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# USAID Municipal Competitiveness Project

## **Manual for the Creation and Implementation of the Municipal Competitiveness Committee**

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# **Manual for the Creation and Implementation of the Municipal Competitiveness Committee**

## **USAID Municipal Competitiveness Project**

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## **ACRONYMS**

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AOP	Annual Operating Plan
EMPRE	Business Development Unit
M&E	Monitoring and Evaluation
MCI	Municipal Competitiveness Index
MCP	Municipal Competitiveness Project
NGO	Nongovernmental Organization
PPD	Public-Private Dialogue
SWOT	Strengths, Weaknesses, Opportunities, and Threats
USAID	United States Agency for International Development

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## **MUNICIPAL COMPETITIVENESS COMMITTEE—PREFACE**

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The process of establishing and commissioning a Municipal Competitiveness Committee is an arduous and intense task. The complexity of the issues addressed are not the main challenge, but rather the required dialogue between sectors that traditionally have not been partners in processes of local and regional development.

Establishing this type of process is based on the premise that dialogue is more an attitude than a technique. However, the effectiveness of these processes is achieved by continuously practicing and improving them.

This document is a methodological guide for the creation, organization, and operation of a Municipal Competitiveness Committee. The guidance aims to facilitate the implementation of these Committees based on the experience gained during implementation of the United States Agency for International Development (USAID) Municipal Competitiveness Project (MCP) in 50 municipalities in El Salvador.

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## **MUNICIPAL COMPETITIVENESS PROJECT BACKGROUND**

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The MCP provided technical assistance to 50 municipalities for a period of 54 months (September 2010–March 2015). The project was created to improve municipal management and strengthen the investment climate, facilitating the establishment and operation of businesses based on the opportunities identified in measuring the Municipal Competitiveness Index (MCI) 2009.<sup>1</sup>

The MCP included seven components: (1) strengthening the efficiency and effectiveness of municipal capacity to provide services to entrepreneurs; (2) conducting organizational capacity building to foster bonding and cooperation between municipalities, and between municipalities and the private sector; (3) developing measurements of the MCI 2011 and 2013; (4) supporting actions to prevent violence according to the Domestic Finance for Development; (5) creating 14 and strengthening 6 Municipal Business Development Units (EMPRES); (6) strengthening 20 Municipal Competitiveness Committees; and (7) enhancing the institutional capacity of MCP's local subcontractors.

MCP accomplishments included the following: established Municipal Competitiveness Committees composed of representatives of municipalities and local private sector to promote improvement initiatives for the business climate in the city, developed and implemented 50 Municipal Competitiveness Plans, signed 50 transparency pacts, and changed the vision of municipal officials from public service providers to promoters of local economic development.

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<sup>1</sup> The Municipal Competitiveness Index 2009, first of its kind, provided important information for the design of the USAID Municipal Competitiveness Project (<http://www.municipalindexelsalvador.com>).

By March 2015, the MCP had established 50 Municipal Competitiveness Committees in the same number of municipalities, and 38 municipalities had set up 50 one-stop windows of service for entrepreneurs with simplified procedures for registration and issuance of permits and licenses for business operation. Additionally, six municipalities had established an EMPRE as a new model to serve the business community.

To consolidate the success of the EMPREs and contribute to the sustainability of the Municipal Competitiveness Committees, USAID extended the life of the project from March 31, 2014 to March 28, 2015.

The work was focused on three major activities: (1) replicate the EMPRE model to improve municipal services and increase access of entrepreneurs to business development services, (2) strengthen the 20 Municipal Competitiveness Committees, and (3) improve the institutional capacity of two local subcontractors.

Additional work will be needed to consolidate the benefits of public-private dialogue (PPD) initiated by the Municipal Competitiveness Committees and to support efficient government administration and service to the private sector.

In conclusion, the Municipal Competitiveness Committees designed and implemented by the MCP have become a structure that is motivating the PPD that El Salvador needs.

Both sectors (public and private) discuss ideas and projects together, harmonizing their inputs to come up with a unified vision. It is important to continue promoting such activities to finalize the implementation of joint projects, ensure these projects' sustainability, and replicate the model in other municipalities that were not benefited by this project.

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## INTRODUCTION

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The Municipal Competitiveness Committee is a platform for economic development at the municipal level, based on public-private dialogue (PPD) in which municipal authorities and the local private sector come together to develop joint initiatives to improve the business climate and expand business opportunities, investment, and employment strategies.

In 2009, the United States Agency for International Development (USAID) supported the Municipal Competitiveness Index (MCI) project. Its aim was to measure the degree of economic governance in the municipalities of El Salvador through the following nine sub-indices:

- 1. Transparency:** measurement of the degree of openness to provide and facilitate access to the information and predictability of changes to regulations affecting businesses in the municipality
- 2. Municipal Services:** the quality of services the municipality provides to the private sector
- 3. Proactivity:** the level of dynamism of the municipal government to develop and promote initiatives that attract and retain investment and improve the local business environment
- 4. Informal Payments:** measurement of the magnitude, incidence, and costs of informal payments required for the investors or entrepreneurs to start or operate a business
- 5. Public Safety:** measurement of the ability of municipalities to prevent and control crime and the impact of crime on businesses
- 6. Time to Comply with the Regulations:** measurement of the cost of time that businesses must invest to comply with local regulations, with the frequency of inspections, and to do both of these properly
- 7. Fees and Taxes:** amount of local taxes and other fees required to operate a business
- 8. Input Costs:** cost of time and ease of registering as well as cost of starting the operation of a business.
- 9. Municipal Regulations:** measurement of the number of regulations imposed for the operation of a business

The MCI has proven to be a valuable way to promote dialogue and healthy competition in the development of the local private sector. The MCI 2009 included the 100 most populous municipalities, which account for 81% of the population of El Salvador.

The purpose of the measure is to achieve better performance of the local government and the private sector through the identification of the strengths and limitations of



shared vision, and the identification and prioritization of initiatives necessary to achieve that vision.

The project promoted the interaction of public and private sectors so that the dialogue would transcend to building cooperative approaches between governments and local operators. To this end, a technical assistance program was implemented to support the execution of the Municipal Competitiveness Plans, strengthening municipal and business skills and introducing the practice of public-private cooperation, as shown in *Figure 2*.

**Figure 2: MCP initiatives to support implementation of Municipal Competitiveness Plans**

Strengthening municipal capacities	Strengthening business capacities	Practicing public-private cooperation
<p>This aspect included training programs on issues such as transparency, costs and revenue management, local economic development, and leadership; and instruments and mechanisms to support the productive sector, such as Business Service Points and EMPRE. These two mechanisms, working together, contribute to strengthening proactive municipal actions that promote and support the development of economic activity, through delivery of quality municipal services that are necessary for entrepreneurs.</p>	<p>This aspect included training programs in women’s leadership and entrepreneurship, as well as creation and strengthening of business associations that support the organization of the business sector to enable the development of productive and commercial activities, and that participate in a coordinated manner in municipal efforts to boost the local economy.</p>	<p>This aspect contained mechanisms that support joint efforts (public and private) to build common benefits. These mechanisms included organizing fairs to promote products and investments, the success of which required the active and coordinated participation of both sectors; and the Contest of Business Ideas, for which each municipality supported the candidacy of entrepreneurs and business initiatives at various stages of the competition. There were also the Competition of Competitiveness Initiatives and the Contest of Initiatives for Crime and Violence Prevention—these mechanisms functioned conversely, with the private sector supporting the municipalities in selecting and documenting the initiatives eligible to take part in the contests.</p>

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## I. KEY CONCEPTS

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### A. Municipal Competitiveness

Municipal competitiveness is understood as the continuous improvement process aimed at developing the skills and abilities of local governments and the private sector. This stimulates the growth of investment and business and jobs opportunities in a municipality or region.

### B. Municipal Competitiveness Committee

The Municipal Competitiveness Committee is a mechanism to facilitate meetings between the public and private sectors. Through a dialogue process, actors from both sectors achieve understanding and commitment on issues that are relevant to their municipality to boost economic growth and improve local governance. These Committees are the first institutionalized platform for PPD in municipalities.

The Municipal Competitiveness Committee is created with the purpose of designing and monitoring the implementation of the Municipal Competitiveness Plan.

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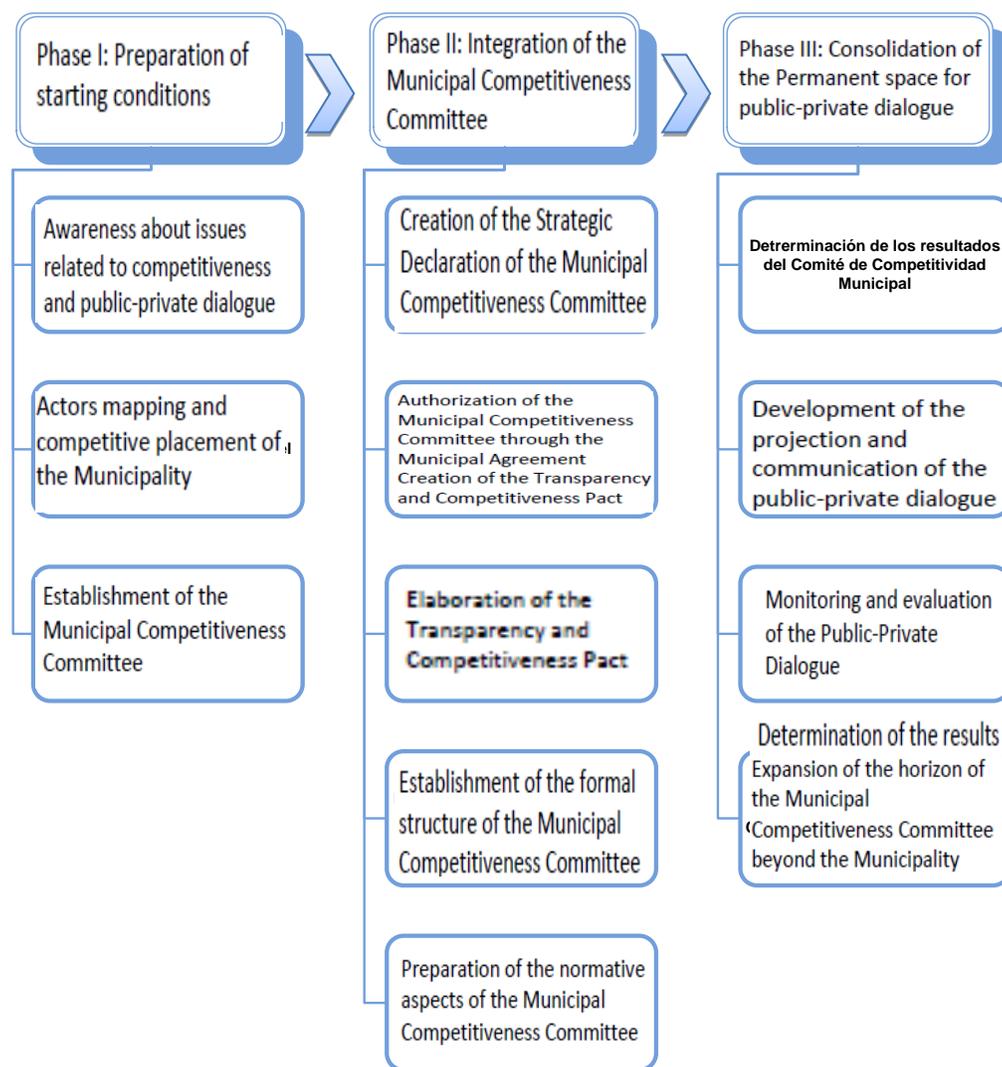
## II. METHODOLOGY FOR THE CREATION OF THE MUNICIPAL COMPETITIVENESS COMMITTEE

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Local governments should develop institutional capacities to go above and beyond their traditional skills and roles as providers of public services (cleaning, solid waste collection, parks, markets, management, construction of road infrastructure, etc.). They should incorporate activities that promote integral development and the revitalization of their economies and make the promotion of local economic development one of the main strategic priorities of their management.

The methodology used for the creation and operation of the Municipal Competitiveness Committee consists of three phases, as shown in **Figure 3**.

