GOVERNANCE ISSUES IN GUATEMALA:

CENTRAL GOVERNMENT COORDINATION PROBLEMS WITHIN THE

DECENTRALIZATION MODEL AND ITS IMPLICATIONS FOR CORRUPTION

By

FAURE DE PAZ, Anaïs Gabriela

THESIS

Submitted to

KDI School of Public Policy and Management

in partial fulfillment of the requirements

for the degree of

MASTER OF DEVELOPMENT POLICY

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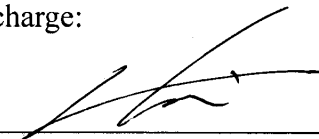KDI School of Public Policy and Management

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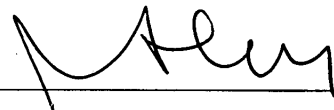MASTER OF DEVELOPMENT POLICY

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ABSTRACT

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Decentralization has been praised for its potential benefits for improving efficiency, accountability, and democratic governance. It has also been criticized because of the fragmenting effects it may cause on already weak political systems, of which corruption can be a notable one. This study analyzes the case of decentralization in Guatemala, contending that the weak role played by the central state for coordinating the system has negatively affected its overall performance. Especially, lax enforcement of transparency standards is argued to have a relation with corruption occurring within decentralized institutions, impacting all levels of governance. These arguments were supported by the analysis of stakeholders and legal framework of decentralization, paired with the scrutiny of a Monitoring and Evaluation tool from the Presidential Secretariat of Planning and Programming, responsible for coordinating the decentralized system. However, the lack of data on corruption, limited the capacity of this paper to adequately address the possibility of a direct causal relation between decentralization and corruption in Guatemala. Finally, Recommendations were drawn for the academic community, the Guatemalan central government, and the SEGEPLAN.

To my mother, who taught me strength and courage.

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Finally, I would like to express my deepest gratitude to the Korea International Cooperation Agency (KOICA) and to the KDI School of Public Policy and Management, who changed my life forever.

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LIST OF ABBREVIATIONS

COMUDE: Municipal Development Council

GIZ: German Cooperation Agency

GUATECOMPRAS: System of Information and Acquisitions of the State of Guatemala

MDP: Municipal Development Plan

M&E: Monitoring and Evaluation

NGO: Non-governmental Organization

PIO: Public Information Office

PROMUDEL: "Municipalities for Development", Swedish Cooperation Project

SCEP: Presidential Secretariat of Executive Coordination

SEGEPLAN: Presidential Secretariat of Planning and Programming

SICOIN GL and SIAF MUNI: Integrated System of Municipal Financial Administration

SISCODE: System of Development Councils

SME: Small and Medium Enterprise

SNIP: National System of Public Investment

I. INTRODUCTION

Decentralization reforms have been an important part of development theory and practice around the world in the last decades. A trend for implementing various kinds of decentralization models particularly emerged during the 1980's and 1990's, in many cases as a political and administrative accompaniment to the economic reforms of Structural Adjustment Programs. International financial organizations promoted decentralization reforms based on the premise that it would help the governments of developing countries to improve efficiency and accountability, and to adopt participatory governance mechanisms for decision-making processes.

However, as reforms were implemented and as time went by, the optimism surrounding these reforms developed into acute criticism and even pessimism, due to their failure to achieve the promises of efficiency, democracy, and ultimately, development. Many scholars have consequently embarked in the task of studying decentralization stories in specific countries, trying to balance the positive and negative outcomes and to find causal explanations as to why the reforms fell short of their expected potential. As a result, a scholarly trend has emerged in which decentralization is studied on a case by case basis, making greater emphasis on the context and circumstances in which these reforms were carried out in each country, rather than relying solely on its theoretical ideals.

Aiming to engage in that conversation, the present study is an attempt to analyze Guatemala's decentralization model and the unintended consequences it has brought with it, namely, the continued prevalence of corruption across all levels of governance, central and local. In that sense, this paper joins many other authors in adopting a critical outlook upon the actual functioning of decentralization in developing countries, and specifically in Guatemala.

This paper argues that corruption should be understood not as a causal element for failures in the decentralized system, but rather reflects the weaknesses of the central government as a coordinator of the system. An ambiguous legal framework, a historical environment of lax law enforcement, and the prevailing corruption within central government structures therefore hinder its capacity to effectively coordinate the decentralized system in accordance with efficiency and transparency standards. Moreover, weak Monitoring and Evaluation (M&E) capacities further affect the central government's position as a coordinator of the decentralization model.

In that line of thought, this study asks about the relation between the Guatemalan central government's weak mechanisms of coordination of the decentralized system and the relatively unchanged national levels of corruption.

Orienting adequate policy responses to address the shortcomings of the decentralization model in Guatemala begins by identifying the issues faced by the system and its stakeholders. Such a step was the principal motivation of the Presidential Secretariat of Planning and Programming (SEGEPLAN), assisted by the Swedish and German cooperation programs, to develop a methodology to study local governments' management issues in terms of financial practices and governance. The result was a lengthy report named "Ranking of Municipal Management, Financial Sustainability, and Governance in Guatemala", published in 2011.[1]

Nevertheless, identifying the issues faced by the decentralization system does not result in sufficient information to design corrective policies to reorient the system towards achieving its initial objectives. Rather, dwelling into the possible causes behind the failures of

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[1] Considering that the report analyzes the managerial implications of transparency and participation for the governing system, the author chose to translate the original Spanish word *gobernabilidad,* in the title of the report, to "governance" rather than "governability". "Governability" would mislead the readers into interpreting that the report aims at analyzing the impact on *political stability* of the interaction between the governing system, governed actors, and governance processes.

the model and attempting to understand them is an exercise of the utmost importance, especially if strategic responses are to be designed to make the system more effective.

Therefore, this paper develops a response to the research done by the SEGEPLAN, by trying to identify some of those underlying causes and understanding them. However, it is not the purpose of the author to present a comprehensive explanatory model, but rather to build on the existing research by offering a contextual framework in which its findings can be better understood. Especially, the SEGEPLAN report is considered here as an indicator of the central government's capacities for M&E within the decentralized system. In that sense, the report is critically analyzed in terms of its methodology and findings, in order to identify potential gaps and address them with recommendations which can help to orient policy-making and further research on this issue.

The SEGEPLAN study assesses the performance of local governments according to 11 indicators that evaluate financial management and transparency, and then ranks municipalities based on their aggregated scores. The findings show consistently low scores for all indicators in the 333 municipalities[2] in Guatemala, both in 2009 and 2010, the two times the study was conducted. In analyzing the results for each indicator, the SEGEPLAN interprets these low scores as an expression of bad management practice, but does not attempt to understand whether there are specific institutional conditions which may lead to financial mismanagement and non-compliance with transparency standards at the local levels.

Attempting to fill such a void in the research and in order to complement the work done by the SEGEPLAN in this matter, this study holds that the Guatemalan central government has an inherent weakness in its role as coordinator of the decentralized system, which reinforces a lax enforcement of transparency regulations in local governments. This weakness

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[2] In 2011, the Congress of the Republic of Guatemala enacted the Decree 32-2011, by which the administrative division of the country now comprises 334 municipal jurisdictions. However, when the SEGEPLAN report was made and published, only 333 municipalities existed and were, therefore, considered by their study.

is qualified by ambiguity in the existing legal framework for decentralization and procurement, a historical environment of lax law enforcement and prevailing corruption within central government structures. In addition, low M&E capacities further affect the central government's position as a coordinator of decentralization, thus negatively affecting enforcement of accountability and transparency at the local levels of government.

In order to analyze this paper's research question and hypothesis, and to develop recommendations for further policy research in the Guatemalan public sector, three methods will be followed. First, the SEGEPLAN report and its main findings will be presented. Second, those findings will be contextualized by describing and analyzing the relation between the stakeholders and the legal framework of decentralization in the country. Finally, the methodology of the SEGEPLAN report will be examined to identify possible shortcomings which negatively impact the role of that institution as the technical coordinator of the decentralized system in Guatemala.

This study is organized in the following manner: Section I describes the background of the issue and contains the conceptual backbone of the study through the Literature Review; Section II elaborates on the Methodology; Section III provides the Supporting Evidence for the claims presented in the paper; Section IV displays the Findings and discusses possible counterarguments; and Section V provides the Summary and Conclusions of the paper. Finally, Section VI proposes Recommendations for further academic and policy research.

II. LITERATURE REVIEW

1. Democratic Governance, Development, and Decentralization

During the 1980's and 1990's, many Latin American governments –as well as other developing countries around the globe—enacted decentralization reforms, driven by domestic considerations and by recommendation from international financial institutions.

Decentralization has occupied, in the last decades, an important place within development theory and has been implemented in many cases as an attempt to rebuild legitimacy where the central government has lost it:

> "On account of its many failures, the centralized state everywhere has lost a great deal of legitimacy, and decentralization is widely believed to promise a range of benefits. It is often suggested as a way of reducing the role of the state in general, by fragmenting central authority and introducing more intergovernmental competition and checks and balances. It is viewed as a way to make government more responsive and efficient. […] In a world of rampant ethnic conflicts and separatist movements, decentralization is also regarded as a way of diffusing social and political tensions and ensuring local cultural and political autonomy." (Bardhan, 2002, p. 185)

Decentralization, therefore, has been seen as a tool to increase efficiency in administration and policy making, based on its potential to enhance accountability and create structures for participatory governance. Those features—efficiency, accountability, and participatory governance—are at the same time considered as key components to the building of democratic governance across all levels of government.

In the Latin American context, achieving democratic governance has often been the main motivation for decentralizing political power and institutions.

Latin American countries share a combined colonial legacy of centralized institutions and strong regional powers and identities. However, the most pressing historical incentive for reducing state power was the experience of corrupt and repressive dictatorships during the second half of the 20th century:

"As many of these countries underwent transitions to elected governments during the 1980's and 1990's, decentralization became a favorite strategy of reformers who wanted to ensure that the central state would not have the overbearing power that it had possessed—and political leaders abused—in previous decades." (Selee, 2004, p. 4)

Guatemala can be counted among those cases. For a little more than three decades a civil war determined the priorities of authoritarian governments, which usually gained power out of fraudulent elections. Repression was especially harsh during the late 1970's and 1980's as a response to increasing war violence, which led to a further centralization of state power through military and paramilitary strategies:

"As in Mexico, the [Guatemalan] state also sought to control the majority of the indigenous population though a mixture of repression and co-option of indigenous leaderships. The Guatemalan state managed to impose military control over its territory, but it largely failed to develop a strong institutional base that could penetrate society by non-military means (Smith 1990, 13-14)." (Selee, 2004, p. 7)

In 1982, a military coup eventually evolved into a process of democratic transition, and a National Constituent Assembly was elected. The enactment of the new Constitution in 1985 was followed by the first free general election, which inaugurated a new period of civilian governments. Peace negotiations between the government and the guerrilla were initiated, resulting in the signature of peace accords in 1996.

The new Constitution established provisions for decentralizing the state in order to promote development; ratified municipal autonomy, and created a structure for participatory governance on national, regional, and local levels. These provisions were further regulated with specific laws passed by Congress in 1987 and 1988, and later reformed in 2002.[3]

Understanding the historical context in which decentralization occurred in Guatemala is an essential step before analyzing its design, attempting to identify shortcomings, and proposing recommendations. The overarching goals and principles guiding the

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[3] In 2002 the Congress passed the General Law of Decentralization (Decree 14-2002), being this the first specific regulatory framework for the decentralization system; and reformed the Municipal Code (Decree 12-2002), and the Law of Rural and Urban Development Councils (Decree 11-2002), a participatory governance structure.

implementation of those reforms need to be fully considered. To that aim, Figure 1 illustrates the argument of decentralization as a development strategy for achieving democratic governance in Guatemala:

Figure 1. Decentralization in Guatemala's Political System.

GOAL	DEMOCRATIC GOVERNANCE
MEANS	DEVELOPMENT — ECONOMIC, POLITICAL, SOCIAL
STRATEGY	DECENTRALIZATION

DECENTRALIZATION

PRINCIPLES
- Participatory Governance
- Accountability
- Transparency
- Efficiency
- Representativeness
- Check and Balances

STRUCTURE
- Legal / Institutional
- Processes as defined by Law (Political, Bureaucratic, Financial)

STAKEHOLDERS
- Government
  - Central
  - Local
  - Political Parties
- Civil Society

CORRUPTION

Source: Self-elaboration.

The figure shows that achieving democratic governance became the main goal of civil society in Guatemala, as citizens engaged in the political life of the country during and after democratic transition. Comprehensively developing the country was defined as the essential pathway to enhance democracy, and decentralization was established as the institutional vehicle to achieve these ideals.

However, in Guatemala, as in many other developing countries who implemented decentralization reforms, the underlying ideals met with the reality of corruption, and have, consequently, fallen short of citizens' expectations.

The issue of corruption, in its different manifestations, is problematic in at least two different aspects: 1) For decentralization itself, and 2) For the credibility of democracy:

1. "In the standard literature on decentralization and fiscal federalism [built on experiences of developed countries], the focus is on allocation of funds, and it is implicitly assumed that the allocated funds reach their intended beneficiaries. This assumption needs to be drastically qualified in developing countries, where attention must be paid to special incentives and devices to check bureaucratic corruption…" (Bardhan, 2002, p. 188).

2. "Political corruption poses a serious threat to the stability of developing democracies by eroding the links between citizens and governments." (Canache & Allison, 2005, p. 91)

Building on the contextual framework drawn so far, the next two subsections will examine the main theoretical foundations for 'Decentralization' and 'Corruption'.

2. Decentralization as a Development Model

Decentralization became a preferred approach for development theorists and practitioners starting from the 1980's. It was also instrumentally embraced by political leaders to rebuild legitimacy in de-legitimized systems, by making policy processes more accountable and participative. However, depending on the characteristics of implementing countries, decentralization also met with a number of issues which have led to a more cautious advocacy of this governance system.

