

**FINAL REPORT ON
AN ASSESSMENT OF RESPONSIBILITIES, ROLES, AND
FUNCTIONS OF THE
SECRETARIAT FOR NATIONAL RECONSTRUCTION**

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Submitted to:

**The Secretariat for National Reconstruction, Government of El Salvador
USAID/El Salvador**

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REVISED VERSION



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ACRONYMS

CONARA	National Commission for the Restoration of Areas
COMURES	Corporation of Municipalities
CRS	Catholic Relief Services
DAF	Department of Human Resources of the Directorate of Administration and Finance
DMD	Directorate of Municipal Development
DPE	Directorate of Programming and Evaluation
DSD	Directorate for Social Development
GOES	Government of El Salvador
ISDEM	Municipal Development Institute
MEA	Municipalities in Action
NGOs	Non-Governmental Organizations
NRP	National Reconstruction Program
PACD	Project Agreement Completion Date
PACT	Private Agencies Collaborating Together
PIL	Project Implementation Letter
PVO	Private Voluntary Organization
SETEFE	Technical Secretariat for External Financing
SRN	Secretariat for National Reconstruction
USAID	United States Agency for International Development

EXECUTIVE SUMMARY

1. **RATIONALE:** The rationale for this activity was to assess the operations of the Secretariat for National Reconstruction (SRN) with regards to its management of the National Reconstruction Program (NRP) and to identify ways of assisting the SRN to become more efficient. At the core of the assessment was a review of the roles, responsibilities, and functions of the SRN.

This paper is the product of a collaborative effort on the part of the personnel of the SRN and the Assessment Team. The medium for the collaborative effort was a series of informal and formal meetings culminating in a workshop in which key SRN personnel and the Assessment Team participated. Subsequently, the Findings, Conclusions, and Recommendations that emerged from the workshop were presented by the SRN and the Assessment Team to USAID/El Salvador.

The collaborative process was sustained through the final days of field work in the form of a three-day workshop on personnel classification presented to SRN personnel by James Villalobos, the Human Resources Management Specialist on the Assessment Team.

2. **SRN Mandate:** The SRN has a clear statement of its objectives. In general, the present organizational structure responds to the mandate as articulated in the Executive Decree No. 8.
3. **SRN Administrative Capacity:** The following are among the more pressing needs: The lack of management tools that systematically rationalize the personnel management in SRN hampers the overall management of the SRN. Considerable time is wasted due to frequent discussions concerning the recruitment, placement, and remuneration of employees. There is an urgent need to install a simple and practical personnel management system. This system is needed to address the issues of equal pay for equal work, administration of a uniform and fair system of discipline, and the determination of training necessary to strengthen the organization.

RECOMMENDATION: Manuals need to be developed for the following areas:

- Personnel Regulation
- Position Classification
- Recruitment and Placement
- Training and Employee Development
- Performance Evaluation
- Conduct and Discipline
- Organization and Management of Personnel Folders

4. **SRN's Management and Administrative Structure:**

FINDINGS: A review of the personnel staffing and its organization within the SRN since its inception in 1991 with the Department of Human Resources of the Directorate of Administration and Finance (DAF) revealed that the SRN had 255 positions initially allocated to the SRN. In 1992, the organization had expanded to 291 positions, and in 1993, there was a sizable increase of the SRN to 378 positions. The increase from 1991 to the present represents an increase primarily in the Directorate of Municipal Development (DMD) at the Regional and Department levels to support the expansion in the Municipalities in Action (MEA) program in order to be responsive to the demands generated by local government which resulted in a dramatic increase in the number of municipal infrastructure improvement projects undertaken by the MEA program.

Presently the DMD has 191 allocated positions. In addition to a relatively small staff of 18 persons located in the SRN central offices, the DMD is spread out across the country in five Regional Offices and 24 Departmental Offices.

CONCLUSIONS: The relationship between the SRN's managerial responsibilities and its staffing pattern appears to be appropriate. There is satisfactory coordination and communication between and among subordinate organizational units. Delegations of authority are exercised in a satisfactory manner. However, within organizational units, there appears to be overlapping or duplication of functions particularly in the area of project monitoring.

The organizational structure of the DAF should be reviewed for improving communication and the flow of actions between the head of the DAF and subordinate units. Within the DAF, the functions assigned to the Department of Human Resources do not, at the present, respond to the personnel management needs of the SRN. The functions being carried out are limited to the processing of personnel actions without attending to the technical and professional human resource management requirements of modern management. The Maintenance and General Services functions, which are presently separated, have been managed by a single supervisor with no particular problems emerging in this area.

Over half of the SRN employees are in the DMD, of which 173 employees are located in Regional and Departmental Offices. The Assessment Team had the impression that, despite what appears to be a well managed program, a real possibility exists that field staffing could be reduced. Two areas in particular suggested redundancy that should be reviewed. The functions of the administrative technician, of which are 50 spread throughout the five regions, warrant a careful review regarding their functions and responsibilities. However, these administrative technicians are playing a key role in the movement of the financial resources through the MEA system that translates into getting the physical projects executed in the municipalities. It must be appreciated that as the financial flow system is presently designed, it is a labor intensive activity. Additionally, the four Assistant Regional Managers and the seven Assistant Departmental Representatives are also positions that deserve scrutiny.

The Assessment Team concluded that, in general terms, (with a few exceptions) the match between the staffing levels of the SRN, the financial resources allocated for the administration of the SRN, and the role, responsibilities, and functions of the SRN are appropriate. As the SRN staffing has grown, it has been necessary for its Administrative Budget to grow. Project expenditures have been increasing each quarter since the inception of the SRN. This trend must continue until the last year of the project, if the PACD is to be respected. Consequently, if one accepts project expenditures as a proxy for the administrative and management load of the SRN, it is reasonable to conclude that approximately the current level of effort is required on the part of the SRN through the life of the project.

RECOMMENDATIONS:

1. **Continuation of Functional Statement Development and Job Classification Process:** The process of functional statement and job classification definition should continue as the principle means of addressing the issues related to determining if an appropriate match exists between the SRN's managerial responsibilities and its staffing pattern; e.g., types, numbers, and levels of positions.

2. **Reorganization of DAF:** Consideration should be given to restructuring the Directorate of Administration and Finance into four functioning units, listed below:

- Finance
- Human Resources
- General Services
- Procurement

This reorganization could result in eliminating as many as seven positions.

3. **Organization of Human Resources Unit:** Consideration should be given to restructuring the Human Resources Unit into the departments listed below:

- Administration
- Position Classification and Wage Administration: To plan, implement, and evaluate a modern system of position classification and wage administration.
- Recruitment, Placement, and Employee Utilization: To plan, implement, and evaluate a modern system of recruitment which takes into account the promotional opportunities of personnel within the organization, establishes promotional opportunities, and maintains an updated skills bank.

- Training and Employee Development: To plan, implement, and evaluate a system for conducting a training needs survey within the organization and identifies training institutions.
4. **Voucher Examiners in Directorate for Social Development (DSD):** Though it appears that the voucher examiners located in the Control Section of the DSD are performing adequately, it would be appropriate to assign this function to the Finance Unit of DAF and in turn move the voucher examiners to the Finance Unit. This would result in a modest step to simplify a very complex and an inordinately time consuming process.
 5. **Consolidation of Project Functions with Programming and Evaluation Functions:** The programming and evaluation functions and the design, monitoring, and reporting functions associated with the project process should be consolidated into one directorate in the SRN. This Directorate would have two units with the responsibility to perform the functions listed below:
 - Preparing programming documents
 - Preparing evaluation plans
 - Implementing evaluation plans
 - Reviewing Action Plans
 - Monitoring Action Plans
 - Reporting performance of the NRP

This reorganization could result in eliminating numerous positions depending on the degree of monitoring that is needed.

6. **Organization of the Directorate of Municipal Development:** Consideration should be given to undertaking a detailed study of responsibilities, roles, and functions of the DMD before the new Municipal Development Project to be financed by USAID/El Salvador is implemented. An Organization and Methods Specialist should execute this study. At the heart of this study would be the issue of an appropriate match existing between the SRN's managerial responsibilities and its staffing pattern; e.g., types, numbers and levels of positions.

Such a study has already been initiated in the form of the process promoted by the Assessment Team. Led by the Human Resources Management Specialist, the Assessment Team had dialogue with the SRN management and the DMD leadership in particular concerned with the function by component of the SRN organization and classification of position descriptions within each component. This dialogue initiated a process that has as an end product the "right-sizing" of the DMD. This process was also continued in the form of the workshop offered by the Human Resources Management Specialists on Position Classification attended by the DMD personnel.

6. **Follow-on Technical Assistance:** Throughout the paper, the Findings, Conclusions, and Recommendations suggested courses of action that have already been initiated to address the problem of administration systems development. Additional assistance in the administrative systems development area should follow. Other forms of technical assistance in the planning, programming, monitoring, evaluation, and in the management information systems should be supported as soon as the SRN believes it is appropriate.

CHAPTER I

INTRODUCTION

A. RATIONALE

The rationale for this activity was to assess the operations of the Secretariat for National Reconstruction (SRN) with regards to its management of the National Reconstruction Program (NRP) and to identify ways of assisting the SRN to become more efficient. At the core of the assessment was a review of the roles, responsibilities, and functions of the SRN.

This paper is the product of a collaborative effort on the part of the personnel of the SRN and the Assessment Team. The medium for the collaborative effort was a series of informal and formal meetings culminating in a workshop in which key SRN personnel and the Assessment Team participated. Subsequently, the Findings, Conclusions, and Recommendations that emerged from the workshop were presented by the SRN and the Assessment Team to USAID/El Salvador.

The essence of the purpose and the questions, as articulated in USAID/El Salvador's "Statement of Work" (see Annex A), was incorporated into the Assessment Team's work plan and the agenda for the workshop (see Annex B, "Agenda: A Review of the Roles, Responsibilities, and Functions of the Secretariat for National Reconstruction").

The collaborative process was sustained through the final days of field work in the form of a three-day workshop on personnel classification presented to the SRN personnel by James Villalobos, the Human Resources Management Specialist on the Assessment Team.

B. BACKGROUND

Historical Context

In January 1992, the Government of El Salvador (GOES) with the support of the United States, negotiated a settlement to the armed conflict which had afflicted the Salvadoran people for over 10 years. Following the cease-fire agreement, the GOES launched the NRP, which is managed by the SRN. The NRP is focused on the 1.4 million people and 115 municipalities most affected by the military conflict.

In early 1992, USAID/El Salvador approved the use of \$250 million (subsequently increased to \$300 million) under the five-year Peace and National Recovery Project (519-0394) in support of the NRP. Over \$130 million has been committed to date for approximately 60 activities under this Project. Other donors have pledged a total of about \$550 million.

The Secretariat for National Reconstruction

The SRN was created by Executive Decree on January 30, 1992, as a cabinet-level organization. The SRN replaced the National Commission for the Restoration of Areas (CONARA), which had responsibility for managing the GOES' Municipality in Action (MEA) Program which provides thousands of small grants each year for municipal infrastructure.

The SRN is charged with the overall direction of the NRP and coordination of its implementation. A central function of the SRN is the monitoring, evaluation, and reporting of NRP activities to ensure that the NRP resources are used effectively. A key premise of the NRP is that national reconstruction and reconciliation is a shared responsibility of the government and all sectors of society. As such, the SRN emphasizes the use of existing institutions to implement the NRP through one of three methods: NGOs, municipalities, and government agencies. Proposals from these institutions are submitted to the SRN to be evaluated, prioritized, and approved based on a review with USAID/El Salvador and the Technical Secretariat for External Financing (SETEFE). The SRN coordinates the financial management of the program with SETEFE, the organization within the Ministry of Planning responsible for programming and monitoring the Extraordinary Budget.

Since 1991, the SRN's total staff has increased from 293 to 378 persons. Over the same period, its budget has increased from 21,720,000 *colones* to 39,343,000 *colones*.

C. TECHNICAL APPROACH/METHODOLOGY

The process to accomplish the objective was divided into the following phases:

- Data collection and formulation of the Findings, Conclusions, and Recommendations by the Assessment Team in collaboration with SRN counterparts. This process continued throughout the period that the Team was in El Salvador. (see Annex C, "People Contacted" and Annex D, "Bibliography.")
- Presentation of the Findings, Conclusions, and Recommendations by the Assessment Team in a workshop. In the workshop, the Assessment Team and the SRN reviewed and discussed all Findings, Conclusions, and Recommendations in order to work towards achieving the objective.
- Presentation of a refined set of the Findings, Conclusions, and Recommendations advanced by the Assessment Team in collaboration with the SRN counterparts at a meeting with the SRN and USAID/El Salvador leadership.
- Presentation of a draft Assessment Report by the Assessment Team of the Findings, Conclusions, and Recommendations in English.

- Training for the SRN employees to promote job classification as a critical management tool.
- Review of the draft report by the SRN and USAID/El Salvador. Comments by the SRN and USAID/El Salvador on the draft report sent to MSI. Draft report finalized by Assessment Team and returned to SRN and USAID/El Salvador.

The questions to be discussed in the following chapters were set forth in the Statement of Work prepared by USAID/El Salvador. The answers to these questions will lead to a fuller understanding of:

- SRN Objectives, Roles, and Responsibilities
- SRN Management Structure
- SRN Planning, Design, Monitoring, Evaluation, and Reporting Functions
- SRN Financial Management Functions
- SRN Accountability Standards

D. TASKS BY PERIOD OF PERFORMANCE

Week 1

- Task 1: One-day Team Planning Meeting held at MSI home office in Washington, D.C.
- Task 2: Met with the USAID/El Salvador Project Officer to determine procedures for collecting documentation and plan initial meeting with the SRN Director and evaluation counterpart.
- Task 3: Met with the SRN Director and staff to ensure shared understanding of the goals and requirements of the assessment. SRN assigned counterparts to work with the MSI team. Such collaboration eased data collection and logistics, and provided more effective feedback of the Findings, Conclusions, and Recommendations, in addition to exposing the assigned staff person to the assessment process.

Weeks 2 and 3

- Task 5: Conducted interviews with SRN and the agencies with which it deals. Assessment Team visited SRN offices and sub-grantees.
- Task 6: Gathered and analyzed documentation.
- Task 7: Conducted a workshop in which the Assessment Team and their counterparts presented and reviewed the Findings, Conclusions, and Recommendations.

Week 4

Task 8: Presented refined Findings, Conclusions, and Recommendations advanced by the Assessment Team in collaboration with SRN counterparts at a meeting with the SRN and USAID/El Salvador leadership.

Week 5

Task 9: Drafted and submitted the Assessment Report.

Task 10: Presented three-day workshop on job classification to SRN employees.

Week 9

Task 11: Responded to USAID comments on the Draft Report and submitted Final Reports in English and in Spanish.

E. ASSESSMENT TEAM COMPOSITION

Dr. Lawrence C. Heilman is a Director of Management Systems International (MSI). He has managed a variety of development activities concerned with articulating strategic plans for USAID missions in Asia, Africa, and Latin America; planned, monitored, and evaluated democratic initiatives promoted by USAID in Latin America; and created monitoring and evaluation systems for alternative development activities funded by USAID in Latin America. Previously, Dr. Heilman served with USAID as a Foreign Service Officer for 20 years planning, implementing, and evaluating development programs in Africa, Asia, and Latin America. His particular interest was in planning and managing rural development, nutrition improvement, and disaster recovery activities. Dr. Heilman was the Team Leader for this assessment effort.

