, could act as the engine of economic growth. As a result of his research and its recommendations, the government has streamlined the steps needed to register a small enterprise, and has dramatically increased the speed and rate of land titling.

NGO influence has been felt in other areas as well. The international trend towards recognising and supporting micro-enterprises in Peru in the 1980s was led by local NGOs. Both before and after the publication of *The Other Path*, NGOs raised awareness of the economic contribution

of informal-sector enterprises. That was followed by recognition of the informal sector in the economic development plans of the government of Alan Garcia during 1985-90, and the creation of IDESI, a large-scale credit programme established with much government support. This demonstrates that while lobbying on specific issues of legislation is weak, with concerted long-term effort, NGOs can get issues on the political agenda. Other examples of NGO thinking permeating government policy include the ongoing support for *comedores* and Vaso de Leche programmes. The use of community health promoters is now accepted as a mainstream concept by the Ministry of Health, and is taught in Peruvian medical schools.

NGOs have proven, time and again, their ability to open up political space for the debate of certain development issues. Human rights organisations, youth-oriented NGOs and poverty alleviation NGOs are learning to use the media to generate public debate. Peruvian NGO leaders are in agreement about the need for advocacy and direct lobbying. They do not shy away from the idea of NGOs becoming active politically. Yet, there is a large gap between the ability to stimulate general public debate and the capacity to develop effective lobbying strategies and tactics.

There are, of course, NGOs that develop and disseminate clear proposals for policy changes in the area of urban development. CENCA, as we have seen, has developed proposals to decentralise land titling functions by increasing the role of local and provincial municipalities in the process. Short and clear policy documents were developed and sent to municipal leaders and government officials. However, NGOs in Lima have had limited results in this area for various reasons, including lack of access to government officials, government mistrust of NGOs, insufficient resources dedicated to lobbying and overambitious policy recommendations.

10.4 Strengthens CBOs

Relations with CBOs are very strong and the survey results demonstrate that CBOs are involved in many aspects of project design and implementation. Certainly the Peruvian case is exceptional in the degree of social organisation found in urban areas. Most *pueblos jóvenes* have a multitude of CBOs, many of which are linked and networked. NGOs have been able to work closely with CBOs, and in doing so have had a clear ripple effect. Although the direct number of beneficiaries of a CBO leadership training programme may be limited, the impact of a stronger CBO will affect hundreds if not thousands of inhabitants.

The violence of the late 1980s and early 1990s did disrupt relations between NGOs and CBOs. It does appear, however, that this disruption was both minor and temporary. NGOs currently demonstrate little or no hesitation in rebuilding working relations with CBOs. The problems presently facing CBOs, however, have more to do with economic crisis than with political violence. Many observers argue that CBOs have become debilitated in recent years. Their members and leaders are fully occupied by multiple income-generating activities, leaving limited time to devote to their organisation. Concurrently, most *pueblos jóvenes* have now gained access to basic services such as electricity, and to a lesser extent, water. *Pueblos jóvenes*

are entering a new phase, with more complex and less easily defined needs. The desire to access basic services was a clearly defined goal that acted as a cohesive force within a community during the early years of its development. The roles of CBOs in more established *pueblos juvenes* are less clear-cut, and the lack of a clear and common goal may result in a drop in membership. The Fujimori government, moreover, has deliberately bypassed community participation and has weakened, for example, the federated Vaso de Leche committees by decentralising programme implementation.

NGOs are both aware of and concerned with this gradual weakening of CBOs. One might wonder whether a weaker CBO sector might result in a less effective NGO activities. Peruvian NGOs rely on CBOs as an intermediary to reach more beneficiaries and to scale up their programme impact. If this trend continues and membership declines, CBOs that were less representative might be seen to be less legitimate as partners for NGOs. Donors need to understand the importance of funding Peruvian NGOs in their efforts to strengthen CBOs during this critical period.

NGOs can and do work in settlements where there is limited community organisation. In the Peruvian case, this usually refers to new settlements or inner-city slum areas. In these areas, NGOs are involved in encouraging beneficiaries to organise, even though the NGOs themselves acknowledge that this is not the preferred strategy. Externally created CBOs are rarely sustainable beyond the life of the project, although this depends to some degree, on the type of CBO created. The establishment of *comedores* and Vaso de Leche committees that have narrowly defined functions and are easily integrated into the city-wide network have a high sustainability rate. Less specific community committees, such as neighbourhood committees (*organizaciones vecinales*) may be less likely to survive without outside support.