The main explanatory model for decentralization chosen for this paper is the one developed by Fritzen and Lim in "Problems and Prospects of Decentralization in Developing Countries" (2006). In their study, the authors identify the main benefits of decentralization, include a typology of such systems, and elaborate on the commonly encountered issues of decentralization in developing countries.

As they explain, "Decentralization has been applauded for its supposed potential to improve levels of public participation, bureaucratic accountability, administrative efficiency, and responsiveness to local needs, among other goals." (Fritzen & Lim, 2006, p. 1).

The typology offered by the authors includes four categories:

    a. <u>Administrative decentralization:</u> Transfer of policy making and implementation from central to local levels.[4]

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[4] It can take the form of *Deconcentration*, which refers to the dispersion of central government agencies by creating local branches, and *Delegation*, when central government functions are transferred to local governments.

b. Fiscal decentralization: Changes the patterns of collection and distribution of resources from central to local governance levels.

c. Political decentralization: Devolves powers to local governments through mechanisms such as democratic elections of their leaders, participatory governance structures, and enhancement of local accountability.

d. Market decentralization: Transfers control over resource allocation to non-state actors (i.e.—privatization).

One of the useful tools presented by the authors illustrates the most common motivations behind each type of decentralization and the degree of systemic change required for each. Guatemala's decentralization model fits into the categories of "Political" and "Administrative":

Figure 2. A spectrum of ideological underpinnings of decentralization.
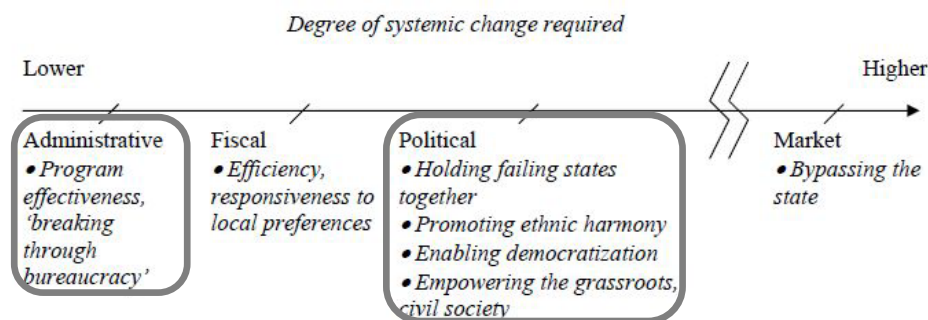
Source: (Fritzen & Lim, 2006, p. 3)

Fritzen and Lim also identify five critical issues faced by developing countries when implementing decentralization reforms. Out of these, two were considered of interest for the Guatemalan case due to their relation to the issue of corruption:

Does Decentralization Improve Service Delivery and Accountability?

"Accountability is also intended to improve with decentralization, as local political competition and the public's greater ability to monitor local officials can improve performance and lessen corruption. But these positive effects can be off-set by several risks faced in the decentralization reform process. In places where powerful local elites exist, decentralization could serve as a vehicle for greater consolidation of

their power and influence, leading to the eventual capture of the state. There is also the risk of expanding and further enrooting clientelist networks and patterns of patronage politics." (Fritzen & Lim, 2006, p. 4)

The Center's Role in Decentralization

 "The central government has a strong role to play in all systems, decentralizing or not. It provides overall policy direction, defines minimum standards of service delivery, transfers technical and fiscal resources to assist local governments, guards against local overspending, and monitors sub national performance." (Fritzen & Lim, 2006, p. 7)

3. Corruption and Governance in Developing Countries

In "Eight Questions about Corruption" (2005), Jakob Svensson offers a definition of public corruption: "the misuse of public office for private gains. […] Corruption defined this way would capture, for example, the sale of government property by government officials, kickbacks in procurement, bribery, and embezzlement of government funds." (p. 20).

To analyze corruption in a country, two different issues need to be accounted for: the causes of corruption and its effects on the political system and on society as a whole. As Svensson points out: "Corruption is an outcome—a reflection of a country's legal, economic, cultural and political institutions" (p. 20). Canache & Allison further argue that the existence of corruption "may distort government outputs because actors involved in corrupt practices gain disproportionate benefits from government. This, in turn, may distort democratic procedures, because policies result not from an open clash of ideas in the marketplace but instead from back-alley deals." (2005, p. 91).

In order to illustrate the situation of corruption in Guatemala, two different sets of measurements are presented here. Figure 3 shows the trend of the Corruption Perception Index Scores for the country between 1998 and 2013.

Figure 3. Guatemala Corruption Perception Index Scores, 1998-2013.
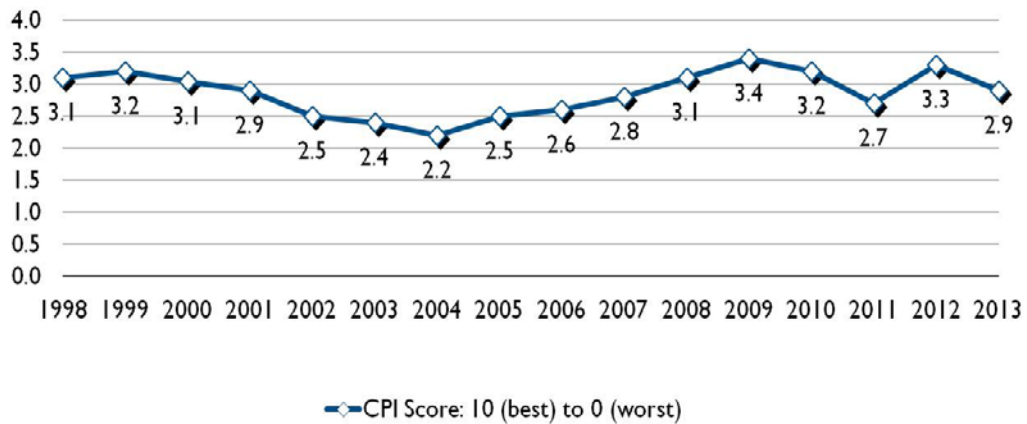
Source: Self-elaboration with data from Corruption Perception Indexes. (Transparency International, 2013).

While the Corruption Perception Index measures only the perception of corruption and not the actual prevalence of corruption in a country, it does offer an overall impression of the state of corruption as faced by citizens and businesses. In the case of Guatemala, despite small variations during the time-frame covered by the data, it is fair to say that the level of corruption remained relatively unchanged in that period, having only 0.3 points of change between the first measurement in 1998 (3.1) and the higher score in 2009 (3.4), only to fall again in 2013, curiously to the levels of 2001 (2.9), before decentralization reforms occurred.

Considering that new decentralization measures took place in 2002, and that the levels of corruption have remained within the same range of scores—even recently worsening—it is difficult to argue that decentralization had a positive effect for anti-corruption in the country.

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Figure 4 shows the evolution of the World Bank Governance Indicators for Guatemala, between 1996 and 2011. Two important events are included within this timeframe: the signature of peace agreements (1996) and the reforms in the laws of decentralization (2002).

Figure 4. Guatemala Governance Scores, 1996-2011 (-2.5 to +2.5)
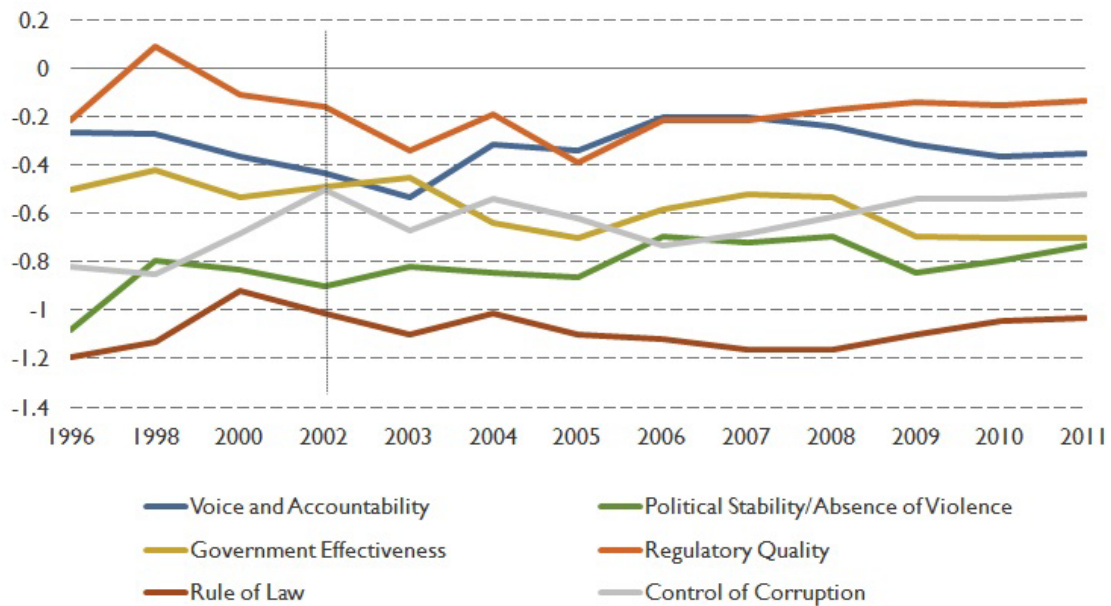
Source: Self-elaboration with data from the World Bank. (The World Bank Group, 2012).

As the trends show, while *Control of Corruption* and *Rule of Law* had some improvement since 1996, *Government Effectiveness* diminished over the comprised 15 year spectrum. Considering that decentralization reforms were aimed at improving government effectiveness and curbing corruption, the tendencies of the indicators for these two goals are mixed. Moreover, if considered only from 2002 until 2011, *Control of Corruption* also failed to show a significant improvement, thus reinforcing the argument previously made with the CPI Scores. While none of the indicators can be directly correlated to decentralization within this study, the results are illustrative of the existing academic questionings about the relations between the main topics here considered: democracy, decentralization, and corruption.

Several scholars have pointed out to the contrary-to-theory relation between decentralization and corruption in many developing countries:

> "decentralized political systems are more corruptible [than centralized ones], because the potential corrupter needs to influence only a segment of the government, and because in a fragmented system there are fewer centralized forces and agencies to enforce honesty" (Wolfinger (1974), quoted in Banfield (1979, p. 98)." (Treisman, 2000, p. 407)

And:

> "A number of economists have also suggested that corruption may be greater at the local level, perhaps because of the greater intimacy and frequency of interactions between private individuals and officials at more decentralized levels (Prud'homme, 1995; Tanzi, 1995)." (Treisman, 2000, p. 407)

In Guatemala such a situation may also be the case, if only indicated by the frequency of media reports and judiciary actions against local government representatives accused of nepotism and cronyism in procurement and of embezzlement of municipal funds.

In terms of the relation between corruption and democracy, because of the scandals around public officers and inefficiencies in public works, corruption has the potential to undermine authority and legitimacy of governments, thus becoming a "common and profound obstacle to the consolidation of new democracies (Schedler et al. 1999, p. 1)" (Canache & Allison, 2005, p. 92).

Considering that in Guatemala decentralization was established as the main vehicle for achieving both development and democratic governance—based on the premises of increased efficiency and accountability—, the sustained prevalence of corruption is a serious limitation for the viability of the political system as a whole.

III.   METHODOLOGY

The previous section emphasized two critical issues identified by Fritzen and Lim about decentralization reforms in developing countries: a) the impact of such reforms in service delivery and accountability, and b) the center's role in decentralization.

In establishing a relation between both issues, it can be argued that service delivery and accountability highly depend on the central government's ability to effectively coordinate the decentralized system. As the authors sustain, the central government "provides overall policy direction, defines minimum standards of service delivery, transfers technical and fiscal resources to assist local governments, guards against local overspending, and monitors sub national performance." (Fritzen & Lim, 2006, p. 7) In realizing such functions, the central government creates the parameters for local governments' actions and behavior, which in its turn has a direct impact on the governance structures of the country.

Going further into the possible relation between decentralization and corruption, while a lack of compliance with transparency standards cannot be directly equated to the practice of corruption, it is fair to argue that if the central government suffers itself from questionable corruption levels, it will not be able to effectively coordinate decentralized structures of governance in terms of enforcing transparency standards in local governments. In such a situation, corruption can more easily continue to develop within national and sub national government structures.

In that line of thought, this paper assesses the role of the central government within the Guatemalan decentralization model. Specifically, and based on the intuitive relation between decentralization practices and corruption within the political system in the country, the paper analyzes the role of the central government regarding its capacities for Monitoring, Evaluation, and enforcement of accountability and transparency standards.

In so doing, the study aims at answering the following Research Question: *What is the relation between the Guatemalan central government's weak mechanisms of coordination of the decentralized system and the relatively unchanged national levels of corruption?*

Correspondingly, the Hypothesis guiding this research is defined as follows: *The Guatemalan central government has an inherent weakness in its role as coordinator of the decentralized system, which reinforces a lax compliance with transparency regulations in local governments.*

As mentioned before, while non-compliance with transparency standards cannot be directly equated to the practice of corruption, a weakness in the central government's role for enforcing those standards does create an environment in which corruption can more easily develop and eventually become a systemic feature of the political system. In another hand, transparency standards do offer a relevant picture of the existing mechanisms of accountability between the central government, local governments, and civil society, thus helping to portray the benefits or shortcomings of the current status of decentralization.

The pointed weakness in the central government's coordinating role is qualified by what is identified as ambiguity in the existing legal frameworks for decentralization and procurement, a historical environment of lax law enforcement, and prevailing corruption within central government structures. In addition, low M&E capacities further affect the central government's position as a coordinator of decentralization, thus negatively affecting enforcement of accountability and transparency at the local levels of government. These specific features are the central elements of the Methodology followed throughout this paper.

The Hypothesis therefore signals an indirect relation between the occurrence of corruption in the decentralized structures of government and the decentralization model itself. Such a relation can be explained by the coordinating role played by the central government, which acts here as the intermediate variable between corruption in the political system and

decentralization as a distinctive institutional feature of such system. While attempting to find a direct relation between decentralization and corruption in Guatemala is a highly desirable academic effort, a serious limitation to put forward such an endeavor at this time was the lack of reliable data about corruption in the country.