Mr. Daniel J. Seyler holds an M.A. in International Development from The American University and a B.A. in Spanish and Latin American Studies from Temple University. Mr. Seyler has served as a Latin America Research Analyst for the U.S. Library of Congress, a Program Associate for the Pan American Development Foundation, a Research Analyst for the Academy for Educational Development, a Program Associate for Management Systems International, and as an independent consultant. This has included field work in Jamaica, Barbados, Puerto Rico, Mexico, Nicaragua, Costa Rica, Bolivia, Ecuador, Colombia, and Peru. Mr. Seyler is the author of more than 10 articles or chapters in books related to Latin America and international development. Mr. Seyler is a specialist in micro-computer systems and information. Since 1991, Mr. Seyler has focused improving monitoring and evaluation systems of development projects. Mr. Seyler was responsible for the sections of this report dealing with SRN planning, design, monitoring, evaluation, reporting, and management information systems.

Mr. James J. Villalobos is an Organization Development and Human Resources Management Specialist who has planned, implemented, and evaluated organizational studies and personnel management programs, both in the private and public sectors at all levels throughout the United States and in Europe, North Africa, the Middle East, and Central and South America for the past 25 years. He holds a B.S. Degree in Public Administration, an M.A. in Romance Languages, and is a Ph.D. candidate in Public Administration, specializing in Organization Development. He speaks, reads, writes, and understands French, Portuguese, and Spanish fluently. Mr. Villalobos has held a variety of executive level positions including Director of Management and Personnel for NATO, Personnel Management Evaluation Systems Manager for the U.S. Civil Service Commission, Executive Civilian Personnel Director for the U.S. Department of the Air Force in Europe, and Director of the Public Administration Division for USAID in Northeast Brazil. He was responsible for the sections of this report dealing with SRN's administrative functions.

Mr. Douglas A. Villepique is a Financial Management Specialist with consulting experience in Latin America, Africa, and Southern Asia. He has worked with a variety of development institutions including USAID, the World Bank, the Interamerican Development Bank, and the Asian Development Bank on projects involving feasibility studies and analysis of financial institutions, privatization, institutional development, and technical assistance in financial management and credit policy. Prior to becoming a consultant, Mr. Villepique had over 25 years experience in international commercial banking, primarily in Latin America, including resident assignments in Brazil and Paraguay. Following positions with management responsibility for the Latin American region, Mr. Villepique was the senior executive in the U.S. for two leading international banks. With regards to this paper, he was responsible for the sections dealing with SRN management functions and accountability standards.

F. ACKNOWLEDGEMENT

The Assessment Team wishes to thank all members of the SRN and USAID/EI Salvador that contributed to the rich dialogue that characterized the assessment process. Doors were always open and conversations both formal and informal were frank and candid, allowing for an honest exploration of the basic issues explicit in the task of the assessment. Both the SRN and USAID/EI Salvador were generous in their hospitality, easing the weight of the more contentious issues.

CHAPTER II

SRN OBJECTIVES, ROLES, AND RESPONSIBILITIES

QUESTION #1: **SRN Mandate:** Does the SRN have a clear statement of its own objectives and an appropriate organization structure to achieve its objectives? Are SRN objectives appropriate for providing effective direction to, and coordination of, the NRP?

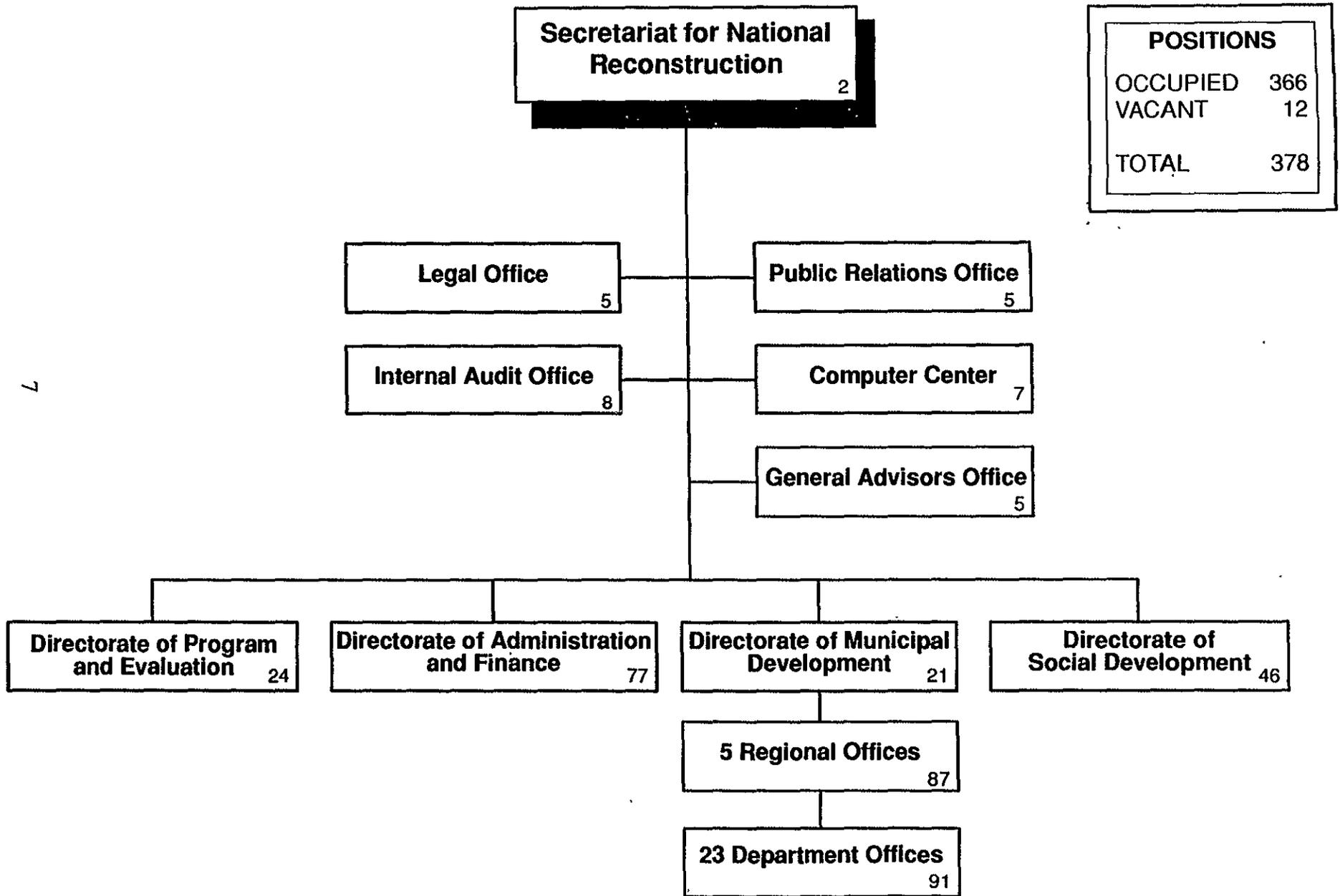
FINDINGS

Executive Decree No. 8, dated January 1992 and published in the Official Government Daily No. 39, Volume 314, dated February 27, 1992, established the SRN (see Diagram #1, "National Reconstruction Secretariat - Current Organizational Chart" on the following page) as an administrative organization, and added to the Office of the Presidency to coordinate and oversee the overall NRP. The decree outlines the parameters within which the SRN is to function, as follows:

- To coordinate the design and implementation of the programs and projects under the NRP;
- To assure the efficient investment of the resources which are allocated for the implementation of the NRP projects through the establishment of systems and control mechanisms including an audit capacity and accountability standards;
- To evaluate and follow up on the NRP programs and projects and to modify them as necessary;
- To respond to the needs of the communities, as expressed through their respective municipal town meetings, for projects dealing with economic and social development;
- To promote the strengthening of municipal development by assisting local governments with their development plans, such as decentralization, local participation, and other activities which enable them to respond effectively to the demands of their local populations;
- To coordinate the preparation of the SRN Action Plans with the different public and/or private implementation organizations and to jointly approve them with the respective entities; and
- To assist and advise the President of the Republic on all matters pertaining to the policies, plans, programs, and projects falling within the purview of the NRP.

DIAGRAM #1:

NATIONAL RECONSTRUCTION SECRETARIATE
Current Organizational Chart



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A cross comparison of the above tasks as outlined in the decree with the functional statements (See Annex E, "The Secretariat for National Reconstruction: Organization, Staffing, and Functions") for the SRN and its four directorates--the Directorate of Programming and Evaluation (DPE), the Directorate of Administration and Finances (DAF), the Directorate of Municipal Development (DMD), and the Directorate of Social Development (DSD)--supports the case that the SRN is complying with its assigned mission. To reinforce their sense of mission, the SRN restated Executive Decree No. 8 in their Administration Action Plan for 1994, issued in January 1994. The review of functions, roles, and responsibilities performed by the SRN by the Assessment Team confirmed that the SRN's actions were in consonance with their mandate to coordinate, monitor, and evaluate NRP resources assigned to them by the GOES.

CONCLUSIONS

The SRN has a clear statement of its objectives. In general, the present organizational structure responds to the mandate as articulated in Executive Decree No. 8.

QUESTION #2: SRN Coordination with GOES: As a cabinet-level institution, can the SRN effectively direct and coordinate NRP-related activities of line ministries and other government agencies? What measures could be considered to improve the SRN's ability to coordinate activities with these institutions?

FINDINGS

Executive Decree No. 8, as outlined in the Findings for Question #1, immediately above, provides the mandate for the SRN to direct and coordinate NRP-related activities. The SRN actively coordinates with other GOES agencies in the implementation of the NRP. It appears that these other GOES agencies have a favorable perception of the SRN and its role as a coordinator. SETEFE, for example, plays a coordinating role, and appears content with the SRN's ability to coordinate with other GOES ministries and public entities.

Most coordination occurs through the Director or through DPE. DPE's Projects Unit has one officer who focuses on major infrastructure projects that are mainly implemented by other GOES institutions. Although its coordination with and monitoring of other GOES is largely ad hoc, it appears to be generally effective. The SRN has coordinated and reported on the reopening of schools and clinics in the ex-conflictive zones, as well as the rehabilitation of roads, which were all implemented by GOES institutions in the earlier phase of the reconstruction effort.

In the Municipalities in Action Program (MEA), coordination with public entities continue to be an important feature, particularly at the regional level. For example, when a school is constructed in a municipality, this effort is coordinated with the Ministry of Education at the regional level to ensure that there will be adequate follow-up by the Ministry of Education so as to avoid the creation of physical infrastructure without an operational budget and teachers critical to making the new school a viable educational proposition.

CONCLUSIONS

Although there are reconstruction efforts funded by other donors that fall outside of the control of the SRN, the Director of the SRN and her staff, particularly the DPE, has sufficient knowledge of these activities to keep abreast of the status of these activities to the satisfaction of the GOES. To envisage their fuller participation so as to be in strict compliance with Executive Decree No. 8 could create a situation that would tax the capacity of SRN beyond its present capability without gains being made to justify this effort.

QUESTION #3: SRN Role with MEA and PVOs: How does the SRN view its role vis-a-vis its sub-grantees including municipalities, other GOES entities, and NGOs? Is that role appropriate? Does the SRN act in accordance with its view of its role?

FINDINGS

Executive Decree No. 8 provides the mandate for the SRN to perform the following functions--NRP projects implemented by municipalities, other GOES organizations, and NGOs:

- To coordinate the design and implementation of the programs and projects and monitor and report on their implementation;
- To evaluate and follow up on projects and to modify them as necessary; and
- To develop systems to assure the efficient investment of the resources with the establishment of systems and control mechanisms including an audit capacity and accountability standards.

Furthermore the SRN is specifically mandated to:

- To respond to the needs of the communities, as expressed through their respective municipal town meetings, for projects dealing with economic and social development;
- To promote the strengthening of municipal development by assisting local governments with their development plans, such as decentralization, local participation, and other activities which enable them to respond effectively to the demands of their local populations; and
- To coordinate the preparation of SRN Action Plans with the different public and/or private implementation organizations and to jointly approve them with the respective entities.

CONCLUSIONS

The SRN has a strong sense of mission and interprets its mandate as expressed in Executive Decree No. 8 as the rationale for effectively pursuing this mandate. The organization of the SRN (see Diagram #1, National Reconstruction Secretariat - Current Organizational Chart) particularly the DSD and DMD and their actions are concrete manifestations of the SRN's sense of mission.

QUESTION #4: MEA Program and COMURES and ISDEM: For the MEA program, does the SRN have an effective and efficient working relationship--including from the standpoint of municipalities--with the Corporation of Municipalities (COMURES) and the Municipal Development Institute (ISDEM)?

FINDINGS AND CONCLUSIONS

The relationship that the MEA program has with COMURES and ISDEM is embryonic in terms of the role these two institutions have and could have played in the implementation of the MEA program to date. However, it is anticipated that these two institutions should play far more important roles in new MEA project activity to be funded by USAID/El Salvador in terms of strengthening municipality institutional processes.

CHAPTER III

SRN ADMINISTRATIVE FUNCTIONS

QUESTION #1: SRN Policies and Manuals: Does the SRN have appropriate administrative, managerial, and personnel policies, guidelines, and manuals? Manuals produced under technical assistance provided by Price Waterhouse. Are they followed?

FINDINGS

There have been a number of activities to assist the SRN in building administrative capacity. Included in these is the work of Price Waterhouse which has developed manuals which provide guidelines to rationalize administration within the SRN. These products do not fully satisfy the management and administrative needs of the SRN in terms of the design and installation of systems critical to efficient administration. The Price Waterhouse products describe in brief fashion what should be done, but without providing the scope and direction to actually install the systems critical to proper administration. Furthermore, there is no evidence that seminars, workshops, or orientation sessions were carried out by Price Waterhouse to instruct the SRN users on how the manuals were to be applied in the workplace.

For example, the Manual on Organization prepared by Price Waterhouse briefly states the organizational structure of the SRN. The rest of the manual including 31 position descriptions, but without the benefit of a position classification approach to identify their respective levels of responsibilities. There are no manuals to provide guidance and assistance to supervisors in planning, implementing, and evaluating their personnel management responsibilities. Conduct and discipline is another area where there is a lack of written guidance. Supervisors and employees need to be informed on how disciplinary actions are to be taken, but more importantly, a uniform system for the application of sanctions should exist.

Supervisors have not been provided the necessary instruments to guide them in defining the role of employees under their supervision nor have they received training in the various facets of personnel management. There appears to be almost a complete lack of knowledge of the role that position descriptions and functional statements should play in managing human resources. The performance evaluation system is unsatisfactory.

CONCLUSIONS

Among the more pressing needs are the following: The lack of management tools to rationalize the personnel management function in the SRN hampers the overall management of the SRN. Considerable time is wasted due to frequent discussions concerning the recruitment, placement, and remuneration of employees. There is an urgent need to install a simple and practical personnel management system. This system is needed to address the

issues of equal pay for equal work, administration of a uniform and fair system of discipline, and the determination of training necessary to upgrade and strengthen the organization to mention but a few of the more pressing needs.