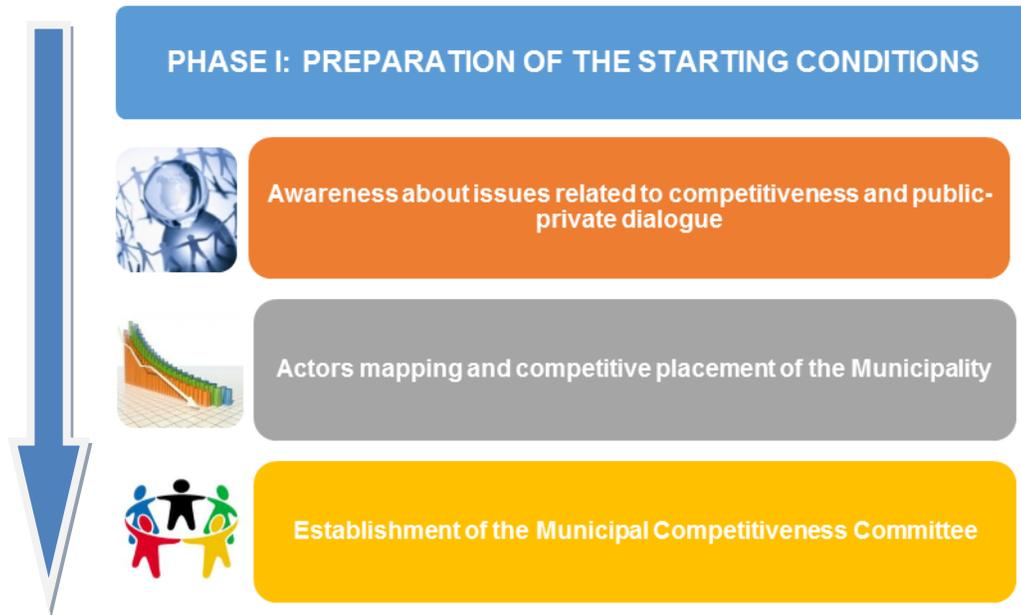
**Figure 3: Stages of creation and implementation of the Municipal Competitiveness Committee**



### A. Phase I: Preparation and Identification of Starting Conditions

In the first phase in **Figure 4**, start-up activities for the process, which need to have the political will of the city council as well as the private sector’s willingness to join the PPD process, are shown. In this phase, local actors are identified and a baseline is set for the condition of economic competitiveness in the municipality; this baseline will be used to measure progress made.

**Figure 4: Phase I: Preparation of the starting conditions**



## **1. Raising awareness on issues related to competitiveness and PPD**

As a first step, municipalities should raise awareness among citizens on the objectives and importance of having and belonging to a Municipal Competitiveness Committee. This step is the basis for the creation and organization of the Committee, since private sector actors must put differences aside to work together with local authorities, regardless of their political ideologies.

## **2. Mapping actors and competitive positioning of the municipality**

### **a. Mapping of actors**

The map of economic actors in the city should include companies dealing in goods and services (industry, trade, etc.), service organizations for technical and training support (technological nongovernmental organizations [NGOs], universities), institutions of financial support, public institutions, associated groups, etc.

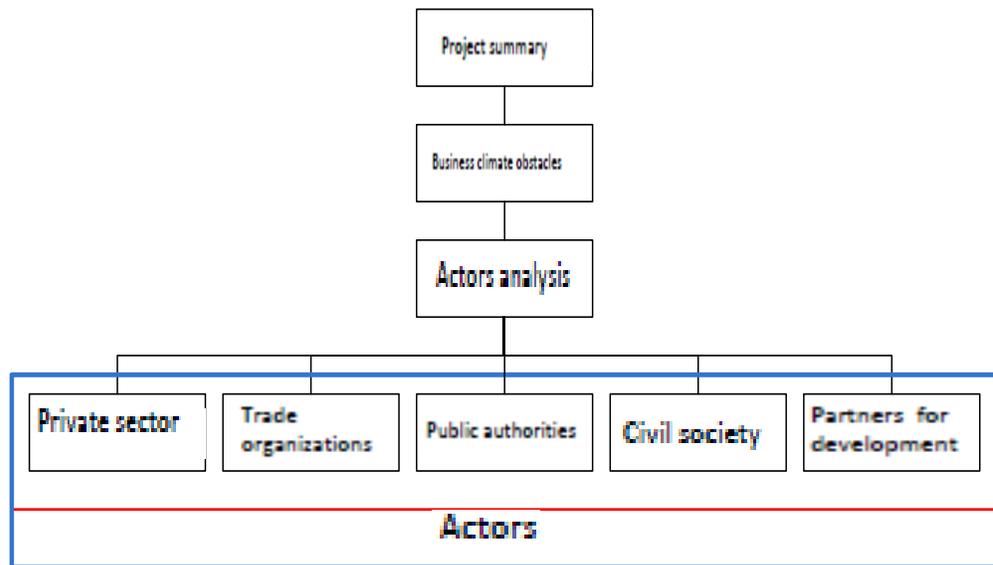
The coordinated action of these groups and their relationship with other groups at the regional and national levels enable the necessary conditions for the development of the local economy.

The mapping of actors should begin during the awareness-raising, using existing information in the municipality (cadastral records of companies, real estate, etc.) and other regional and national sources of information. An analysis of economic activities and existing businesses based in the

municipality should be conducted, and the characteristics of the main economic sectors should be identified. Place this information on a map so that the sub-sectors and specific clusters are clearly shown.

**Figure 5** illustrates the various steps to be taken during the mapping of actors. Following this process, municipalities can develop a map of local actors (see **Appendices 1a** and **1b**) as a basis to select those that have the potential to participate in the Municipal Competitiveness Committee.

**Figure 5: Sequence of activities for mapping of actors**



#### **i. Project summary**

The project summary provides the terms of reference for the mapping of actors, including the following:

- Project objective
- Geographical area of the mapping
- Information that must be contained in the final report
- Members of the team that will carry out the mapping
- Project budget
- Action plan with the sequence and detail of activities
- Completion date of the mapping

## **ii. Restrictions of the business climate**

The objective of this activity is to understand the nature of business activity in the municipality, with special emphasis on the restrictions on private sector development.

Knowledge of the business climate (and its restrictions) provides a preparatory framework for the project team to understand responses received during the research phase (researching the actors).

Key questions to consider at this stage:

- What are the major constraints in the private sector?
- What are the key sectors, existing and potential, of the economy?
- Have you identified development priorities?
- Are there institutions specifically related to private sector development that could contribute knowledge at this stage of the investigation?
- What is the proportion of large and small businesses?
- Have big companies shown interest in developing local supply chains?
- How big is the informal sector?

## **iii. Analysis of actors**

The objective of this activity is to understand the perceptions of the potential participants and the parties interested in the Municipal Competitiveness Committee. These interested parties may include the private sector, intermediary organizations, civil society, and the public sector.

The methodology for this phase includes interviews and focus groups. The following sections give details on the information about each of the five types of actors—private sector, trade organizations, public authorities, civil society, development partners—that should be included in reports.

### **Private sector**

A representative sample of employers should be interviewed. The identification of a representative sample will be determined by the composition of the private sector and the team's knowledge of the

companies that have been active in defending the private sector's legitimate interests.

It is important to include the various groups that play a significant role in different market sectors and industries, from small informal entrepreneurs to foreign multinational corporations.

Key questions to consider in this group:

- What do you consider to be the major constraints in the investment climate?
- Does the private sector interact directly with the municipal government?
- On what level does this interaction occur? (mayor and city council, departmental officials, low-level bureaucrats, etc.)
- Have entrepreneurs attempted to have their concerns heard by municipal authorities?
- Have entrepreneurs attempted to organize themselves as private sector actors? With what degree of success?
- What is the general attitude of entrepreneurs toward the government? Is it characterized by a feeling of confidence or is there frustration? Do politicians and business people frequent the same social circles or do they rarely interact?
- How much time do entrepreneurs invest with government agencies? Are their dealings with government officials fair and transparent or do they tend to involve informal payments?
- To what extent do entrepreneurs know the laws and regulations that apply to them? Is there a sense of predictability and stability in terms of policies? What are the mechanisms by which political and regulatory changes are reported on?
- What is the legal capacity of the private sector? Is it easy to obtain advice on laws and regulations?
- Are most entrepreneurs members of a professional organization? Do they feel that these organizations cater well enough to their needs?
- To what extent do small businesses believe that the interests of large and small companies differ or agree?
- Are there dynamic business leaders who are widely respected and could act as representatives of the private sector in the Municipal Competitiveness Committee? Who are they?

## **Trade organizations**

Organizations that serve as intermediaries to present the problems of the private sector to the public sector are diverse.

They may or may not exist in any given region and, if present, may be more or less effective in representing their members and in providing services.

Key questions to consider in this group:

- Are there organizations representing the private sector? What kind?
- Are they active or passive, inclusive or focused only on a small interest group? What are the most effective organizations? Which one has the greatest latent potential?
- How effective are the intermediary organizations at representing their members at national and local levels?
- What types of services do they offer to their members? Training, utilities granted under concession by the authorities, information on laws and regulations?
- What kind of information dissemination services do they provide? Do they organize meetings? Do they collect information on the constraints faced by their members?
- Do they really represent the interests of micro, small, and medium enterprises?
- Do they have important recent achievements?
- How important are other kinds of intermediation between the government and the private sector, such as intermediation provided by lawyers and notaries?
- Are there institutional links between business organizations and government or public entities?

The report must include a table summarizing the strengths and weaknesses of the various existing intermediary organizations.

## **Public authorities**

The attitude of the public sector can make or break the PPD. The public sector is rarely uniform in their willingness or ability to engage in dialogue; often, there are wide differences between different levels of authority, agencies, departments, and regions. The mapping tool must identify the windows of ability and enthusiasm.

Key questions to consider in this group:

- What is the level of capability of the technical staff at each level of the public sector?
- What are the attitudes of politicians and public officials toward the private sector?
- Are there mandatory requirements for the governing bodies to engage with the private sector? Which ones, and at what level and stage of enactment of legislation or regulation are they?
- Have the authorities issued safeguards to prevent cronyism, trained officials in handling relations with the private sector, or communicated internally on public-private relationships?
- Are there departments considered as particularly favorable or unfavorable to the problems of the private sector? What are they?
- Are there people who can act as champions of public sector reform and are not perceived as figures that provoke political disputes? Who are they?
- What is the degree of decentralization of decision making?
- To what extent is the local government responsible for implementing decisions taken at a national level?
- How effectively do the various levels of government work together?

### **Civil society**

The dialogue between the public and private sectors does not occur in a vacuum. The attitude of civil society with regard to the involvement of the private sector in policy formulation is a critical success factor. The mapping tool must therefore diagnose the views of civil society in relation to the private sector and the possibilities of dialogue.

Civil society includes representatives from trade unions, NGOs, academia, and media.

Key questions to consider in this group:

- Are small businesses generally perceived as positive contributors to society or as being unreliable and parasites?
- Are foreign-owned and large companies viewed as positive contributors to society or as being unreliable and parasites?

- Is the government generally perceived as too hostile toward the private sector, excessively accommodating of the private sector as a whole, or committed with vested interests within the private sector?
- Are international donor agencies, which could act as sponsors and champions for dialogue, seen as part of the solution or part of the problem in the country?
- Are there think tanks and academic leaders who produce recommendations based on research about the development of the private sector?
- What are the means of communication that produce radio or television programming or written content about the economy? What is the level of distribution, scope, and limitations?
- Who are the leading figures of the media that influence different types of people (young people, workers, seniors, etc.)?
- Which NGOs provide economic assistance and what kind?
- What are the main unions? What sectors do they represent? Are they perceived as overprotective of the workers at the expense of economic growth, or are they perceived as the last line of defense against ultra-liberalization?

### **Development partners**

In countries where the international donor community or development partners have a strong presence, their attitudes toward PPD can also help to produce positive impacts and results.

The project team should conduct interviews with representatives of the major development partners in the country to develop a matrix of perceptions of dialogue and its potential to contribute to economic development.

### **b. Competitive positioning of the municipality**

Municipalities must analyze their MCI results. From this reference information, they should structure a Municipal Competitiveness Plan to strengthen municipal institutions and reduce the gaps identified in the MCI.

## **3. Creation of the Municipal Competitiveness Committee**

The creation of the Municipal Competitiveness Committee is a concrete step toward establishing PPD in the municipal environment. This process needs to have (1) the political will of the mayor and city council; (2) the institutional

commitment of the municipality; and (3) a group of people from the public and private sectors and, if possible, from academia to continuously promote, coordinate, and revitalize the agenda.

The work of both public and private actors, sustained over time, has the potential to generate a high-principled cycle that will strengthen municipal competitiveness and the capabilities of the productive and business sectors. As a result, investment, business, and employment opportunities grow, and local economies are invigorated.

The mapping of economic actors in the municipality is the basis for identifying people with potential to participate in the Municipal Competitiveness Committee. It is important to prevent a situation where a member's strength of personality turns the Committee into a personal project for a single leader or economic sector to the detriment of the rest.

The Municipal Competitiveness Committee should be formed with people from the public and private sectors, and the understanding between them must lead them to commit to a dialogue process that provides sustainability to the MCP model.