Neither a national measure of corruption nor a measure of corruption occurring within sub-national governments have been developed so far, thus making it impossible to objectively evaluate the actual levels of corruption within local government structures. While there are judiciary and media records of this phenomenon, such data are not representative enough to be used it as a concrete indicator of corruption. Therefore, the value of these records' is only illustrative.

There has been, however, an effort to measure local governments' performance in terms of financial management and transparency. As part of its Monitoring and Evaluation mechanisms, the Presidential Secretariat of Planning and Programming (SEGEPLAN), which is the institution in charge of the technical coordination of the decentralization system in Guatemala, published in 2011 a ranking of municipalities, based on the performance of municipal governments' management practices during 2009 and 2010.

Considering that the SEGEPLAN is the central government institution directly in charge of coordinating the decentralized system—specifically in terms of policy direction, technical assessment, and M&E—and given the unavailability of specific corruption measurements in the country, the SEGEPLAN report was chosen as the main source of data for the present study.

In order to analyze the hypothesis presented by this paper, three specific methodological steps will be followed throughout the next section. First, the SEGEPLAN report and its principal findings, in terms of transparency and accountability, will be presented. Second, those findings will be contextualized with a description of the regulatory

framework of the decentralization model and of the stakeholders interacting within the system. This descriptive exercise will be paired with an analytical counterpart aimed at identifying problems which might weaken the coordinating role of the central government.

Finally, the SEGEPLAN report itself will be critically analyzed in terms of its objectives, methodology, and findings. In so doing, the report is established as an indicator for assessing the central government's capacities for Monitoring and Evaluation of local governments, and thus, for coordination of the decentralized system in terms of efficiency and accountability.. However, it is necessary to point out that the goal of such an undertaking is not to plainly criticize the identified shortcomings, but rather to guide recommendations which can help to orient policy making and M&E activities of the SEGEPLAN in the future, thus contributing to enhance its role within the decentralized system.

IV.   SUPPORTING EVIDENCE

1. The SEGEPLAN Report: Ranking of Municipal Management, Financial Sustainability, and Governance, 2011.

The "Ranking of Municipal Management, Financial Sustainability, and Governance in Guatemala" (2011) was the result of a joint effort of the Presidential Secretariat of Planning and Programming (SEGEPLAN), the German Cooperation Agency (GIZ), and the Swedish Cooperation through the program "Municipalities for Local Development" (PROMUDEL). The study was carried out during 2009 and 2010, and its results were published in 2011.

The objective of the study was to provide the Guatemalan government, and specifically the SEGEPLAN, with a tool to evaluate the performance of municipal governments in terms of their management practices. The main motivation for this study was the fact that the development levels of most municipalities hadn't improved as expected after more than 10 years of sustained central government financial transfer. This led the SEGEPLAN to question the degree of compliance of municipal governments with national policies and planning. As the introduction of the report states:

> "These investigative efforts thus aim at consolidating the National Planning System, in order to fulfill the targets established by the Millennium Development Goals. The present ranking thus permits to gather information for the analysis of local governments. The goal is to identify the challenges local governments face in terms of local revenue collection, municipal indebtedness, execution and quality of public investments, advances in the processes of planning, transparency and access to information, among others. This information also gives input to assess the role that the Guatemalan government has to play for regulating and standardizing measures, which can prevent the collapse of already inefficient local governments while encouraging municipalities which have efficient and effective management processes, for the achievement of the Millennium Development Goals within their territories." (Translation) (SEGEPLAN, PROMUDEL, GIZ, 2011, p. 7).

The Ranking of Municipal Management is based on the evaluation of 11 performance indicators grouped into two categories: financial management (5 indicators) and transparency and accountability (6 indicators). The data for the indicators is drawn from official information systems in which municipal governments are legally mandated to register information.[5] According to the aggregated results of the indicators, the ranking classifies municipalities into five categories: Optimal, Good, Must Improve, Acceptable, and Deficient.

The main results of the ranking for 2010 are illustrated in the following table:

Table 1. Municipalities as ranked by categories, 2010.

Category	Score Range	# of Municipalities	Percentage
Optimal	>0.800	0	0
Good	0.600-0.800	0	0
Acceptable	0.400-0.600	156	47
Must Improve	0.200-0.400	166	50
Deficient	<0.200	10	3

Source: Table 3, Translated from p. 23. (SEGEPLAN, PROMUDEL, GIZ, 2011).

As the SEGEPLAN notes, "The general result shows that municipal governments in Guatemala barely fulfill their functions on an average standard, which is seriously reflected in the questionable quality of public services." (Translation) (SEGEPLAN, PROMUDEL, GIZ, 2011, p. 24).

The following table summarizes the main results of the six indicators for transparency and accountability evaluated in the report:

Table 2. Main Results of Transparency and Accountability Indicators, 2010.

Indicator	Description	Results
Number of ordinary COMUDE meetings	Compliance with the 12 legally mandated meetings of Municipal Development Councils (COMUDE).	59% of municipalities (197) complied with 20% of mandated meetings (2 or less).

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[5] These systems are: a) the Integrated System of Municipal Financial Administration—SICOIN GL and SIAF MUNI; b) the National System of Public Investment—SNIP; c) the System of Development Councils—SISCODE; and d) System of Information and Acquisitions—GUATECOMPRAS.

Number of Records on the SISCODE	Compliance with recording COMUDE activities on the SISCODE database.	There are no records of activities for 95% of municipalities (318) in 2010.
Investment recorded on the SNIP as a proportion of total municipal investment	Percentage of municipal investment registered on the SNIP.	Out of 282 municipalities (85%) with "very low" compliance, 219 didn't have any records.
Existence of a Municipal Development Plan (MDP)	Compliance with the National Planning System regulations.	93% of municipalities have or are designing an MDP (311).
Existence of a Public Information Office (PIO)	Compliance with the Law of Access to Public Information.	90% of municipalities report having a Public Information Office.
Amount of expenditures registered on GUATECOMPRAS	Relative weight of municipal expenditures registered on the online procurement system.	3% rank as "high" in compliance with publishing expenditures, while 60% qualify as "low" and "very low".

Source: Self-elaboration with information from pp. 46-58. (SEGEPLAN, PROMUDEL, GIZ, 2011).

2. Contextualizing SEGEPLAN's Findings: Stakeholders and Legal Framework of the Decentralization Model

In order to interpret the SEGEPLAN's findings, especially the weak compliance of municipalities with transparency standards, the context in which decentralization operates in the country needs to be accounted for. Table 3 describes the general aspects of the decentralized system in terms of its stakeholders/institutions and the legal framework that regulates them. The italicized text is of special interest and will be further commented.

It is important to note that this section offers a broad picture of the framework of decentralization in Guatemala, and it does not pretend to be a comprehensive analysis of all its regulations and stakeholders. These selected issues are to be seen as an invitation for further research about the interactions between stakeholders and institutions, based on the incentives created by the existing legal framework and customary practices.

Table 3. Stakeholders and Legal Framework for Decentralization in Guatemala.

Stakeholders / Institutions	Legal Framework
Central government ** regarding Decentralization*	*Constitution (1985)* Article 119. Obligations of the State. Section b) states that it is a fundamental obligation of the State to "Systematically promote economic and administrative decentralization in order to achieve an adequate regional development". Article 134. Decentralization and Autonomy. The municipality and autonomous or decentralized entities act by delegation of the State, and their minimal obligations are: a) Coordinating their policies with general policies of the State, b) Maintain tight coordination with the planning agency of the State [SEGEPLAN], f) Facilitate the functions of the national fiscal control organism in the municipality [Comptroller General Office]. Article 224. Administrative Division. The article establishes administrative decentralization and creates development regions (one or several departments) based on economic, social, and cultural criteria, in order to promote the "rational development of the country". ***General Law of Decentralization (2002)*** This law establishes the framework for decentralization, defines its objectives, mechanisms, and involved institutions. *The concept of "decentralization" in the law defines political and administrative decentralization as a transfer of competencies and resources from central to local institutions, in order to implement national policies through locally defined mechanisms and policies.* Its main principles are autonomy, efficiency, efficacy, social solidarity, respect to multi-ethnicity in the country, participatory decision making, social and economic justice, sustainability, and citizens' participation. Central government institutions shall adapt their policies and processes to the decentralized system, in coordination with the institution in charge of the decentralized system [The SCEP and the SEGEPLAN]. ***Regulation of the General Law of Decentralization (2002)*** *This specific regulation designates the <u>Presidential Secretariat of Executive Coordination (SCEP)</u> as the institution in charge of coordinating the <u>administrative process</u> of decentralization of competencies from central to local governments.* Local governments or associated local governments who request to administer new competencies sign an agreement with the central government, which details the mechanisms for transferring financial resources from central to decentralized institutions. *<u>Article 19</u> states that civil society can be part of these contracts for the provision of local public services.*
Comptroller General Office	*Constitution (1985)* Article 232. Comptroller General Office. The Comptroller General

	Office is a decentralized technical institution, whose functions are to oversee revenue, expenditures and any treasury interests of public institutions, central or decentralized, as well as any private person who receives public funds, such as civil servants or *contractors who administer public funds by delegation of the State.*
	Law of Public Procurement (1992)
	Art. 23. Publications. Calls for bidding shall be published at least twice in the official newspaper and once in another newspaper of wider circulation, as well as in the System of Information and Acquisitions of the State of Guatemala—GUATECOMPRAS.
	Art. 38. Amounts. Purchases and contracts shall be made through the public bidding process when the amounts are comprised between Q.90,000.00 and Q.900,000.00. For amounts smaller than Q.90,000.00 the purchase or contract can be directly awarded under the responsibility of the higher authority of the contracting agency. *All purchases shall be published in GUATECOMPRAS unless the amount is under Q.10,000.00.*
	Art. 80. Prohibitions. Individuals who are not registered in the prequalification system, who are deprived of their civil rights, *who are relatives or associates to officers of the contracting agency,* or who have participated in initial bidding processes, are prohibited from offering, bidding, or being awarded public contracts.
	Arts. 95 and 96 state that *public works or services can be awarded in franchise to private entities for their administration,* while complying with legally established bidding and awarding processes.
Municipalities	***Constitution (1985)***
	Article 253. Municipal Autonomy. The Municipalities of Guatemala are autonomous institutions. Their principal functions and characteristics are: a) Electing their own authorities, b) Obtaining and administering their resources, c) Providing local public services and organize the territorial ordainment of their jurisdiction.
	Article 255. Economic resources of the municipality. Municipal corporations shall strengthen the economy of their jurisdictions in order to finance public works and services. **Only the Congress can authorize municipal taxes (Art.239). Without Congress' approval, municipalities can only raise funds by charging for specific services.*
	Article 257. Allocation for Municipalities. The Executive Power is mandated to allocate 10% of the annual state budget for municipalities. The amounts are to be distributed following a legally-defined formula, and 90% of it has to be directed to investment in education, health, infrastructure, and public services. The remaining 10% is for overhaul costs.

	Municipal Code (2002) This law defines the relation between local governments and the central government and their role for decentralization of public administration (Law of Decentralization) and for development policies (through the SISCODE). *For providing public services and public works, the Municipal Code establishes that: the municipal government shall "award contracts for works, goods, and services required by the municipality and its institutions, following the established legal procedures" (<u>Art. 35</u>). The municipality has the power of franchising the provision of public services to individual or legal persons (<u>Art. 74</u>). Contracting processes shall abide by the provisions of the <u>Law of Public Procurement</u>.*
Development Councils System (SISCODE) *(See Appendix A)*	***Constitution (1985)*** <u>*Articles 225 and 226*</u> *established National and Regional Development Councils which are in charge of formulating urban and rural development policies and territorial ordainment. They are organized as corporative bodies with representatives of public and private entities at each governance level.*[6] ***Law of Rural and Urban Development Councils (2002)*** *This law adds Municipal Development Councils and Communitarian Development Councils to already existing National, Regional, and Departmental Development Councils (<u>Law of Regionalization, 1987</u>). The System of Rural and Urban Development Councils thus has 5 levels of representation and competencies (<u>Art. 4</u>), and it is the main mechanism for participatory governance in development policy-making. It aims at creating an inclusive mechanism in which all ethnic groups are represented in national policies (<u>Art. 1</u>). The objective of the SISCODE is "to organize and coordinate public administration by formulating development policies, planning and programming budget, and promoting inter-institutional coordination, public and private" (<u>Art. 3</u>). Decentralization is privileged and promoted through all levels of the SISCODE, which is technically supported by the SEGEPLAN and administratively coordinated by the SCEP (<u>Art. 27</u>).* ***In financial terms, all levels of the system participate in designing budget plans which are sent to the Ministry of Finance and to Congress, in order to obtain funds for regional, departmental, municipal, or community***

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[6] As a general illustration, the stakeholders represented at different levels of the system are: the Executive power (central and local), the SEGEPLAN, Public institutions (such as Ministries), Indigenous populations, Cooperatives, SMEs, Gremial, Farmers', and Workers Associations, National NGOs, Women Organizations, National and Private Universities, Political Parties.

	level development projects. <u>*Article 29*</u> *establishes that resources from Social Funds[7] will be distributed according to the plans and projects prioritized by the System of Rural and Urban Development Councils.*
Presidential Secretariat of Planning and Programming (SEGEPLAN) ** regarding coordination of the SISCODE*	***Regulation of the Law of Rural and Urban Development Councils (2002)*** <u>Article 23. The Secretariat and its obligations.</u> The role of Secretariat of the National Rural and Urban Development Councils will be performed by the SEGEPLAN, whose coordinative attributions are: *c) Ensure the compilation of statistical information relevant for the SISCODE and transfer it to its different levels as inputs for the elaboration of policies, plans, and projects.* *e) Support the Executive Direction in the activities of monitoring, control, and evaluation of approved development plans.* *f) Carry out studies and technical support activities as required by the Council.* g) Any other function according to its competencies. **The SEGEPLAN provides technical assistance and coordinates the design of development plans across all levels of the SISCODE.* <u>*Article 61. National System of Public Investment (SNIP).*</u> *The SEGEPLAN shall publicize the norms and for design, analysis, and evaluation of public investment projects, which shall be registered on the SNIP to be considered for the national budget.*

<u>Source: Self-elaboration based on Guatemalan laws (see bibliography).</u>

Some aspects of the above presented laws need further comment. First, an illustrative aspect of the role that the central government has played in coordinating the decentralized system is the fact that even though the Constitution declared in 1985 that the state should be decentralized, it was only in 2002 that a comprehensive legal framework for decentralization was enacted by Congress.