RECOMMENDATIONS

1. Administration Systems Development: Manuals need to be developed for the following areas:

- **Personnel Regulation:** This document would outline the legal parameters within which the SRN's personnel policy will be carried out. The actual operating procedures to implement the principal clauses of this manual would be developed in the following manuals.
- **Position Classification:** This manual would provide guidance for the preparation, analysis, and evaluation of position descriptions for the purpose of establishing an equitable, efficient, effective, economical, and practical system which forms the basic structure for the management of an organization.
- **Recruitment and Placement:** This manual would provide guidance for recruiting from within or outside the organization, the use of the position descriptions for determining qualifications, the interview process, the selection board composition, and the selection and placement of individuals.
- **Training and Employee Development:** This manual would provide guidance on how to: organize training; conduct training needs surveys; use the position description for outlining the training requirements; identify training institutions; establish cross-training, on-the-job training, and career training patterns; and assess employee/supervisor training needs.
- **Performance Evaluation:** This manual would provide guidance on how to develop evaluation criteria from the position description and to establish the degree of performance required on the job, and the method of carrying out the pre, during, and post performance interviews. It focuses on the performance of assignments based on the written position description.
- **Conduct and Discipline:** This manual would provide guidance for administering disciplinary actions. It provides uniform guidance to all supervisors in administering the same sanctions for the same acts.
- **Organization and Management of Personnel Folders:** This handbook would provide guidance on how to organize and maintain up-to-date personnel folders. The personnel folder constitutes an important legal document which contains the work history of each employee.

2. **Technical Assistance to Prepare Manuals and Install Systems:** Technical assistance in the preparation of the manuals described above and to advise in the installation of the systems as prescribed by the manuals would be appropriate. The person undertaking the assignment would work with the DAF and other SRN supervisors in the development of the personnel policy and the manuals and guides needed to implement and manage a modern human resources management program. This assistance should include the necessary training, as dictated by the application of the finished guides and manuals. Work should be started on the following guides and manuals as soon as possible. (Note: Elaboration of this recommendation is discussed in Chapter VIII: "Recommendations for Follow-on Technical Assistance to Strengthen the SRN.")

QUESTION #2: SRN Personnel Capacity: Are personnel adequately experienced and trained for their positions, especially the incumbents of middle and upper management positions? Are the incumbents doing what their position descriptions state? Are they doing what is needed? Do they meet the qualifications established in their position descriptions? Is redundant personnel a problem?

FINDINGS

It is noteworthy to mention the high degree of importance that the Director of the SRN places on the recruitment and retention of highly qualified, academically prepared, and experienced personnel for the positions of middle and upper management levels. Regardless, there appears to be a void with respect to a formalized method for conducting training needs surveys. The SRN needs to identify, in a more systematic manner, training requirements that would result in more effective organization.

Price Waterhouse prepared position descriptions that outline in general terms the duties, responsibilities, and qualifications required for most positions in the SRN. However, it did not provide a classification to identify the value of the positions for remuneration purposes. In addition, these position descriptions were not found in the personnel folders of the employees concerned. A study of the personnel folders in the Department of Human Resources of DAF revealed that, in general, most employees satisfy the qualifications requirements of their respective positions. Some exceptions were noted at the operational level of the organization.

The GOES has been interested in implementing a Civil Service System since 1950. To this end the Civil Service Law was promulgated by Decree No. 1 of January 25, 1950 and published in the Official Government Daily No. 17, Volume 190 on the same date. It is worth noting that Articles 64 and 65 of Chapter VIII of the Civil Service Law state the following with regard to a position classification system:

- **Article 64:** There will be a Position Classification Section in the Ministry of Finance which shall develop and maintain a register of civil service position descriptions.

- Article 65: Positions shall be classified into similar groups with respect to their tasks, duties, and responsibilities, in such a manner as to enable the use of the same descriptive title to identify each position forming a part of the group. Those who are to occupy those positions must possess the same qualifications concerning capacity, efficiency, knowledge, experience, ability and education. They shall require the use of the same type of aptitude examinations and tests for the selection of new employees in order to assign them the same level of remuneration under similar working conditions. This classification shall serve as the basis for promotions and transfers.

CONCLUSIONS

The SRN does not have a systematic process to carry out the analysis, preparation, and evaluation of positions. The SRN urgently needs a Position Classification Manual for the purpose of preparing, analyzing, and evaluating all positions within the SRN.

RECOMMENDATION

1. **Development of a Position Classification Manual:** Priority should be assigned to the development of a Position Classification Manual. A Position Classification and Wage Administration Specialist should be contracted to work with the Department of Administration and Finance in the development, training, and application of the Position Classification Manual. (Note: This activity has moved ahead and is discussed in Chapter VIII: "Recommendations for Follow-on Technical Assistance to Strengthen the SRN."

QUESTION #3: SRN Salary Policy: Are salaries at the various levels adequate to attract and retain qualified personnel?

FINDINGS

A salary and wage system which assures equal pay for equal level of work does not exist in the SRN. Pay is determined on the basis of minimum/maximums which have been approved for the SRN's use.

The SRN and SETEFE enjoy preferential pay treatment because of the special nature of their functional assignments. The salaries at the SRN and SETEFE are higher than at other government agencies. Although the SRN salaries are higher, there is a question concerning the policy of equal pay treatment for equal level of work for all employees.

CONCLUSION

Lacking a Salary and Wage Administration program, which is based on systematic preparation, analysis, and classification of positions, precludes the establishment of a system of equal pay for equal level of work.

RECOMMENDATION

1. **Development of a Salary Schedule:** A salary schedule should be developed in conjunction with the preparation of and training on the application of the Position Classification Manual.

QUESTION #4: SRN Field Operations: Are the SRN's field offices adequately supported (e.g., equipment and budget) by headquarters? Do they have appropriate delegations of authority? Is the two-way flow of management information between headquarters and the field effective and efficient?

FINDINGS

The procedures for meeting administrative expenses and assuring the maintenance of the field offices appear to be well delineated. Adequate logistical support of the field offices appear to be somewhat lacking in the areas of materials and equipment necessary to carry out work assignments. In addition, there is a lack of the necessary corrective preventive maintenance of equipment and vehicles assigned to each of the Regional and Departmental Offices of MEA as well as the Regional Office of the DSD.

As is discussed in considerable detail in Chapter IV, "SRN Planning, Design, Monitoring, Evaluation, and Reporting Functions", the flow of information dealing with the selection, execution, and the reporting of progress with regards to the status of MEA project progress is satisfactory. Appropriate guidance is in place describing the systems and identifying roles and responsibilities of personnel and organizational components throughout the MEA system to ensure a two-way flow of operations evaluation data and project performance information. The delegations of authority to the Regional and Departmental Offices are clear and appropriate and result in a division of responsibility that allows for the efficient and effective execution of the MEA program.

QUESTION #5: MEA Field Offices and NRP Support in General: Are the field offices, which were established to support the MEA program, also tasked and structured to support the NRP in general?

FINDINGS

The MEA field office operation is a separate and discreet operation and as such is neither tasked nor structured to support the NPR in general nor the DSD in particular in its efforts to monitor NGO activities supported by USAID/El Salvador. The one exception to this general state of affairs is the very modest logistical support that the MEA Regional Office in the Western Region provides to the Western Regional Office maintained by the DSD to backstop its monitoring efforts in this region.

CHAPTER IV

SRN PLANNING, DESIGN, MONITORING, EVALUATION, AND REPORTING FUNCTIONS

QUESTION #1: Program Planning: Is forward planning of operations (e.g., quarterly and especially annual plans) adequate for internal and external needs? Does it anticipate requirements and problems? Is it an effective management tool for measuring actual against expected progress and identifying related problems?

FINDINGS

The Directorate of Programming and Evaluation (DPE) (see Diagram #2, "Directorate of Programming and Evaluation - Current Organizational Chart" on the following page) prepared the SRN's first Quarterly Report and submitted it to USAID/El Salvador for the period October-December 1993. This report was followed by a report covering the first quarter of CY 1994. These two documents represent a modest beginning to develop a programming process within DPE that should facilitate the programming and planning process in both the SRN and USAID/El Salvador. The information presently being provided is basic and falls into two broad categories:

- Financial flows by components and Action Plans; and,
- Outlines of Action Plans to be reviewed and a forecasting of resources needed by Action Plan.

The presentation of these reports is uneven in quality. Many of the tables are difficult to understand and is more of a presentation problem than a problem of the data being presented.

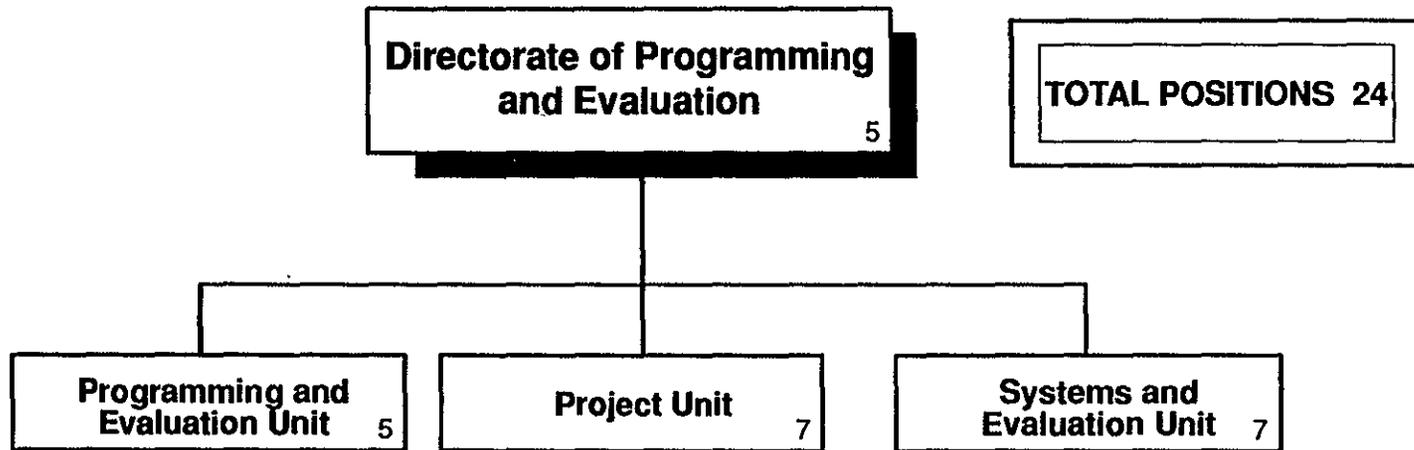
CONCLUSIONS

In the preparation of the planning documentation, insufficient attention has been paid to the systematic identification of the input to output mobilization process as a prelude to being able to report the status of Action Plan implementation. Additionally, the identification of impact indicators to measure Action Plan performance is just beginning to be developed. One of the consequences of this lack of planning is the inability to anticipate problems in the project implementation process. However, the initial planning reports developed by DPE indicate that the DPE is moving in the right direction to address these shortcomings.

This lack of quarterly planning and programming capacity is understandable in the context of the expediency demanded by the NRP. Although the SRN is in the process of developing a planning and programming system, the SRN still has not fully internalized the use of these reports for their own needs. This is largely a function of the fact that quarterly

DIAGRAM #2

**DIRECTORATE OF PROGRAMMING AND EVALUATION
Current Organizational Chart**



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planning began only recently. The preparation of these planning reports, however, remains inefficient and lacks sufficient computer automation.

The SRN's annual plan on program issues has the potential of being an extremely useful document and will certainly improve with the passage of time. It is important to make improvements in the quarterly planning process if there is to be sustained improvements in the annual planning and programming processes.

QUESTION #2: Project Approval: Does the SRN's project design and approval system function efficiently and effectively? Is the SRN proactive or reactive, i.e., can it effectively mobilize resources through other institutions to address priority NRP needs?

FINDINGS

Projects are designed and approved by the SRN in two ways according to the type of implementer--municipality, NGO, or GOES agency, with the latter two following essentially a similar process.

MEA projects are identified at town meetings or *cabildos abiertos* and then prioritized by the mayor and submitted for approval by the municipal council. An SRN form requesting a feasibility study is then submitted by the mayor, with assistance from a field technician (*técnico de campo*) from the MEA's Departmental Office. This is reviewed by the Departmental Office and then by the Regional Office. At the Regional Office, the budget submitted by the municipality is examined to see if funds are available and whether coordination with other GOES entities is required. For example, in the case of a proposed construction of a school, the Regional Office of the Ministry of Education would be consulted as to whether its construction was appropriate and if teachers would be available for that school.

After this series of reviews, the DMD in San Salvador solicits the services of an engineer or architect through a lottery system from a data base of over 1,000 names. The technician is contracted with SRN and eventually submits a feasibility study, including blue prints, which is called a *carpeta técnica*. The *carpeta técnica* is reviewed by the DMD. Upon final review, a check and the *carpeta técnica* are sent to the mayor. Soon thereafter the mayor begins the project with the assistance of the *Técnico de Campo* from the Departmental Office.

The approach to project selection and design for the NGO community is distinct from the MEA process. NGOs approach the SRN with either an idea or an Action Plan. The SRN, and in some cases, another NGO or USAID/El Salvador, assist the NGO in preparing an Action Plan in SRN's format. This process can take anywhere from days to several months. Upon finalizing the Action Plan, often done in SRN's offices, the Action Plan is officially submitted to SETEFE. At this stage, the SRN usually submits a copy of the Action Plan to USAID/El Salvador but in a form that is considered "unofficial" until SETEFE receives their copy. SETEFE, upon receipt of the Action Plan, sends the "official" copy to

USAID/El Salvador. The Infrastructure and Regional Development Office (IRD) of USAID/El Salvador then sets a date for USAID/El Salvador's internal Action Plan review and sends copies of the Action Plan to the appropriate offices in USAID/El Salvador. This internal meeting is usually set for the following Wednesday of the week that the Action Plan was received. USAID/El Salvador's Wednesday internal meeting is always followed by an external meeting on Fridays, two days later, which is attended by the SRN, SETEFE, USAID/El Salvador, the NGO, and in some cases by other GOES officials.

The Action Plan is either 1) approved outright, 2) approved with specific observations or agreed-upon needed improvements, or 3) rejected. In the first two scenarios, SETEFE writes an *Ayuda Memoria* which is similar to a mini-grant agreement or memorandum of understanding, which also indicates specific rewrites or qualifications needed of the original Action Plan. The *Ayuda Memoria* is submitted to USAID/El Salvador, and USAID/El Salvador is required to provide SRN a Project Implementation Letter (PIL) within eight working days of the receipt of the *Ayuda Memoria*. USAID/El Salvador circulates the PIL to the relevant offices. In practice this process takes anywhere from a few days to over a month. USAID/El Salvador offices can object to certain terms of the PIL, *Ayuda Memoria*, or Action Plan, thereby forcing a rewrite of the Action Plan and creating a significant delay in project approval process at a rather late stage.