10.5 Participation

NGOs may work closely with CBOs, but that does not necessarily mean that there is a high degree of beneficiary participation in the design and implementation of projects. CBO leaders can be considered to be an elite group within the community by virtue of their decision-making powers and representative role. They are more likely to be articulate, well connected and relatively better off than their members. For NGOs to be considered genuinely participatory, CBO members must not be merely recipients of NGO programmes, but should also participate actively in deciding how a project is run. Are beneficiaries involved in setting NGO priorities, or are they involved in the project after key decisions have been made?

The questionnaire results further confirmed by field visits and NGO interviews, revealed that in Lima, beneficiaries participated in project implementation in a variety of ways. Participation takes many forms, including beneficiary contributions of cash and labour, and roles in ongoing administration of the project. NGOs do meet with CBOs in the project planning stage to assess their priorities and interest in proposals. However, beneficiaries are less often invited to

participate in the actual design of the project. NGOs do make genuine efforts to increase participation, but are also frank about the problems encountered. Although in theory participation is important, in practice NGOs report that community leaders change frequently or lose interest; participation and turn-out may be low; or politically motivated individuals might be elected to positions of power within CBOs.

10.6 Integration in the Community

NGOs work closely with CBOs, but how well do they work with other social actors in the communities in which they work? The question is twofold; the concern is not merely whether NGOs work with other actors, but also whether they encourage integration, communication and collaboration among important institutions within the community.

Questionnaire results have highlighted the great variety of local partners with which NGOs work. Ministries, municipalities, CBOs, church organisations and private business are increasingly being looked at as potential partners for development activities. In fact, there is a clear trend away from the development of isolated development projects to NGOs participating and influencing development processes initiated and implemented by municipalities and CBOs. NGOs are entering the fray, so to speak, and becoming part of the institutional landscape of the city, rather than behaving as isolated entities operating their own activities in a segregated fashion. They have found that they necessarily have to work with political, economic and social entities that shape development patterns in local communities.

This research has revealed a great many ways of engaging with other institutions. NGOs, for example, provide research services to facilitate the work of Sedapal (the public sector water company), engage in bidding for municipal contracts, participate in municipal planning, subcontract project implementation to private enterprises, help street vendors purchase municipal land, advise trade unions and lobby for changes in legislation. Possibly more importantly, they act as catalysts to partnerships that may not occur otherwise, such as encouraging municipalities to subcontract to small businesses, bringing together diverse community organisations in planning committees in specific *pueblos juvenes* and introducing formal financial institutions to the world of small-scale enterprises.

This trend towards using multiple local partners and engaging with key institutions is a positive one. NGOs are less in danger of developing detached projects which are external to ongoing community development processes. Although NGOs may be working in a more technical and specialised fashion, their development efforts may now be having a more integrated and profound impact on the community through their partnerships with other political and economic actors.

10.7 Reach the Poorest

An obvious question to ask in assessing NGO impact on urban poverty alleviation is how effective NGOs are in reaching the poorest and most vulnerable groups in society? A less obvious, but more controversial question is how important is it to reach the poorest?

During NGO interviews, it emerged that reaching the extreme poor was not an explicit target of most agencies. Paradoxically, this is a consequence of the relative maturity of the NGO sector in Peru. NGOs in Lima want communities to act as partners in the implementation of development programmes. As a result, assistance aid to the poorest is being left aside. One NGO director explained:

We are not the Red Cross, and we are not Mother Teresa. We are a development organisation and development is what we think is important. The very poor are never reached by us because by definition they do not organise themselves.

NGOs in Lima clearly prefer to work in communities where CBOs are already established and functioning at least at an preliminary fashion. They prefer to work in fixed *pueblos juvenes* where families have established a degree of tenancy. The most vulnerable groups in society are sometimes those with no fixed place of residence or work. The homeless, street children, refugees, are more difficult to locate and work with because of their transient nature. Other vulnerable groups include the elderly, the handicapped and the extreme poor, defined as those unable to meet their own basic needs. In many cases, the most vulnerable, such as the elderly, handicapped and children, are taken care of by family members. It can be argued that these less vulnerable family members are those that are being targeted by NGOs, and they are the people who are better able to take care of those at high risk. As one field worker put it, '*only the poor help the very poor*'.

It should also be noted that there are a number of NGOs and church agencies that target the truly vulnerable and high-risk populations. These relief type organisations are beyond the scope of this study, so it is difficult to tell how effective their targeting is. Development NGOs by definition are interested in stimulating sustainable development processes, and as a result tend not to work with these groups. One notable exception may be street children, who are the explicit target of many NGOs. These programmes are multifaceted, and include educational, health, income-generating and advocacy components.