Second, in terms of the systemic structure of decentralization, it is important to note that three different mechanisms are in place: a) decentralization "by contract" between central

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[7] Social Funds are issue-focused institutions that allow for a rapid execution of public funds, thus becoming the alternative to Ministerial procedures for public works allocations. The Social Funds are de-concentrated entities that depend directly on Presidential decrees.

and local governments for the administration of previously centralized competencies, b) decentralization through municipal governments by means of the Law of Decentralization and the Municipal Code, and c) decentralization through the System of Rural and Urban Development Councils (SISCODE). The fact that these three mechanisms overlap at several implementation stages and include both common and different stakeholders creates a potential redundancy problem in public administration. Moreover, having two different coordinators, the Presidential Secretariat for Executive Coordination (SCEP) and the Presidential Secretariat of Planning and Programming (SEGEPLAN), can further complicate the role of the central government regarding the different mechanisms of decentralization.

Thirdly, at least one specific feature of the procurement system is problematic for implementation. The disposition allowing municipalities to franchise the provision of public services and to contract private entities for public works can be considered, following Fritzen and Lim, as a measure of "market decentralization", or privatization. However, during the implementation stages of these processes, the Comptroller General Office hasn't, so far, strongly enforced the Procurement Law's requirements to publicly bid through the GUATECOMPRAS system—as shown by the results from the SEGEPLAN report.

Finally, several issues arise regarding the SISCODE,. The duality in central coordination, by the SCEP and the SEGEPLAN, is more acutely expressed within this system. In addition, while the territorial organization of the SISCODE promotes inclusive participatory governance in drafting development plans, the multiplicity of organizations mandated to participate at each level increases the transaction costs of negotiations between stakeholders, thus making it more difficult to draft truly representative policies.. Also, the budgetary processes to finance the projects prioritized by the SISCODE through its upper level, the National Rural and Urban Development Council, further increases the number of stakeholders: Ministry of Finance, for drafting the budget, and the Congress, for budget

approval. At this stage, the Congress also has to be considered in its individual expressions – Congressmen organized in political parties, representing their own districts and negotiating with mayors. This further increases transaction costs by politicizing the allocation process.

As illustrated in the second section of this study, it is in the interaction between stakeholders—whose actions are guided by both public and private interests—that transparency practices become questionable, or, in other terms, that corruption occurs.

3. Critical Analysis of the Methodology and Findings of the SEGEPLAN Report

After presenting the Ranking of Municipal Management, Financial Sustainability, and Governance in Guatemala, and describing its legal framework and stakeholders, the report itself will now be critically analyzed in terms of its objectives, methodology, and findings. As mentioned before, the SEGEPLAN report is used itself as an indicator of the institution's M&E activities in its role as coordinator of the decentralization system.

In order to measure municipal performance, 11 indicators for financial management and governance and transparency were used. These were based on official information systems in which municipalities are legally mandated to register activities and transactions.[8]

Table 4. Formulation of Indicators of Financial Management and Governance.

	Indicator	Description	Expression / Formula
Financial Indicators	*Level of indebtedness*	Measures the relative weight of municipal indebtedness compared with total municipal revenue.	Total municipal indebtedness / Execution of total municipal revenue.
	Level of investment with central transfers as a proportion of total municipal expenditures	Determines the relative weight of total investments made with central transfers within the total structure of municipal expenditures.	Total investment expenditures with transferences / Total municipal expenditures.

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[8] As cited before, these systems are: a) the Integrated System of Municipal Financial Administration—SICOIN GL and SIAF MUNI; b) the National System of Public Investment—SNIP; c) the System of Development Councils—SISCODE; and d) GUATECOMPRAS.

	Indicator	Description	Expression / Formula
	Financial independence	Determines municipal financial autonomy as a result of their own fiscal efforts. Credits are not accounted for in the calculation of total revenue.	Total amount of annual locally-raised resources / Total amount of municipal revenue.
	Level of investment with own resources as a proportion of total locally-raised resources	Determines the relative weight of total investment with own resources within the total structure of locally-raised resources.	Total investment expenditures with own resources / Total municipal own resources.
	Per capita contribution as a share of total municipal revenue	Determines the per capita contribution to the total amount of municipal locally-raised resources.	Total own municipal revenue / Total population in the municipality.

	Indicator	Description	Expression / Formula
Governance and Transparency Indicators	*Number of ordinary COMUDE meetings*	Measures the degree of compliance with the Law of Rural and Urban Development Councils and their regulation for COMUDE meetings ("no less than 12 times a year").	Number of COMUDE meetings held per year / Total meetings as provided by law.
	Number of records on the SISCODE	Measures the degree of compliance with registration of COMUDE activities in the SISCODE.	Number of records / Number of meetings held.
	Investment recorded on the SNIP as a proportion of total municipal investment	Measures the percentage of total municipal investment – with own resources and transfers—registered on the SNIP.	Amount of executed municipal investment registered on SNIP / Total executed municipal investment.
	Existence of a Municipal Development Plan (MDP)	Identifies whether the municipality has an MDP.	An MDP exists or is in the process of design.
	Existence of a Public Information Office (PIO)	Identifies whether the municipality has a PIO that guarantees citizens' access to public information.	A PIO exists or there is an officer in charge of those functions.
	Amount of expenditures registered in GUATECOMPRAS	Determines the relative weight of municipal expenditures registered in the procurement system.	Amount registered in GUATECOMPRAS / Total municipal expenditures.

Source: Adapted and translated from pp. 21-22. (SEGEPLAN, PROMUDEL, GIZ, 2011).

A few words need to be said about these indicators and the categories of the ranking, before analyzing some of the most interesting results of the ranking itself.

Regarding financial indicators, it is interesting to note that even though they were developed as a tool for evaluating financial management practices within municipalities, their composition reflect more of the financial capacity of municipal governments rather than efficiency or inefficiency in managing their resources. With the exception of "*Level of indebtedness*", which does reflect poor financial management, the indicators illustrate the degree of financial dependence of municipalities in their relation to the central government.

In other words, low results in financial indicators can be equated to low financial autonomy, and not to the quality of municipal performance. This situation can be explained by several factors, of which a determinant one is the fact that the decentralization model does not include fiscal decentralization, but is rather based on central government transfers..

Of the mentioned indicators, the most problematic in terms of performance evaluation are "*Level of investment with own resources as a proportion of total locally-raised resources*" and "*Per capita contribution as a share of total municipal revenue*". Those indicators are misleading in that they do not capture highly influential factors such as the age structure of the population, the structure of the economy in the territory, the average income level, the quality of the local financial policy, or the efficiency in investment and provision of public services. In that sense, they offer an incomplete picture of the context in which each municipal government operates, thus limiting their accurateness for qualifying performance.

The same criticism is extended to the rest of financial indicators, which, as mentioned before, illustrate the situation of Guatemalan municipalities in terms of their financial dependence from the central government, rather than the quality of their management.. However, this does not invalidate the findings that arise from the results of these indicators, since they do offer vital information about the state of decentralization in the country and

about the weaknesses of the current model. The fact that most of the municipalities are financially weak greatly undermines their role as designers and implementers of public policies and development plans, as well as for providing public services that will meet the demands of their communities.

Considering the indicators for governance and transparency, it is worth noting that they all refer to whether or not municipalities comply with legal requirements and to what degree. In that sense, the indicators reflect a dual situation: local governments' role in fulfilling their administrative and legal obligations, and the central government's role in coordinating and enforcing such standards. Moreover, while these indicators may be a better tool than the financial indicators to qualify management practices, they also fail to capture the quality of the compliance or whether those standards are applicable in every possible case.

For example, the Law of Public Procurement mandates all government bodies to register bids and purchases on the GUATECOMPRAS system whenever the purchased amounts exceed Q.10,000.00. However, the indicator that measures compliance with this requirement (*Amount of expenditures registered in GUATECOMPRAS)* does not capture cases in which expenditures are lower than that figure, as could be the case for small municipalities operating on low budgets. When all purchases are duly registered on the GUATECOMPRAS, the indicator also fails to capture cases in which municipalities fractionate their purchases in amounts smaller than Q.90,000.00, which allows them to perform direct contracts instead of undergoing public bidding, as the law requires. Such practices, which are prohibited under the Law of Public Procurement—and are an evident act of corruption—are not reflected in the score that qualifies this aspect of municipal management

Another problematic indicator is "*Existence of a Public Information Office*". While it reflects municipal governments' compliance with the Law of Access to Public Information,

which mandates that every public organization establishes a Public Information Office for guaranteeing citizen's rights to hold their governments accountable, it does not show whether such an office is operational or not. A municipality may have a PIO, but it may not comply with having all the required information available for citizens' consultation. Again, this indicator shows only an incomplete picture of the situation, failing to qualify this aspect of management within a scale of performance.

Nevertheless, as with financial indicators, while these governance and transparency indicators do not adequately reflect management practices, they do offer valuable information about municipal governments' role within the decentralized system in Guatemala.

Based on the indicators, the SEGEPLAN report presents a ranking of municipalities and compares their results for 2009 and 2010, years when the study was carried out. The comparative exercise of both rankings will be analyzed within the next pages, as it offers some further insights about the methodological weaknesses of the report.

For the ranking, a synthetic indicator was created by aggregating the 11 indicators. Each one was normalized and weighted under a principle of 1/11, thus making the weighting factor 0.091. The aggregated score was used to qualify the global performance of municipalities in a scale of 0 – 1, where 0 reflects the worst performance and 1 the best one:

Table 5. Ranking Categories.

Category	Range
Optimal	>0.800
Good	0.600-0.800
Acceptable	0.400-0.600
Must Improve	0.200-0.400
Deficient	<0.200

Source: (SEGEPLAN, PROMUDEL, GIZ, 2011, p. 19)

While analyzing the comparative table of the 2009 and 2010 scores, an interesting—and disturbing—feature was found. While some of the municipalities kept within the same range of scores from one year to the other, many municipalities showed great differences in their positions. The comparative table of scores and positions of all municipalities within the ranking can be found in Appendix B. The fact that the observed differences were not explainable by the movements that may naturally occur in rankings between different years is what motivated further inquiry into such situation. However, because of space limitations, only the most illustrative examples will be presented.[9]

In order to do so, municipalities were classified into 16 categories according to the differences in their ranking positions from 2009 to 2010:

Table 6. Range of differences.

	Difference in positions	Frequency
Group 1	0-20	91
Group 2	21-41	62
Group 3	42-62	39
Group 4	63-83	38
Group 5	84-104	32
Group 6	105-125	21
Group 7	126-146	17
Group 8	147-167	12
Group 9	168-188	8
Group 10	189-209	3
Group 11	210-230	5
Group 12	231-251	2
Group 13	252-272	2
Group 14	273-293	0
Group 15	294-314	1
Group 16	315-335	0
	Total	333

Source: Self-elaboration. Data from (SEGEPLAN, PROMUDEL, GIZ, 2011)

As Table 6 shows, 91 municipalities were found to have a difference of 0-20 positions in their ranking, another 62 a difference of 21-41, 39 a difference of 42-62 positions, and so on. Smaller groups of municipalities had a difference of over 100 positions, with a particular one having between 294-314 positions of difference.

Such situation brings into question the adequateness of the comparative exercise and its usefulness as an evaluation tool, especially in terms of the chosen indicators.

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[9] A thorough analysis of the differences in the ranking positions of municipalities is highly desirable. Such an exercise could help to better understand the reasons behind such great variations, and to understand whether they are in function of the indicators or methodology, or whether there are specific reasons related to each particular case, such as variation in central government support/presence in that jurisdiction, geographical similarities, etc.

In order to better understand the variations and the possible causes behind them, three cases from each group were selected for a full comparison of their indicators. The cases were selected in the following manner: a random case within each group of municipalities with a) the greatest variation value, b) the lowest variation value, and c) the median variation value in each group. As a result, 38 municipalities from 14 different groups were analyzed.

The full comparative table can be found in Appendix C. Before commenting the findings of the sample, the analytical process needs further remarks. The original report had four sets of data: a full dataset and ranking for 2009, an incomplete dataset for 2010, and comparative table for the rankings of 2009 and 2010. While the findings of 2010were the most commented within the SEGEPLAN report, the dataset for that year included only 9 of the 11 original indicators, leaving out "*Number of COMUDE Meetings*" and "*Records in the SISCODE*", which reflect the degree of participatory governance and citizens' accountability enforcement towards their local governments. The incompleteness of the data therefore affected the comparative exercise for the selected sample of municipalities.

Moreover, while the 2009 dataset was offered with normalized figures, weighted figures were presented for 2010. In order to compare both datasets, the figures from 2010 were normalized by dividing them by 0.091, the weighting factor. Also, there were inconsistencies in the listing of positions between the original 2009 ranking and the comparative table for 2009-2010. This was corrected in the tables placed in the Appendix, which are based on the original data from the 2009 ranking.

Finally, although indicators at the margins of the ranking categories might not have been affected, it is important to note that the classification ranks were not mutually exclusive (ex. "*Acceptable*" comprises 0.400-0.600 and "*Good*" comprises 0.600-0.800). This is a small but significant detail to be considered as part of an adequate statistical methodology.