The Municipal Competitiveness Committee should establish the basis for developing a work agenda and start a gradual and sustained process of strengthening, focusing on topics such as the following:

- Using PPD and leadership techniques to achieve support for the reform process
- Understanding the local context and the techniques of partnership between the public and private sectors, as well as their objectives and benefits
- Promoting respect for the local context that allows each municipality to strengthen competitiveness in a way that suits its individual needs
- Training on meeting facilitation, change management, effective communication, public speaking techniques, report writing, and preparation of projects, etc.
- Strengthening the motivation and commitment to work with defined goals and not to be discouraged by difficulties in achieving the proposed reforms
- Developing management capacity through exchange with other Municipal Competitiveness Committees that have achieved greater progress as a result of the reforms

## B. Phase II: Integration of the Municipal Competitiveness Committee

At the end of Phase I, the creation of the Municipal Competitiveness Committee should be formalized, establishing the strategic, operational, and regulatory guidelines that will guide their work.

**Figure 6** shows the activities to be executed for the integration of a Municipal Competitiveness Committee.

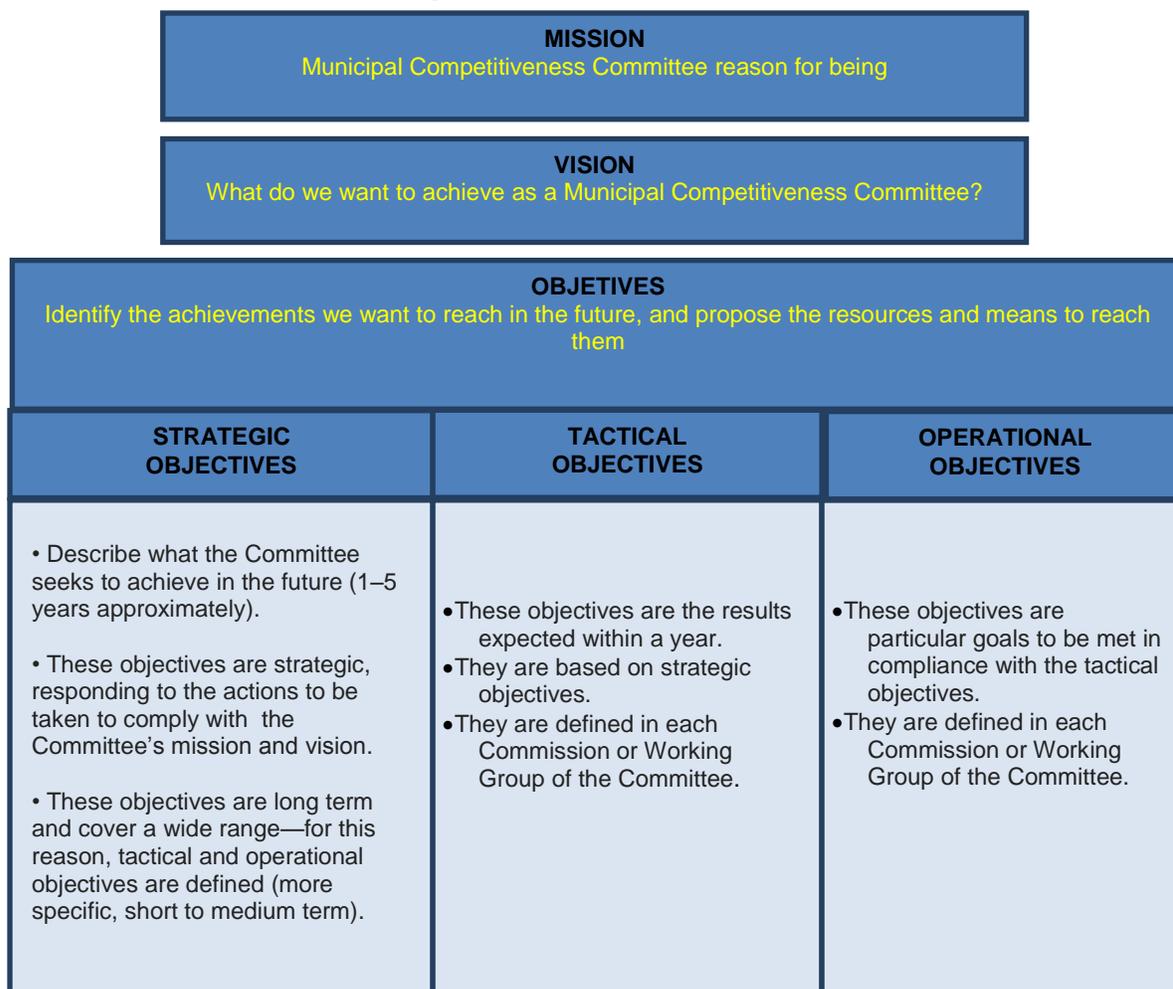
**Figure 6: Phase II: Integration of the Municipal Competitiveness Committee**



### 1. Strategic declaration of the Municipal Competitiveness Committee

The Municipal Competitiveness Committee, together with other actors in the municipality, should develop a workshop (or several) to develop the strategic principles (**Figure 7**) with which it will work.

**Figure 7: Scheme for the formulation of the Strategic Declaration of the Municipal Competitiveness Committee**



Source: Prepared by adapting material from the "Strategic Planning and Construction Performance Indicators" course and information published online by <http://www.iberoonline.com/v3/VE/lecturas/vespci02.html#top>

**a. Mission**

The process of drafting the Municipal Competitiveness Committee mission statement is a deliberative activity that must involve other groups of interest associated with developing PPD in the municipality. This process is a best practice that engenders greater involvement and commitment toward community compliance with the Committee mission.

It is important to have a broad view of the competitive position of the municipality and its sources of productive activity.

The mission statement describes the concept and nature of the Municipal Competitiveness Committee, its reason for being. The mission establishes what is planned, toward which sectors the Committee’s efforts are

targeted, as well as the primary philosophical premises of the Committee's contribution to society.<sup>2</sup> The mission statement should be brief and clear, focused on the reasons for the existence, purposes, and functions of the Municipal Competitiveness Committee and the methods used to fulfill this purpose.<sup>3</sup>

Defining the mission is the first step and one of the critical elements for strategic planning. In the process of developing a mission statement, the Municipal Competitiveness Committee can use the following set of fundamental questions as a guide:

- Why do we exist (what is our basic purpose)?
- Who is our target user or citizen?
- Where is our target user or citizen?
- What is the Committee's value to our user or citizen?
- What needs can we meet?
- How are we going to meet these needs?
- What are our current or future products or services?
- How do we distinguish ourselves? What special features do we have or want to have?
- How will we measure the success of the mission?
- What philosophical aspects are important for the future of our organization?

A sample mission statement for a Municipal Competitiveness Committee could be worded as follows:

"Our mission is to promote actions that support sustainable economic growth and governance in our municipality, to stimulate the creation of business opportunities and jobs for men and women. To achieve this goal, we will constantly work to create an appropriate institutional and natural environment to attract private investment."

Once the mission is defined, it is appropriate to evaluate it according to the following conditions:

- It reflects the values, beliefs, and philosophy of the organization.

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<sup>2</sup> Below, P. J., Morrisey, G. L., and Acomb, B. L. (1987). *The Executive Guide to Strategic Planning*. USA: Jossey-Bass.

<sup>3</sup> Goodstein, L. D., Nolan, T. M., and Pfeiffer, J. W. (1999). *Applied Strategic Planning: How to Develop a Plan That Really Works (Planeación Estratégica Aplicada)*. Ed. McGraw Hill. Colombia.

- It is short, realistic, clear, and understandable to all members of the Municipal Competitiveness Committee.
- It specifically defines the Committee’s field of action, but also decisively defines the commitment and the forces driving the strategic vision.
- It is flexible but well focused.
- It serves as a source of energy and a rallying point for the organization, providing inspiration and a model to make management decisions.

### **b. Vision**

After defining the mission, the Municipal Competitiveness Committee should develop a vision statement. Conceptually, the vision can be defined as a powerful idea to be achieved in the distant future—it describes a future situation desired in ideal conditions. The vision is a target image in which the expectations and the ultimate goals of the Municipal Competitiveness Committee are present. Having a statement with these goals supports the concrete act of comparing what is and is done and what should be done, and, from this comparison, the Committee can schedule changes needed to achieve the vision.<sup>4</sup>

Setting the vision involves answering five questions:

1. What and how do we want to be within a certain number of years? (This suggests an image of the future.)
2. What do we want to become? (This helps to reflect on the challenge of change.)
3. Who will we work for? (This enables the creation of the image of the citizen or user in the future.)
4. How will we differentiate ourselves? (This helps to think of the future identity.)
5. What values will we respect? (This allows future values to be set.)

### **c. Objectives**

Strategic, tactical, and operational objectives are important for the fulfillment of the Municipal Competitiveness Committee’s mission and vision. Once these are defined, the responsibility of each of the

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<sup>4</sup> Berretta, N. and Kaufmann, J. (2011). *La planificación orientada a resultados*. Banco Interamericano de Desarrollo/Instituto Interamericano para el Desarrollo Económico y Social (BID/INDES).

Committee's members must be determined for the activities leading to the achievement of the planned results.

In this process, the following are defined as the Municipal Competitiveness Committee's strategic objectives:

- To promote economic growth and governance of the municipality
- To contribute to public and private actors realizing the benefits of participation and commitment to PPD for achieving effective reforms in economic development
- To encourage local governments, civil society, and the business community to work together to prioritize and reach consensus on the municipality's economic objectives
- To ensure that the PPD processes serve as a cornerstone of strengthening the involvement of the business community in the process of municipal decision making, to achieve improved economic governance in the medium term

With the strategic objectives defined, the Municipal Competitiveness Committee must determine the tactical and operational objectives to achieve strategic objectives. These objectives should have the five key characteristics of a well-formulated goal:

- **Specific:** Objectives should be specific, clear, and easy to understand.
- **Measurable:** They must have the ability to tangibly measure the result of management.
- **Achievable:** They should be achievable with the available resources.
- **Challenging:** Objectives should include goals that are not easy to achieve, and that involve effort in addition to being relevant.
- **Appropriately scheduled:** An objective should be associated with specific timelines for implementation, a deadline by which results should be seen.

## **2. Municipal Agreement establishing the Municipal Competitiveness Committee**

The formalization of the Municipal Competitiveness Committee is essential to the institutionalization of its work.

### **Legal mandate**

The Municipal Competitiveness Committee should be created through a Municipal Agreement (**Appendix 2**) approved by the city council, to give the Committee a functioning legal framework.

### **Formality**

The Municipal Competitiveness Committee is formalized through a public oath that each mayor takes in the presence of his/her council members, who express their commitment to fulfill the mission.

Beyond the legality and formality described above, the success of PPD depends on the level of commitment that Committee members develop in the individual and collegial performance of their duties.

## **3. Transparency and Competitiveness Pact**

The Transparency and Competitiveness Pact (**Appendix 3**) is an instrument of political and public consensus signed by the mayor and the private sector coordinator of the Municipal Competitiveness Committee. With this pact, each sector confirms its commitment to a shared vision of the municipality.

## **4. Formal structure of the Municipal Competitiveness Committee**

A common feature of the partnering of competitiveness is the correlation between the range of public actors and the progress made. Without the backing of the highest municipal authority, the dialogue tends to have poor results and is not sustainable. In addition, municipal authorities should be careful in the selection of members of the public to join the Municipal Competitiveness Committee. A good solution is to include managerial and technical staff of the municipality committed to improving the competitiveness of the city.

On the private sector side, it is important to include actors who have a spirit of service and commitment to the objectives of the Municipal Competitiveness Committee. Individuals willing to participate on a voluntary basis to support the process of PPD are more useful than those who only seek to be rewarded.

The key elements for an efficient process of the PPD are: an organizational structure, committed participation of actors in the public and private sectors, transparency in dialogue, and regulations.

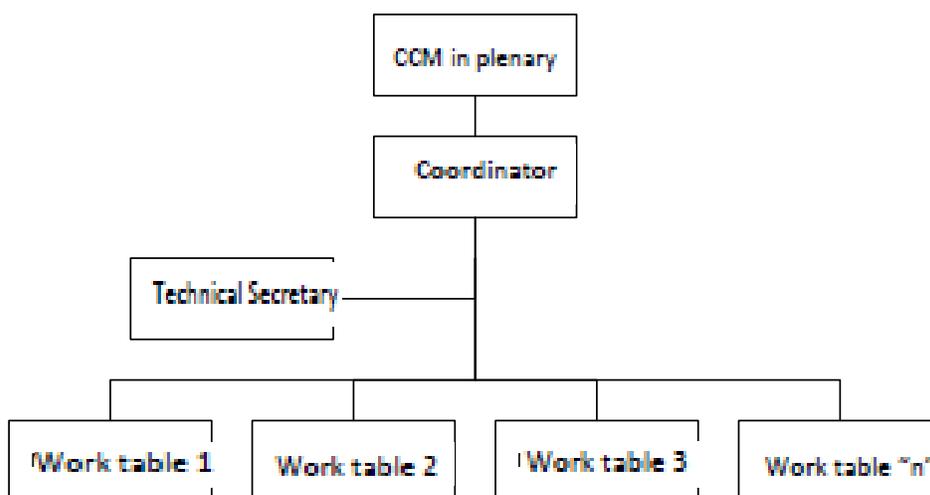
### a. Organizational structure

The organizational structure of the Municipal Competitiveness Committee should promote a balanced and functioning public-private partnership to produce effective dialogue. However, there is no single model or structure for a successful PPD process; its design depends on several variables, their correct identification, and appropriate adaptation.