The most common criticism of the SRN's role in the approval process is that it does not filter out the weaker Action Plans early enough and relegates the rejection of Action Plans largely to USAID/El Salvador. It was pointed out that the SRN does not filter out Action Plans in two specific ways. First, SRN occasionally submits Action Plans that are not eligible for funding as agreed upon under Project 519-0394 and various other agreements with USAID and SETEFE. Second, the quality of the Action Plans submitted by SRN are sometimes sub-standard, indicating a lack of "value-added" by the SRN in the design phase. Both practices slow down the overall approval process.

CONCLUSIONS

1. The project selection, design, and review process managed by the MEA program appears to be efficient and effective.
2. The project approval system for NGO and GOES projects takes too long as a result of the coordination system with SETEFE and USAID/El Salvador. All institutions involved in this review and approval process are slow in processing key documents.

RECOMMENDATIONS

1. **SRN and USAID/El Salvador Role in the Design Process:** The SRN and USAID/El Salvador should more clearly define how best to assist NGOs in designing and improving their Action Plans before they are officially submitted. There is also a need for more technical assistance at an earlier stage to avoid the need for multiple drafts later on which slows down the design and approval process.

2. **Timely Project Review:** The SRN, SETEFE, and USAID/El Salvador need to agree that the NGOs are their principal clients and they are there to serve them. They need to rekindle their commitment to timely project approval. Each link of the project approval chain deserves further review to streamline the overall process. The three institutions should consider creative and flexible approaches to solving these delays. The SRN should give NGOs a specific date by which the SRN will inform the NGO of the status of its Action Plan in the approval process and estimate final project approval.

QUESTION #3: Action Plans and Performance Measurement: Are Action Plans useful documents for developing monitoring and evaluating plans to be implemented by the NGOs and/or the SRN?

FINDINGS

The Action Plan is the key document in the NGO project design and approval process. Their preparation has noticeably improved over time. A core requirement of the Action Plan is the presentation of indicators for measuring performance of the key objectives identified in each Action Plan. However, Action Plans often lack baseline data or even plans to develop baseline data as well as performance indicators for the stated objectives in the Action Plan.

RECOMMENDATION

1. **Indicators in Action Plans:** DPE should continue to emphasize the requirement to develop indicators for core objectives articulated in Action Plans. Where critical to the monitoring and evaluation effort, baselines should be developed as a part of the process of implementing the Action Plan. However, the cost of establishing a baseline and measuring performance should always be considered to ensure the appropriateness of expenditures necessary to establish a baseline. The final manner to best handle impact indicators, however, cannot be determined until an evaluation strategy exists.

QUESTION #4: Close-out Procedures: Are the SRN's activity close-out procedures efficient?

FINDINGS

There is not a standard close-out procedure or reporting format for project close-out. Final reports identifying financial status and progress by Action Plans are prepared. However, these reports vary in quality and are not comprehensive.

RECOMMENDATION

1. **Activity Close-out Procedures:** With USAID/El Salvador assistance, the SRN should design a basic close-out check list and procedure. The requirement of following the official close-out procedure should be added to the standard Action Plan PIL.

QUESTION #5: Monitoring and Reporting: Are the SRN's project monitoring and related reporting systems effective? Do they go beyond measuring inputs/outputs in order to measure overall program impact? Are there effective and timely mechanisms in place (e.g., project managers and/or project committees) to deal with opportunities and problems identified by these systems?

FINDINGS

The SRN's monitoring and reporting systems vary depending on the implementing agency. Each is described in detail below.

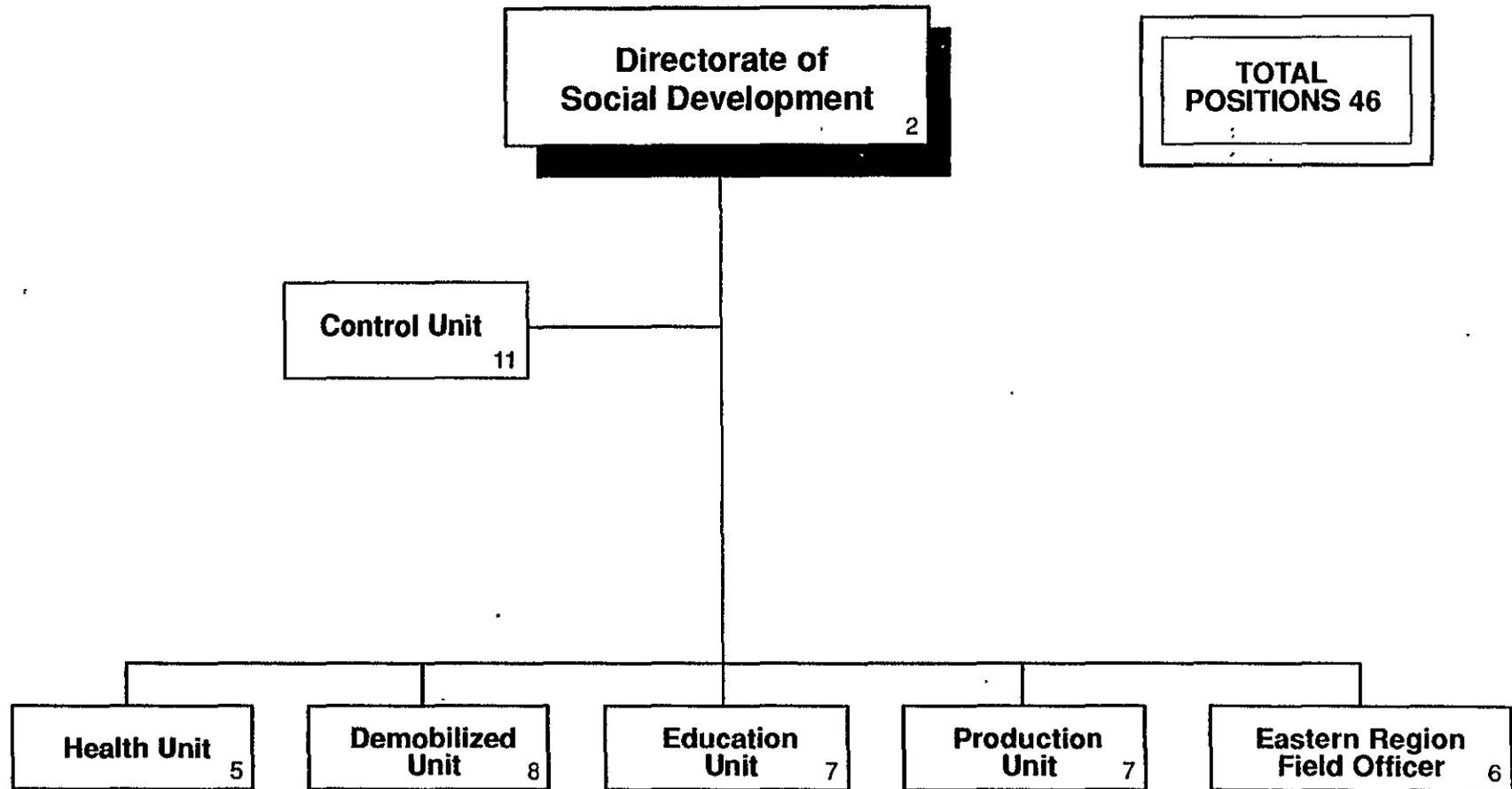
MEA's monitoring occurs primarily at the Departmental Office level with support from the Regional Office. Field technicians (*técnicos de campo*) visit each MEA project every 15 days. During these visits they record physical advance of the projects and provide technical assistance to the contract team undertaking the public works and to the mayors. This reporting is conducted on a standardized field visit form. Administrative technicians (*técnicos administrativos*) play a similar role on the financial side, working primarily with the municipalities on financial advance and liquidation of expense matters. Project implementation status and financial status are reported monthly to the Regional Offices where *técnicos administrativos* input the data on a Lotus spreadsheet.

These reports are forwarded to DMD in San Salvador and discussed, in weekly coordination meetings between the Director of the DMD, her adviser, and the five regional chiefs. The physical advance data is entered into a consolidated spreadsheet in the SRN by the DAF, but is also reentered by the Computer Center into a FoxPro data base on the Secretariat's multi-user XENIX system. This same FoxPro system is where financial data is also entered by the DAF. It is this FoxPro data base that is used for reporting progress on financial and physical advance to USAID/EI Salvador.

Monitoring NGO projects is more complicated. The main work of monitoring Action Plans is conducted by the DSD (see Diagram #3, "Directorate of Social Development - Current Organizational Chart" on the following page). However, some aspects of the monitoring process are conducted by the DPE Project Unit. The DSD staff of 22 supervisors and their supervisors represent the core monitoring work force. They regularly visit NGO projects. While in the field, the supervisors play an "eyes and ears" role, monitoring the status of project implementation and identifying problems in the process. Although the supervisors identify and report these problems, they do not have the authority to take corrective actions. Evidently, corrective actions may only be taken by personnel in DPE's Project Unit and DPE's Director in a project committee forum which the DSD attends but does not actively participate in. The DSD staff report on the status of Action Plan implementation as well as on financial status. The voucher examination function for PVO activity resides in the DSD.

DIAGRAM # 3

DIRECTORATE OF SOCIAL DEVELOPMENT Current Organizational Chart



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DSD compiles a monthly monitoring report. This monthly report uses the field data from site visits and monthly NGO reports. The report contains sections on financial data, progress indicators, and problems and delays, following a format designed by SETEFE. The report is compiled by Action Plans. Attached to most reports is a spreadsheet sent by the NGO with more detailed information on the physical advance, such as detailed descriptions of micro-enterprise loans. DSD's monthly report is sent to DPE, the Director of the SRN, and USAID/El Salvador. USAID/El Salvador has stated that this monthly report is not useful for their purpose of reporting Action Plan performance to higher authorities.

DPE's Project Unit also compiles a monthly report which represents a clear duplication of effort on the part of DPE and DSD. The Project Unit's report is compiled based on the NGOs monthly report, their own site visits (less frequent than DSD's), and periodic project committee meetings where progress and problems are discussed with NGOs. In addition the Project Unit uses the DSD's monthly report as input to their report. Both the DSD's monthly report and the Project Unit's monthly report are consolidated by DPE's Program and Evaluation Unit, which compiles a quarterly report on physical progress and financial status and sends it to USAID/El Salvador. However, the financial advance data used in the quarterly reports that is sent to USAID/El Salvador comes from data provided by the DAF, not the data from DSD's monthly report.

CONCLUSIONS

1. There is a duplication of effort in monitoring and reporting on physical and financial advance of projects implemented by NGOs between DPE's Project Unit and the DSD.
2. There is not a clear definition of the type of monitoring that is required by the SRN.
3. Monitoring and reporting on MEA activities is adequate. However, the responsibility, and functions of the *técnico de campo* are much more clearly defined than that of the *técnico administrativo*.

RECOMMENDATIONS

1. **Nature and Degree of Monitoring NGOs:** The SRN needs to determine the nature and degree of monitoring that is needed for NGO activities. The nature of an umbrella versus a non-umbrella NGO must be considered in calculating the role to be played by the monitoring entity.
2. **Consolidation of Project Functions:** The design, monitoring, and reporting functions should be consolidated into a single unit under one directorate in the SRN. The unit that monitors project implementation, and as a consequence has the responsibility to identify problems in the project implementation process, should also resolve the problems.

The consolidation of the monitoring functions should result in a reduction in personnel. However, reductions are a function of the definition of monitoring that the

SRN adopts. Once monitoring tasks are established, personnel numbers can be fully considered and not until then (see Diagram #4, Proposed Consolidated Directorate for Programming, Evaluation, and Project Monitoring).

QUESTION #6: Evaluation: Is the SRN evaluation system effective?

FINDINGS

SRN has only begun to examine the issues related to the evaluation of the NRP. To date only two NGO Action Plans (projects) have been evaluated, but both were evaluated by the NGOs and not by SRN. One was an evaluation of Technoserve's San Miguel Ya micro-enterprise project and the other was CIRES's (*Comité de Integración y Reconstrucción para El Salvador*) agricultural credit project. The evaluation of Technoserve looked at the impact of Technoserve's activities on jobs and income.

Recently DPE began to study the issue of impact in a more systematic way. DPE has prepared two draft papers. One paper describes a theoretical framework for impact evaluation, and the second paper identifies social and economic indicators to measure impact. These are good first drafts and demonstrate that the DPE is heading in the right direction.

These DPE documents have been supplemented by a manual on monitoring and evaluation prepared by Price Waterhouse. SRN has yet to approve the Price Waterhouse manual. The manual is adequate from a theoretical perspective but recommends a monitoring and evaluation system that is much too labor intensive for SRN and its portfolio of one-year Action Plans.

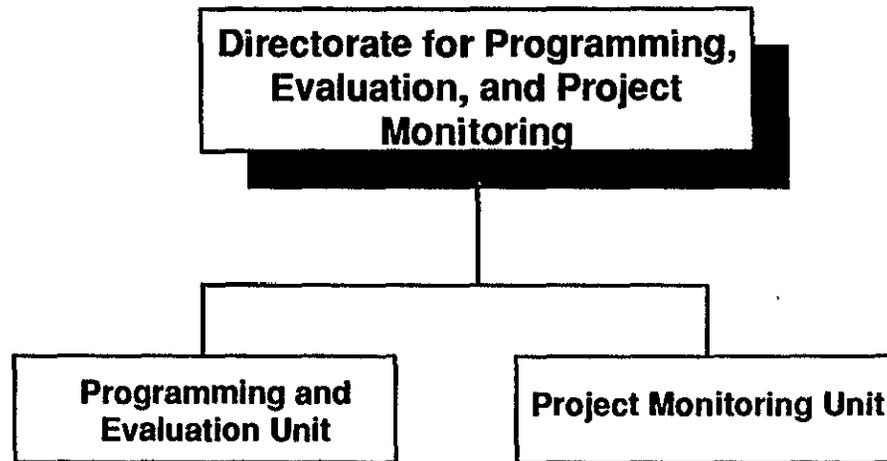
In discussions with DPE personnel, it was evident that they had been exposed to basic evaluation concepts without the explicit recognition of the role that a hierarchy of objectives must play in designing monitoring and evaluation systems. It is still not clear whether impact should be measured Action Plan by Action Plan or by sector and who would be responsible for collecting impact data for individual projects.

DPE lacks an articulated evaluation strategy to give purpose and direction to DPE's efforts designed to address its evaluation mandate. Likewise, there exists no budget for evaluation. Also, there still is not a clear and acceptable concept of how SRN will actually perform evaluations, whether with its own staff or through some type of contract mechanism.

Finally, USAID/El Salvador has not coordinated enough with the SRN in terms of USAID/El Salvador's own plans for data collection to measure impact. USAID/El Salvador has recently undergone an extensive process of identifying strategic objectives, indicators, and a data collection plan to measure those indicators. Much of this plan concerning the data collected or to be collected could be of great use to the SRN. Three special data collection efforts financed by USAID/El Salvador--Ministry of Planning's rural household survey, the survey of NRP zones, and Gallup polls--were unknown at the SRN. In addition, the sharing of information could simplify SRN's evaluation strategy, reduce duplication, and save resources.