Going through the available data for the 38 municipalities selected for the sample, three specific indicators from the governance and transparency section were found to have misleading results. The first of them, "*Investment recorded in SNIP as a proportion of total municipal investment*", had in most cases a 0.00 value. As the original findings from the SEGEPLAN report signaled, this result was especially disturbing considering that the SEGEPLAN is in charge of that specific database. However, in terms of the indicator itself, the methodology of the study stated that if inconsistencies were found between the data registered in the SIAF and the SNIP databases, the value given to affected municipalities would be 0.00. The fact that most municipalities fell within this category puts into question the validity of this indicator and its inclusion for constructing the final scores of the ranking.

The other two problematic indicators were "*Existence of a Municipal Development Plan*" and "*Existence of a Public Information Office*". For these indicators, only two possible values existed: a full score of 1 or a null score of 0. Therefore, municipalities which didn't have these instruments in 2009 but implemented them in 2010 had a significant increase in their final scores for that year, thus becoming extreme cases which affected the overall positional structure of the ranking. Considering that all other indicators were built on a measure of proportionality, these "all-or-nothing" indicators are an over-influential factor that artificially alters the results being compared.

Analyzing the financial indicators, an incidental finding emerged out of the sample. While the indicator for "*Level of investment with central transfers as a proportion of total municipal expenditures*" consistently affected the changes in final scores for most municipalities, the next three indicators, "*Financial independence*", "*Level of investment with own resources as a proportion of total locally-raised resources*", and "*Per capita contribution as a share of total municipal revenue*" were found to be the most influential factors for municipalities in the department of Chimaltenango, specifically. The 7

municipalities from Chimaltenango which were randomly sampled out of different groups had a dramatic decrease in their financial independence and the two other related indicators, which greatly affected the variation in their positions.

The data for those municipalities pointed to the existence of an exogenous variable which would have affected the economy of the department in 2010, thus having a negative impact on the locally-raised revenues of those municipalities. This was consistent with the fact that in 2010 Chimaltenango was one of the departments most severely affected by the tropical depression *Agatha*, which caused many losses in the agricultural productivity of the country (La Razón.es, 2010).

This case is illustrative of the impact of exogenous variables for affecting those particular indicators, with the consequence of greatly altering the structure of the ranking.

Finally, another disturbing finding of the comparative ranking was that one of the municipalities with the greatest improvement from 2009 to 2010 was Chinautla, which is also one of the most publicly criticized in terms of corruption. A judicial case is currently being built against the mayor, Arnoldo Medrano, to process him under charges of embezzlement of municipal funds, and nepotism and cronyism in procurement (La Hora, 2013).

This municipality's particular case can serve as further illustration of the issues found with the indicators and their usage for constructing the rankings. While the indicators may provide insightful information about the situation of local governments during 2009 and 2010, comparing municipalities with rankings based on those same indicators was found to be a problematic exercise, as shown by the present analysis of its results.

At this point it is worth mentioning that the critical analysis of the SEGEPLAN report is not aimed at diminishing its importance or its findings, which are of great value for recognizing the constraints faced by local governments at the time of the study.

Nevertheless, it is desirable to analyze and criticize the report as a tool for Monitoring and Evaluation, because it may help to identify weaknesses in the role played by the SEGEPLAN as a coordinating institution. This can help to orient further research that could better orient policy responses to the issues faced by the decentralized system.

V. FINDINGS AND DISCUSSION

After extensively reviewing qualitative and quantitative data about decentralization in Guatemala, it is now necessary to go back to the initial pages of this study, in order to re-examine the Research Question and Hypothesis in light of the presented evidence.

In the Literature Review, the two most important aspects recovered from Fritzen and Lim were the impact of decentralization reforms for service delivery and accountability, and the role of the central government within the decentralization process. Considering those issues was essential for the examination of the overall functionality of the decentralization model in Guatemala. In that sense, the Research Question that was asked was: *What is the relation between the Guatemalan central government's weak mechanisms of coordination of the decentralized system and the relatively unchanged national levels of corruption?*

And, attempting to respond to such question, the Hypothesis stated that: *The Guatemalan central government has an inherent weakness in its role as coordinator of the decentralized system, which reinforces a lax compliance with transparency regulations in local governments.*

Attempting to respond to this inquiry and to sustain its temporary answer, several characteristics of the Guatemalan decentralization model and of its principal coordination body, the SEGEPLAN, were presented and analyzed. The objective was to gather enough evidence to qualify the role of the Guatemalan central government as "weak" in its coordinating activities of the decentralization system, and consequently, sustain the argument that such weakness in coordination facilitated the prevalence of public corruption.

The analysis of the legal features of the decentralization model and of its stakeholders showed caveats which undermine the position of the central government for coordinating and enforcing the regulations of the system. Those same caveats allow for a lax compliance with

transparency regulations—as further confirmed by the findings of the SEGEPLAN report—which may facilitate the occurrence of corruption, thus helping to indirectly understand the relatively unchanged levels of corruption in Guatemala as interpreted by the CPI scores and the World Bank Governance scores.

Of the identified problematic legal issues, three were considered as the most salient in undermining the central government's coordinating role and in limiting its capacity for enforcing transparency standards. The first one was that the decentralization model includes three different systemic components for implementation: a) decentralization "by contract" between central and local governments, b) decentralization through municipal governments, and c) decentralization through the System of Rural and Urban Development Councils. While these can be considered as different aspects of decentralization (administrative and political types) when combined with the second legal issue, the duality in coordination functions played by the Presidential Secretariat for Executive Coordination (SCEP) and the Presidential Secretariat of Planning and Programming (SEGEPLAN), the result is an overall confusion of competencies. Such a situation undermines the efficiency of the decentralized system to carry out the functions assigned to each of the stakeholders.

The third issue identified has to do with the legal norm allowing municipalities to franchise the provision of public services and subcontracting for public works. Even though the Municipal Code states that such practices should follow due process in terms of the Law of Public Procurement, the enforcement of these standards is doubtful at best, as shown by the results from the SEGEPLAN report. This fact, along with the complexity of interactions between stakeholders and institutional processes within the decentralized system, opens an important window for the occurrence of corruption. While finding a direct causal relation between these factors wasn't possible in this paper, examples from concrete reality show that this may well be the case.

Nevertheless, this intuitive relation remains at a speculative level and couldn't be adequately addressed with the available evidence. The lack of national data about corruption at the local levels of government is a determinant limitation for finding direct relations between any of the institutional structures and corruption within the political system.

The remaining part of the Supporting Evidence section critically assessed the methodology and findings of the SEGEPLAN report. The *Ranking of Municipal Management, Financial Sustainability, and Governance in Guatemala* is recognized as an important step taken by the SEGEPLAN in its role as coordinator of the decentralization model through the System of Rural and Urban Development Councils. Considering that the main function of the SEGEPLAN is to provide technical support and policy direction, and to monitor and evaluate the performance of decentralized institutions, the report proved to be a useful tool for identifying weaknesses and constraints faced by municipal governments.

However, significant methodological issues were found in analyzing the report, issues which unfortunately undermined the validity of the comparative exercise of ranking the municipalities according to their performance during 2009 and 2010. Moreover, the building of the indicators used in the report didn't quite fulfill the aim of qualifying municipalities performance, but rather qualified their capacities. In that sense, and considering the report as an indicator of Monitoring and Evaluation capacities of the SEGEPLAN, it was found that there is much room for strengthening the capacities of the institution if it is to adequately perform its role as coordinator of the decentralized system.

Despite the signaled inconsistencies in the methodology of the report, the analysis of the selected sample of municipalities did result in some highly relevant findings.

The first of these was that the indicator which measured the compliance with recording municipal investment on an official database, the National System of Public Investment (SNIP), which is under the supervision of the SEGEPLAN itself, had null results for most

municipalities both in 2009 and 2010. The inconsistencies between this database and the similar Integrated System of Administration, coordinated by the Ministry of Finance, led to such low qualifications. The existence of such inconsistencies should have been a determinant criterion to leave this indicator out of the construction of the ranking.

The second relevant methodological finding was that two of the indicators had a full-or-null qualification range. Considering that the other indicators were based on measures of proportionality, reflecting the degree of compliance with legal standards, using these two indicators resulted in extreme values which significantly and artificially altered the structure of the rankings, providing a misleading picture of municipal capacities in the country.

Thirdly, the fact that exogenous variables were a highly influential factor in determining financial capacities of municipalities was of special interest. For the case of municipalities within the department of Chimaltenango, which suffered the effects of a climatic disaster during 2010, the indicators for financial sustainability were dramatically altered. This situation, albeit offering vital information, was not considered in the original findings of the SEGEPLAN report. This ultimately affected the methodology of the ranking, once again altered by the extreme values resulting from these particular cases.

The fourth most relevant, and disturbing, finding of the analyzed sample was the fact that one of the most signaled municipalities for corrupt practices showed an improvement of over a hundred positions from 2009 to 2010, to be classified in the sixth place in that year. This situation brings into question the capacity of the selected transparency indicators to capture actual management—or mismanagement—practices within municipalities.

The previous example leads us to the final finding to be considered here. The indicator aimed qualifying compliance with the Law of Public Procurement was built by measuring the relative weight of municipal expenditures registered on GUATECOMPRAS. As the original report states it, "a greater relative weight of records within the system is qualified with a

higher score" (Translated) (SEGEPLAN, PROMUDEL, GIZ, 2011, p. 58). However, as mentioned in the previous section, this indicator is misleading, as it fails to capture situations in which the law does not require to register expenditures and when, despite due records, municipalities incur in corrupt practices to avoid public biddings. Once more, this shows the failure of transparency indicators to adequately qualify performance on this issue.

An additional comment about the selection of indicators for the rankings needs to be stated. Despite not being the best tools for carrying out a comparative exercise, as shown by the analysis of the 2009 vs. 2010 datasets, they do offer vital information about the state of decentralization in the country and about the weaknesses of the current model. Moreover, the fact that this Monitoring and Evaluation effort had such serious methodological limitations serves as an illustrative example of the problems faced by the SEGEPLAN in coordinating the decentralized system. This notwithstanding, the evidence of failure in the enforcement of transparency standards still does not provide adequate data to prove that an environment prone for corruption has further developed as a consequence of these weaknesses.

In revising the methodology used by this paper, its limitations in terms of data availability, especially for corruption, need to be recognized. Overall, the scarcity of statistical information related to local governments in the country was a determinant issue in prioritizing a qualitative over a quantitative approach. The analysis of the stakeholders and legal framework of the decentralization model, and the examination of the SEGEPLAN report, while none of them comprehensive in their scope, aimed at providing inputs to support the presented claim. Recognizing that these inputs were not sufficient for fully sustaining the driving argument—that the central government weakness facilitates the occurrence of corruption—it is the hope of the author that the findings of this paper will be considered at the light of the encountered limitations, and that further research will follow this effort.

VI.   SUMMARY AND CONCLUSIONS

After presenting the findings and limitations encountered during the research process, it is now time to offer a Summary and Conclusions for this paper.

As explained in the Introduction, decentralization reforms were widely pursued in developing countries during the last decades of the 20th century, inspired by political interests of national leaders and by recommendations from international financial institutions. Often, few years after the beginning to implement the reforms, many of their intended benefits, such as increased efficiency and accountability, remained unseen. This led development theorists to revisit the mainstream opinions about decentralization, bringing a greater focus into analyzing specific case studies and their concrete effects and results.

In Guatemala, decentralization reforms were implemented as a component of the democratic transition that began in 1985. The aim was to reduce the power of a formerly repressive state and to enhance democratic governance. The chosen decentralization model included an important instrumental role for drafting inclusive development policies through mechanisms of participatory governance. The underlying argument was that democracy could be truly achieved only by improving development levels in the country, and that decentralization was the ideal institutional model to achieve both aims. However, after years of implementation, the impact of the reforms in terms of development, efficiency, and accountability has fallen short of the initial expectations. Especially, the prevalence of corruption across all levels of governance despite the expected increase in accountability after decentralization leads to questioning whether these two variables, corruption and decentralization, might be interrelated.

After reviewing existing literature about democratic governance, decentralization, corruption, and the relations between these three factors, the claim that guided this paper was that the role of the central government—usually under-examined when studying decentralization—was a determinant factor for the overall functioning of the system. Specifically, it was held that in the Guatemalan case, the weakness of the central government in performing its coordinating functions reinforced conditions favorable for non-compliance with transparency standards and, therefore, facilitated the prevalence of corruption within the decentralized system.

In order to sustain this claim, the Guatemalan decentralization model was analyzed two-fold: a) by studying the relations between the stakeholders and the legal framework of decentralization, and b) by dissecting a Monitoring and Evaluation report developed by the SEGEPLAN, which is in charge of supporting and coordinating decentralization processes.. This methodology was used to present illustrative evidences of the shortcomings faced by the central government in its attempt to coordinate the decentralized system in Guatemala, especially in terms of M&E and of enforcement of transparency standards. While this evidence did not allow to find a direct causal relation between decentralization and corruption, it did portray the limitations of the decentralized model as it currently exists, especially considering the performance of the central government itself as an intermediate explanatory variable between national corruption levels and the decentralization model.

In that sense, the main Conclusions arisen from the research process are:

1. The structure of the decentralization model implemented in Guatemala produce significant coordination problems among its stakeholders, which has an impact in diminishing the effectiveness of the model as a whole.

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a. The triple decentralization mechanism, along with a dual coordination system, increases transactions costs among stakeholders, at the same time it creates confusion about the functions pertaining to each one of them.

b. The absence of a fiscal component of decentralization, accompanying the existing administrative and political processes, potentiates the role of the central government as a key factor in determining the success of local governments in fulfilling their functions.

2. The role of the central government for coordinating the decentralized system in Guatemala has proven to be weak, which directly affects the coherent and successful functioning of the system and its components.

a. The dual coordination of decentralization is a problematic systemic feature for the coherence of the model, thus weakening the role of the state as a harmonizer of national policies.

b. As reflected by the analysis of the SEGEPLAN report, the institution faces significant shortcomings for performing its functions of Monitoring and Evaluation, thus undermining its capacities to effectively enforce transparency standards in the country. This situation affects in a negative manner the SEGEPLAN's role as coordinator of the decentralized system.