The challenge of the Municipal Competitiveness Committee is to permanently engage a group of citizens and municipal representatives willing to make contributions (time, ideas, effort) for the benefit of local economic development.

The elements of the Municipal Competitiveness Committee are the Committee in plenary, the Coordinator, the Technical Secretary, and Working Groups formed to perform specific tasks and make recommendations to the Committee in plenary. These positions should be selected by consensus and should voluntarily participate in the Municipal Competitiveness Committee (**Figure 8**).

**Figure 8: Organizational structure of the Municipal Competitiveness Committee**



**Municipal Competitiveness Committee in plenary.** This is the governing body of the Municipal Competitiveness Committee and is directly responsible for approval of the Annual Operating Plans (AOPs). This body must maintain direct contact with local authorities to achieve the most efficient coordination of the Committee’s activities, ensuring that the activities have sound legal and economic grounds for execution.

**Coordinator.** His/her main responsibility is to lead the Municipal Competitiveness Committee members in fulfilling the Municipal Competitiveness Plan, and to serve as the PPD facilitator.

An objective, neutral, and reliable person should fill this role to carry out the following functions and responsibilities:

- Promote and balance the active participation of all Committee members.
- Coordinate the preparatory activities of the Municipal Competitiveness Committee meetings and their development so that the meetings are productive.
- Monitor all Committee activities as well as those of the Working Groups.
- Contribute to strengthening the dialogue between members, and promote an environment in which the local government is receptive to suggestions, recommendations, and requests from the private sector.
- Coordinate the development of the Committee's AOP.
- Consult, on an ongoing basis, with members of the Working Groups to identify interests, support the resolution of disputes, encourage participation, and motivate the private sector to be fully involved in the program.
- Establish effective working relationships with external partners to acquire information, training, and technical assistance in public policy research and analysis for project implementation, and/or to acquire support for strengthening Committee members' capacity for dialogue.

**Technical Secretary.** His/her function is to assist the Coordinator in managing the Municipal Competitiveness Committee, execute the agreements and projects that arise from meetings and planning, and contribute to the implementation of the Municipal Competitiveness Plan.

The Technical Secretary convenes meetings; maintains and distributes agendas and minutes; transcribes records; and organizes visits to other municipalities, organizations, institutions, and companies.

The Technical Secretary enables the institutional "memory" of the resolutions that are adopted at each meeting, supporting their realization, and reports at the next meeting on the progress of these resolutions' implementation.

**Working Groups.** Their function is to manage the projects that the Municipal Competitiveness Committee decides to carry out and give recommendations to the Committee in plenary.

The Working Groups are formed of Committee members, for specific areas (e.g., agriculture, tourism, trade, events, etc.), and groups may be created as considered necessary, whether temporarily or permanently. This allows the Committee as a whole to focus more effectively and achieve higher levels of technical expertise.

These groups should have a coordinator to interact with other Working Groups and the Coordinator of Municipal Competitiveness Committee. The Working Group coordinator can invite people with technical knowledge of the activity being performed to participate in the Working Group, even if these people are not on the Municipal Competitiveness Committee.

## **b. Participation of the public and private sectors**

### **Municipal authorities**

The participation of the mayor and city council members in the Municipal Competitiveness Committee is extremely important. Their presence is a stimulus to Committee members and adds a sense of prestige to consultations and communications.

### **Municipal staff**

The managerial, administrative, and technical staff of the municipality may participate in the Municipal Competitiveness Committee, as representatives of the public sector. They can also participate in the Working Groups, even if they are not members of the Committee, when the topic at hand warrants their participation and the Coordinator so provides.

### **Private sector**

Local entrepreneurs participating in the Municipal Competitiveness Committee should come from sectors of the economy that contribute to financial stability and growth in the municipality, e.g., agriculture, tourism, trade, industry, etc. Representatives from trade organizations that deal with the private sector are good candidates to join the Municipal Competitiveness Committee because they have access to a range of entrepreneurs.

### **Number of participants**

When there are too many participants, and their composition is too varied, dialogue can become unmanageable; however, a limited number of participants can result in a lack of representation. The key is to strike the right balance of authority and participation.

The experience gained in practice in El Salvador's municipalities has shown that the most successful Municipal Competitiveness Committees have 12 to 15 members, in equal proportion between public and private.

## **5. Regulatory aspects of the Municipal Competitiveness Committee**

In order to facilitate the mission of the Municipal Competitiveness Committee, its operation must be regulated with the items listed below.

### **a. Internal rules of operation**

The Municipal Competitiveness Committee must design internal rules of operation to regulate the main aspects that facilitate dialogue, agreement and joint efforts of its members. **Appendix 3** shows a model of the rules.

### **b. Municipal Competitiveness Committee headquarters**

The Municipal Competitiveness Committee should have an appropriate venue to conduct its meetings. It is recommended that this venue be in the municipality's offices, due to ease of accessibility, but the Committee may also meet in the office of one of its members or a trade organization.

### **c. Meetings of the Municipal Competitiveness Committee.**

Municipal Competitiveness Committee meetings in plenary and the Working Groups should be carried out with the formality required to obtain good results. Thus, the key elements for the meetings success are as follows:

- The frequency of meetings of the Municipal Competitiveness Committee in plenary depends on the activities being implemented. However, the Committee should meet at least on a monthly basis. The Working Groups can set monthly or fortnightly frequencies, depending on the agendas in process.
- The private sector could be invited to participate in meetings, on a temporary basis, as representatives of non-member private organizations that contribute to the achievement of the Committee's mission.
- Transparency and mutual trust of members should be evident in the actions of the Municipal Competitiveness Committee.
- A meeting agenda with the matters to be discussed during the meeting is necessary to keep meetings on task.
- A file must be kept with the agendas, minutes, and related documents.

**d. Presentation of issues**

The proposals for action presented to the Municipal Competitiveness Committee should contain full information to facilitate review and decision making. These proposals should be submitted to the Coordinator in advance of the meeting at which the matter will be discussed, and the matter should be added to the agenda.

**e. Quarterly work report**

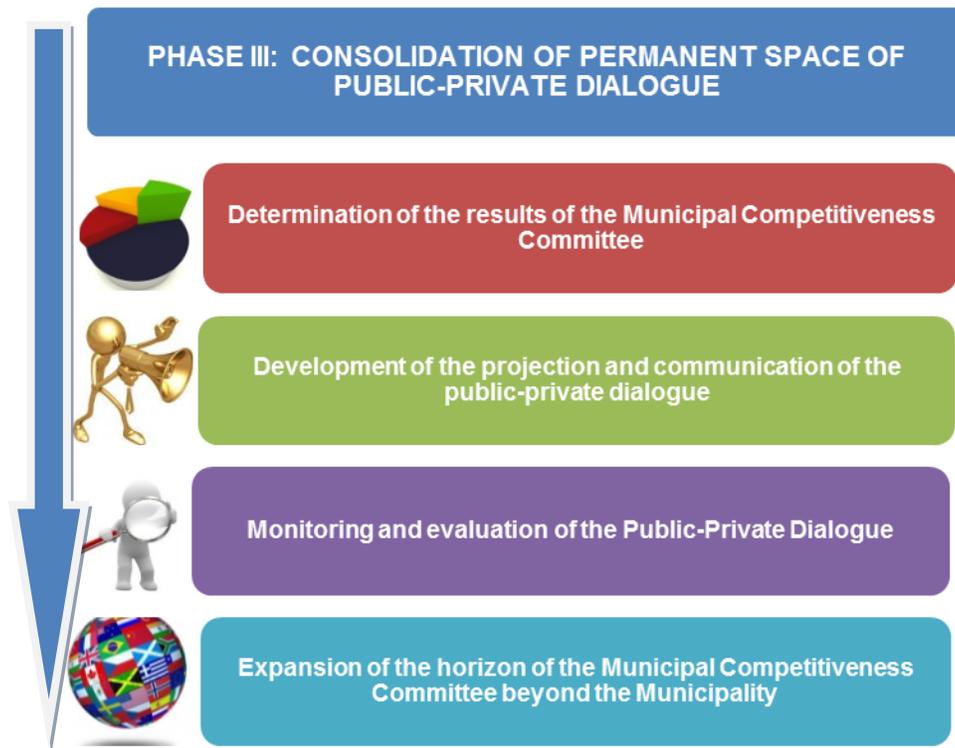
The Municipal Competitiveness Committee must provide a summary of the agreements, activities, and results every three months. This document should be public.

**C. Phase III: Consolidation of the Municipal Competitiveness Committee's Activities into a Permanent PPD Mechanism**

The Municipal Competitiveness Committee should consider the following actions for consolidating its position: (1) establish a rationale aimed at obtaining measurable results; (2) develop appropriate diffusion processes on the work of the Committee related to improving municipal competitiveness; (3) implement an efficient monitoring and evaluation system; and (4) cooperate with technical bodies that connect the municipality with the regional, national, and international business environment.

The third phase (**Figure 9**) of the process is dedicated to setting the conditions for the Municipal Competitiveness Committee to evolve into an effective PPD mechanism.

**Figure 9: Phase III: Consolidation of a permanent PPD mechanism**



## **1. Results of the Municipal Competitiveness Committee**

The establishment of the Municipal Competitiveness Committee is not an end in itself; it is a means to achieve results. These must be measurable to facilitate the verification of the Committee's compliance with stated plans.

It is important that the dynamics of the dialogue produce immediate results. This contributes to speed and encourages enthusiasm and commitment on the part of the Committee members and Working Groups.

The Municipal Competitiveness Committee should begin solving those issues on which both sectors agree, and even more so when an issue represents a common aspiration that has been expressed for a long time. Additionally, the Committee must keep immediate issues or urgent and specific problems, as well as medium-term strategic issues, on the agenda until those issues are solved.

## **2. Design and communication of the PPD**

The public and private sectors engage in dialogue processes with different visions, assumptions, and vocabulary. The interaction between government and business is also subject to an unfavorable interpretation by third parties

at times, especially when the criteria for the selection of representatives from the private sector is not very clear.

Communication is essential to enable a shared vision and understanding through a common language and to build trust among stakeholders. The dialogue should allow access in an open and inclusive manner, and can use tools such as mass media, seminars, and workshops.

Municipal Competitiveness Committee members should be trained to participate in the dialogue process in a serious and transparent manner, using an agreed-upon communication strategy with clear and accurate messages.

#### **a. The Importance of broadcasting and communication**

The most successful PPD processes maintain effective communication strategies so that the participants and the general public are aware of the gains from time and effort invested in the dialogue.

The dissemination of results to the citizens of the municipality is as important as the communication that must exist within the Municipal Competitiveness Committee itself. Information on the progress and achievements of the Committee's joint work cannot and should not be limited to its membership. The communication needs to reach all areas and stakeholders, stimulating reflection on the profits generated by the joint efforts aimed at strengthening the competitiveness of the municipality.

Different stakeholders require different communication strategies, depending on their attitude toward PPD and the benefits it can bring them.

The Committee should assess its communication to develop specific strategies. These strategies can take the form of interviews with opinion leaders, focus groups, and surveys. The aim of this type of knowledge-gathering communication is to identify opponents who are not inflexible (and may possibly become supporters), allies who may have doubts about the Committee's support of the economy, and interest groups that are involved in the economy but have no obligations with the Committee. To access these three groups, with the goal of changing their behavior, requires special effort.

A wide dissemination of positive results that are related to PPD increases the likelihood of stimulating private sector actors' reflection on their profits, and expands the participation of sectors and actors in different instances (municipality-business-government-academia-supporters).

It is important to use plain language to communicate progress to the audience. Any technique can be used while being adapted to the common language and understanding of the audience. Publishing testimonies from

entrepreneurs who have benefited from the projects conducted by the municipality can support the PPD process.

In addition, it is necessary to consider the usefulness of mechanisms such as the following:

- Training programs on PPD and competitiveness for Municipal Competitiveness Committee members and other key local actors
- Competitiveness forums, inviting interested parties to participate with ideas, recommendations, projects, or initiatives—to boost municipal competitiveness, encourage the promotion of economic activity, and promote economic growth
- Analysis of and reflection on the results obtained through implementing mechanisms that measure the business climate at the local level

#### **b. Communication and promotion forms**

Communication promotes PPD and is, by itself, a function of dialogue. Public information documents and brochures can be used to explain the PPD process, rationale, and content, distributing this information among government offices, business trade associations, academia, the media, and the general public.

