



GOOD PRACTICES MANUAL AND BASIC TECHNIQUES TO STRENGTHEN THE PUBLIC-PRIVATE DIALOGUE

USAID Municipal Competitiveness Project

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Acronyms

AOP	Annual Operating Plan
DF4D	Domestic Finance for Development
EMPRE	Municipal Unit for Enterprise Development
M&A	Monitoring and Assessment
MCC	Municipal Competitiveness Committee
MCI	Municipal Competitiveness Index
MCP	Municipal Competitiveness Project
PPD	Public-Private Dialogue
SOWT	Strengths, Opportunities, Weaknesses, and Threats
USAID	United States Agency for International Development

General Overview

The purpose of this Manual is to guide and facilitate the process of public-private dialogue (PPD) developed by the Municipal Competitiveness Committees (each, an “MCC”) created in the 50 municipalities involved in the implementation of the Municipal Competitiveness Project (MCP) of the United States Agency for International Development (USAID).

The MCC is the primary PPD institutional platform at the local level, designed to promote economic growth and, in the long run, a participating pattern in local economic governance.

The Manual, designed to be used by the members of the MCC, contains information for the design, implementation and monitoring of the PPD. The practical use of technical tools shall be adjusted to the actual circumstances and experience of each MCC.

This Manual is based on a live diagnosis established at the meetings of eight MCCs¹. In addition, the authors have examined good international practices² to strengthen the PPD, the contents of which were adapted to the observations and experiences of the municipalities which are recipients of MCP support.

¹ With the technical assistance of consultant Xavier Hernández.

² Herzberg, B. Wright A.: *The PPD Handbook. A toolkit for business environment reformers. Operational guidelines for the charts of good practice in using PPD for private sector development*, 2006. World Bank Group, Department for International Development (DFID), Organization for Economic Cooperation and Development (OECD), the text of which is published at www.publicprivatedialogue.org

Background

Over a term of 42 months (Sep/2010-Mar/2014), the MCP provided technical assistance to 50 municipalities, its originating purpose having been to improve municipal management and to strengthen the investment environment by facilitating the setting up and operation of businesses based on the opportunities identified by the 2009 Municipal Competitiveness Index (MCI)³.

The MCP included four components: 1) strengthening the effectiveness and efficiency of the municipalities' capacities to provide services to the business community; 2) building organizational, networking, and cooperation capacities between the various municipalities and between the municipalities and the private sector; 3) developing the 2011 and 2013 MCI measurements; and 4) supporting actions to prevent violence within the scope of the Domestic Finance for Development (DF4D).

The MCP created MCCs composed of representatives of the municipalities and the local private sector, who on voluntary bases, get together to promote initiatives designed to improve the business environment in each city. The MCP developed and implemented 50 Municipal Competitiveness Plans, signed 50 transparency covenants, and changed the municipal servants' image as suppliers of public services to that of local economic development promoters.

By March, 2014, 37 municipalities had created 49 counters exclusively designed to meet the businessmen's needs, with simplified procedures for filing and business permit and license issuance. In addition, six municipalities had created municipal units for enterprise development (EMPRES), designed to operate as a new model to meet the needs of the business community.

In order to enhance the success of EMPRES and contribute to the sustainability of MCCs, the USAID extended the life of the MCP from March 31, 2014 to March 28, 2015. Since June 7, 2014, the MCP has provided assistance to 14 of the 50 original municipalities: Candelaria de la Frontera, Chalatenango, Ciudad Arce, Ciudad Barrios, Nahuizalco, San Martín, San Salvador, Santa Tecla, Santiago Nonualco, Sensuntepeque, Suchitoto, Tecoluca, Tonacatepeque, and Zacatecoluca.

Tasks have been focused on three major activities: 1) Replicating the EMPRE model to improve municipal services and widen the businessmen's access to business-development services; 2) Strengthening the 14 MCCs; and 3) Improving the institutional capacity of two local subcontractors.

Additional tasks will help consolidate the benefits of the PPD initially offered by the MCCs and provide support for an efficient management of services to the private sector by the government.