3. The weakness of the central government for enforcing transparency standards results from the existing caveats in the legal framework of decentralization and procurement, which are ambiguous about the competencies of stakeholders; and from limitations in implementation capacities of the coordinating agencies.

4. The inexistence of systematic data about corruption in Guatemala's local government structures is a determinant limitation for developing studies searching for the possible relations between institutional features of the Guatemalan political system, such as decentralization, and corruption within those institutions.

Finally, it is worth mentioning again that although data limitations negatively affected the fulfillment of the original objectives of this study, to find a direct causal relation between corruption and decentralization, the findings of the present research do offer important insights about the importance of the central government's coordinating role for the performance of municipal governments within a decentralized system.

VII.   RECOMMENDATIONS

Building upon the Findings and Conclusions of this paper, some Recommendations were prepared for three main audiences: the Academic Community, the Guatemalan central government, and the Presidential Secretariat of Planning and Programming (SEGEPLAN).

As mentioned during the Findings and Discussion section, an important question inadequately answered in this paper is whether there a direct relation can be found between decentralization and corruption in Guatemala. Although the presented evidence did not allow to go further into this question, the intuitive relation between these variables points at the need of carefully studying this phenomenon. Specifically, some aspects that deserve further exploration are the political culture of the country in terms of local governance practices and the patterns of interaction between stakeholders at the different levels of the political and administrative governance processes.

However, such an attempt would still face important limitations in absence of adequate data about corruption in Guatemala, both in terms of national levels and patterns of corruption and of their manifestations at the local levels of government. Developing this type of data could of great benefit for helping the central government to better address the phenomenon of corruption in the country and to develop policy responses which consider the causes of corruption, and not only their effects on institutional structures such as the decentralization system. Therefore, a call is made for public or private research institutions or scholars to perform this task in a systematic manner.

In terms of the central government's role as a coordinator of the decentralized system, the most pressing recommendation arising from this study is the need for harmonization in the functions and competencies of the Presidential Secretariats currently in charge of

decentralization. In order to avoid possible duplicity of efforts, redundancy problems, and coordination failures, a reform of the decentralization coordination mechanisms is necessary. However, recognizing that such an option may be legally difficult, creating a permanent joint taskforce between the SCEP and the SEGEPLAN seems like a functional option.

Regarding the financial structure of the decentralized system, while the unequal regional economic development of the country may difficult the establishment of fiscal decentralization, a more efficient allocation of central government transfers is necessary, as well as more efficient expenditure practices by municipal governments. Reducing the politicization of the budget allocation for projects pertaining to the decentralized institutions and enhancing the role of the SEGEPLAN and the Comptroller General Office in enforcing transparency standards are essential actions to be pursued.

Finally, regarding the SEGEPLAN, it was previously recognized that the effort for Monitoring and Evaluating the situation faced by municipal governments during 2009 and 2010 was a commendable one. By identifying the constraints encountered by the stakeholders of decentralization, the SEGEPLAN put itself in a better position to orient public policy towards improving municipal governments' performance.

However, the weaknesses found in the methodology of the SEGEPLAN report were not unimportant. Given the desirability of systematizing a tool for Monitoring and Evaluation such as the presented one, it is of great significance that its methodology be revised and improved. In such sense, the principal suggestion is that for following studies, the chosen indicators be oriented by the evaluative focus of "Results-based Management", which would offer a better picture of municipal performance in management and policy implementation, as compared with the current emphasis on mere compliance with legal standards. Such an approach, albeit important, was misleading for the outcomes of the report.

The main intent of these Recommendations is to identify possible areas of interest for further study and to promote the search of policy responses which can enhance the potential of decentralization as a development tool in Guatemala. As stated earlier, this paper did not pretend to offer comprehensive answers to the multiple questions that evolve around the topics of decentralization and corruption in Guatemala. Rather, it aimed at inspiring further inquiries into these subjects, an exercise which can help scholars and public policy practitioners to better understand the lessons which the Guatemalan case may offer.

APPENDIX

APPENDIX A

System of Rural and Urban Development Councils

SEGEPLAN: System coordination, Policy direction, technical assistance, Monitoring and Evaluation.	National Development Council (**CONADUR**)	✓ Information about local needs ✓ Accountability and Monitoring ✓ Civil Society Participation in policy planningg ✓ Solicitude of budget allocation for local development projects
	Regional Development Council (**COREDUR**)	
	Departmental Development Council (**CODEDE**)	✓ Budget Allocation recommendations to Ministry of Finance and Congress. ✓ Definition of implementation and performance standards ✓ Monitoring ✓ Supporting the lower level ✓ Promoting decentralization ✓ Designing development plans for their council level considering information from lower levels ✓ Investment suggestions based on budget constraints
	Municipal Development Council (**COMUDE**)	
	Communitarian Development Council (**COCODE**)	

Source: Self-elaboration with data from the Law of Rural and Urban Development Councils (Ley de los Consejos de Desarrollo Urbano y Rural, 2002).

As a general illustration, the public and private stakeholders represented at different levels of the system are: the Executive power (central and local), the SEGEPLAN, Public institutions (such as Ministries), Indigenous populations, Cooperatives, SMEs, Gremial, Farmers', and Workers Associations, National NGOs, Women Organizations, National and Private Universities, Political Parties.

APPENDIX B

Comparative Municipal Ranking Scores 2009-2010

Department	Municipality	Ranking 2009	Ranking 2010	Score 2009	Score 2010	Difference in positions
Chiquimula	Ipala	11	1	0.499	0.590	10
Guatemala	San José Del Golfo	98	2	0.434	0.584	96
San Marcos	San Miguel Ixtahuacán	28	3	0.482	0.571	25
Guatemala	Fraijanes	80	4	0.446	0.550	76
Huehuetenango	San Miguel Acatán	46	5	0.468	0.549	41
Guatemala	Chinautla	184	6	0.376	0.536	178
Sololá	Santa Lucía Utatlán	34	7	0.477	0.534	27
Huehuetenango	Santa Eulalia	66	8	0.454	0.527	58
Chiquimula	San José La Arada	30	9	0.480	0.526	21
Retalhuleu	El Asintal	61	10	0.457	0.525	51
San Marcos	Ixchiguán	27	11	0.482	0.524	16
Sololá	Sololá	155	12	0.397	0.517	143
Quiché	Uspantán	68	13	0.454	0.516	55
Guatemala	San Pedro Sacatepéquez	282	14	0.295	0.515	268
Escuintla	Palín	179	15	0.379	0.515	164
San Marcos	San Antonio Sacatepéquez	56	16	0.462	0.515	40
Baja Verapaz	Cubulco	176	17	0.381	0.514	159
Totonicapán	San Cristóbal Totonicapán	111	18	0.423	0.510	93
Quetzaltenango	Palestina De Los Altos	18	19	0.490	0.508	1
Chiquimula	Camotán	89	20	0.438	0.508	69
Retalhuleu	San Felipe	104	21	0.426	0.504	83
Huehuetenango	San Pedro Necta	19	22	0.490	0.502	3
Baja Verapaz	San Miguel Chicaj	319	23	0.236	0.501	296
El Progreso	El Jícaro	96	24	0.435	0.501	72
San Marcos	Tacaná	23	25	0.484	0.499	2
Escuintla	Santa Lucía Cotzumalguapa	69	26	0.453	0.499	43
Chiquimula	Jocotán	33	27	0.478	0.499	6
Sacatepéquez	Antigua Guatemala	47	28	0.467	0.496	19
Santa Rosa	Barberena	299	29	0.275	0.494	270
Retalhuleu	Retalhuleu	147	30	0.402	0.494	117
Retalhuleu	Champerico	62	31	0.456	0.490	31
San Marcos	Tejutla	24	32	0.483	0.490	8
Sacatepéquez	Pastores	1	33	0.541	0.489	32
San Marcos	Sibinal	91	34	0.438	0.488	57
El Progreso	San Cristóbal Acasaguastlán	50	35	0.464	0.488	15
Chiquimula	San Juan La Ermita	134	36	0.407	0.488	98
Sololá	Santa Catarina Ixtahuacán	65	37	0.454	0.488	28
Quetzaltenango	Salcajá	8	38	0.507	0.488	30
Sololá	Santiago Atitlán	267	39	0.307	0.486	228

Quiché	Sacapulas	144	40	0.403	0.485	104
Sacatepéquez	San Lucas Sacatepéquez	15	41	0.497	0.484	26
Huehuetenango	Santa Bárbara	59	42	0.458	0.482	17
Jutiapa	El Adelanto	218	43	0.354	0.480	175
Huehuetenango	Colotenango	82	44	0.444	0.479	38
Baja Verapaz	Santa Cruz El Chol	211	45	0.361	0.475	166
Huehuetenango	Todos Santos Cuchumatán	123	46	0.414	0.474	77
Sololá	Santa Catarina Palopó	149	47	0.401	0.473	102
Sololá	Panajachel	212	48	0.358	0.473	164
Sololá	San José Chacayá	43	49	0.470	0.472	6
San Marcos	San Pedro Sacatepéquez	102	50	0.429	0.472	52
Retalhuleu	Santa Cruz Mulúa	44	51	0.469	0.471	7
Totonicapán	San Andrés Xecul	161	52	0.394	0.471	109
Sololá	San Antonio Palopó	39	53	0.473	0.470	14
Totonicapán	Santa María Chiquimula	231	54	0.342	0.467	177
Sololá	Santa Clara La Laguna	84	55	0.440	0.465	29
Retalhuleu	San Sebastián	29	56	0.481	0.464	27
Quiché	Santo Tomás Chichicastenango	58	57	0.458	0.463	1
Sacatepéquez	San Antonio Aguas Calientes	22	58	0.486	0.463	36
Quiché	Santa Cruz Del Quiché	120	59	0.416	0.463	61
Santa Rosa	San Juan Tecuaco	192	60	0.369	0.462	132
Totonicapán	San Bartolo Aguas Calientes	85	61	0.440	0.462	24
Baja Verapaz	Granados	204	62	0.364	0.462	142
Alta Verapaz	Cobán	124	63	0.413	0.462	61
Baja Verapaz	Salamá	275	64	0.302	0.461	211
San Marcos	Tajumulco	13	65	0.498	0.461	52
Alta Verapaz	Santa Catalina la Tinta	140	66	0.405	0.460	74
Sololá	San Marcos La Laguna	41	67	0.470	0.460	26
Alta Verapaz	San Pedro Carchá	45	68	0.468	0.459	23
San Marcos	Nuevo Progreso	55	69	0.462	0.457	14
Huehuetenango	San Rafael La Independencia	4	70	0.517	0.457	66
Quiché	Chajul	173	71	0.387	0.456	102
San Marcos	San Lorenzo	114	72	0.418	0.456	42
San Marcos	Concepción Tutuapa	251	73	0.327	0.454	178
Alta Verapaz	Chisec	95	74	0.435	0.453	21
Huehuetenango	San Gaspar Ixchil	73	75	0.450	0.452	2
San Marcos	San Cristóbal Cucho	109	76	0.424	0.452	33
Retalhuleu	San Andrés Villa Seca	53	77	0.463	0.452	24
Quetzaltenango	Olintepeque	163	78	0.393	0.451	85
Quiché	Nebaj	160	79	0.394	0.450	81
Baja Verapaz	Purulhá	277	80	0.300	0.449	197
Quetzaltenango	San Francisco La Unión	74	81	0.450	0.449	7
Alta Verapaz	Santa Cruz Verapaz	115	82	0.417	0.448	33
Huehuetenango	San Mateo Ixtatán	164	83	0.393	0.448	81
Huehuetenango	San Sebastián Huehuetenango	51	84	0.464	0.447	33
San Marcos	San José Ojetenam	256	85	0.320	0.446	171
Totonicapán	Momostenango	78	86	0.447	0.446	8

Sololá	San Pedro La Laguna	159	87	0.395	0.444	72
Quiché	Ixcán	187	88	0.374	0.444	99
Alta Verapaz	San Cristóbal Verapaz	216	89	0.356	0.443	127
Chiquimula	San Jacinto	165	90	0.393	0.442	75
Escuintla	La Gomera	81	91	0.445	0.442	10
Retalhuleu	San Martín Zapotitlán	133	92	0.408	0.441	41
Totonicapán	San Francisco El Alto	97	93	0.435	0.441	4
San Marcos	Comitancillo	21	94	0.487	0.441	73
Alta Verapaz	San Juan Chamelco	153	95	0.398	0.441	58
Alta Verapaz	Raxruhá	5	96	0.515	0.440	91
Huehuetenango	La Unión Cantinil	154	97	0.398	0.440	57
Quiché	Patzité	70	98	0.453	0.439	28
Huehuetenango	Huehuetenango	298	99	0.275	0.437	199
Guatemala	Chuarrancho	246	100	0.332	0.436	146
Santa Rosa	San Rafael Las Flores	106	101	0.425	0.436	5
Quetzaltenango	Quetzaltenango	17	102	0.493	0.434	85
Quetzaltenango	San Juan Ostuncalco	76	103	0.449	0.433	27
Petén	San Benito	186	104	0.374	0.430	82
Sololá	Santa Cruz La Laguna	79	105	0.447	0.430	26
Guatemala	Santa Catarina Pinula	42	106	0.470	0.430	64
Quiché	Chiché	119	107	0.417	0.430	12
Sololá	Nahualá	127	108	0.411	0.429	19
El Progreso	Morazán	191	109	0.370	0.429	82
Chimaltenango	Patzún	167	110	0.391	0.425	57
Zacapa	Cabañas	169	111	0.390	0.424	58
Quetzaltenango	El Palmar	223	112	0.351	0.424	111
Quiché	Canillá	138	113	0.406	0.423	25
Quetzaltenango	San Carlos Sija	40	114	0.472	0.423	74
Chimaltenango	Tecpán Guatemala	71	115	0.450	0.422	44
Quiché	Pachalúm	171	116	0.389	0.422	55
Huehuetenango	Concepción Huista	145	117	0.402	0.422	28
Sacatepéquez	Jocotenango	7	118	0.507	0.422	111
Guatemala	Palencia	233	119	0.341	0.421	114
Sacatepéquez	Santa Lucía Milpas Altas	126	120	0.412	0.421	6
Quiché	Joyabaj	142	121	0.403	0.421	21
Huehuetenango	San Juan Ixcoy	52	122	0.464	0.418	70
San Marcos	Sipacapa	207	123	0.362	0.417	84
Retalhuleu	Nuevo San Carlos	75	124	0.450	0.417	49
Quiché	Chinique	94	125	0.436	0.416	31
Huehuetenango	Aguacatán	121	126	0.415	0.416	5
Sacatepéquez	San Miguel Dueñas	88	127	0.439	0.415	39
Chiquimula	Chiquimula	166	128	0.392	0.415	38
San Marcos	**Esquipulas Palo Gordo**	2	129	0.535	0.415	127
Guatemala	Villa Nueva	245	130	0.334	0.415	115
Guatemala	Amatitlán	6	131	0.511	0.414	125
Guatemala	San Miguel Petapa	35	132	0.476	0.414	97
Santa Rosa	Nueva Santa Rosa	227	133	0.345	0.414	94
Escuintla	Siquinalá	234	134	0.340	0.412	100
Jalapa	Jalapa	25	135	0.483	0.411	110
Quiché	San Juan Cotzal	90	136	0.438	0.411	46
Quetzaltenango	Concepción Chiquirichapa	9	137	0.502	0.411	128
Petén	La Libertad	158	138	0.396	0.411	20