**PROPOSED CONSOLIDATED DIRECTORATE FOR
PROGRAMMING, EVALUATION,
AND PROJECT MONITORING**

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FUNCTIONS

- Prepare programming documents
- Prepare evaluation plan
- Implement evaluation plan
- Review Action Plans

FUNCTIONS

- Review Action Plans
- Monitor PVO activities
- Report performance of PVO activities
- Review Action Plans

CONCLUSIONS

1. There still is not a clear strategy of the priorities for evaluation, especially at the sectoral and program levels.
2. An evaluation strategy is needed.
3. The Price Waterhouse recommendations for monitoring and evaluation are excessive and impractical, given the SRN's program and mandate.
4. Current evaluation plans do not justify the separation of evaluation functions into two offices within DPE.

RECOMMENDATIONS

1. **Evaluation Strategy:** DPE needs to specify an evaluation strategy through 1997, focusing on the sectors and programs that need the greatest attention, their desired impact for the overall program (i.e., jobs, income, quality of life indices), and how to best to use evaluation results during the life of the program. Upon completion of an overall evaluation strategy, the SRN should specify who will actually perform the evaluations (SRN staff, SRN consultants, NGOs, etc.). Based on the strategy and how the evaluations will be performed, a budget for evaluation should be established. In developing an evaluation strategy, the issue of project versus program evaluations must be considered and clear priorities set for these evaluations.
2. **Logical Framework Training:** DPE and project monitors should be trained in the Logical Framework methodology. Training for PACT and umbrella NGOs should also be considered.
3. **USAID/El Salvador Coordination with the SRN on Evaluation Data Collection Efforts:** USAID/El Salvador should coordinate its data collection plans under Project 519-0394 and for its "Strategic Objective No. 1 - Assist El Salvador to Make the Transition from War to Peace" with the SRN. This is particularly the case of special data collection efforts, such as rural income surveys or public opinion polls.
4. **Consolidation of Evaluation and Programming Functions in DPE:** DPE's two evaluation functions as well as the programming function should be united into one unit (see Diagram #4, "Proposed Consolidated Directorate for Programming, Evaluation, and Project Monitoring").

CHAPTER V

INFORMATION SYSTEMS

QUESTION #1: Information Systems: Does the SRN's Management Information System (MIS) meet the organization's internal and external needs? Does it adequately track accomplishments and expenditures of funds by each Action Plan?

FINDINGS

To date, the SRN's information systems' policy and practices are best characterized as being ad hoc. SRN personnel charged with the responsibility of developing the hardware and software dimensions of information management are too often absorbed with day-to-day operations that there has been little time to consider the development of a comprehensive information systems' policy and to install standard practices. As a consequence, several problems have developed including the duplication of information systems; a lack of standards for operating systems, hardware, and software; and a lack of compatibility between operating systems, hardware, and software.

The dimensions of these problems are seen in the fact that the SRN has more than 1,500 separate data bases functioning on several different platforms (DOS and XENIX) on both stand alone machines, XENIX terminals, and PC's connected to a Novell LAN. This proliferation of data bases and a lack of overall integration has resulted because of a lack of senior management support for information systems, poor management of the Computer Center, and an over reliance on outside experts and programmers who have repeatedly tried to solve the SRN's computer problems on an ad hoc basis. The manager of the Computer Center does not have responsibility for the SRN's computer operations in the MEA Regional and Department Offices, which also hinders standardization efforts.

This unsystematic approach has had many negative ramifications. First, there is little trust in the Computer Center and in any system that shares data across a system. For example, the XENIX system has had limited user access because of the lack of terminals. Second, the four directorates use different software applications making the exchange of data difficult. Third, there is such a wide variety of PC hardware that when they break or need repair, the SRN cannot use spare or extra parts from another computer but have to try to deal with a variety of repair people and vendors.

Despite these troubles the SRN seems poised to turn the corner on its information systems problems over the next few months. Key to this possible turn around is the new Computer Center Chief, Toni Mejía. Mr. Mejía is capable of solving the SRN's computer problems with the proper management support. He is the ideal person for this position because of his knowledge of how the SRN functions overall and because of his sound technical knowledge. He has the respect needed to fashion and promote a policy and to install the practices that will make an integrated information system work.

Fortunately, SRN has also decided to consolidate its information systems to work in a DOS environment on a Novell LAN, which is a standard configuration in the United States. The main database software will be FoxPro LAN, another standard in the U.S. market. Unfortunately, the Novell LAN, supposedly installed by a Novell certified company is still experiencing some problems, which is slowing down full utilization of the LAN. Only one of Mr. Mejia's staff, has ever worked in a LAN environment, and the SRN is generally lacking in ability to administer a Novell LAN. Because of the magnitude of previous computer problems within the SRN, Mr. Mejia and his staff continue to spend an inordinate amount of time addressing daily crises rather than building on a new system.

Another important addition to solving the SRN's computer problems is the presence of Joaquín Dimas who since May 1993 has been key to the preliminary development of a MIS for DPE. Dimas is the best programmer in FoxPro in the SRN but has worked exclusively for DPE, thereby not allowing the rest of the organization to fully benefit from his expertise. Other than Dimas, the SRN only has limited ability to develop applications in FoxPro LAN. With the right support and supervision, Dimas has the technical ability and the interpersonal skills to assist in carrying forth the work to make a MIS that is used successfully throughout the SRN.

Besides the above list of technical problems, there is a lack of understanding and appreciation, particularly at management levels, of how a network functions conceptually, how it increases productivity, and how it integrates the operations of different offices. This lack of management support for systems that span across more than one directorate could bring down any system and must be reversed.

Additionally, the SRN's own internal systems have to conform (as of March 1) to a new set of accounting standards and software imposed by the Ministry of Finance. This will cause an extra layer of complexity into the overall design of an integrated MIS.

CONCLUSIONS

1. Although the SRN has survived using unorthodox and inefficient systems, it is necessary to put order in the information systems use throughout the SRN.
2. The SRN's information system policy has been ad hoc to date. There is a serious lack of compatibility of hardware and software.
3. Mr. Toni Mejía will be key to the overall systems design and the proper functioning of the LAN. Mr. Joaquín Dimas will be critical to a functioning MIS.
4. There is a lack of management appreciation and commitment to integrated information systems and the proper use of a LAN.
5. There is a lack of technical expertise in administering a Novell LAN and programming in FoxPro LAN.

6. Presently, the SRN does not adequately track accomplishments and expenditures of funds by Action Plan. In fact there is no coordination between the program and accounting information systems. This should be changing, however, in the near future if the database development led by Joaquín Dimas is allowed come to fruition. Toni Mejía understands the need for an integrated system, has the tool at hand (a Novell LAN), and more importantly appreciates the possible uses of the data when integration is a reality. The SRN should be able to track accomplishments by Action Plan within a few months and expenditures within roughly six months if senior management support for computerization remains strong.
7. There is lack of hardware (PC's) and standardized and legal software.

RECOMMENDATIONS

1. **LAN Up and Running:** The primary focus should be to get the LAN up and running trouble free. The SRN should demand that its certified vendor of Novell products work with them until the problems are fixed.
2. **Seminars on How a LAN Works:** Toni Mejía should give one-hour seminars on how a LAN works--information sharing, connectivity, security, password protection, access rights, standardization, and the use of system-wide protocols. He should start with senior staff and then provide a similar orientation for each directorate. A one to two page written piece on the LAN would also be helpful.
3. **Training for SRN Personnel on Novell LAN:** Toni Mejía and at least one of his staff need a minimum of a one-week course on administering a Novell LAN, preferably one provided by Novell itself. Mr. Mejia and the other person can, in turn, provide training to the Computer Unit, which can be supplemented by formal training locally available in El Salvador as necessary.
4. **Novell LAN or FoxPro LAN User Groups:** The Computer Center should find out whether any user groups exist in El Salvador for Novell LAN or FoxPro LAN users and participate in those groups. If they don't exist, they should consider starting an informal network to share experiences and solve problems faster. The SRN should consider forming users groups within the SRN for the integrated MIS so the system can be continually improved based on user input.
5. **Data Sharing on a LAN:** The Computer Center needs to lead the SRN in a design process of how to structure data sharing on the LAN, including the directory structure for Word Perfect and other basic programs. This process should take place through a series of interviews with information users at all levels and parts of the organization. The designers should simply ask users what is the information that they produce that others need on a regular basis and what is the information that others need from them on a regular basis and who should have access to that information.

6. **SRN User Groups for the MIS:** The SRN should consider forming users groups within the SRN for the integrated MIS so the system can be continually improved based on user input.
7. **SRN Internal Training:** The SRN should consider the pros and cons of conducting more of its software training internally and compare the advantages of that system (cost and non-cost) to contracting it out. Training could include Novell, Fox Pro, word processing, spreadsheets, Email, and DOS).
8. **Computer Section Personnel Needs:** The Computer Section needs to decide either to hire new staff with Foxpro or Novell experience or train the people worth training in these areas. Once the MIS design is complete, Dimas should be integrated into the Computer Unit to be a central resource for all of the SRN.
9. **Move out of XENIX Environment:** The Computer Section should move out of XENIX environment completely, as recommended by Price Waterhouse two years ago, as soon as the Novell LAN is up and basic systems, mainly accounting, are up and running in FoxPro LAN. The XENIX hardware should be sold.
10. **Electronic Mail Package:** The SRN should consider buying a electronic mail package for its network. It should then consider buying a few dedicated phone lines and attempt to develop an electronic mail connection with SETEFE and USAID/EI Salvador.
11. **PC Purchase:** The SRN should undertake a study to determine how many PC's should be purchased to have sufficient SRN capacity. It appears that as many as 20 PC's are needed on a priority basis, some of which should be dedicated to senior staff so they can become part of the network and understand its power. All new PC's should be of a single high quality brand.
12. **SRN Should Buy Legal LAN Versions of All Its Major Software:** The SRN should buy legal LAN versions of all its major software to be used within the SRN. Software use must become standardized as well. Although purchasing official software is expensive, there are a lot of good technical reasons to do it, one of which is because it is the law.
13. **Equipment for Regional Offices:** In the medium term, the SRN should consider upgrading computers in field offices of MEA and attempt to gain some authority over their use to standardize operations. Electronic mail connections with Regional Offices should also be considered.

CHAPTER VI

SRN MANAGEMENT FUNCTIONS AND ACCOUNTABILITY STANDARDS

QUESTION #1: Financial Systems: Are the SRN's financial systems regarding accounting, disbursement, liquidation, and close-out efficient?

FINDINGS

Accounting policy is dictated by the *Ley Orgánica de Contabilidad Governmental* implemented on March 1, 1994 which establishes procedures to be followed by all GOES entities. The new government accounting system has been designed and implemented under the supervision of the International Monetary Fund. Accounting and procedures manuals were developed for CONARA by Price Waterhouse in 1989 and updated for the SRN in 1993.

A source of concern to USAID/El Salvador and implementing agencies of the SRN programs has been the cumbersome procedure for the liquidation of eligible project expenses and the issuance of subsequent disbursements. The Price Waterhouse manual only briefly outlines advance liquidation procedures which are spelled out in detail in the SRN's own operating manual for NGOs. The process was streamlined in June 1993 (Project Implementation Letter #20) but remains a problem, particularly for smaller, less sophisticated implementing NGOs. The SRN, SETEFE, and USAID/El Salvador have each established their own essential conditions, and while recognizing the problem caused by the combined set of requirements, each looks to one of the others to make any adjustments.

A major complaint has been that the required method of classification of expenses is incompatible with the accounting systems of the major NGOs causing unnecessary paperwork and delays. This requirement, insisted on by SETEFE, in fact relates to GOES accounting procedures. While sympathetic to the problem, SETEFE has no authority to change the law and can only suggest better training of personnel at the implementing agencies. Another controversy in dealing with the timely flow of funds to implementing agencies is the conflict between USAID/El Salvador's policy of maintaining a 30-day level of funding with the agency and the SRN's policy of not replacing funds until the previous advance has been 70% liquidated¹.

An ad hoc task force, *Fuerza 4*, made up of SETEFE, the SRN, USAID/El Salvador, and the General Directorate for Reconstruction, was set up to provide assistance to grantees to expedite advance liquidations to the satisfaction of all three agencies.

¹ A significant factor influencing the statistics was due to legal problems related to land titles. This factor indicated a lower than desired rate of liquidations related to the land bank project totalling 119 million *colones*, of which only 39 million *colones* had been disbursed and 12 million *colones* liquidated.

NGO and GOES' liquidations are delivered simultaneously to SETEFE and the DSD of SRN, where they are logged in and stamped with the date, but not time, received. The reports are reviewed by the appropriate coordinator at DDS with any differences between the SRN and SETEFE resolved at a meeting of the two. Voucher clerks from the Control Section of DSD then check receipts and vouchers against the liquidation reports, and communicate approval to the DAF, at which time the DSD coordinator advises the NGO or GOES of the approval of the liquidation and the amount for which a further advance may be requested. This process takes an average of four days, and the secretary of the control section of DSD maintains a log in which each step in the processing is recorded.²

CONCLUSIONS

1. The procedures for NGO advance liquidations continue to be time consuming and cumbersome notwithstanding significant improvements made in 1993 in response to the Project Implementation Letter #20 dated June 8, 1993.
2. There does not appear to be any flexibility on the SRN's part with respect to the SRN's policy of withholding subsequent advances until 70% of the previous ones have been properly liquidated.
3. The decision to create *Fuerza 4* implied shortcomings on the part of DSD to adequately facilitate the liquidation process. Now that there is evidence that the situation has improved, the role of the *Fuerza 4* should be reconsidered.
4. The attitude of the management and staff of the DSD and the manner in which they are facilitating the liquidation of advances appears to be a positive contribution. However, a more detailed analysis of the performance of the voucher examiners in the Internal Control Section of DSD is necessary before a definitive position can be reached on this issue.

RECOMMENDATIONS

1. **Voucher Examiners in DSD:** Though it appears that the voucher examiners located in the Control Section of the DSD are performing adequately, it would be appropriate to assign this function to the Finance Unit of DAF and move the voucher examiners to the Finance Unit. This would result in a modest step to simplify a very complex and inordinately time consuming process.
2. **Role, Responsibilities, and Functions of Voucher Examiners:** If and when the voucher examination function is moved from DSD to DAF, it would be appropriate to

² The procedures concerned with processing vouchers in the MEA project were reviewed and judged to be effective. This does not preclude the possibility that there exists the potential for unnecessary duplication of effort between *técnicos administrativos* at the Regional level and *técnicos administrativos* at the Departmental level. A more detailed analysis of the personnel engaged in this process would be appropriate as a part of an exercise directed at rationalizing functions, roles, and responsibilities in the DMD.

review the role, responsibilities, and functions of the voucher examiner as a critical step in organizing and implementing this function in the DAF. Annex F, "Draft Position Description - Voucher Examiner" is provided to serve as a model for positions in the component performing the voucher examination function.

QUESTION #2: Program Financial Planning: Is there adequate financial planning by the SRN of the NRP?