In summary, the MCCs designed and implemented by the MCP were created to become the structure that is promoting PPD as needed by El Salvador. At the MCC, both sectors discuss ideas

³ The 2009 MCI, the first in its kind, provided major information for the design of the MCP (<http://www.municipalindexelsalvador.com>).

and projects with one sole vision. This is why it is important to continue to promote these activities so that joint projects may be implemented, their sustainability may be ensured, and the model may be replicated in other municipalities which were not recipients of assistance under the MCP.

Introduction

One of the main challenges El Salvador must meet is to achieve economic growth levels able to provide sustainable welfare to the country's population. Local governments require political willingness and joint efforts with the private sector to strengthen municipal competitiveness.

Both sectors must jointly promote the reforms that are necessary to facilitate the removal of barriers to the development of economic activities, business growth, the appeal of new investments, and the generation of new jobs. Within this context, it is essential for local governments to provide constant support to their economies' dynamism.

The MCP's goal is to strengthen the PPD promoted by the MCCs, with a view for agents to be able to develop capacities for the creation of cooperation schemes.

In this sense, the private sector plays a major role. Insofar as the public sector must undertake to eliminate all obstacles to the development of productive activities, the business sector must provide diagnostic inputs to the local economic activity, as the latter will allow more accurately establishing the purposes and goals of the necessary reforms and facilitating their implementation.

Queries to the business sector on the strategic issues of the local economic agenda favor the continued improvement process for the municipality and promote the development of a better environment for public-private cooperation.

I. A PPD on Competitiveness

In the municipalities that received assistance from the MCP, the benefits of PPD are evident. These municipalities have a shared agenda that is closely linked to the Municipal Competitiveness Plans, which were developed on the basis of dialogue exercises between municipal servants and the businessmen of each locality.

The strengthening of PPD: a priority for both sectors. The role of the MCC is critical for the promotion of initiatives that may, in the medium term, result in the creation of a positive investment environment. The design and implementation of initiatives must be based on a proper utilization of the PPD mechanisms that allow developing municipal capacity for the management and administration of processes.

Their correct application helps the public and private actors discover the benefits of taking part in and being committed to the PPD, to promote more effective reforms that will result in economic development. This encourages, in turn, local governments, civil society organizations and the business community to work together in creating consensus, establishing priorities, and achieve the economic goals of each locality.

Based on the above, it is essential for PPD processes to be able to operate as a milestone in municipal decision-making as related to the business sector.

A successful PPD process is based on:

- A diagnosis of the conditions under which the PPD develops within the MCC;
- The identification of the operating conditions of the MCC;
- Knowledge of good PPD practices;
- Theoretical and practical training in PPD for the members of MCC; and
- Development of PPD forums at the local, regional, and national levels.

II. Tools for the PPD Design, Implementation, and Monitoring

One of the challenges of the MCCs is to keep an effective dialogue process. The MCP adapted *The PPD Handbook; a toolkit for business environment reformers*, as published by the World Bank in December, 2006⁴, including the seven basic tools to strengthen the PPD at the local level. Its adoption by the MCCs will contribute to strengthening dialogue processes among their members, as well as the outcome of their management practices.

The underlying tools are as follows:

- Institutional terms of reference and alignment;
- PPD champions or leaders;
- Elements of the municipality's public-private model;
- Organization and participation;
- Outcome of the PPD;
- Projection of the PPD;
- Monitoring and assessment of the PPD.

II.a Institutional Terms of Reference and Alignment

It is important to recognize the legal and formal criteria governing the PPD process and the tools sustaining its development.

Legal Terms of Reference. The MCC is created under an agreement of the municipal executive board to provide follow-up and sustain the execution of the Municipal Competitiveness Plan. This agreement grants the MCC its legal operation framework, whereby, the PPD thus developed is supported by the law.

Formal Requirements. The MCC is formalized through a public oath by each of its members before the Mayor, where each undertakes to meet his/her duties. Beyond the above legal and formal requirements, the success of the PPD will depend on the level of commitment of each member in his/her individual and corporate performance.

II.b PPD Champions or Leaders

A PPD will develop only if someone is willing to promote it. The PPD must be promoted by well-known and respected leaders of the public and private sectors, stakeholders, and the civil society. They are the ones who must coordinate and dynamize its practice and continued improvement.