Totonicapán	Santa Lucía La Reforma	108	139	0.424	0.410	31
Izabal	Morales	67	140	0.454	0.410	73
Zacapa	Río Hondo	150	141	0.401	0.409	9
San Marcos	Ayutla (Tecún Umán)	215	142	0.358	0.409	73
Sololá	San Andrés Semetabaj	31	143	0.479	0.409	112
Escuintla	Escuintla	103	144	0.426	0.407	41
Suchitepéquez	Río Bravo	136	145	0.407	0.407	9
Suchitepéquez	San Juan Bautista	57	146	0.460	0.406	89
El Progreso	Sansare	263	147	0.316	0.406	116
Zacapa	Usumatlán	157	148	0.397	0.405	9
Alta Verapaz	Santa María Cahabón	162	149	0.393	0.405	13
Quetzaltenango	Huitán	135	150	0.407	0.404	15
El Progreso	San Agustín Acasaguastlán	292	151	0.286	0.403	141
Sololá	San Pablo La Laguna	54	152	0.463	0.402	98
Petén	San Andrés	152	153	0.400	0.401	1
Escuintla	Masagua	146	154	0.402	0.400	8
Escuintla	Guanagazapa	185	155	0.375	0.400	30
Escuintla	Nueva Concepción	177	156	0.380	0.400	21
Quetzaltenango	Zunil	37	157	0.474	0.400	120
Guatemala	San José Pinula	278	158	0.299	0.396	120
Guatemala	San Juan Sacatepéquez	72	159	0.450	0.396	87
Suchitepéquez	Santa Bárbara	60	160	0.457	0.395	100
Escuintla	La Democracia	32	161	0.479	0.394	129
Jalapa	Mataquescuintla	36	162	0.475	0.394	126
Jalapa	San Luis Jilotepeque	20	163	0.488	0.394	143
Quetzaltenango	San Martín Sacatepéquez	16	164	0.496	0.392	148
Sacatepéquez	Santiago Sacatepéquez	236	165	0.340	0.392	71
Petén	Santa Ana	178	166	0.379	0.391	12
Sololá	San Lucas Tolimán	220	167	0.353	0.391	53
Huehuetenango	Santa Cruz Barillas	151	168	0.400	0.391	17
El Progreso	San Antonio La Paz	195	169	0.369	0.389	26
Quetzaltenango	La Esperanza	168	170	0.391	0.389	2
Quetzaltenango	Flores Costa Cuca	265	171	0.311	0.389	94
Huehuetenango	San Antonio Huista	238	172	0.339	0.389	66
Santa Rosa	Oratorio	317	173	0.239	0.389	144
Quetzaltenango	Cabricán	141	174	0.405	0.388	33
San Marcos	San Rafael Pie De La Cuesta	226	175	0.345	0.386	51
Sololá	Santa María Visitación	48	176	0.466	0.385	128
Escuintla	San Vicente Pacaya	170	177	0.389	0.385	7
Sacatepéquez	Santo Domingo Xenacoj	172	178	0.388	0.385	6
Huehuetenango	San Juan Atitán	307	179	0.264	0.385	128
Quetzaltenango	San Miguel Siguilá	143	180	0.403	0.384	37
Jutiapa	Zapotitlán	99	181	0.433	0.384	82
Chiquimula	Quezaltepeque	188	182	0.373	0.383	6
Guatemala	Villa Canales	229	183	0.344	0.383	46
El Progreso	Sanarate	315	184	0.247	0.382	131
Chimaltenango	San Martín Jilotepeque	64	185	0.454	0.381	121
Quiché	San Antonio Ilotenango	156	186	0.397	0.380	30
Quetzaltenango	Cantel	116	187	0.417	0.379	71
Suchitepéquez	Mazatenango	129	188	0.411	0.378	59

Sololá	San Juan La Laguna	281	189	0.295	0.378	92
Alta Verapaz	Tamahú	14	190	0.498	0.377	176
Zacapa	Teculután	92	191	0.437	0.376	99
San Marcos	San Marcos	224	192	0.346	0.375	32
Chimaltenango	Acatenango	86	193	0.440	0.375	107
Santa Rosa	Santa Cruz Naranjo	174	194	0.386	0.374	20
Sacatepéquez	Ciudad Vieja	193	195	0.369	0.374	2
Zacapa	Estanzuela	132	196	0.410	0.373	64
Sacatepéquez	Magdalena Milpas Altas	200	197	0.366	0.372	3
Suchitepéquez	Zunilito	77	198	0.448	0.371	121
Totonicapán	Totonicapán	258	199	0.320	0.370	59
Santa Rosa	Santa María Ixhuatán	101	200	0.429	0.369	99
Alta Verapaz	Lanquín	105	201	0.426	0.369	96
Baja Verapaz	San Jerónimo	268	202	0.307	0.368	66
Guatemala	Mixco	266	203	0.309	0.366	63
Escuintla	Iztapa	181	204	0.377	0.366	23
Jalapa	San Pedro Pinula	49	205	0.465	0.365	156
Huehuetenango	San Rafael Petzal	175	206	0.385	0.365	31
Huehuetenango	Malacatancito	232	207	0.341	0.365	25
Chimaltenango	Parramos	26	208	0.482	0.364	182
Chimaltenango	San Juan Comalapa	201	209	0.366	0.362	8
Quiché	San Andrés Sajcabajá	318	210	0.237	0.361	108
Alta Verapaz	Fray Bartolomé De Las Casas	228	211	0.344	0.360	17
Quiché	San Bartolomé Jocotenango	122	212	0.414	0.360	90
Quetzaltenango	Colomba Costa Cuca	289	213	0.288	0.360	76
Jalapa	San Carlos Alzatate	3	214	0.522	0.360	211
Alta Verapaz	Panzós	130	215	0.410	0.360	85
Petén	San José	203	216	0.364	0.359	13
Sacatepéquez	Sumpango	257	217	0.320	0.359	40
Chimaltenango	Santa Cruz Balanyá	209	218	0.362	0.359	9
Alta Verapaz	Tactic	63	219	0.456	0.358	156
San Marcos	Malacatán	291	220	0.286	0.358	71
Santa Rosa	Cuilapa	241	221	0.336	0.357	20
Chiquimula	Olopa	107	222	0.425	0.356	115
El Progreso	Guastatoya	221	223	0.351	0.354	2
San Marcos	Río Blanco	125	224	0.412	0.354	99
Chimaltenango	San José Poaquil	10	225	0.500	0.353	215
Escuintla	Tiquisate	283	226	0.295	0.352	57
Chiquimula	Concepción Las Minas	239	227	0.339	0.351	12
Quiché	Cunén	296	228	0.278	0.351	68
Petén	Sayaxché	190	229	0.372	0.349	39
Suchitepéquez	San Lorenzo	205	230	0.363	0.348	25
Jutiapa	El Progreso	199	231	0.366	0.346	32
Petén	Poptún	270	232	0.307	0.346	38
Petén	San Luis	237	233	0.339	0.346	4
Huehuetenango	Cuilco	83	234	0.443	0.345	151
Chiquimula	Esquipulas	247	235	0.332	0.345	12
Santa Rosa	Casillas	194	236	0.369	0.344	42
Zacapa	San Diego	100	237	0.433	0.344	137

Jutiapa	Jerez	284	238	0.293	0.343	46
Huehuetenango	Jacaltenango	128	239	0.411	0.340	111
Suchitepéquez	Patulul	112	240	0.422	0.337	128
Santa Rosa	Santa Rosa De Lima	273	241	0.306	0.337	32
Chimaltenango	San Andrés Itzapa	148	242	0.401	0.336	94
Chimaltenango	Santa Apolonia	139	243	0.406	0.336	104
Escuintla	San José	225	244	0.345	0.336	19
Huehuetenango	Santiago Chimaltenango	222	245	0.351	0.333	23
Chimaltenango	Zaragoza	12	246	0.498	0.333	234
Chimaltenango	El Tejar	196	247	0.368	0.331	51
Petén	Melchor De Mencos	301	248	0.270	0.331	53
Sacatepéquez	San Bartolomé Milpas Altas	182	249	0.377	0.331	67
Huehuetenango	Tectitán	250	250	0.327	0.329	0
Petén	Flores	244	251	0.335	0.328	7
San Marcos	Pajapita	300	252	0.272	0.326	48
Baja Verapaz	Rabinal	131	253	0.410	0.326	122
Huehuetenango	Chiantla	206	254	0.363	0.321	48
Izabal	El Estor	264	255	0.311	0.321	9
Sololá	Concepción	189	256	0.373	0.321	67
Guatemala	Guatemala	110	257	0.423	0.320	147
Jutiapa	Asunción Mita	259	258	0.320	0.317	1
Chimaltenango	Patzicía	235	259	0.340	0.316	24
Jutiapa	Santa Catarina Mita	180	260	0.378	0.315	80
Alta Verapaz	Chahal	271	261	0.306	0.315	10
Suchitepéquez	San Antonio Suchitepéquez	249	262	0.327	0.315	13
Chimaltenango	San Miguel Pochuta	230	263	0.343	0.314	33
Quetzaltenango	Génova Costa Cuca	117	264	0.417	0.314	147
Zacapa	Zacapa	295	265	0.280	0.314	30
Huehuetenango	San Pedro Soloma	274	266	0.303	0.312	8
Guatemala	San Pedro Ayampuc	326	267	0.178	0.312	59
Quetzaltenango	Sibiliá	113	268	0.421	0.312	155
Huehuetenango	La Libertad	183	269	0.377	0.311	86
Jutiapa	Yupiltepeque	197	270	0.368	0.309	73
Zacapa	Huité	276	271	0.302	0.308	5
Chimaltenango	Chimaltenango	38	272	0.474	0.308	234
Quetzaltenango	Almolonga	269	273	0.307	0.307	4
Quiché	San Pedro Jocopilas	305	274	0.266	0.303	31
San Marcos	La Reforma	261	275	0.318	0.302	14
San Marcos	El Tumbador	321	276	0.229	0.301	45
Suchitepéquez	Chicacao	213	277	0.358	0.301	64
San Marcos	San José El Rodeo	255	278	0.321	0.300	23
Izabal	Livingston	243	279	0.335	0.298	36
Jutiapa	Jalpatagua	262	280	0.318	0.298	18
Quiché	Zacualpa	313	281	0.254	0.297	32
Zacapa	La Unión	217	282	0.355	0.296	65
Santa Rosa	Pueblo Nuevo Viñas	330	283	0.105	0.296	47
Santa Rosa	Guazacapán	242	284	0.335	0.294	42
Suchitepéquez	San Miguel Panán	87	285	0.439	0.294	198
San Marcos	Ocós	290	286	0.288	0.293	4
Santa Rosa	Taxisco	254	287	0.321	0.292	33