A simple way to communicate the progress stemming from PPD is to invite the press to a conference after major meetings of the Municipal Competitiveness Committee. This should establish a dialogue based on mutual interest; while employers want economic development, politicians want the prestige acquired when they are considered as reformers. If both sectors have positions that are easy to understand, these positions can be effectively communicated.

If the press is properly informed about relevant issues, positions, etc., the subsequent dialogue with media members can be fruitful, and messages can be properly transmitted to the public.

The decision on which communication instruments to use should be based on a communication strategy developed by the Municipal Competitiveness Committee that identifies local audiences in terms of willingness to participate, both in the PPD process and the competitiveness initiatives and economic governance.<sup>5</sup>

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<sup>5</sup> Adapted from Herzberg, B. and Wright, A. (2006). *The PPD Handbook. A Toolkit for Business Environment Reformers. Operational Guidelines for the Charter of Good Practice in Using PPD for Private Sector Development*. p. 96.

Competitiveness campaigns and promotions should focus on key elements such as the following:

- The differentiating attributes of the municipality's competitiveness: What is the business advantage of this municipality as compared to other municipalities? What does the municipality offer entrepreneurs in terms of competitiveness and economic governance?
- The benefits of municipal competitiveness for entrepreneurs: What are the benefits that the municipality provides that no other municipality does?

The following are useful tools for communicating and promoting PPD:

- Press releases issued by the municipality and the Municipal Competitiveness Committee
- Regular press conferences in which the public is informed about improvements in the economic and business regulation of the municipality, as well as on the progress of projects undertaken
- Brochures, videos, and posters on public transportation and banners to inform both local people and visitors
- Programs to promote PPD on local radio stations
- Social networks

### **3. Monitoring and evaluation of PPD**

Monitoring and evaluation (M&E) is a valuable tool for managing the PPD process and demonstrating its purpose and performance. Additionally, M&E should be conducted for reasons of transparency and public audit.

The Municipal Competitiveness Committee is responsible for maintaining an M&E system that allows measurement of the Committee's level of implementation as well as the impact of their actions.

An M&E system that is flexible and user-friendly provides stakeholders the ability to monitor internal processes, and encourages transparency and accountability. In certain political contexts, just the act of monitoring and distributing the results periodically to stakeholders can play an exemplary role for the public and private sectors.

Finally, an important element of internal monitoring is understanding what should be classified as a success in the local context. Hence, the monitoring process, even though it requires time and effort, is important to identify lessons learned, success stories, and obstacles that must be resolved.

In places where the level of trust is low, it is important to demonstrate that dialogue itself is a successful outcome. In this context, it is important to write

and maintain accurate records of the PPDs. Recorded minutes, along with agreements reached, are an important mechanism to increase transparency and to lay the basis for future consultation processes.

Good M&E techniques allow better planning, display the potential of support groups, and encourage internal and external motivation to promote more effective implementation. To this effect, the Committee must develop a baseline assessment of the PPD process to measure its effectiveness, the achievement of goals, and benefits.

Appropriate indicators, with good definitions of inputs, outputs, outcomes, and impact, should be set up at the beginning of the process. These indicators should be reviewed periodically by relevant interest groups that depend on reliable data for decision making. It is therefore important that the Municipal Competitiveness Committee devote time and effort to identifying indicators, and that discipline is imposed to measure them regularly.

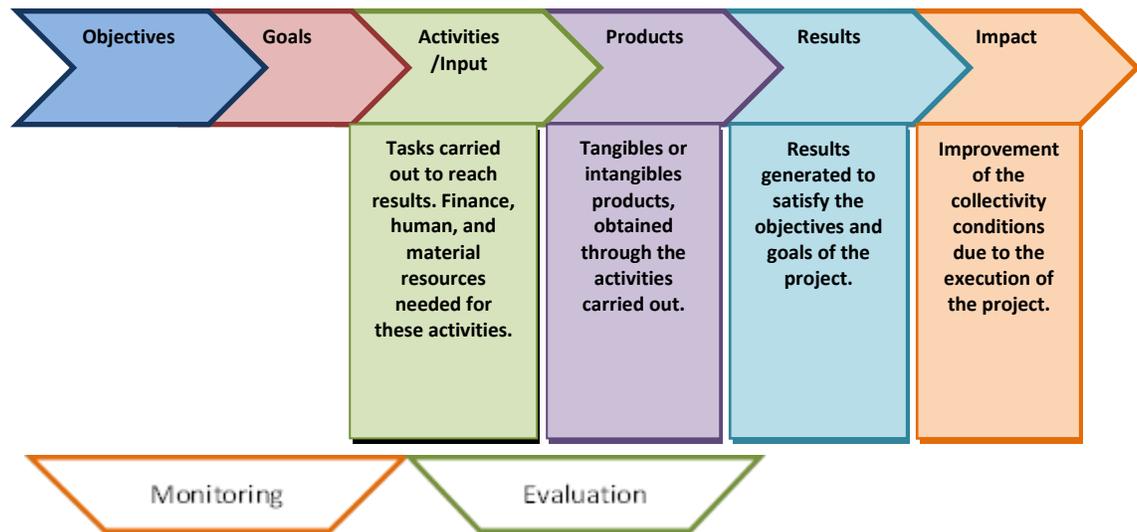
Internal monitoring is closely related to future planning. It monitors the inputs, outputs, and intermediate results. The assessment, by contrast, is an exercise for a limited period of time that focuses more on final results and impact, and aims to show the degree of compliance with the overall objectives of the project. The evidence of differences between what was planned and the results may require reconsideration of the goals and/or adjustment of activities and resources applied to align with what was originally planned.

**Figure 10** is a graphical representation of the above.<sup>6</sup>

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<sup>6</sup> Adapted from Herzberg, B. and Wright, A. (2006). *The PPD Handbook. A Toolkit for Business Environment Reformers. Operational Guidelines for the Charter of Good Practice in Using PPD for Private Sector Development.* p. 100.

**Figure 10: M&E process in the life of a project**



Suggestions for indicators used to monitor PPD in projects related to competitiveness are presented here.

### **Short-term indicators**

The Municipal Competitiveness Committee promotes initiatives that help increase investment, businesses, and jobs. The suitable indicators for measuring project success are investment, established new companies, and generated new jobs.

Access to public information by the private sector is essential to strengthen the PPD process, so within the short-term indicators, it is advisable to also include those that measure progress in this field.

Short-term internal indicators should be designed to control projects, a sample of which is as follows:

- Monitoring the initiatives of the Municipal Competitiveness Plan and the AOP that are already being implemented and the activities of the Working Groups.

### **Medium-term indicators**

One of the most valuable benefits, the atmosphere of cooperation and improved trust generated between the actors in both sectors, is an intangible achievement, is difficult to quantify, and can only be measurable in the medium and long term.

A sample of medium-term internal indicators is as follows:

- Incorporation of a larger number of actors in the PPD process
- Dashboards integrated for analysis, recommendations, and implementation of specific initiatives

A simple but very effective tool is the matrix of monitoring activities and results of the implemented projects.

The matrix has five columns: the first describes the activity or project proposal, the second summarizes the recommendation submitted, the third presents the progress made, the fourth shows the current status of the activity, and the fifth one shows the percentage level of implementation of the activity. (See **Figure 11.**)

**Figure 11: Example of a matrix of monitoring the Municipal Competitiveness Plan**

Proposal, project, or activity	Recommendation submitted	Advances	Current situation	Level of execution
<b>Lighting of central park</b>	Install 12 lights on "X" street to the park	<ul style="list-style-type: none"> <li>• Posts installed</li> <li>• The lights are in the warehouse</li> </ul>	Work has been planned for week "X"	20%
<b>Video surveillance</b>	Manage private donations for the project	US\$6.000 of the required US\$8750 have been collected	On the date "XXX" we received a check from "XYZ" company	10%
<b>Monthly food festival</b>	Hold a food festival every 3rd weekend of the month	The first pilot festival was held on the month of "Y"	The work table was integrated and the one for month "Z" is being prepared	45%

#### 4. Expand the horizon of the Municipal Competitiveness Committee work beyond the municipality

The Municipal Competitiveness Committees can have far greater impact on the neighboring municipalities as long as they join forces in projects that favor micro-regional associations. The union of municipalities into micro-regions strengthens the model, making it feasible to implement competitiveness plans with regional coverage and gaining economies of scale in the development of larger projects.

The municipalities that form micro-regions must sign an inter-municipal agreement of cooperation, approved by the respective municipal councils.

After signing the agreement, the Regional Competitiveness Committee must be created, following the methodology for the creation of the Municipal Competitiveness Committee in this manual.

### **III. MUNICIPAL COMPETITIVENESS COMMITTEE TOOLS**

#### **A. Municipal Competitiveness Plan**

The Municipal Competitiveness Committee is responsible for the preparation of the Municipal Competitiveness Plan, which should contain precise objectives, goals, and expected results clearly defined. In some cases, these objectives are of a sectorial nature (tourism, handicrafts, agriculture, trade, services, etc.), in others they are of a general nature. The process consists of several parts described below.

##### **1. Diagnosis**

The diagnosis takes place in stages, as presented below:

###### **a. Collection of municipal information**

At this stage, information is obtained about general aspects of the city: geographical, territorial, population, economic, education, labor, connectivity, municipal administration, and relations with neighboring municipalities.

This is supplemented with information on productive activities gathered from local actors.

###### **b. Citizen participation**

Subsequently, participative diagnostic workshops are carried out with private actors outside the Municipal Competitiveness Committee using the SWOT (strengths, weaknesses, opportunities, and threats) methodology:

- Strengths: internal elements that contribute to improving conditions in the municipality
- Weaknesses: internal elements that constitute barriers to the development of the municipality
- Opportunities: external situations that can be exploited for the benefit of the municipality
- Threats: external situations that can adversely affect the conditions of the municipality

In a similar way to the private sector, municipal employees should participate in SWOT diagnostic workshops to analyze situations affecting the proper development of the municipality's activities, especially those that affect their municipality's performance in the MCI.

Diagnostic workshops should be structured as follows:

- Validation of the information collected during the first stage
- Establishment of working groups according to economic sectors of the municipality involved in the diagnosis (services, trade, industry, agriculture, institutional, transportation, etc.)
- Organization of the working groups, and election of the coordinators, facilitators, and secretaries
- Discussion and validation in plenary meeting of the information obtained by each desk
- Preparation of the final report

Inputs for building diagnostics must be obtained through guiding questions that revolve around the economic activity of municipalities, training of human resources, marketing of local products and services, and access to financial resources.

## **2. Shared vision and strategic lines**

The findings of the diagnosis are useful for analyzing the municipality's present situation and for guiding public and private actors in building the vision of competitiveness for the municipality.

The diagnostic workshop leaders, using inputs obtained therein, must shape the vision of competitiveness and identify strategic lines to be validated by public and private actors in participatory planning workshops.

## **3. Participatory planning workshops**

After the vision of competitiveness and strategic lines are designed, they are presented to the working groups involved in the diagnosis to validate and adopt them.

For this, participants should reflect on the question: How do you see your municipality in five years with respect to its business climate?

Based on the validation of the vision of competitiveness and strategic lines, the Municipal Competitiveness Committee proceeds to the development of the Municipal Competitiveness Plan, which includes programs, projects,

activities, and actions to be implemented under each of the strategic lines for the next five years.

#### **4. Implementation of the Municipal Competitiveness Plan**

When the preparation of the Municipal Competitiveness Plan has been completed, a meeting is conducted for submission to the municipal authorities and to start its implementation. The format and content of a Municipal Competitiveness Plan is shown in **Appendix 5**.

The Municipal Competitiveness Plans can be viewed on the website of the Competitiveness Learning Network, at <http://redaprendizaje.net/>

### **B. Annual Operating Plan**

In the planning stage of the Annual Operating Plan (AOP) (**Appendix 6**), the Municipal Competitiveness Committee should identify the actions implemented, the ones yet to be developed, the ones that lost force and should be removed from the Municipal Competitiveness Plan, and the new ones that should be incorporated.

The objective of the AOP is to order the actions to be developed during the year, following the order of priority already established.

The ordering process should answer the following questions:

- What problems have to be solved?
- What reforms have to be made to solve each problem?
- Who is responsible for carrying out the reforms?
- When should it be approved and in force?
- How will the impact that the activities make toward solving the problem be measured?

The activities to be implemented should have start and completion dates, and should be clearly aligned with the Municipal Competitiveness Plan.

### **C. Regional Competitiveness Plan**

The design of the Regional Competitiveness Plan follows the same process of the Municipal Competitiveness Plans. Based on the mapping of regional actors, the Regional Competitiveness Committee should focus its efforts on the sectors with the

greatest potential for economic development, as well as investment and employment generation for the region.