⁴ Herzberg B. Wright A., *op. cit.*

It is important to recognize the momentum and dynamism exercised by local champions or leaders when they are effectively committed to the PPD. Whether belonging in the public or the private sector, a leader who is committed to dialogue will be able to make a difference and an effective contribution to advances in the fulfillment of his/her mission.

The MCC coordinator must identify such leaders and ensure that each of them performs according to his/her experience, abilities, and strengths.

i. The Role of Leaders

Depending on the underlying circumstances, leaders may play a role as negotiators, supporters, managers, or promoters with a view to obtain other actors’ commitment to the development of the Municipal Competitiveness Plan (*Figure 1*).

Figure 1: Leadership Types at the Local Level⁵

Leaders	Role
Cooperators	They promote the start-up of reform processes. They may provide support via technical and/or financial resources, and facilitate the understanding of and commitment to the reform.
Municipal servants and private sector leaders	They provide credibility and trust among the members of the private sector and all parties having an interest in municipal competitiveness. They also facilitate decision-making.
Municipal representatives at the intermediate level	They make significant contributions and provide support to the operation of municipal plans. Further, they become a bridge between municipal authorities and the MCC.
Committed parties	The authorities of workers’ unions and NGOs may inject enthusiasm, but it may be hard for them to remove obstacles at the level of the local government.
Opponents	This category comprises the servants or businessmen who at the beginning are opposed to the reforms that have been proposed. Yet, as they become involved in the PPD process, they may become a source of experience and ideas to overcome obstacles.
Individual businessmen	Individual businessmen often become promoters of change and reforms. This is a usual development for corporate bodies (for instance, the representatives of municipal markets or trades) or individuals willing to break traditions, who operate as an example for others.

ii. Basic Knowledge of Leaders

In order to promote and provide momentum to reforms and initiatives to strengthen municipal competitiveness, it is essential to create a critical mass of local leaders who are knowledgeable in PPD techniques and have the influence level that may be required to obtain support to reform processes.

The leader must understand the local context and the PPD purposes, benefits, and techniques, including the following elements:

⁵ Waddington, R., *The roles of champions and development agencies in achieving (and sustaining) reform*, January 2006 (adapted by Herzberg B. Wright A, *op. cit.* p. 66).

- Respect for the local context. Each municipality will strengthen its competitiveness in a different manner, depending on local potentials and characteristics. The strengthening of competitiveness requires reforms; however the way in which such reforms are applied at the local level is equally important.
- Leadership skills. The leader must have the necessary abilities to facilitate meetings, handle change, disseminate information, lecturing in public, draft reports, and prepare projects.
- Reinforcement of motivation and commitment. The leaders identified must be incorporated to the MCC so that their skills and leadership abilities may be successfully used to achieve its purposes.

II.c Elements of the Municipality's Public-Private Model

i. The MCC

The MCC, created upon an agreement by the municipal executive board, is a space where actors of the private and public sectors gather to achieve, through dialogue practices, understanding and commitment on the issues that are relevant for each municipality and promote economic growth and local governance. Thus, the MCC is the primary PPD institutional platform in the municipality.

The purpose of the MCC is to design and follow the implementation of the Municipal Competitiveness Plan that will provide momentum to economic activities. It is advisable for the MCC to hold working sessions every two weeks to provide follow-up to the Plan's activities.

ii. The Municipal Competitiveness Plan

The Municipal Competitiveness Plan is the tool adopted by the MCC as its agenda, including the goals and strategic lines that will help create an investment environment that will allow local economic growth and governance. The plan is a document that reflects the outcome of the debates held by the public sector and the representatives of the private sector, and of the commitment the municipal authorities have assumed towards the business community.

The Municipal Competitiveness Plan contains a diagnosis of the municipality, a mapping of the public and private actors in the locality, the vision they all share, medium-term strategic goals, and the actions and initiatives that have been assigned priority to focus efforts in the short term. The Plan is composed of the sections shown in *Exhibit 1* hereto, The Contents of the Municipal Competitiveness Plan.