FINDINGS

Notwithstanding the SRN's statutory responsibility for the NRP, they manage programs funded by USAID/El Salvador, and coordinate programs totalling \$18 million of the United Nations and European Community. In addition, an estimated \$550 million has been pledged by various international donors for other reconstruction projects in which the SRN has no formal role. While SETEFE has indicated that it is highly unlikely that there will be new funding of any significance to the NRP beyond that which has already been formally committed, the SRN is still hopeful of obtaining additional donor funding and is not willing to consider planning for a wind-up scenario. Furthermore, it is optimistic that a new role will be defined for the organization providing the forthcoming elections do not result in any major change of direction from the Presidency. As of the time of this report, the most likely funding scenario for SRN planning purposes would be \$239 million, \$191 million under Project 519-0394 and \$48 million in host country-owned local currency (counterpart funds), as the total to have been managed by the SRN during the life of the NRP.

As of December 31, 1993, \$134,852,000 had been obligated under Project 519-0394, of which \$111,413,000 was committed, and \$24,946,000 was disbursed. Although exact figures were not obtained, we understand that about \$39.6 million equivalent in counterpart funds have been committed.

CONCLUSIONS

As of year end 1993, \$109.9 million remained obligated but undisbursed with no projections as to how this will be accomplished by the PACD of April 30, 1997. Financial planning, including cash flow projections, per se, does not exist at the SRN.

RECOMMENDATION

1. **Financial Planning:** A quarterly projection of expenditures by fiscal year should be made for each Action Plan through its completion date for unexpended funds. For each new Action Plan, a quarterly projection by fiscal year for expenditures should be made through its completion. These projections should be updated in the quarterly planning document prepared by the DPE.

QUESTION #3: Audit Function: Is the SRN internal auditing function appropriate for its present and future requirements?

FINDINGS

In 1993, the SRN established the Internal Audit Office, contracting as Auditor General the same individual who had been the resident delegate of the *Corte de Cuentas* for the previous four years. Six additional auditors were hired and assigned to undertake "external" audits of municipalities and NGOs and "internal" audits of the SRN. Two vehicles are assigned to the unit. The audit staff has undergone special training at SETEFE and the Ministry of Finance to assist in implementation of the new universal accounting system for all GOES entities which took effect on March 1, 1994. In February 1993, Price Waterhouse delivered the Internal Audit Manual which appears to be satisfactory for operations to be conducted by the Internal Audit Office.

The Auditor General has submitted a detailed audit plan for 1994. This includes scheduled audits of the Regional Offices of MEA and selected NGOs, particularly those in need of technical assistance. Also, the SRN central operations, including procurement, will be audited. The Internal Audit Office will also assist SRN directors in the implementation of the new government accounting system.

The audit plan is coordinated with Price Waterhouse and the major NGOs to avoid duplication of effort. Copies of the audit plan and audit reports are submitted to the *Corte de Cuentas*, whose role has been revised under the new governmental accounting system which took effect on March 1, 1994. The *Corte de Cuentas*, which we were informed will be known as the government *Controlaría General de la República*, will reportedly conduct audits of GOES' agencies, but the nature and frequency of these audits is not yet known.

CONCLUSIONS

The present system appears to be appropriate for the SRN's needs. However, it is too early to determine if the efforts of the Internal Audit Office is determining that the internal control systems of the SRN are functioning adequately to safeguard resources and if there is compliance with the SRN management directives and systems. It is certainly the intention of the Internal Audit Office to perform this function as evidenced by their future plan for operations.

RECOMMENDATION

1. Review of Audit Policy in the Future: Audit policy should be reviewed at some future date once the audits policy of the revised *Corte de Cuentas* can be evaluated to determine if there is an appropriate overall audit program so as to avoid excess audit and monitoring of implementing entities.

QUESTION #4: Revolving Loan Funds: Is the SRN relation to any revolving loan funds operated by implementing agencies or sub-grantees satisfactory with regards to the management of these funds?

FINDINGS

The SRN currently provides funding for approximately 60 revolving loan funds for agriculture or micro-enterprise development through eight NGOs directly, in addition to which Catholic Relief Services (CRS) acts as an "umbrella" for three programs involving 52 NGOs. The current combined value of these funds is approximately 87 million *colones* divided between agricultural and micro-enterprise lending. Additional projects involving revolving loan funds are anticipated but have not yet been approved. The SRN's DSD is responsible for monitoring the performance of NGO implemented programs, and DSD's Productive Projects Unit supervises projects involving revolving loan funds. Onsite monitoring is performed by a staff of nine supervisors reporting to two coordinators, one located at the Eastern Regional Office and one at SRN headquarters. Most, if not all, of the supervisors are Agricultural Engineers, none of which are known to have qualifications in credit extension in general or micro-enterprise lending in particular.

In addition to Carlos Soriano, Coordinator of the Productive Projects Unit, interviews were conducted with CRS and TechnoServe, both of which are NGOs and account for about 58% of the outstanding revolving credit funds. Both entities are considered to have extensive experience in managing such funds and have been established in El Salvador for some time, 18 years in the case of TechnoServe. Neither in the course of the aforementioned interviews nor in meetings with various members of the USAID/El Salvador was there any awareness of plans for a supervisory institution to oversee the activities of the revolving loan funds upon termination of the NRP.

CONCLUSIONS

1. DSD's personnel charged with monitoring the revolving loan funds lack the necessary skills in the area of financial management and credit policy and procedures to properly monitor lending programs. Individuals responsible for monitoring or supervising these funds should have a business or financial education with specialized training in micro-enterprise and small agricultural lending.
2. Given the ongoing nature of revolving loan funds, there appears to be no plan for the supervision of those created under the NRP beyond the mandate of the SRN and the USAID/El Salvador PACD.

RECOMMENDATIONS

1. **Management of Revolving Funds After PACD:** SRN should plan to assist the NGOs managing revolving funds in their transition to serving their communities on a non-restricted basis.

QUESTION #5: Procurement System: Does the SRN procurement system function properly; e.g., follow established policies and with reasonable speed?

FINDINGS

The Price Waterhouse procedures manual extensively details purchasing and bidding policies and procedures, which are considered to be reasonable and workable by the SRN. As of March 3, 1994, the major difficulty encountered by the SRN procurement unit was the freeze on purchasing caused by the delay in approval of the 1994 administrative budget.

There is an ongoing discussion between the SRN and USAID/El Salvador regarding the procedure for purchasing new vehicles whereby the SRN does not accept USAID/El Salvador's insistence on proper bidding procedures, preferring to distribute purchases among several dealers irrespective of the higher cost involved. As a result, the planned purchase of 29 vehicles in 1993 did not occur, and the issue is once more under discussion with respect to the planned purchase of 24 new vehicles in 1994. The SRN system appears to be operating effectively for all other procurement actions reviewed:

CONCLUSIONS

1. It was neither possible nor appropriate to monitor compliance with said policy beyond reviewing the procurement policy as described in the Price Waterhouse procedures manual and through interviews with officers and supervisors responsible for its implementation.
2. While the discussion continues between USAID/El Salvador and SRN on vehicle purchase policy, the condition of the SRN fleet continues to deteriorate.
3. The procurement policy in force as described in the Price Waterhouse manual is satisfactory and is being followed.

QUESTION #6: Vehicle Policy: Is the SRN vehicle assignment and use policy appropriate for its present and future requirements?

FINDINGS

The SRN vehicle use policy as described in the SRN Administrative Procedures Manual and further explained by the manager of the SRN maintenance unit seems to be appropriate. The policy clearly states that vehicles are only to be used for official business, and further states that no use is permitted on weekends except for authorized visits to open town meetings. Staff members must submit a written request to use a vehicle stating the purpose of the trip, and are required to complete mileage, maintenance, and fuel use records. The coupon system by which fuel purchases are effected is an additional check on the accuracy of mileage and trip reports. The only individual with an assigned vehicle is Norma de Dowe, and the driver assigned to her is the only one on the SRN staff.

The SRN fleet consists of 152 vehicles, many of which were inherited from other projects. It consists primarily of four wheel drive jeep-type sedans necessary for travel in rural areas, of various manufacture, age, and state of repair. Vehicles are located throughout the country, with some on loan to other GOES entities and six on loan to USAID/El Salvador. Until the recent implementation of the new government accounting system, there had been no way to determine a proper asset value or basis for depreciation of vehicles. With only one assigned driver and only one mechanic on the SRN payroll, compounded by the road conditions to which vehicles are subjected, effective maintenance is a very serious problem. We learned that a significant number of vehicles are out of service at any given time.

CONCLUSIONS

1. The vehicle use policy appears to be adequate.
2. The effectiveness of the vehicle use policy cannot be determined without extensive monitoring.
3. The vehicle assignment policy as determined by the currently defined duties and responsibilities of various staff units appears to be reasonable.
4. SRN vehicle maintenance is not cost-effective.

RECOMMENDATION

1. **Vehicle Maintenance and Fleet Standardization:** Major emphasis should be directed toward improving vehicle maintenance and fleet standardization.

QUESTION #7: Legal Status Requirements: Does the SRN have adequate controls in place to ensure that grantees and sub-grantees, especially non-governmental organizations, possess proper legal status prior to receiving project funds?

FINDINGS

The SRN does not maintain controls over NGO legal documentation requirements. This is a process controlled by SETEFE. The SRN operating manual for NGOs lists the requirements for an NGO to qualify for grants from the SRN including the establishment of *personería jurídica*. Should the latter not be complete, this requirement can be temporarily waived. Since projects are normally for one year, no subsequent projects can be approved without the NGO obtaining its *personería jurídica*.

CONCLUSION

The SRN does not follow-up on the status of NGOs without *personería jurídica* as the inability of NGOs without *personería jurídica* to obtain a second grant or extension is deemed sufficient control.

QUESTION #8: Administrative Budget: Does the SRN administrative budget reflect the requirements of the organization? Is there adequate planning in the development of the administrative budget to support the SRN?

FINDINGS

From 1991 to 1993, the CONARA/SRN administrative budget was contained in an annual Action Plan submitted to USAID/El Salvador for approval. The proposals contained in the Action Plans represented all anticipated expenditures for personnel, logistics, vehicles, supplies, etc. USAID/El Salvador's approval procedure thus offered an element of control over CONARA/SRN expenditures. The draft of the 1994 Action Plan proposes total expenditures of approximately 39 million *colones*, of which up to 21 million *colones* is to be funded by USAID/El Salvador, with the remaining 18 million *colones* to be funded by SETEFE. Unlike previous years when a breakdown of all proposed expenditures was submitted to USAID/El Salvador for approval, for 1994 only the 21.2 million *colones* covering personnel expenses was submitted to USAID/El Salvador for approval. The 18 million *colones* (originally 18.1 million *colones*) covering remaining expenses was submitted to and approved by SETEFE. A consolidated budget, complete with details by line item, has also been prepared for 1994 (see Exhibit 1 "Administrative Budgets for SRN/CONARA-1991-1994" on the following page).

Prepared by the Planning and Evaluation Unit of the DPE, input is based on actual expenses to which a percentage increase factor can be applied along with projections based on known program requirements. Since the SRN has no financial planning to speak of, budgets are merely an extension of the previous year's experience. Once approved, the budget is monitored and adjusted by the DAF of the SRN. No projected versus actual report indicating variances is maintained, rather the budget is adjusted monthly, to reflect actual expenditures, resulting in a year-end budget with no variances. Although the only year for which year end budget figures could be obtained was 1993, we were informed that CONARA and SRN have been able to maintain balanced budgets, with no year-end variances in total expenditures except for 1992 when the NRP was approved and CONARA was transformed to SRN. Great care is exercised by the SRN to avoid any surplus administrative funds that would have to be returned to SETEFE.

Maintenance of a balanced budget is accomplished by transfers between line items, for which USAID El Salvador has authorized line item transfers up to 25%. SRN management is quite content with the present system which they have indicated is consistent with the new governmental accounting system and does not seem at all receptive to suggestions for changes in this area. According to a source at SETEFE, the new GOES accounting system which took effect on March 1, 1994 allows for flexibility in the presentation of budgets.

CONCLUSIONS

1. The budget is not the result of any strategic financial planning.
2. There is no indication that the SRN budget system has resulted in any inappropriate expenditures or misdirection of funding.
3. Without the customary variance report and with the budget itself periodically updated based on actual expenditures, it loses its value as a valuable management tool in evaluating institutional performance.
4. The ability to shift expenses between line items up to 25% seems extremely liberal, and severely limits budgetary control over SRN.
5. The current Administrative Budget adequately reflects the requirements of SRN.

EXHIBIT #1 ADMINISTRATIVE BUDGET FOR SRN/CONARA - 1991-1994

	1991	1992	1993	1994
Personnel	C 10,930,684	C 11,982,032	C 22,878,455	C 22,190,670
Logistical Aid	C 5,742,000	C 6,016,210	C 8,932,045	C 10,893,670
Technical Assistance	C 289,916	C 484,950	C 1,374,000	C 1,600,000
Furniture & Equipment	C 887,400	C 416,808	C 1,703,500	C 707,414
Vehicles	C 2,240,000	C 900,000	C 4,455,000	C 3,872,000
Fixed Asset Investments	C 1,630,000	--	--	--
TOTAL	C 21,720,000	C 19,800,000	C 39,343,000	C 39,263,868

CHAPTER VII

SRN MANAGEMENT AND ADMINISTRATIVE STRUCTURE FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

QUESTION #1: SRN Staffing and Organization: Does an appropriate match exist between the SRN's managerial responsibilities and its staffing pattern, e.g., types, numbers, and levels of positions. Do its units (e.g., programming, finance, and operations) coordinate and communicate effectively? Do appropriate and functioning delegations of authority exist?