The Regional Competitiveness Committee Coordinator should pay attention to the risk of focusing on a single sector without considering the business context of the region's municipalities. This consideration should avoid favoring one sector or municipality to the detriment of others that may be in the early stages of development and require more support.

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## **IV. MUNICIPAL COMPETITIVENESS COMMITTEE STRATEGIES FOR LOCAL DEVELOPMENT**

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The Municipal Competitiveness Committee must be supported by a series of strategies to meet the targets set in the Municipal Competitiveness Plan. Some of the most successful strategies are as follows:

### **A. Business Associations**

Business associations are essential to stimulate local economies. On the one hand, they facilitate communication within the business sector, helping to address common economic issues, and on the other, they link the business sector with municipalities.

The formation of business associations empowers the teamwork capacity of entrepreneurs, achieves the recognition of the associated group in the city, and establishes communication and work links with municipalities to improve the business climate.

The Municipal Competitiveness Committee is recommended to support the creation or strengthening of business associations in the municipality, for the benefit of the private sector. Entrepreneurs interested in creating (or strengthening) an association should develop an Association Plan, comprising short-, medium-, and long-term goals, and designed for the management of the association, in response to its particular needs.

The modalities of the Association Plans are as follows:

- Creation Plans, which start an initiative that includes a range of activities, from the definition of the association's profile to its legalization
- Building Plans, which include aspects of strategy for the consolidation and strengthening of the partnership between private entities and municipalities

The following processes are a starting point for developing Association Plans:

- Development and validation of the identification and need for the association
- Development of a SWOT analysis of the association

With this information, entrepreneurs interested in partnering with other entrepreneurs or strengthening (and formalizing) their existing association formulate the Association Plan.

Creating and strengthening partnerships must be accompanied by a training program in order to sensitize the business community about the benefits and commitments associated with leveraging production and marketing opportunities for their products, as well as provide information on the processes to form an association.

## **B. Fairs and Events for Municipal Competitiveness**

A fair is an activity that organizes both the supply of and demand for goods and services, in the same physical space and on a scheduled date. Fairs are a promotional strategy for generating business opportunities that are made when the employer/producer has direct contact with the customer and when there is competition, linking the supply and demand for goods or services.

As a strategy of the Municipal Competitiveness Committee, fairs should be designed as a platform for trade promotion aimed at the participation of micro, small, and medium businesses. Fairs must be understood as being an instrument to promote a region's economic development.

The success of a fair begins with the planning process; this should start with clarity on what is to be achieved. This type of clarity encourages planners to develop concrete targets, based on elements of quality, quantity, time, and innovation, so that the indicators reflect the contributions and related changes projected to be obtained.

### **Participating actors:**

The organization of fairs to promote local economic development requires a participatory and open organizational structure at the local level. This should have a high degree of representativeness from the participating municipalities, community, and private sector.

The main actors are as follows:

- Business sector based in the area
- Business associations in the area
- Mayors
- Councilors
- Municipal employees
- NGOs
- Government institutions

The fair should become a genuine forum for exhibiting products and services, and for analysis and discussion of corporate action and its role in the economy; it should generate factors and elements that strengthen the exhibitors to increase their income.

### 1. Why hold fairs?

Because it is an efficient tool that provides the following **benefits** to various sectors at an event:

- The fairs are effective marketing tools that help entrepreneurs to present their products on a massive scale and cost-efficiently.
- They are an efficient communication tool by which direct interaction between buyer and seller is produced.
- Business contacts are established and new clients are attracted.
- They provide knowledge of current market trends.
- They provide access to information, contacts, and relationships that will bring greater knowledge and access to new markets.
- They increase commercial activities.
- They promote the establishment of businesses and partnerships between companies and institutions in a quick and effective way.
- They facilitates the identification of innovations needed for products and services on offer.
- They reduce transaction costs.

## 2. Trade at the municipal level

Fairs with the aim of local economic development are activities that must have fundamental characteristics:

- They must be part of a process of economic development.
- They must present results.
- They must provide diversity.

## 3. Assembly process for a fair or event

To develop a fair/event for promoting and exhibiting products and services, it is necessary to define the goals of the fair and carry out a pre-planning process in which three basic questions are answered. The responses to the questions below will guide the implementation of organizing a fair/forum/event:

- What motivates you to make a fair or event?
- What needs to be done to implement it?
- How to do it?

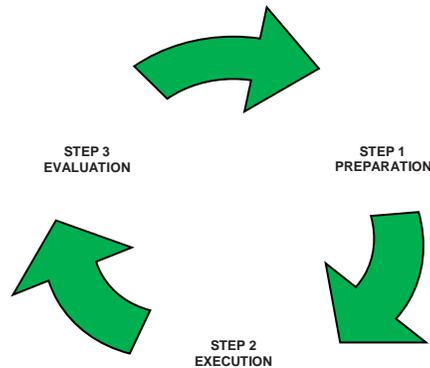
### a. Process steps for fairs.

The fair or event can be seen as a "shopping mall" for business people (sellers or suppliers and buyers). There are three process steps:

- Preparation
- Execution
- Evaluation

Each step involves the breakdown of various activities organized and coordinated by the event's organizing committee. The flow of the steps can be seen in **Figure 12**.

**Figure 12: Flow of steps to mount an exhibition or event**



**b. Step 1: Preparation**

The whole process starts with the preparation. This is to coordinate efforts and resources to facilitate the achievement of the objectives, and involves taking into consideration the nature of the future environment in which planned actions should be implemented.

The first thing to establish is the fair’s organizing committee, which will manage sponsorships to mount the event. Additionally, the organizing committee should set the roadmap to be followed and propose the budget to be executed. The organizing committee should also choose the promotional material for the fair and organize information events to publicize the details of the show.

**c. Step 2: Execution**

It is very important to work with the scheduled dates, so that there are no setbacks with human resources, equipment, or materials of all types during the event.

The facilities must be prepared to correspond to the distribution of booths already planned by the organizing committee. On the day before the event, participating employers must bring all the material, furniture, and equipment, including stationery and products to be exhibited, that they will need the next day. The personnel assigned to these activities can be provided by the participating institutions or be outsourced. It is important to understand who the available contacts are at any time.

It is important to define the spaces well in advance and inform the participants and sponsors that will participate in the fair ahead of time, so that everyone can get an early idea of their location. The map should point out the following areas:

- Reception and information
- Exhibition area and marketing area for products and services
- Care centers: institutions of technical assistance, financing, and other support
- Computer support
- Health services
- Area for parallel activities: technical presentations, business roundtables or cafeteria
- Stage
- Parking

Here are some examples of lists that the entrepreneur must review prior to the event so that he/she has on hand everything necessary for that day, and can add his/her individualized information to it beforehand. It is a guide that can be adapted to different events and to serve both the organizing committee and the participants in the different areas. (See **Figure 13**).

**Figure 13: Three step checklist**

BUILDING THE BOOTH	No	Yes	Must be completed on (date)	Advance date	Completed
Trading space/location with the event organizers					
Designation of the person in charge					
Preparation of a detailed budget					
Define the objective of the booth					
Identify products/services to be exhibited					
Investigate alternatives for mounting the booth					
Decide who will be in the booth					
Ensure that the products on display and all advertising materials are properly mounted					

HANDLING OF THE PRODUCTS TO BE DISPLAYED	No	Yes	Must be completed on (date)	Advance date	Completed
Arrange transport of products					
Organize storage of empty boxes and consumer products during the fair					

OPERATION AND STAFF OF THE BOOTH	No	Yes	Must be completed on (date)	Advance date	Completed
Selection of personnel to work at the booth.					
Uniforms for the personnel, in case they are required.					
Training for the personnel in the booth					
Organize a working calendar for the personnel in the booth					
Cover stationary needs.					
Organize the availability of a computer, calculator, notepads or other mechanism of inventory and sales					
Prepare the forms for information of contacts/possible clients.					
Availability of office supplies for the booth.					
Training of the personnel on all the handling procedures of the booth.					

Closer attention should be paid on the day directly preceding the fair. The success of the fair depends on this organization. The transfer of equipment for installation of the booths must be done the day before; never on the same day as the fair.

The following should be installed the day before the event:

- Main stage
- Awnings or canopies
- Signs (according to the established spatial distribution)
- Signs for other areas such as parking, dining area, etc.
- Official banner (big banner).
- Logistical support equipment for assembly and disassembly
- Monitoring of the place

As part of the preparation, it is necessary to review again all the additional services that have been requested:

- Electrical installations
- Sound system

- Audiovisual equipment
- Flipcharts and whiteboards
- Screens
- Computers and accessories for exhibition
- Internet
- Logistical equipment to reproduce material

Also, the list of materials that the entrepreneur needs in the booth:

- Invoices
- Carbon paper
- Utensils: pens, pencils, clips, stapler/staples, bags
- Mechanism to keep track of the day's sales, performed
- Price lists
- Product catalog
- Business cards
- Brochures and advertising materials of the company
- Products properly presented and enough to promote and market
- Appropriate decoration of the product and/or service
- Adequate staff to attend to the booth

### **Work team**

There must be a specialized events staff, to cover exhibit assembly, coordination, installation, procurement, and other aspects involved in organizing the event.

Regional organizations should also provide support and/or representatives for this aspect, considering that the events staff are working toward the overall success of the event, for the benefit of local economies in the region.

Different tasks and coordinators should be assigned for the day of the event:

- Coordinator of cultural activities: activities on main stage

- Coordinator of food for logistical support
- Coordinator for the business conference
- Coordinator of gastronomy and crafts booths
- Person in charge of any additional activities
- Coordinator of guides and tours

Each of the coordinators and/or persons in charge must have a team to support them in carrying out their assigned activities. Each event committee should integrate representatives of the different participating municipalities.

#### **d. Step 3: Evaluation**

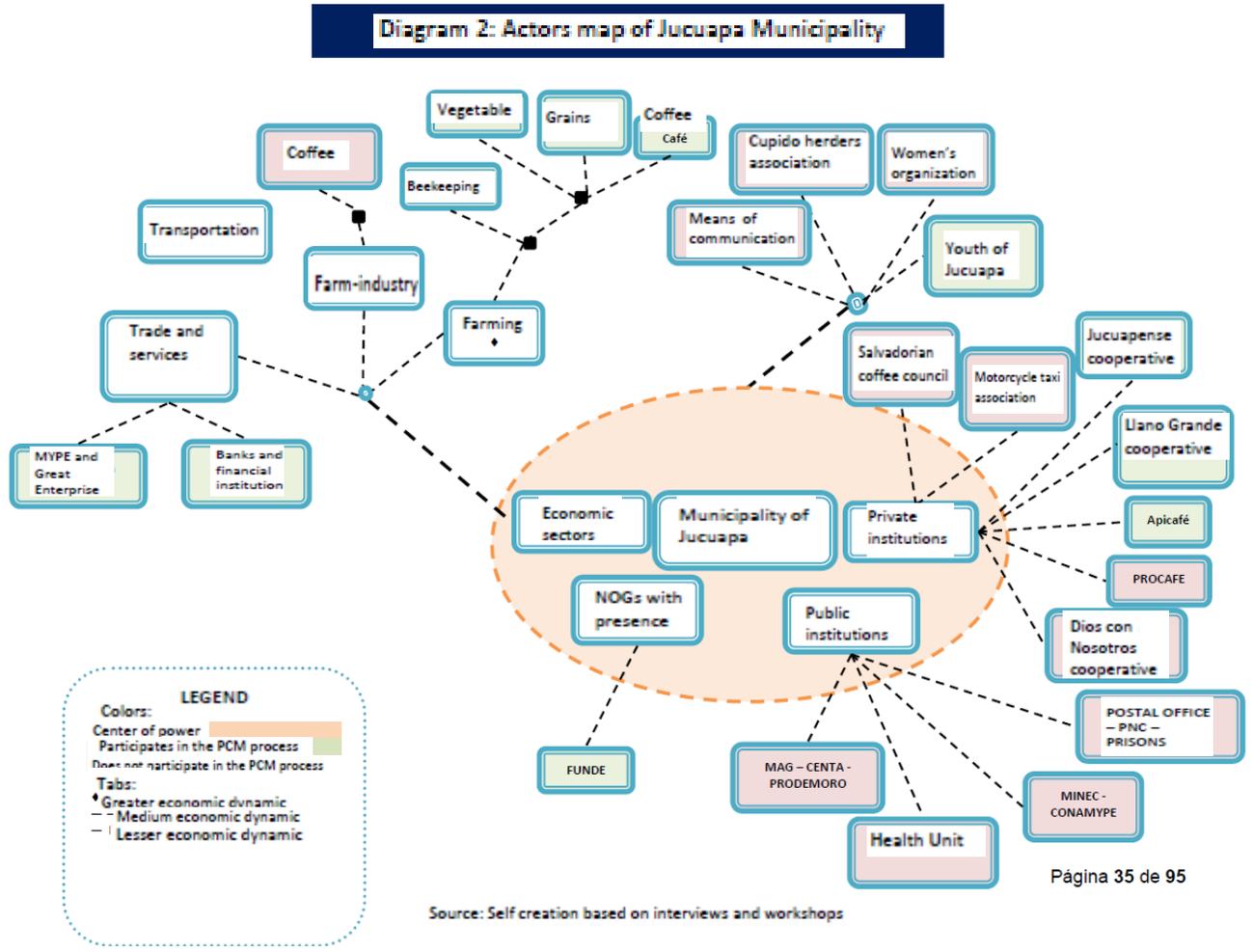
Evaluating the results of an event—knowing the level of participant satisfaction and whether objectives were met—is one of the most important post-event activities. Implementing parties should objectively and constructively evaluate the event to identify areas that need improvement as well as positive opportunities that arose—this knowledge can be applied to future events and projects.