The Municipal Competitiveness Plan's horizon runs for five years. The Plan is a dynamic document that must be periodically reviewed and revised as necessary to preserve its appropriateness. The Plan's implementation, year after year, is tackled through the Annual Operating Plan (AOP), which establishes in detail the actions that need to be developed each calendar year.

Responsibility for the design of the Municipal Competitiveness Plan and the AOP is entrusted to the MCC. Both Plans are approved under an agreement of the municipal executive board and their implementation is entrusted to the executive authorities of the municipality. Thus, both actors play supplementary roles in their efforts to achieve the purposes sought.

iii. The Municipal Unit for Enterprise Development

The Municipal Unit for Enterprise Development (EMPRE) is a municipal tool developed for the MCP, the main mission of which is to support local businessmen in obtaining and gaining access to business development services that will help them develop their productive, managerial, and commercial capabilities.

The EMPRE helps identifying new investment and business opportunities that will create jobs at the local level, provides information, and establishes links between productive or business development service providers and businessmen. The EMPRE also coordinates certain activities jointly developed by municipal areas and the private sector.

The EMPRE officer is the Technical Secretary of the MCC, who provides follow-up and support to the agreements concluded by the Committee, and contributes to the implementation of the Municipal Competitiveness Plan.

II.d Organization and Participation

A common feature of competitiveness associates is a correlation between the advancements achieved and the rank of the public actors involved. Without the support of the highest municipal authorities, the dialogue tends to have a poor outcome which is, further, unsustainable. In addition, municipal authorities must carefully select the members of the public sector who will make part of the MCC. An appropriate solution is to include high ranking executive, administrative and technical staff that is committed to improving the city's competitiveness.

As regards the private sector, it is important to include actors who are willing to serve and are committed to the MCC's purposes. An individual who is willing to take part on voluntary basis in order to support the PPD process is more useful than an individual whose only aim is to earn certain remuneration.

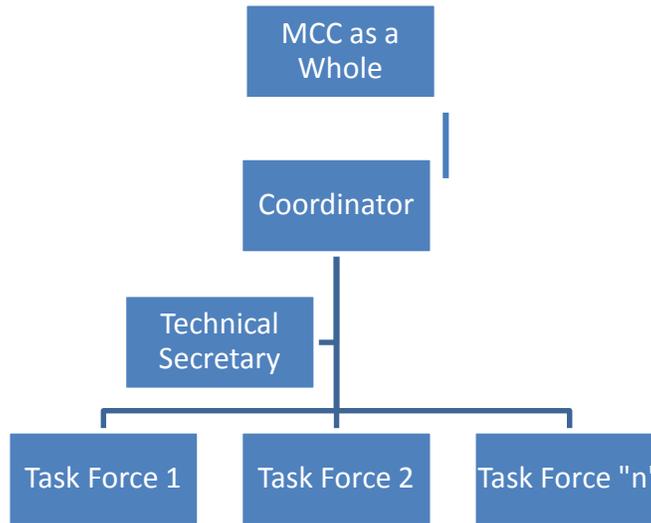
The key elements for an efficient PPD process are: a well-defined organizational structure, the committed participation of actors of the public and private sectors, transparency, and regulation.

i. Organizational Structure

The organizational structure of the MCC must promote balanced and functional participation to allow an effective dialogue. There is, however, no single structural model for a successful PPD process. The design of the process will depend on a number of variables, and the process must be correctly identified and properly adapted.

In order to ensure the effectiveness of its contribution to the municipality’s local economic development, the MCC must consolidate its organization. The elements of the MCC are: the MCC as a Whole, the Coordinator, the Technical Secretary and the task forces that may be created for specific individual tasks and to offer recommendations to the MCC as a Whole. All such elements take part in the MCC on voluntary basis (*Figure 2*).

Figure 2: Basic Organization of the MCC



The **MCC as a Whole** is the governing body of the MCC and is directly responsible for the approval of the Municipal Competitiveness Plan and the AOP. This body operates in direct contact with municipal authorities in order to achieve the best possible coordination of the MCC’s activities and to ensure sound legal and economic foundations for its operation.

The **Coordinator**'s main duty is to lead the MCC's members to perform under the Municipal Competitiveness Plan, to which ends the Coordinator is the facilitator of the PPD process.