FINDINGS

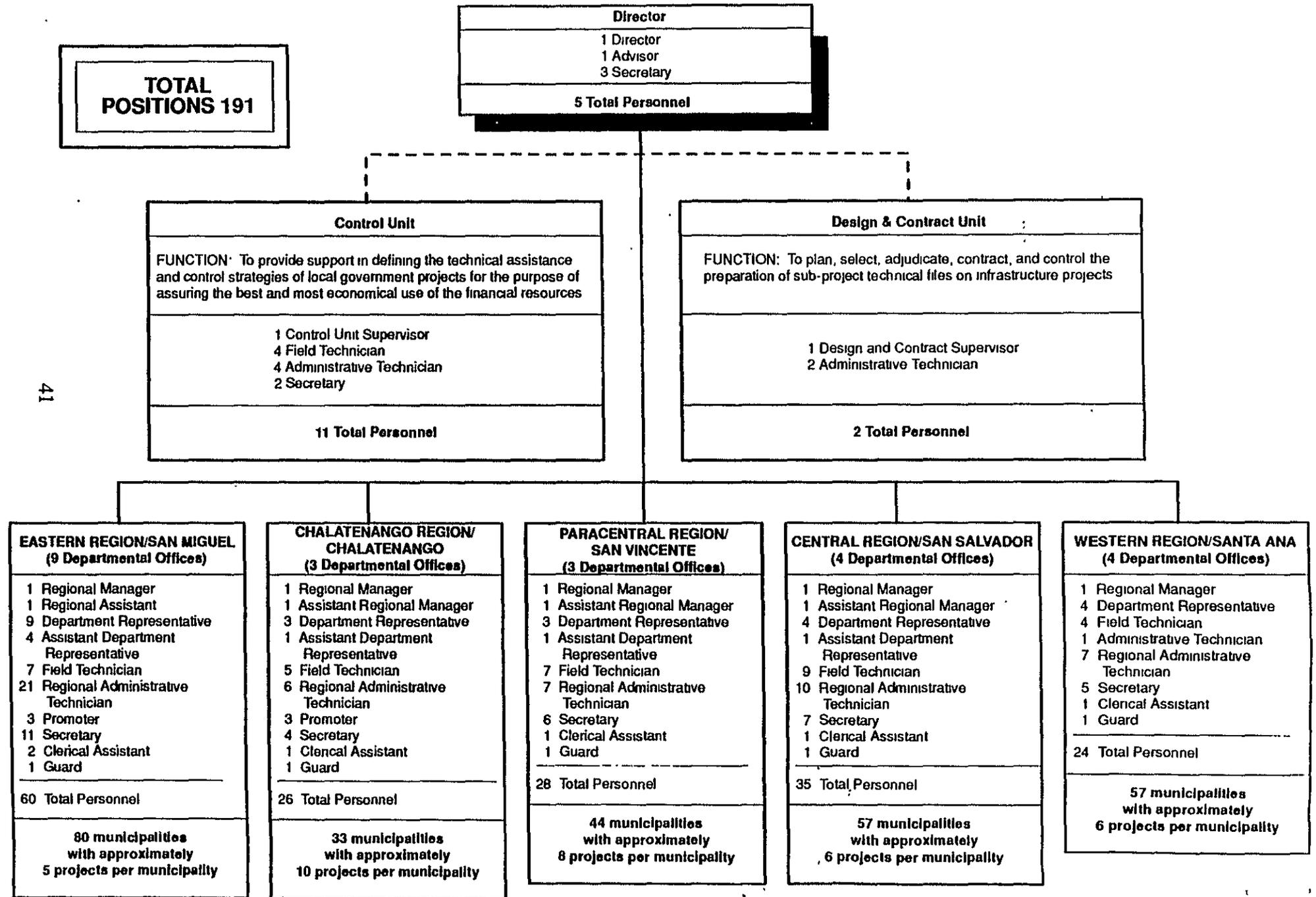
A review of the personnel staffing and its organization within the SRN since its inception in 1991 with the Department of Human Resources of the DAF revealed that the SRN had 255 positions initially allocated to the SRN. In 1992, the organization had expanded to 291 positions, and in 1993 there was a sizable increase of SRN to 378 positions. (See Annex E, "The Secretariat for National Reconstruction: Organization, Staffing, and Functions" for the present structure and staffing of the SRN.) The increase from 1991 to the present represents an increase primarily in the DMD at the Regional and Department levels to support the expansion in the MEA program in order to be responsive to the demands generated by local government which resulted in a dramatic increase in the number of municipal infrastructure improvement projects undertaken by the MEA program.³

Presently the DMD has 191 positions allocated to it. In addition to a relatively small staff of 18 persons located in the SRN central offices, the DMD has 191 persons spread-out across the country in five Regional Offices and 24 Departmental Offices, each of which is supervised directly by one of the five Regional Offices. (See Diagram 5, "Organization of the Directorate for Municipal Development" on the following page) Of the 262 municipalities located in El Salvador, the MEA program is supporting 147 of these municipalities in the form of approximately 9 projects per municipality. The MEA program has been responsible for supervising the execution of approximately 10,000 physical infrastructure projects, and it is estimated that at any one given time there are approximately 6 projects being executed in a municipality receiving support from the MEA program.

³ The Assessment Team was unable to obtain the DAF-personnel tables for the years 1991 and 1992 from the Department of Human Resources nor was it able to reconstruct personnel tables for these years.

DIAGRAM # 5

ORGANIZATION OF THE DIRECTORATE OF MUNICIPAL DEVELOPMENT



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CONCLUSIONS

In general the relationship between the SRN's managerial responsibilities and its staffing pattern appears to be appropriate. There is satisfactory coordination and communication among subordinate organizational units. Delegations of authority are exercised in a satisfactory manner. However, within organizational units, there appears to be overlapping or duplication of functions particularly in the area of monitoring as has already been discussed in detail in Chapter IV, "SRN Planning, Design, Monitoring, Evaluation, and Reporting Functions."⁴

The organizational structure of the Directorate of Administration and Finance should be reviewed with an eye to improving communication and the flow of actions between the head of the DAF and subordinate units. At the present, the DAF functions assigned to the Department of Human Resources do not respond to the personnel management needs of the SRN. The functions being carried out are limited to the processing of personnel actions without attending to the technical and professional human resource management requirements of modern management. The Maintenance and General Services functions, which are presently separated, have been managed by a single supervisor with no particular problems emerging in this area.

Over half of the SRN employees are in the DMD with 173 of these employees located in Regional and Departmental Offices. (see Diagram #5, "Organization of the Directorate of Municipal Development" on the following page.) Despite what appears to be a well managed program, a real possibility exists that field staffing could be reduced. In particular, two areas suggested redundancy that should be reviewed. The functions of the Administrative Technician of which there are 50 spread throughout the five regions warrant a careful review regarding their functions and responsibilities. However, it is these Administrative Technicians that are playing a key role in the movement of the financial resources through the MEA system that translates into getting the physical projects executed in the municipalities. It must be appreciated that as the financial flow system is presently designed, it is a labor intensive activity. Additionally, the four Assistant Regional Managers and the seven Assistant Departmental Representatives are also positions that deserve a careful review.

⁴ In terms of the public's perceptions of the roles, responsibilities, and functions being performed by the SRN, polling data confirms a positive image being projected by the SRN and its leader. The Institute of Public Opinion of the University of Central America, "Jose Simeon Canas", conducted a poll between the 13th and 15th of August 1993, in 14 Departments of the country interviewing 2,500 persons. This poll identified Norma de Dowe as one of the most influential, capable, and accessible women in the nation. An important component of an evaluation of the MEA program performed by Checchi in late CY 1993 was a survey of 1,034 citizens from 24 municipalities. The survey addressed perceptions of performance of "public works providers", and the results for CONARA/SRN were very favorable.

With a few exceptions, the Assessment Team concluded that the match between the staffing levels of the SRN and the financial resources allocated for the administration of the SRN, the roles, responsibilities, and functions are appropriate. Exhibit #2 "SRN Personnel, Administrative Budget, and Actual and Projected Expenditures" on following page indicates that as the SRN staffing has grown over time, it has been necessary for its Administrative Budget to grow. Exhibit #2 also shows that quarterly project expenditures have been increasing since the inception of the SRN. This trend must continue until the last year of the project, if the PACD is to be respected. Consequently, if project expenditures are accepted as a proxy for the administrative and management load of the SRN, it is reasonable to conclude that approximately the current level of effort is required on the part of the SRN through the life of the project.

RECOMMENDATIONS⁵

1. **Continuation of Functional Statement Development and Job Classification Process:** The process of functional statement and job classification definition should continue as the principle means of addressing the issues related to determine if an appropriate match exists between the SRN's managerial responsibilities and its staffing pattern; e.g., types, numbers and levels of positions.
2. **Reorganization of DAF:** Consideration should be given to restructuring the DAF into four functioning units listed below. (See Diagram #6, "Directorate of Administration and Finance - Current Organizational Chart," as DAF is presently structured and Diagram #7, "Proposed Restructuring of the Directorate of Administration and Finance" as is proposed.)
 - Finance Unit
 - Human Resources Unit
 - General Services Unit
 - Procurement Unit

This reorganization could result in eliminating as many as four positions.

3. **Organization of Human Resources Unit:** Consideration should be given to restructuring the Human Resources Unit into the departments listed below. (See Diagram #8, "Human Resources Department - Current Organizational Chart" and Diagram #9, "Proposed Reorganization of the Human Resources Unit.")
 - Administration Department
 - Position Classification and Wage Administration Department: To plan, implement, and evaluate a modern system of position classification and wage administration.

⁵ All recommendations that suggest organizational changes in the structure of the SRN are included in this section. In some cases the recommendations are also discussed in earlier chapters.

EXHIBIT #2

SRN Personnel, Administrative Budget, and Actual and Projected Project Expenditures

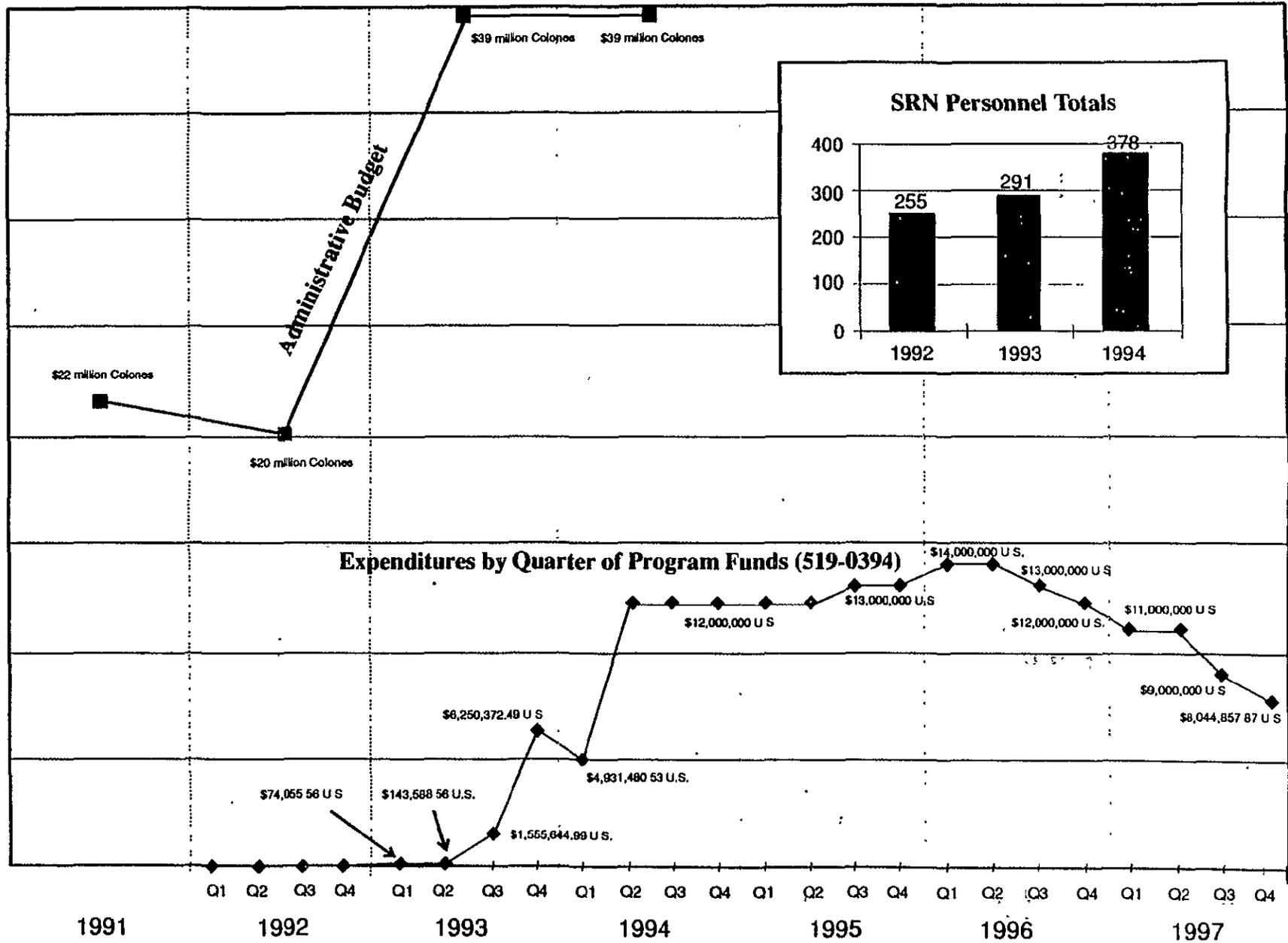
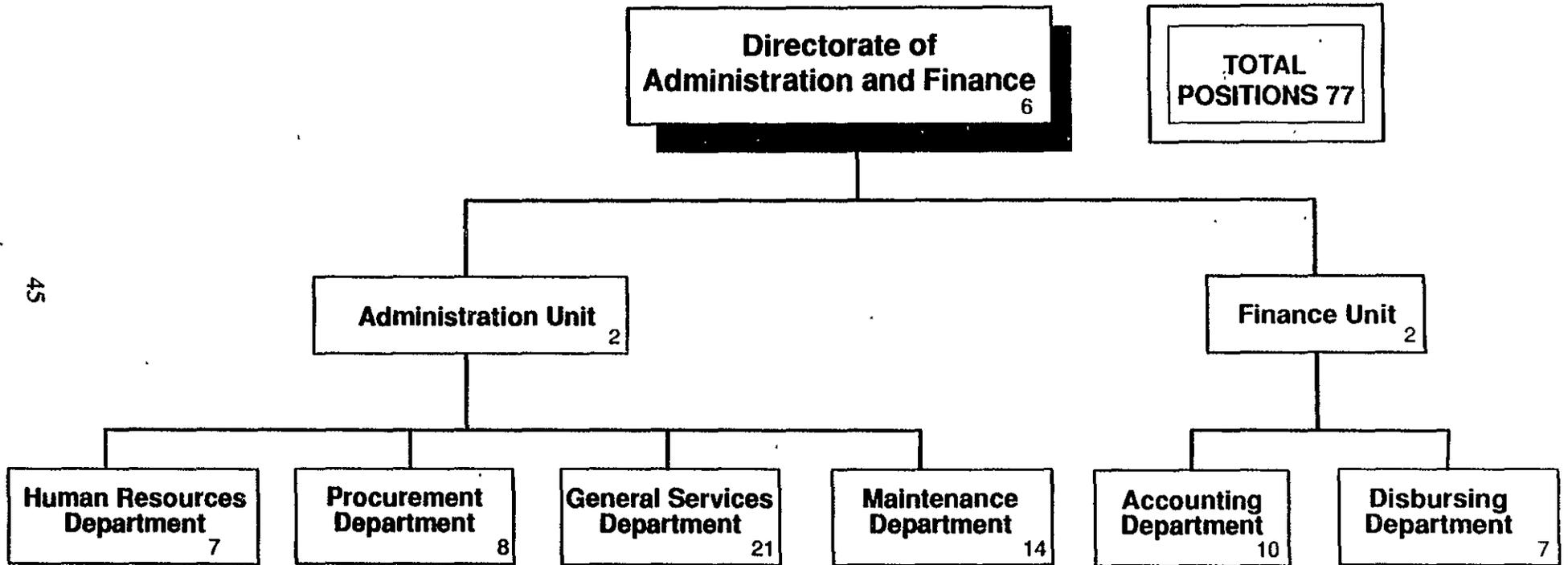