Huehuetenango	La Democracia	310	288	0.257	0.291	22
Suchitepéquez	San Gabriel	202	289	0.365	0.291	87
Quetzaltenango	Coatepeque	308	290	0.261	0.290	18
San Marcos	El Quetzal	248	291	0.331	0.289	43
Chimaltenango	San Pedro Yepocapa	280	292	0.298	0.289	12
Quetzaltenango	Cajolá	219	293	0.353	0.287	74
Suchitepéquez	Cuyotenango	279	294	0.299	0.284	15
Suchitepéquez	Samayac	293	295	0.284	0.284	2
Jalapa	Monjas	118	296	0.417	0.283	178
Zacapa	Gualán	311	297	0.256	0.282	14
Petén	Dolores	303	298	0.268	0.281	5
Jalapa	San Manuel Chaparrón	306	299	0.266	0.279	7
San Marcos	San Pablo	137	300	0.407	0.279	163
Suchitepéquez	San Francisco Zapotitlán	288	301	0.289	0.278	13
Petén	San Francisco	285	302	0.292	0.275	17
Izabal	Los Amates	297	303	0.276	0.274	6
Suchitepéquez	Santo Domingo Suchitepéquez	320	304	0.235	0.274	16
Huehuetenango	San Sebastián Coatán	252	305	0.326	0.271	53
Santa Rosa	Chiquimulilla	304	306	0.268	0.269	2
Huehuetenango	Nentón	260	307	0.319	0.266	47
Suchitepéquez	Santo Tomás La Unión	294	308	0.284	0.266	14
Alta Verapaz	Senahú	286	309	0.292	0.259	23
Quiché	Chicamán	208	310	0.362	0.259	102
Jutiapa	Atescatempa	210	311	0.361	0.258	101
Sacatepéquez	Santa Catarina Barahona	93	312	0.436	0.258	219
Suchitepéquez	San Pablo Jocopilas	240	313	0.337	0.255	73
Guatemala	San Raymundo	316	314	0.245	0.251	2
Sacatepéquez	San Juan Alotenango	272	315	0.306	0.249	43
Huehuetenango	Santa Ana Huista	309	316	0.259	0.247	3
Sacatepéquez	Santa María de Jesús	312	317	0.255	0.236	5
Jutiapa	Quesada	323	318	0.225	0.233	5
Quetzaltenango	San Mateo	314	319	0.250	0.227	5
San Marcos	Catarina	333	320	0.065	0.225	13
Suchitepéquez	Pueblo Nuevo	198	321	0.366	0.225	123
Jutiapa	Conguaco	325	322	0.207	0.221	3
Jutiapa	Jutiapa	253	323	0.322	0.205	70
Jutiapa	Pasaco	324	324	0.212	0.196	0
Suchitepéquez	San Bernardino	214	325	0.358	0.193	111
Izabal	Puerto Barrios	302	326	0.269	0.184	24
Jutiapa	San José Acatempa	332	327	0.079	0.163	5
Jutiapa	Agua Blanca	322	328	0.228	0.161	6
Suchitepéquez	San José El Ídolo	287	329	0.291	0.144	42
Jutiapa	Moyuta	327	330	0.141	0.095	3
Alta Verapaz	San Miguel Tucurú	329	331	0.129	0.091	2
Huehuetenango	San Ildefonso Ixtahuacán	331	332	0.093	0.000	1
Jutiapa	Comapa	328	333	0.130	-0.140	5

Source : Self-elaboration based on the data from (SEGEPLAN, PROMUDEL, GIZ, 2011, pp. 109-156)

APPENDIX C

Sample of municipalities considered for full analysis of their comparative datasets

Group	Department	Municipality	Difference in Ranking	Year	Ranking	Score	Indebtedness	Investment w/central transfers	Financial independence	Investment w/own resources	Per capita share of municipal revenue	# of COMUDE meetings	Records in SISCODE	Records on SNIP	Existence of MDP	Existence of PIO	Records in GUATECO MPRAS
Group 1	Huehuetenango	Tectitán	0	2009	250	0.327	0.440	0.410	0.030	0.020	0.020	0.330	0.000	0.000	1.000	1.000	0.110
				2010	250	0.329	0.560	0.659	0.044	0.000	0.022			0.000	1.000	1.000	0.341
	Jalapa	San Manuel Chaparrón	7	2009	306	0.266	0.390	0.270	0.050	0.280	0.060	0.420	0.400	0.000	1.000	0.000	0.060
				2010	299	0.279	0.264	0.582	0.077	0.407	0.066			0.000	1.000	0.000	0.000
	Santa Rosa	Santa Cruz Naranjo	20	2009	174	0.386	0.340	0.540	0.080	0.080	0.050	0.920	0.000	0.000	1.000	1.000	0.230
				2010	194	0.374	0.527	0.692	0.220	0.121	0.121			0.000	1.000	1.000	0.264
Group 2	Quiché	Joyabaj	21	2009	142	0.403	1.000	0.790	0.090	0.000	0.020	0.250	0.000	0.000	1.000	1.000	0.290
				2010	121	0.421	1.000	0.945	0.088	0.022	0.011			0.132	1.000	1.000	0.000
	Escuintla	Guanagazapa	30	2009	185	0.375	0.860	0.190	0.150	0.200	0.120	0.250	0.000	0.000	1.000	1.000	0.350
				2010	155	0.400	0.912	0.264	0.220	0.132	0.121			0.088	1.000	1.000	0.341
	Retalhuleu	San Martín Zapotitlán	41	2009	133	0.408	1.000	0.550	0.070	0.100	0.050	0.170	0.000	0.000	1.000	1.000	0.550
				2010	92	0.441	1.000	0.901	0.077	0.176	0.044			0.000	1.000	1.000	0.495
Group 3	Suchitepéquez	San José El Ídolo	42	2009	287	0.291	0.070	0.020	0.040	0.050	0.030	0.830	0.000	0.010	1.000	1.000	0.140
				2010	329	0.144	-0.538	0.011	0.066	0.000	0.033			0.000	1.000	1.000	0.000
	Chimaltenango	El Tejar	51	2009	196	0.368	1.000	0.240	0.440	0.090	0.270	0.000	0.000	0.000	1.000	1.000	0.000
				2010	247	0.331	0.791	0.121	0.264	0.022	0.154			0.000	1.000	1.000	0.297
	Quiché	Santa Cruz Del Quiché	61	2009	120	0.416	1.000	0.440	0.150	0.040	0.040	0.670	0.000	0.000	1.000	1.000	0.230
				2010	59	0.463	1.000	0.637	0.187	0.044	0.044			0.000	1.000	1.000	0.176
Group 4	Guatemala	Mixco	63	2009	266	0.309	0.800	0.010	0.970	0.050	0.450	0.000	0.000	0.000	0.000	1.000	0.100
				2010	203	0.366	0.890	0.000	0.681	0.022	0.429			0.000	1.000	1.000	0.000
	San Marcos	Comitancillo	73	2009	21	0.487	1.000	0.840	0.050	0.000	0.010	1.000	0.000	0.000	1.000	1.000	0.440
				2010	94	0.441	1.000	0.923	0.077	0.000	0.011			0.000	1.000	1.000	0.418
	El Progreso	Morazán	82	2009	191	0.370	1.000	0.230	0.060	0.100	0.050	0.330	0.000	0.000	1.000	1.000	0.290
				2010	109	0.429	1.000	0.571	0.132	0.022	0.066			0.407	1.000	1.000	0.176
Group 5	San Marcos	Sipacapa	84	2009	207	0.362	1.000	0.550	0.110	0.010	0.050	0.670	0.000	0.000	0.000	1.000	0.600
				2010	123	0.417	1.000	0.725	0.121	0.077	0.044			0.604	1.000	0.000	0.253
	Alta Verapaz	Lanquín	96	2009	105	0.426	0.930	0.830	0.230	0.250	0.120	0.250	0.000	0.000	1.000	1.000	0.060
				2010	201	0.369	0.868	0.407	0.209	0.033	0.110			0.000	1.000	1.000	0.000
	Chimaltenango	Santa Apolonia	104	2009	139	0.406	0.920	0.680	0.260	0.000	0.200	0.330	0.000	0.000	1.000	1.000	0.060
				2010	243	0.336	0.780	0.637	0.066	0.000	0.033			0.000	1.000	1.000	0.187
Group 6	Chimaltenango	Acatenango	107	2009	86	0.440	1.000	0.680	0.430	0.470	0.190	0.000	0.000	0.000	1.000	1.000	0.060
				2010	193	0.375	1.000	0.868	0.077	0.033	0.022			0.055	1.000	1.000	0.066
	Chiquimula	Olopa	115	2009	107	0.425	0.700	0.390	0.050	0.360	0.020	0.750	0.000	0.000	1.000	1.000	0.390
				2010	222	0.356	0.418	0.308	0.055	0.209	0.022			0.000	1.000	1.000	0.066
	Guatemala	Amatitlán	125	2009	6	0.511	0.980	0.340	0.530	0.340	0.170	1.000	0.000	0.000	1.000	1.000	0.250
				2010	131	0.414	1.000	0.473	0.692	0.187	0.209			0.000	1.000	1.000	0.000

Group	Department	Municipality	Difference in Ranking	Year	Ranking	Score	Indebtedness	Investment w/central transfers	Financial independence	Investment w/own resources	Per capita share of municipal revenue	# of COMUDE meetings	Records in SISCODE	Records on SNIP	Existence of MDP	Existence of PIO	Records in GUATECO MPRAS
Group 7	Jalapa	Mataquescuintla	126	2009	36	0.475	1.000	0.730	0.110	0.050	0.030	1.000	0.000	0.000	0.000	1.000	0.290
				2010	162	0.394	1.000	0.879	0.176	0.022	0.044			0.000	1.000	1.000	0.209
	El Progreso	Sanarate	131	2009	315	0.247	0.840	0.240	0.220	0.020	0.180	0.080	0.000	0.000	0.000	1.000	0.130
				2010	184	0.382	0.813	0.527	0.330	0.033	0.187			0.000	1.000	1.000	0.297
	Guatemala	Chuarrancho	146	2009	246	0.332	0.890	0.600	0.210	0.080	0.340	0.420	0.000	0.000	0.000	1.000	0.120
				2010	100	0.436	0.945	0.813	0.220	0.055	0.297			0.000	1.000	1.000	0.462
Group 8	Quetzaltenango	Génova Costa Cuca	147	2009	117	0.417	0.510	0.530	0.120	0.090	0.030	1.000	0.000	0.000	1.000	1.000	0.310
				2010	264	0.314	0.495	0.516	0.154	0.066	0.044			0.000	1.000	1.000	0.176
	Jalapa	San Pedro Pinula	156	2009	49	0.465	1.000	0.550	0.080	0.000	0.020	1.000	0.000	0.000	1.000	1.000	0.460
				2010	205	0.365	1.000	0.824	0.132	0.022	0.022			0.000	1.000	1.000	0.000
	Baja Verapaz	Santa Cruz El Chol	166	2009	211	0.361	0.960	0.460	0.080	0.070	0.080	1.000	0.000	0.000	0.000	1.000	0.320
				2010	45	0.475	0.967	0.736	0.099	0.011	0.077			0.000	1.000	1.000	0.516
	San Marcos	San José Ojetenam	171	2009	256	0.320	1.000	0.780	0.020	0.380	0.010	0.000	0.000	0.000	0.000	1.000	0.330
				2010	85	0.446	1.000	0.934	0.033	0.110	0.011			0.330	1.000	1.000	0.045
Group 9	Guatemala	Chinautla	178	2009	184	0.376	0.990	0.200	0.440	0.170	0.310	1.000	0.000	0.000	0.000	1.000	0.030
				2010	6	0.536	1.000	0.538	0.714	0.308	0.297			0.780	1.000	1.000	0.242
	Chimaltenango	Parramos	182	2009	26	0.482	0.860	0.400	0.490	0.430	0.270	0.830	0.000	0.000	1.000	1.000	0.010
				2010	208	0.364	0.868	0.396	0.209	0.000	0.110			0.000	1.000	1.000	0.000
	Baja Verapaz	Purulhá	197	2009	277	0.300	1.000	0.650	0.050	0.000	0.010	0.750	0.000	0.000	0.000	0.000	0.830
				2010	80	0.449	0.802	0.846	0.066	0.297	0.022			0.000	1.000	1.000	0.242
Group 10	Suchitepéquez	San Miguel Panán	198	2009	87	0.439	0.900	0.700	0.010	0.350	0.010	0.500	0.000	0.000	0.000	1.000	0.340
				2010	285	0.294	0.780	0.352	0.022	0.000	0.011			0.000	1.000	1.000	0.044
	Huehuetenango	Huehuetenango	199	2009	298	0.275	0.850	0.660	0.320	0.100	0.090	0.000	0.000	0.000	0.000	1.000	0.000
				2010	99	0.437	0.879	0.319	0.516	0.033	0.110			0.077	1.000	1.000	0.110
Group 11	Baja Verapaz	Salamá	211	2009	275	0.302	0.800	0.370	0.190	0.050	0.090	0.750	0.000	0.000	0.000	1.000	0.070
				2010	64	0.461	0.901	0.637	0.286	0.044	0.088			0.000	1.000	1.000	0.275
	Chimaltenango	San José Poaquil	215	2009	10	0.500	0.930	0.430	0.390	0.480	0.180	1.000	0.000	0.000	0.000	1.000	0.080
				2010	225	0.353	0.846	0.516	0.077	0.011	0.022			0.385	1.000	1.000	0.022
	Sololá	Santiago Atitlán	228	2009	267	0.307	1.000	0.380	0.200	0.000	0.070	0.580	0.000	0.000	0.000	1.000	0.150
				2010	39	0.486	1.000	0.626	0.143	0.000	0.055			0.088	1.000	1.000	0.516
Group 12	Chimaltenango	Zaragoza	234	2009	12	0.498	0.960	0.550	0.410	0.850	0.200	0.500	0.000	0.000	0.000	1.000	0.000
				2010	246	0.333	0.989	0.527	0.110	0.000	0.033			0.000	1.000	1.000	0.000
	Chimaltenango	Chimaltenango	234	2009	38	0.474	0.930	0.160	0.610	0.770	0.200	0.500	0.000	0.000	0.000	1.000	0.040
				2010	272	0.308	0.648	0.143	0.440	0.088	0.055			0.000	1.000	1.000	0.000
Group 13	Guatemala	San Pedro Sacatepéquez	268	2009	282	0.295	0.980	0.610	0.220	0.090	0.050	0.250	0.000	0.000	0.000	1.000	0.040
				2010	14	0.515	1.000	0.429	0.560	0.571	0.132			0.835	1.000	1.000	0.132
	Santa Rosa	Barberena	270	2009	299	0.275	0.750	0.510	0.400	0.090	0.190	0.000	0.000	0.000	0.000	1.000	0.080
				2010	29	0.494	0.791	0.516	0.462	0.099	0.176			0.044	1.000	1.000	0.341
Group 15	Baja Verapaz	San Miguel Chicaj	296	2009	319	0.236	1.000	0.450	0.090	0.000	0.040	0.500	0.000	0.000	0.000	1.000	0.520
				2010	23	0.501	1.000	0.637	0.143	0.000	0.033			0.681	1.000	1.000	0.516

Source : Self-elaboration based on the data from (SEGEPLAN, PROMUDEL, GIZ, 2011, pp. 109-156)

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