The Coordinator must be an objective, neutral, and reliable individual who is able to meet the following functions and responsibilities:

- Promote and balance the active participation of all the MCC's members;
- Coordinate the activities needed to prepare and develop the meetings of the MCC to ensure their productiveness;
- Monitor all the activities of the MCC and all task forces;
- Strengthen dialogue between the members and promote a receptive attitude in the local government towards the suggestions, recommendations, and requests of the private sector;
- Coordinate the development of the AOP;
- Keep permanent contact with the members of all tasks forces to identify their interests, provide support to the settlement of differences, encourage their participation, and motivate the private sector to be fully involved in the program;
- Establish efficient work relationships with external allies to obtain information, training, and technical assistance on public policies, research, and analysis for the execution of projects o support to the strengthening of the dialogue capacity of the MCC's members.

The **Technical Secretary**'s duty is to support the Coordinator in managing the MCC, implementing all agreements and projects approved, and contributing to the implementation of the Municipal Competitiveness Plan.

The Technical Secretary shall call meetings, keep and distribute agendas and records, transcribe minutes, and organize visits to other municipalities, organizations, institutions, and companies.

The Technical Secretary allows creating an institutional memory of all the agreements adopted by the meetings, supports their materialization, and reports the progress made at each meeting.

The duty of **task forces** is to provide follow-up and support to the implementation of the Municipal Competitiveness Plan or any special project the MCC may approve.

The task forces shall be composed of members of the MCC. Each task force shall be devoted to a specific field (for example, agriculture, tourism, retail business, events, etc. The MCC may create as many permanent or temporary task forces as necessary or advisable. This will allow activities to be more accurately focused and will benefit from higher levels of technical experience.

Each task force shall have a coordinator who shall interact with the other tasks forces and the MCC's Coordinator. Such coordinator may also invite the participation of individuals who are not members of the MCC but have technical expertise in the activity they are designed to cover.

The frequency of meetings will depend on the activities performed and the recommendations they must submit to the MCC as a Whole. Notwithstanding the above, it is advisable for the task forces to meet at least every two weeks.

ii. **Participation of the Public and the Private Sectors**

Municipal Authorities. For the success of the MCC it is critical that the Mayor and the members of the municipal executive board be also members of the MCC. Their presence will encourage the other members of the MCC and will be advisable for the agility of activities in terms of queries and communications.

Municipal Staff. The executive, administrative, and technical staff of the municipality may make part of the MCC as representatives of the public sector, and also as members of the tasks forces, even if they are not members of the MCC, depending on the nature of the underlying issue and with the approval of the Coordinator.

Private Sector. The local businessmen making part of the MCC must belong in the active sectors of the municipality's economy, such as, for instance, in agriculture, tourism, trade, manufacturing industry, etc. The representatives of workers' unions in the private sector are proper candidates to become members of the MCC, as they have access to a large number of businessmen without the need to call meetings that might be difficult to handle.

Number of Participants. A large number of participants or a wide variety of participants may cause the dialogue to be almost unmanageable, whereas a very short number of participants may evidence poor representativeness. The key is to find the proper balance of authority and participation.

The lessons learned in practice in 50 municipalities in El Salvador have shown that the most successful MCCs were those with between 12 and 15 with the same number of representatives of the public and the private sectors.

Formal Meetings. In order to obtain positive outcomes, the meetings of the MCC as a Whole and of the task forces must be held in due respect of the necessary formality. A file must be kept with the agendas, the records, and all associated documents.

iii. **PPD Transparency**

In a PPD process, some businessmen may try to take advantage of the opportunity to have access to government officials. Thus, it is advisable to prepare written criteria, that should be available to the public, for the selection and replacement of the members of the MCC, and to allow all potential members an opportunity to show their interest in making part of the initiative.

At all times, transparency and mutual trust must be promoted. Efforts must be made to avoid a mistaken interpretation by one sector as regards the other, and a negative perception in the general public or the business community.