Evaluation can be performed through surveys, questionnaires, and/or interviews to gather feedback from the main players, taking into account the degree of satisfaction with the following:

- Quality/essence of the event
- Logistics: enrollment, facilities, food, etc.
- Satisfaction in the communications plan
- Suggestions for future events

A second way to evaluate the results is through oral surveys. This instrument is extremely useful when it comes to very large events in open areas or activities in which the flow of people is hard to quantify or control.

Appendix 1a: Diagram of a Map of Actors



## Appendix 1b: Matrix of a Map of Actors

### a. Institutions, Organizations, Supporters in the municipality

Organization/ Institution	Action Area	Activities in the municipality
<b>Governmental</b>		
Ministry of Public Works	Road infrastructure	Maintenance and repair of streets and roads in the municipality (both the urban and access roads to the cantons) which connect internally and externally with neighboring municipalities.
Vice ministry of housing	Infrastructure, housing	Together with the MOP it has been planned to implement the project in Colonia La Tejera (improvement of internal roads of the colony), while the introduction of sewage and the incorporation of latrines is coordinated in community homes.
Ministry of Labor	Employment	It is coordinated with the Regional Sonsonate for the development of employment-related announcements.
Ministry of Tourism	Tourism	Touristic promotion of the municipality and participation in competitions to help boost tourism in the country.
Ministry of Health	Health	The construction of a new Health Unit of the municipality is being negotiated in which the municipality will purchase the land.
Ministry of Culture	Culture	Coordination of various cultural activities to revitalize the history of the municipality Nahuizalco with the House of Culture Náhuatl Pipil.
ANDA	Water	Project implementation to introduce drinking water in several communities in which the municipality gives in return specific amounts (for example, purchase of pipes).
CONAMYPE	Business management, Entrepreneurialism	Support through CEDART, Sonsonate Regional Center and CDEMYPE issues of productive chains, direct support to the artisanal sector, business management, (costing, commercialization, quality, etc.) and support to entrepreneurs (persons who wish to start their own business)
<b>NON-GUBERNMENTAL ORGANIZATIONS</b>		
ONG's	Local development	Overall, these institutions, handle different kinds of support to the communities and actors that require so. The role of the municipality is to carry out the pertinent links.
Foundation Círculo Solidario de El Salvador (descentralized Spanish cooperation)	Culture	The issue of revitalization of the indigenous culture is being worked out, through the project, which coordinates with the institution; the first Community Museum of Nahuizalco was created where archeological pieces and the history are displayed.
PROESA	Technical training, business management	Offers training to entrepreneurs in the areas of Business management/Technical training and supports with the development of studies in productive areas.
FUNDE	Productive (farming production)	It works the issue of aquiculture, supports the farming of tilapia.

Organization/ Institution	Action Area	Activities in the municipality
ASAPROSAL	Youth, Entrepreneurialism, Finance to initiatives and Business Management	10 small youth cooperatives have been set up (with 5 members each), offering seed capital to start their business initiatives. At the beginning of the project, the young people was trained in subject such as entrepreneurship, leadership, management and business management.
FUNDASAL	Youth	Supports the creation of recreational spaces for young people, as well as the formation of theater groups for young people. On the other side, it offers training in youth leadership.
FEPADÉ	Technical training, entrepreneurship, business management	Implementation of 20 vocational workshops of various specialties (artisanal candy and jelly making, cosmetology, tailor, sewing, serigraphy, computer maintenance and cellular phone repair, international cuisine, bakery, and others), in the following communities: Barrio La Trinidad, San Juan, Las Mercedes, Cantón Pushtán, Sisimitepet, El Cerrito, La Guacamaya. At the end of each workshop, business management and entrepreneurship training was offered.
Asociación de Desarrollo Local (ADEL) Sonsonate	Business management, Associativity, entrepreneurship	Support is offered to companies and entrepreneurs on Business management and Associativity to the productive sectors of the municipality.
Fundación Maquilishuat	Risk management	The risk management has been worked out in six cantons of the municipality: La Guacamaya, El Carrizal, Tajcuilujlan, Sabana Grande, El Canelo, and El Chaparrón. Communal committees of Civil Protection have been created in each one of the towns of the cantons. A total of 67 committees were formed in the six cantons. In addition, a mitigation work was built in each canton, and each committee was provided with tools that can be used in times of emergency or disasters.
Peace and Development	Risk management, infrastructure,	The issue of risk management has been worked out and at the same time, various works have been built such as bridges and contention walls, to minimize the risk in the communities.
Movimiento Salvadoreño de Mujeres (MSM)	Women, technical training, business management	The first municipal policy on equal gender has been implemented, besides, workshops about gender equality have been offered, and workshops on theater, Andean music, dance, upholstering, tinting have been promoted.
<b>SUPPORTERS</b>		
RTI INTERNATIONAL/CECI/ USAID	Security	Creation of the Council on Social Prevention and Civil Security.
MCIA/USAID	Security	Twining with the city of Santa Ana, California, on the security issue.
CHECHI/USAID	Security	Implementation of the focus of Community Police, Nahuizalco, as a pilot municipality and currently a model to be followed.
<b>ACADEMIA</b>		
Universidad Andrés Bello	Tourism	Study development on tourism, with senior students of communications.
Universidad Tecnológica	Municipal management, Business management	Studies on customer service, personnel management and artisanal productivity.

## Appendix 3: Transparency and Competitiveness Pact

### TRANSPARENCY AND COMPETITIVENESS PACT

BETWEEN THE MUNICIPALITY AND THE REPRESENTATION OF THE PRIVATE SECTOR IN MUNICIPAL COMPETITIVENESS COMMITTEE OF THE MUNICIPALITY OF \_\_\_\_\_

We, the undersigned, acting on behalf of the institutions involved in local economic development, \_\_\_\_\_, Mayor and City Council Representative of Ciudad Delgado, Department of San Salvador and \_\_\_\_\_, Coordinator and Representative of the private sector within the Municipal Competitiveness Committee,

#### WHEREAS:

- I. That the municipality is the primary administrative political unit within the state organization, established in a territory of its own, organized under a law that guarantees popular participation in training and autonomous conduct of the local society.
- II. That the local governments constitute a fundamental pillar in the social and economic development aimed at improving living standards of the populations of the municipalities having in their responsibilities to ensure public access to information on local government, citizen participation, and transparency;
- III. That the Government of El Salvador's priorities include enhancing a favorable environment to companies at the municipal level and promote decentralization and local development, creating the Secretariat for Strategic Affairs (SAE), which, through the Secretariat for Territorial Development and Decentralization (SSDTD), supports municipalities to govern transparently, build capacity to deliver quality services, promote economic activity, and create jobs;
- IV. That the Government of El Salvador in order to provide transparent governance, constituted the Tribunal of Government Ethics, which has among its functions "to define mechanisms to ensure transparency of public administration and publicity of administrative acts by all possible means of information "; also, it created the Sub Secretary of Transparency and Anti-Corruption (SSTA), whose main task is "to promote probity, transparency, and public audit, through citizen access to public information and legal responsibility." Recently, in the same sense, the Law on Access to Public Information (LAIP) was adopted in order to guarantee the right of access of everyone to public information, in order to contribute to the transparency of the proceedings of the institutions of the State ";
- V. That the parties, consistent with previous public policies, view a business-friendly environment as help improve the performance of the private sector, generate increased local investment, more business opportunities and jobs, and thereby improve the quality of life of the population; and achieve their sustainability over time, demand for transparency, improved competitiveness and constant dialogue, and cooperation between local governments and the private sector.
- VI. That as part of the participatory process the Municipal Competitiveness Committee has been constituted, with the mission to support the implementation and monitoring of measures to improve the business climate in the municipality.

**THEREFORE:**

We agreed to sign the Transparency and Competitiveness Pact in order to establish a framework of support to promote and facilitate the implementation of the Municipal Competitiveness Plan, for which we adopt the following commitments:

**COMMITMENTS OF THE MUNICIPALITIES**

**1. TRANSPARENCY**

**1.1. ACCESS TO PUBLIC INFORMATION AND DISCLOSURE**

The municipality is committed to establishing the Unit of Access to Public Information, which will have within its responsibilities, to make available to the public and the private sector, any information that the law establishes and one that helps to build confidence for the establishment of a favorable business climate. The unit will have active participation in all initiatives aimed at strengthening transparency in the municipal management.

The municipality is committed to disseminating information through various institutional mechanisms at its disposal, such as newsletters, bulletin boards, web sites, radio stations, newspapers, and briefings among others.

**1.2. PROCUREMENT OF GOODS AND SERVICES**

The municipality agrees to use the procedures established in the current legislation in regards to the procurement of goods and services, ensuring equal conditions for the private sector to offer their products and / or services. For this, and through various institutional means, it will disseminate all necessary information to facilitate the equitable participation and healthy competition.

**1.4. COMPLAINTS, CLAIMS, AND SUGGESTIONS FOR IMPROVEMENT**

In its relations with the people and the private sector, the municipality will establish a mechanism for them to air their grievances, complaints, and suggestions in relation to the provision of municipal services and their disagreements with procurement processes, lack of information, misuse of municipal resources, deficiencies in building projects, among others, and their proposals for improving them. Complaints and / or proposals will be received and processed in order to respond promptly to stakeholders.

**1.5. Simplification of procedures**

To facilitate the process for private investment and in the interests of transparency and improving their competitiveness, the municipality undertakes that adoption of policies that ensure a process of continuous improvement in the efficiency of procedures relating to the installation and operation of new companies.

**1.6. SUITABILITY OF MUNICIPAL OFFICIALS**

The staff at the service of the municipality will be hired on merit and suitability for office. In that sense, the municipality commits to transparent processes for hiring of human resources, always trying to promote these processes the good relationship between municipality, private sector, and community.

## **2. PARTICIPATION**

### **2.1. MECHANISMS FOR PARTICIPATION AND CONSULTATION FOR PUBLIC AND PRIVATE INVESTMENT PROJECTS**

The municipality undertakes to provide spaces for citizen participation in the processes of decision-making on investment projects that impact the lives of communities. The municipality will inform the participants about the results that their participation has had in decision-making.

### **2.2. PARTICIPATORY BUDGETING**

The municipality is committed to participatory preparation of annual budgets, taking into account the priorities identified in the Municipal Competitiveness Plan and recommendations of the Municipal Competitiveness Committee.

## **3. ASSESSMENT**

### **3.1. MANDATORY EVALUATION OF MUNICIPAL POLICIES AND PLANS**

The municipality is committed to conducting an annual evaluation of policies, plans, and projects, based on impact indicators previously developed and made available to the public and the private sector; also to disseminate the results of that evaluation.

### **3.2 MUNICIPAL COMPETITIVENESS INDEX**

The municipality agrees to participate in drafting the Municipal Competitiveness Index, in order to periodically determine the level of competitiveness achieved and take actions to continuously improve municipal management.

### **3.3 ACCOUNTABILITY**

To inform, explain, and justify to the public the implementation of municipal policies and plans as well as the use of public resources, the municipality will share actions of accountability with citizens and other local actors, at least once a year.

## **4. EXTERNAL CONTROL**

### **4.1. CITIZEN COMPTROLLERSHIP**

To contribute to transparent governance, in harmony with what was stated in the Municipal Code and the LAIP, the municipality undertakes to provide citizen comptrollership and be open to the scrutiny by the public and the private sector.

## **COMMITMENTS OF THE PRIVATE SECTOR**

### **1. MUNICIPAL COMPETITIVENESS**

1.1 Participate and support the actions to promote municipal competitiveness led by the municipality in improving the business climate, the implementation of local economic development initiatives, and the timely payment of taxes and fees.

## 2. MUNICIPAL REGULATIONS

2.1 Respect and enforce laws and regulations in the city and in the country, supporting the municipal government in the implementation of measures for this purpose.