10.8 Peruvian NGOs: Ideological or Technical Agents of Change?

In a related point, NGOs must be able to think coherently about the macro-level impacts of micro-level work. There is a concern expressed by some NGO leaders that the trend towards specialisation may lead NGOs to become purely technical agents, more concerned about

delivering credit, for example, than about social change. Is there a danger that the more specialist NGOs are losing a wider vision of development?

Generalist NGOs by their involvement in multiple sectors are forced to consider many aspects of development and the interrelationship between development processes. Specialist NGOs are able to focus narrowly on one or two activities, and arguably, may be able to reach a higher degree of professionalism in that sector. All of their resources are dedicated to work in a particular sector, and their understanding of that problem through research and planning efforts should be comprehensive. All of this points to the potential for a high degree of skill.

In narrowing the range of activities, however, there is the danger that specialist NGOs will lose sight of beneficiaries' other needs and problems. While NGOs may specialise in order to develop their skills, they must also be able to recognise the interrelated impact between their area of speciality, enterprise promotion, for example, and spatial urban planning. Promoting productive enterprises has a direct impact on housing, the need for electricity, markets and industrial parks. An NGO may work effectively in one sector, but only if it takes into account the ripple effects of its work. And this requires an understanding of community development that transcends one sector or one skill.

Specialist NGOs in Lima are generally younger NGOs, founded in the late 1980s and 1990s. They were formed in a development context dramatically different from the older NGOs dating back to the 1970s. Traditional Peruvian NGOs were clearly situated in a politically oriented logic of development in which NGOs were not merely concerned about alleviating poverty, but also about changing the structure of power. While most of these NGOs, have today, also become more technical in their approach, they still remain ideologically driven.

Specialist NGOs may have some advantages in present-day Peru. Their largely apolitical nature may enhance their ability to work with government, as they are less likely to be perceived as a threat. However, in order to be effective within their own sector, they will need to understand the relationship between their activities and the broader development processes. Development problems cannot be understood in isolation. A water engineer need not know about health issues, but an effective water project will take into account health, productive and cultural concerns. Tackling problems in isolation will not produce effective development impacts.

It remains to be seen if the specialist NGOs in Lima will go the route of subcontracting and consulting as a strategy for economic sustainability. If these NGOs do become subcontractors, and hence, reactive partners to governments and municipalities, they will lose their potential comparative advantages that being an NGO confers upon them. NGOs must retain their ability to proactively develop solutions. Donors have played an important role in encouraging the government to use NGOs in a subcontracting role. However, the role of NGOs in these programmes is merely as implementors. International donors can in future use their substantial influence to encourage government to consider NGO proposals and involve them in programme design.

It is clear that NGOs must continue to strengthen their technical capacity without sacrificing their roles as innovators of alternative development strategies. They need well-developed technical skills in order to survive in today's market economy, which they are slowly and gradually entering. Yet, these specialist technical skills must remain firmly rooted in a clear macro-vision of development. Otherwise, there is a danger that in the future we will see a sector of non-profit consulting firms that differ in no essential way from for-profit consulting firms.

10.9 Collaborating for City-Wide Change: Developing a Strategic Urban Vision

Given the scale of the city and the average size of Peruvian NGOs, it would be difficult for an NGO to have city-wide coverage. It is perhaps more realistic for NGOs to develop district-wide strategies and models that they can then share with NGOs operating in other areas of the city. A good example of potentially replicable urban planning models is the District Planning Committee in Ate-Vitarte which has proven to be very successful. Collaboration between NGOs and municipalities would be essential to effect city-wide change.

City-wide change, however, requires more than mere replication of successful projects. It entails having an understanding of the city and its problems, recognition of the complex and interrelated nature of urban problems and a strategic vision to address urban development in the coming years and decades. It is clear that NGOs are only beginning the process of developing a comprehensive understanding of the urban problematique. Only now, are NGOs attempting to foresee what Lima will be like in ten years, identifying what the most pressing problems might be, or proposing what can be done now to offset future difficulties. There is little consensus on community development issues, much less on city-wide strategies for positive change.

This type of urban planning approach must start from an understanding of city-wide trends, in contrast to the community-development approach that starts from an analysis of the causes of household poverty and community needs. NGO strategies are determined by the way the organisation defines the problem it is trying to address. If the unit of analysis is the community, this will lead to a certain set of programming recommendations. The pressing problem facing a given community may be access to clean water or perhaps an access road to facilitate trade and transportation. If the city is the unit of analysis, analysing of the structural causes of urban poverty may lead to an entirely different set of programming priorities. Addressing city-wide issues is more likely to lead to participatory institutional development programmes in co-operation with other local entities.