The MCC must publish a guide with information on the legal status of its members and the way in which the group will be governed and managed. This guide must clearly explain the role of the MCC as a Whole, and the way in which tasks forces are appointed, the meetings are organized, and the group is managed.

iv. Internal Operating Regulation

It is advisable for the MCC to approve an internal operating regulation to regulate the main issues that will facilitate dialogue, consensus, and the articulation of the members' efforts.

II.e PPD Outcome

The PPD is not a goal in itself but rather is only a means to obtain results. For the success of the PPD, it is essential to clearly and accurately define the results sought.

Some problems may be promptly solved, once the municipal authorities of the MCC have recognized the existence of a problem and if there is an easy way out. However, the Municipal Competitiveness Plan also identifies problems and solutions that can be only achieve in the medium- or even in the long-term.

It is important for the dynamics of the dialogue to obtain prompt results. This will contribute to feeding and accelerating the process for the implementation of the Municipal Competitiveness Plan, by promoting enthusiasm and commitment among the members of the MCC and the tasks forces.

One of the most valuable keys in this field is to start dealing with those subjects where both sectors agree, in particular if such subjects have been for a long time a cherished wish in the municipality.

The MCC must set forth the purposes and goals expected from its activities and keep the group focused and committed to the achievement of such purposes and goals, whether they may be sectorial (tourism, handcrafts, agriculture, trade, services, etc.) or general.

It will be necessary to set measurable goals, so as to facilitate the verification of their achievement. All activities to be carried out must be subject to a start date and a completion date, and they must be clearly aligned with the Municipal Competitiveness Plan.

II.f PPD Projection

The public and private sectors engage in the dialogue process with a different vision, based on different assumptions, and using a different jargon. The interaction between the government and the business community is also subject to an unfavorable interpretation by third parties, in particular when the criterion used to select the representatives of the private sector has not been too crystal clear.

In order to build trust among stakeholders, it is essential to facilitate the communication of a shared vision and understanding through a common jargon. The dialogue exercise should allow open and inclusive access and may use various tools, such as the media, seminars, and workshops.

The members of the MCC must be trained to take part in dialogue process on serious and transparent bases, with a view to achieving an agreed communication strategy that shall use clear and accurate messages.

i. The Importance of Dissemination and Communication

The most successful PPD processes keep effective communication strategies in order for the participants and the general public to become aware of the usefulness of the time and efforts invested in the process.

The various stakeholders require different communication strategies, depending on their attitude towards the PPD and the advantages they may obtain from the process.

An assessment of communications should be first performed, in order to develop specific strategies through interviews with opinion leaders, focal groups, and surveys, among other tools. The assessment should be focused on identifying the opponents who are able to take part in the debates and suggest solutions that will be mutually beneficial, allies who may have doubts as to whether or not to grant their support to the initiative, and groups of stakeholders who are involved in the underlying issues but are not yet committed. Special efforts are required to gain access to these three groups the behavior of which needs to be changed.

A wide dissemination of the positive results of the PPD will increase the likelihood of promoting reflection on its benefits and enhancing the participation of sectors and actors in the various stages and scenarios (the municipality, companies, the central government, scholars, and cooperating partners).

Communications designed to disseminate any progress to the audience should be made in a clear and simple language. Any technique may be used in this connection, provided it is adjusted to the common language and understanding of the general public. In order to enhance support to the PPD process, it is advisable to publish testimonials by businessmen who have benefited from the projects developed with the municipality.

Supplementary, it is necessary to take the usefulness of the following mechanisms into consideration:

- Programs to train the members of the MCC and other major local actors on the operation of PPD and competitiveness;
- Debates on competitiveness with the participation of those willing to contribute ideas, recommendations, projects, or initiatives designed to promote municipal competitiveness, encourage the promotion of economic activities, and enhance economic growth;
- Analysis and reflection on the results obtained through mechanisms that may help measuring the business environment at the local level.

ii. Communication and Promotion

Communication promotes the PPD and depends, in itself on the PPD.

The decision on the tools to be used must be based on a communication strategy prepared by the MCC, which must be able to identify the local audiences in terms of availability to take part in the PPD and also in initiatives on competitiveness and economic governance⁶.