## 3. PARTICIPATION

3.1 Actively participate in public - private dialogue and support their strengthening and sustainability.

3.2 Actively participate in the Municipal Competitiveness Committee in support of the implementation of the Municipal Competitiveness Plan and the creation of more businesses and jobs in the city.

## MONITORING AND EVALUATION

Monitoring and evaluation of the Pact herein will be the responsibility of the municipality and the private sector through the Municipal Competitiveness Committee.

In accordance with what was expressed above and to effect of affirming our commitment to respect the Transparency and Competitiveness Pact, we hereby sign in three copies of equal value, in the city of [REDACTED] to the [REDACTED] day of [REDACTED] of the year [REDACTED].

[REDACTED],  
Mayor  
Municipality of [REDACTED]

[REDACTED],  
Coordinator  
Municipal Competitiveness Committee  
Municipality of [REDACTED]

## **Appendix 4: Rules of the Municipal Competitiveness Committee**

Rules of the Municipal Competitiveness Committee of the Municipality of [REDACTED].

### **CHAPTER I. THE MUNICIPAL COMPETITIVENESS COMMITTEE**

Article 1. Background: The formation of the Municipal Competitiveness Committee, hereinafter the Committee, arises from a participatory process where the need for establishing a public-private meeting space to discuss and commit to boost economic growth and governance of the municipality.

Article 2. Nature: The Committee is a local nonprofit, non-religious, apolitical instance formed by public and private actors, understood as entrepreneurs, traders, artisans, and representatives of civil society institutions; created as a forum for consultation and coordination between public actors, local authorities, and civil society on issues related to competitiveness and productivity, in order to promote economic development and improve the living standards of the population.

Article 3. Members: To join the Committee, it is necessary to be invited and selected for this purpose by virtue of having desire to serve and be an active member of institutions and organizations that make up the different economic sectors of the municipality.

The persons who have continuously participated in the creation process and decided to join voluntarily, are founding members of the Committee.

On the other hand, they may become members of the Committee, those who meet the requirements mentioned above and those who have been invited and selected, and who are accepted by agreement of the Committee, under the procedure contained in this Regulation.

Article 4. Exclusion: Committee members who submitted his resignation in writing, will lose their membership, also those who fail to comply with the requirements mentioned in the previous article, those who use the Committee for personal purposes, or those who do not attend to three consecutive sessions, subject to receiving a formal invitation and where there is no excuse formally submitted in writing to the Committee, or cause for his absence. In any case, the exclusion must be agreed by the Committee in the manner indicated in this Regulation.

Article 5. Election of the Coordinator: The Coordinator of the Committee shall be elected for a period of two years and may be reelected.

## **CHAPTER II. DUTIES AND RIGHTS OF THE MEMBERS.**

### **Duties**

Article 6. Members will have the following obligations:

- a) To fulfill the precepts stated by these regulations, as well as the resolutions adopted by the bodies of the Committee,
- b) To cooperate in developing the work of the Committee and in the proper execution of the activities to be determined,
- c) To perform the functions they are entrusted with by the Committee in plenary for the proper functioning of the Committee.

### **Rights**

Article 7. Members of the Committee shall have the following rights:

- a) Participate in activities and social events of the Committee,
- b) Attend and vote at meetings of the Committee,
- c) Elect and be elected in leadership positions,
- d) Have a copy of these regulations since joining the Committee,
- e) Have the right knowledge of the resolutions adopted by the bodies of the Committee.

## **CHAPTER III. BODIES OF THE COMMITTEE, POWERS AND FUNCTIONS**

Article 8. The Committee shall be composed of a Coordinator, a Technical Secretary, and members of the Work Tables.

Article 9. Powers of the Coordinator:

- a) Represent the Committee before the other Municipal Competitiveness committees and other institutions,
- b) Convene meetings of the Committee, in accordance with this Regulation,
- c) Chair the meetings of the Committee and submit for consideration all matters appearing on the agenda for the appropriate meeting; rule on points of order raised during the deliberations,
- d) Submit matters to a vote in accordance with the relevant provisions of this Regulation,
- e) Develop the Work Plan of the Committee and integrate the same work plans of committees, ensuring compliance with it.
- f) Submit a written report at the end of each year, on its activities in compliance with the functions under this Regulation and the resolutions of the Committee.
- g) Ensure compliance with the agreements of the Committee,
- h) Attend meetings and other activities related to the competitiveness to which he/she is convened,
- i) Exercise any other powers conferred by this Regulation or other tasks assigned by the Committee,

- j) Evaluate, with the support of a Commission of the Committee, the management and development of the actions proposed in the various plans, programs, or agreements.

The Coordinator may delegate to another member of the Committee the powers specified in paragraphs (a) and (h).

Article 10. Duties of the Secretary:

- a) Prepare invitations to members of the Committee to the meetings convened by the Coordinator, and coordinate with the Municipality the delivery of such invitations.
- b) Invite other representatives of the public and private sectors to the Committee meetings to discuss issues of interest, prior consent of the Directors, who will have voice but no vote,
- c) Prepare minutes of meetings, agreements, and resolutions,
- d) Receive and process the correspondence, petitions, and communications addressed to the Committee,
- e) Request from interested parties the information he/she considers relevant to the ordinary procedures of the Committee,
- f) Such other functions as may be delegated by reason of the operation of the Committee.

Article 11. Working Groups: The Working Groups will be formed for each strategic line contained in the Municipal Competitiveness Plan and shall be composed of representatives of the Municipality and the private sector in the municipality. They may rely on experts to provide knowledge necessary for the development of projects. Each Working Group will have a leader responsible of the project implementation.

Article 12. Functions of the Working Group leader:

- a) Coordinate the Working Groups to which they have been delegated by agreement of the Committee,
- b) Represent the Committee where they have been delegated for this,
- c) Perform the administration of the Working Groups under his/her coordination,
- d) Any other assigned to him/her by the Committee.
- e) Formulate the Annual Operating Plan,
- f) Supervise the development of the projects,
- g) Present the progress and results of the projects under his/her responsibility,
- h) Convene the members of the Working Groups to meetings,

## CHAPTER IV. THE COMMITTEE

### Article 13. Meetings:

- a) The Committee in plenary will hold a regular meeting every month and as many special sessions as it deems necessary.
- b) The Working Groups shall normally meet once a month at different meetings than those of the Committee in plenary, extraordinarily they will meet whenever deemed necessary
- c) The aforementioned meetings will be held in the place and time indicated by coordinating dates of each of the instances,

Article 14. The Committee may hold extraordinary meetings on his own initiative or at the request of any member.

Article 15. Quorum: The quorum for meetings shall be one half plus one of the members of the Committee. Its decisions are taken by simple majority of those present; in case of a tie, the Coordinator will have qualified vote,

Article 16. Special Quorum to decide: The Committee shall resolve the following issues with the vote of at least three quarters of its members:

- a) Election of the Coordinator.
- b) Interpretation of the application of the Rules of the Committee.

Article 17. Documents and Minutes of Meetings: At each meeting, a summary must record the day and time of the meeting, the names of the members who attended the meeting, the matters discussed, the decisions made, the commitments taken by parties and any statement made by members in order to be recorded in the minutes. The documents presented at the meeting by any member will be added as annexes to the minutes.

Committee documents will be preserved in the offices of the Municipality, in the place designated by the City Council to do so and will be available to the Committee members when necessary.

Article 18. Reports: Annual reports of the Committee shall include:

- a) Analysis and comments on progress in achieving the objectives outlined in the Municipal Competitiveness Plan;
- b) A list of meetings held during the period covered by the report and of other actions of the Committee to carry out its activities;
- c) A summary of cooperative activities developed by the Committee with other local, regional, national, and international institutions, as well as the results achieved;
- d) Any general or special report that the Committee considers necessary for the state of competitiveness in the municipality and, where appropriate, monitoring reports on the agreements and commitments, noting the progress achieved and the difficulties that have arisen in the effective development of the competitiveness in the municipality;
- e) Recommendations for improvement or adjustment to each of the projects within the Municipal Competitiveness Plan;

- f) Executive report on the negotiations, meetings, and workshops in the process of economic integration in the region.
- g) Make recommendations that are essential to promote local, regional, and national competitiveness.
- h) Any other information, observation, Sectorial Policy, or recommendation that the Committee deems appropriate.

Article 19. The annual report must be approved by the members of the Committee and published by the Coordinator. This should be done within the first month following the close of the financial year.

## **CHAPTER V. FINAL PROVISIONS**

Article 20. Amendment of the Rules: These rules may be modified by the votes of at least three quarters of the members of the Committee.

Article 21. Term: This regulation will take effect from the \_\_\_\_\_ day of \_\_\_\_\_ of 20\_\_.

## **Appendix 5: Contents of the Municipal Competitiveness Plan**

### **ACRONYMS**

### **EXECUTIVE SUMMARY**

### **PRESENTATION**

### **INTRODUCTION**

### **CHAPTER I. Conceptual Framework and Methodology**

1.1 Concept of municipal competitiveness

1.2 Methods of preparing the Competitiveness Plan

### **CHAPTER II. BIO-PHYSICAL AND SOCIO-ECONOMIC ENVIRONMENT**

2.1 Geography of the Municipality

2.2 Natural resources

2.3 Population

2.4 Migration

2.5 Education

2.6 Human Resource Index and quality of life

2.7 Coverage and Access to Basic Services

2.8 Connectivity

2.9 Map of actors

### **CHAPTER III. MUNICIPAL MANAGEMENT**

3.1 General

3.2 Municipal management

3.3 Municipal Competitiveness Index (MCI)

### **CHAPTER IV. PRODUCTIVE AND ENTREPRENEURIAL FABRIC**

4.1 Productive fabric of the municipality

4.2 Entrepreneurial fabric

4.3 Support services to companies

### **CHAPTER V. SWOT PARTICIPATORY FOR COMPETITIVENESS AND ECONOMIC GROWTH**

5.1 Methodology for the elaboration of SWOT

5.2 SWOT Results

### **CHAPTER VI. PLAN OF MUNICIPAL COMPETITIVENESS**

6.1 Vision

6.2 Strategic Objective

6.3 Strategic guidelines and actions

6.4 Programs and projects to boost local competitiveness

6.5 Multi-annual programming

### **CHAPTER VII. ORGANIZATION FOR THE IMPLEMENTATION AND MONITORING SYSTEM**

7.1 Municipal Competitiveness Committee

### **CHAPTER VIII. INDICATORS MANAGEMENT OF MUNICIPAL COMPETITIVENESS PLAN**

8.1 Indicators on the Municipal Competitiveness Committee

8.2 Indicators on Municipal management

8.3 Indicators on the activities of business support: training, partnerships formed, advice.

### **SOURCES**

### **CHARTS**

### **GRAPHICS**

### **MAPS**

### **TABLES**

## Appendix 6: Annual Operating Plan

Strategic Line N°1: Municipal management regarding the business climate														
Projects	Main activities	Year 2015												2016
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
<b>Program N° 1: Municipal Transparency</b>														
1. Project for updating the web site of the municipality	1. Provide information to the person in charge of communications to be published on the web site													
	2. Monitoring the periodic updating (at least once a month) of information linked to the municipal management and the activities promoted by the Municipal Competitiveness Committee													
<b>Program N° 2: Municipal Services</b>														
2. Creation and Establishment of the EMPRE	1. Disseminate the services offered to entrepreneurs through the EMPRE													
	2. Monitoring by the Municipal Competitiveness Committee and the municipality the Work Plan, Needs Survey and links established by EMPRE with suppliers of finance and non-finance SDE since its creation (September 2014)													
	3. Establish service goals for entrepreneurs of the prioritized sector (Trading) during 2015 and monitor the results.													
	4. Broaden the service of the EMPRE for farming economic sector													
	5. Development of programs of farming technification and training to farming producers with links to MAG-CENTA													
<b>Program N° 3: Proactivity</b>														
3. Design the strategy of touristic development	1. Manage with academia (ITCHA, UAB, MITUR) the development of this Technical Support													
<b>Program N° 4: Security</b>														
4. Implementation of awareness campaigns for reporting culture	1. Manage the development of this activity with PNC, DM1, CAM													
5. Develop campaigns of peace culture	1. Manage the development of this activity with PNC, DM1, CAM, Schools, institutes, municipality													

Strategic Line N°1: Municipal management regarding the business climate														
Projects	Main activities	Year 2015												2016
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
<b>Program N° 5: Municipal Regulations</b>														
6. Installation of the one-window system for the service to entrepreneurs	1. Disseminate the services offered to entrepreneurs through the VAE													
	2. Monitoring of services offered regarding the simplification of procedures for registering of businesses and the rest of services offered by VUAE to entrepreneurs.													
<b>Program N° 6: Informal Payments</b>														
7. Establish mechanisms to report illegal money charges	1. Define along with municipality units and the Municipal Competitiveness Committee which actions must be taken to report informal payments													
	2. Socialize mechanisms and follow up of claims													