The NGO networks that have emerged in recent years represent a positive step forward by bringing NGOs together to engage in joint diagnostic exercises and exchange information. The Habitat Commission brings together NGOs involved in urban development and facilitates discussion, debate and dialogue. ProRimac is an example of a network that has allowed NGOs to develop strategies that transcend their specific locality of work.

Fighting urban poverty in mega-cities is an overwhelmingly difficult task. It is not one that NGOs can battle alone. NGOs need to develop better co-ordination and vision within the sector, then engage productively with other key social actors. We must not forget that municipalities and governments are the entities formally responsible for developing urban management and economic development plans. Only by working productively with these agents to develop practical alternative strategies can NGOs have a strong development impact.

Appendix A

ACCION COMUNITARIA DEL PERU

ADEC-ATC (Asociacion Laboral para le Desarrollo)

AIDER (Asociacion para la investigacion y desarrollo integral)

ALTERNATIVA (Centro de Investigacion Social y Educacion Popular)

ANTISUYO (Asociacion Civil ANTISUYO)

APDES (Asociacion de promocion y desarrollo social)

APECO (Asociacion Peruana para la Conservacion de la Naturaleza)

Asociacion Civil PREVIT

Asociacion GERMINAL

AURORA VIVIR

AYUDA EN ACCION - Peru

CALANDRIA

CARE-PERU

CASI (Centro de Apoyo al Sector Informal)

CEDAL (Centro de asesoria laboral del Peru)

CEDRO

CENCA

CENDIPP (Centro de Investigacion y promocion popular)

CENTRO (Instituto de Estudios Socioeconomicos y fomento del desarrollo)

CEPREN

CEPROC (Centro de Promocion Comunal)

CEPRODEP

CEPROMUR

CIDAP (Centro de Investigacion, Documentacion y Asesoria Poblacional)

CIDIAG (Centro de Informacion y Desarrollo Integral de Autogestion)

CIPDUR (Centro de Investigaciones y proyectos urbanos y regionales)

CIUDAD (Institute de desarrollo urbano)

DESCO

Equipo de educacion y autogestion social

Escuela para el Desarrollo

ESTRATEGIA (Centro de Investigacion y Accion para el desarrollo urbano)

FOVIDA (Fomento de la Vida)

IDEAS

IES (Instituto de Educacion y Salud)

INCAFAM (Instituto de Investigacion y Capacitacion de la Familia y la Mujer)

INPET (Instituto de promocion del desarrollo solidario)

Instituto de Fomento de una Educacion de Calidad

Instituto Peruano de Paternidad Responsable

LA SEMILLA

Proyecto de Desarrollo Integral

SUMBI

TACIF (Taller de Capacitacion e Investigacion Familiar)

TAREA

TIPACOM (Talleres Infantiles Proyectados a la Comunidad)

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**RISING TO THE URBAN CHALLENGE?
The Roles, Strategies and Performance of NGOs in Lima, Peru**

Caroline Sahley with Janet Danziger

Peru is no exception to the trend of rapid urbanisation. The capital city of Lima, once viewed as a haven of escape from rural poverty, is on its way to becoming a mega-city, whose growing population competes for limited jobs, housing, transport and health care. Lima's large and growing population has outstripped the state's resources, placing severe strain on the economic, social and physical infrastructure of the city and leaving many inhabitants in a state of destitution.

NGOs in Lima are struggling to develop poverty alleviation strategies that work effectively in urban areas. NGOs are beginning to realise that to heighten their impact, their role should not merely be to alleviate the symptoms of poverty, but also to foresee and influence trends in urban development.

This paper is the outcome of a two-phase field research between 1997 and 1998. Drawing from the experience of 120 NGOs and detailed analysis of 3 NGOs, the paper identifies the characteristics of NGOs and analyses issues relating to resource constraints, internal organisation and strategic policies crucial to their effectiveness. It also examines the roles of co-ordination and institutional learning in enhancing operational effectiveness, sustainability, scale and replication of projects and programmes. The reach of NGOs to the poorest groups and their influence on city-wide urban development strategies are also examined.

This is the first in a series of five Occasional Papers on urban NGOs. Others (forthcoming) are based on studies in Bangladesh, Ethiopia, India and South Africa.

About the Author

Caroline Sahley Ph.D. is an Associate of INTRAC and Executive Director of SEED (Sustainable Energy for Economic Development). She was previously Programme Manager of a small enterprise development agency in Peru. She can be contacted as Sahley@aol.com . Janet Danziger was a researcher with INTRAC.