A simple way to communicate the progress of the PPD is to invite the media to a conference after the main MCC meetings. At the conference, dialogue must be based on mutual interests, because, where businessmen aim at economic development, politicians aim at the prestige they may acquire if they are considered to be active reformers. If the positions of both sectors are easy to understand, their positions may be effectively disseminated.

If the media are accurately informed, this exchange will be fruitful and the message will be properly transmitted to the public.

⁶ Adapted from Herzberg B. Wright A, *op. cit.* p. 96.

The municipal competitiveness rating is a creative initiative and a valuable element for the promotion of the PPD among all citizens, tourists, municipalities, etc.

Leaflets and documents with public information may be used to explain the PPD process, its foundations and contents. These materials might be distributed to government offices, corporate associations, scholars, the media, and the general public.

We are noting below some instruments that are useful for the communication and promotion of the PPD:

- Press releases by the municipality and the MCC;
- Regular press conferences informing the citizens about the improvements gained in the economic and business regulation of the municipality, and any progress achieved in the projects under way;
- Leaflets, videos, posters in the public ways with information to both dwellers and visitors;
- Programs for the promotion of the PPD in local radio stations;
- Social networks.

Dissemination and promotion campaigns on competitiveness should be focused on its main components, *i.e.*:

- The distinctive elements of the municipality's competitiveness: What is the difference with other municipalities? What does the municipality offer to businessmen in terms of competitiveness and economic governance?
- The benefits of municipal competitiveness for the businessman: Which are the benefits the municipality offers that are inexistent in other municipalities?

The municipal authorities and the MCC should determine the funding sources for any campaigns.

II.g PPD Monitoring and Assessment

A monitoring and assessment (M&A) system is a valuable tool to manage the PPD process and show its purpose and performance.

A flexible and user-friendly M&A system should grant stakeholders the ability to monitor internal processes and encourage transparency and accountability. The mere fact that results are periodically monitored and distributed to stakeholders plays an exemplary role for the public and private sectors. In addition, having indicators and reports measuring progress is important to investors, who consider this is an input for their decision-making on investment plans.

A major component of internal monitoring is understanding the meaning of success in the local context. Accordingly, even if demanding considerable time and efforts, the M&A process is essential to identify the lessons learned, the success cases, and the obstacles that need to be overcome.

The MCC and the municipal authorities are responsible for the M&A of the results obtained in the tasks under their care, to which ends the EMPRE officer must keep all the necessary records.

In those places where trust among the public and private sectors is poor, it is essential to show that the dialogue process is, in itself, a successful result. Within this context, it is important to make and keep accurate records of the PPD. The minutes of any agreements concluded are a significant mechanism to increase transparency and set the foundation for future processes.

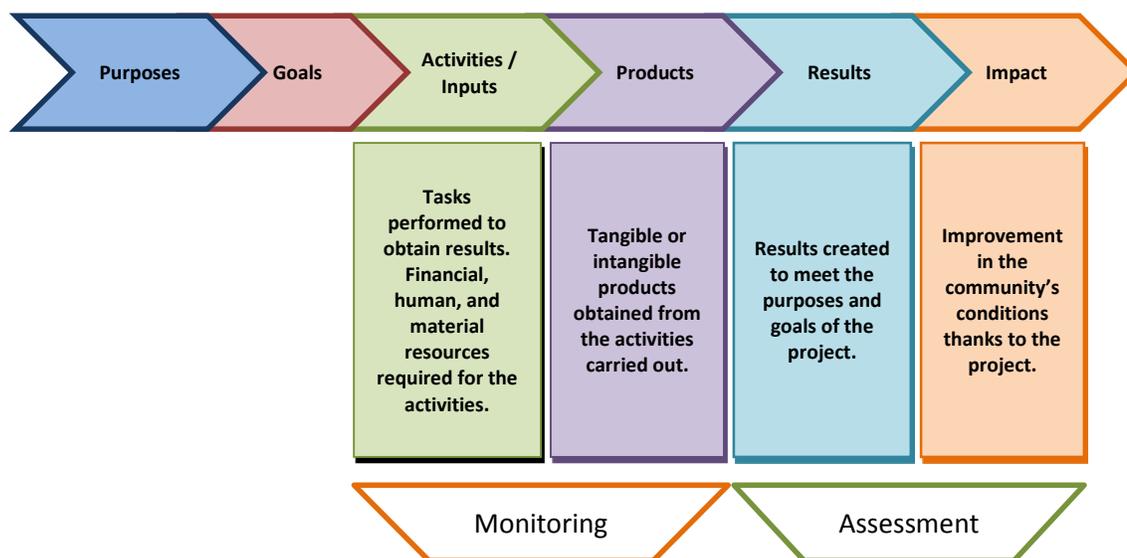
M&A techniques allow a better planning, fuel the potential support of stakeholders, and provide internal and external motivation for the promotion of a more effective implementation. To such ends, a baseline for assessment of the PPD process must be developed, which may be fit to measure its effectiveness, the achievement of goals, and the benefits obtained.

If appropriate indicators are chosen from the beginning of the process, inputs, products, results, and impacts may be better defined. These indicators must be reviewed and revised from time to time by the stakeholders, who depend on obtaining reliable data. Accordingly, it is important for the MCC to devote time and efforts to identifying the indicators and adopts the discipline to obtain measurements on regular basis.

The internal monitoring is closely related to future planning. It provides follow-up for inputs, products, and interim results. On the contrary, the assessment is a limited-duration exercise that is rather focused on final results and impacts, designed to obtain the degree to which the global purposes of the project have been obtained. If any difference is identified between the results anticipated and the results that were actually obtained, the goals may need to be reconsidered and/or the activities and resources may need to be adjusted to be aligned to the plan that was originally designed.

Figure 3 is a graphic representation of the above.

Figure 3: The M&A Process Over the Life of a Project



We are submitting below a suggestion for the indicators that may be used in monitoring the PPD of any projects related to competitiveness.

Short-Term Indicators. El MCC promotes initiatives contributing to increase investment, business, and employment. The indicators that are fit to measure the success of the project are: investment, new companies incorporated, and new jobs created. Since access to public information by the private sector is essential to strengthen the PPD process, the short-term indicators should also include those used to measure progress in this connection.

Internal indicators must be also developed for project control, such as:

- Follow-up of the implementation of the Municipal Competitiveness Plan's and AOP's initiatives and of the task forces' activities;
- Inputs, human resources, and budget compliance.

Medium-Term Indicators. One of the most valuable benefits of the process, the improved cooperation and trust environment built among the actors of both sectors is an intangible achievement that is difficult to measure and may only be appreciated in the medium- and long-term.

The following is a sample of internal indicators:

- Incorporation of a higher number of actors to the PPD process;
- Permanent task forces created for the analysis, recommendation, and implementation of specific initiatives.

A simple but extremely effective tool is the follow-up matrix as applied to the activities and results of all projects that are implemented.

It is a five-column matrix where the first column describes the activity, proposal, or project; the second column, a summary of the recommendation filed; the third column, any progress made; the fourth column, the current status of the activity; and the fifth column, the percentage completion of the activity (*Figure 4*).

Figure 4: Illustrative Monitoring Matrix for a Municipal Competitiveness Plan

Proposal, project, or activity	Recommendation filed	Progress	Current Status	Completion Level
Lighting in the Central Park	Installing 12 appliances along XX street	<ul style="list-style-type: none"> The poles have been installed The appliances are in storage 	Works are scheduled to be carried out on the week from XX	20%
Video-surveillance	Obtain private contributions for the project	Out of the \$8,750 needed, \$6,000 have already been raised	On XX, a check was received from company XYZ	10%
Monthly gastronomic festival	Organize a gastronomic festival to be held on the third weekend of each month	A first pilot festival was held on the month of X	A task force was created and a festival is being organized for the month of X	45%

Exhibit 1. Content of the Municipal Competitiveness Plan

ACRONYMS

EXECUTIVE SUMMARY

OVERVIEW

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2.3 Population

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CHAPTER IV. PRODUCTIVE AND CORPORATE TISSUE

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8.1 Indicators on the Municipal Competitiveness Committee

8.2 Indicators on municipal management

8.3 Indicators on business-support activities: training sessions, partnerships created, and advice.

SOURCES

DIAGRAMS

GRAPHS

MAPS

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