DIAGRAM # 6

DIRECTORATE OF ADMINISTRATION AND FINANCE
Current Organizational Chart



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DIAGRAM # 7

PROPOSED RESTRUCTURING FOR THE DIRECTORATE OF ADMINISTRATION AND FINANCE

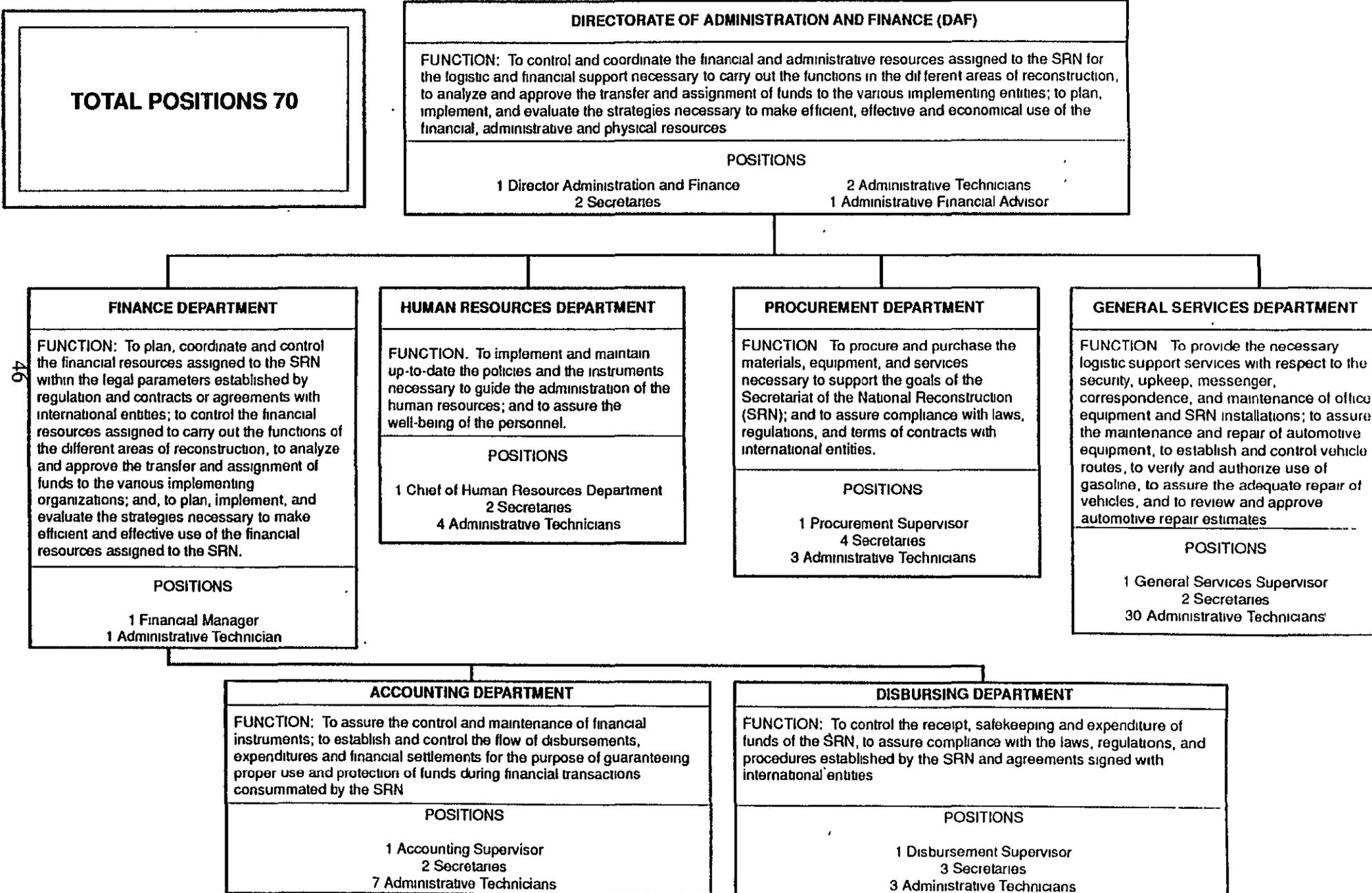
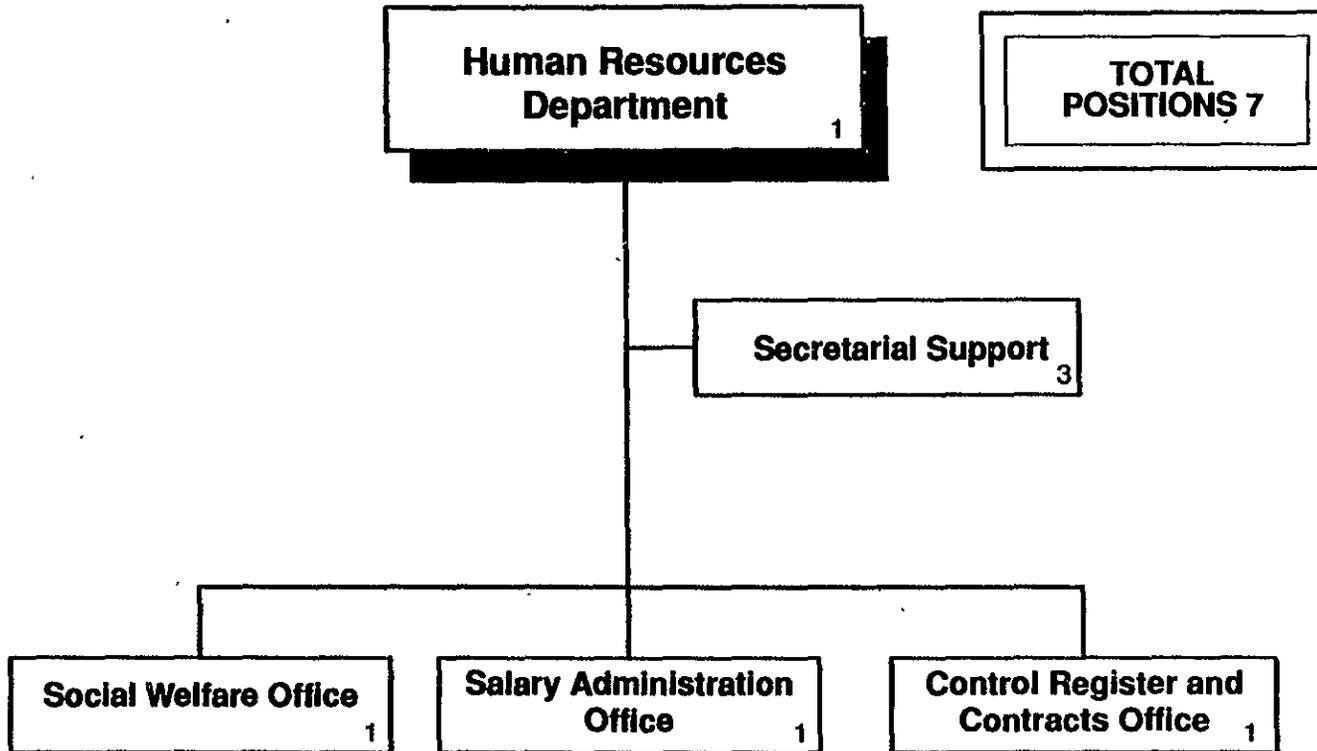


DIAGRAM # 8

**HUMAN RESOURCE DEPARTMENT
Current Organizational Chart**



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DIAGRAM #9

PROPOSED RESTRUCTURING OF THE HUMAN RESOURCES UNIT

TOTAL POSITIONS 7

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HUMAN RESOURCES UNIT
<p>FUNCTION: To plan, implement, and evaluate an internal system of human resources which assures the recruitment, employment, and placement of well-qualified and experienced personnel; to assist and advise all supervisory levels in the management of their human resources; to establish a position classification system which lays the foundation for the efficient, effective and economic management of the human resources assigned to the SRN.</p>
POSITIONS
1 Director of Human Resources

ADMINISTRATION OFFICE
<p>FUNCTION. To maintain up-to-date and control the Official Personnel Folders of the personnel, registers; work contracts and conditions of employment, control lists of authorized filled and vacant positions, time and attendance reports; control of disciplinary sanctions, to provide clerical and administrative assistance to the Unit.</p>
POSITIONS
1 Administrative Assistant 2 Secretaries

POSITION CLASSIFICATION AND WAGE ADMINISTRATION OFFICE
<p>FUNCTION: To plan, implement, and evaluate a system of position classification and wage administration for the SRN, to develop guides and instructions on the drafting of position descriptions to serve as a management guide for use of supervisors in managing their assigned human resources; to carry out studies on salary and wage movements in both the private and public sectors for the purpose of maintaining SRN</p>
POSITIONS
1 Position Classification Specialist

RECRUITMENT, PLACEMENT, AND EMPLOYEE BENEFITS OFFICE
<p>FUNCTION: To plan, implement, and evaluate a program which assures the recruitment, selection, placement, utilization, and well-being of SRN personnel; drafts guides, procedures and instructions to assist the SRN supervisory body in carrying out their human resources management responsibility, particularly with respect to the recruitment, interview, testing, assignments, orientation, terminations, evaluation of qualifications, resignations, and employee well-being.</p>
POSITIONS
1 Recruitment and Placement Specialist

TRAINING AND EMPLOYEE DEVELOPMENT OFFICE
<p>FUNCTION: To plan, implement, and evaluate a program which assures the technical, professional, and administrative training and development of the SRN personnel, to develop guides and procedural instruments which assist managers and supervisors in determining their training needs, to assure that training is goal-directed in order to assist the SRN in upgrading and strengthening its workforce</p>
POSITIONS
1 Employee Development Specialist

- Recruitment, Placement, and Employee Utilization Department: To plan, implement, and evaluate a modern system of recruitment which takes into account the promotional opportunities of personnel within the organization, establishes promotional opportunities, and maintains an updated skills bank.
 - Training and Employee Development Department: To plan, implement, and evaluate a system for conducting a training needs survey within the organization and identifies training institutions.
4. **Voucher Examiners in DSD:** Though it appears that the voucher examiners located in the Control Section of the DSD are performing adequately, it would be appropriate to assign this function to the Finance Unit of DAF and in turn move the voucher examiners to the Finance Unit. This would result in a modest step to simplify a very complex and inordinately time consuming process.
5. **Consolidation of Project Functions with Programming and Evaluation Functions:** The programming and evaluation functions and the design, monitoring, and reporting functions associated with the project process should be consolidated into one directorate in the SRN. This directorate would have two units with the responsibility to perform the functions listed below.
- Prepare programming documents
 - Prepare evaluation plan
 - Implement evaluation plan
 - Review Action Plans
 - Monitor Action Plans
 - Report performance of the NPR

This reorganization could result in eliminating numerous positions depending on the degree of monitoring that is needed. (See Diagram #4, A Proposed Consolidated Directorate for Programming, Evaluation, and Project Monitoring.")

6. **Organization of the Directorate of Municipal Development:** Consideration should be given to undertaking a detailed study of responsibilities, roles, and functions of the DMD before the new Municipal Development Project to be financed by USAID/EI Salvador is implemented. An Organization and Methods (O&M) Specialist should execute this study. At the heart of this study would be the issue of an appropriate match existing between the SRN's managerial responsibilities and its staffing pattern; e.g., types, numbers, and levels of positions. A number of factors must be considered that include:
- Geographic radius that must be covered by personnel at the Regional and Departmental levels and the mode of transportation available for personnel at these levels

- Whether Departmental Offices are co-located with Regional Offices
- Estimated project load
- Type of financial flow system to be introduced into the new Municipal Development Project.

Short of accomplishing the above, the SRN shall continue to operate on the basis of the best "guesstimate" any O&M or Human Resources Specialist can provide.

Such a study has already been initiated in the form of the process promoted by the Assessment Team. Led by the Human Resources Management Specialist, the Assessment Team had dialogue with the SRN management and the DMD leadership in particular concerned with the function by component of the SRN organization and classification of position descriptions within each component. This dialogue initiated a process that has as an end product the "right-sizing" of the DMD. This process was also continued in the form of the workshop offered by the Human Resources Management Specialists on Position Classification attended by the DMD personnel.

CHAPTER VIII

RECOMMENDATIONS FOR FOLLOW-ON TECHNICAL ASSISTANCE TO STRENGTHEN THE SRN

Throughout this paper Findings, Conclusions, and Recommendations are articulated that suggest courses of action that have already been initiated to address the problem of administrative systems development. Additional assistance in the administrative systems development area should follow. Other forms of technical assistance in the planning, programming, monitoring, and evaluation areas and in the management information systems area should be supported as soon as the SRN feels it is appropriate. This technical assistance is discussed below.

A. HUMAN RESOURCES MANAGEMENT AND ADMINISTRATIVE SYSTEMS DEVELOPMENT ASSISTANCE PROVIDED

The lack of management tools that systematically define processes to rationalize the administration of the personnel management function in the SRN hampers the overall management of the SRN. For this reason it was recommended that manuals need to be developed for the following areas:

- Personnel Regulation
- Position Classification
- Recruitment and Placement
- Training and Employee Development
- Performance Evaluation
- Conduct and Discipline
- Organization and Management of Personnel Folders

A Classification Manual was prepared for the SRN and instruction for SRN personnel in the manual's application was delivered by James Villalobos on March 11, 13, and 14. This instruction focused on the preparation of position descriptions, their analysis, and the importance of the position description process to an organization. Annex G is the initial pages of the instructional manual that was used in the course and Annex C has a list of the SRN personnel that attended the instruction. Annex H contains a sample diploma that was given to the participants that attended the course.

B. HUMAN RESOURCES MANAGEMENT AND ADMINISTRATIVE SYSTEMS DEVELOPMENT ASSISTANCE FOR THE FUTURE

FIRST PHASE - Six Weeks

The following is a list of consultant activities including deliverables that are necessary to provide a personnel management base upon which the SRN can update and strengthen its administrative systems.

- Identify and train (with full SRN participation) the persons who are to be assigned to the technical functions in the to-be-established Department of Human Resources, as described in Diagram #9 "Proposed Restructuring of the Human Resources Unit."
- Develop the instructional materials in Spanish and train the technicians in the to-be-established Department of Human Resources and other key supervisory personnel in the SRN in the application of the following manuals:
 1. Recruitment and Placement
 2. Performance Evaluation
 3. Training and Employee Development
 4. Conduct and Discipline
- Continue to assist the SRN in the implementation of the Position Classification Manual.
- Develop a Salary and Wage Schedule using the presently approved minimum-maximum pay rates, and determine the cost of its implementation; i.e., the moving of employees from a non-system to an up-graded system of salary and wage administration.

It would take six weeks to complete these activities. It would be preferable to divide this First Phase of training into two three-week periods.

SECOND PHASE - Three Weeks

Develop the instructional materials in Spanish and train the technicians in the to-be-established Department of Human Resources and other key supervisory personnel in the SRN in the application of the following manuals:

1. Personnel Regulation
2. Recruitment and Placement
3. Organization and Management of Personnel Folders

C. PLANNING, PROGRAMMING, MONITORING, AND EVALUATION MANAGEMENT INFORMATION SYSTEMS AREAS

The following is a list of consultant activities including deliverables that are designed to strengthen the planning, programming, monitoring, evaluation, and management information systems capacity of the SRN.

- **Management Information Systems (MIS) Development:** Assist the SRN in the design and use of their Area Network (LAN) as well as their integrated MIS. Develop a clear plan on information sharing on the LAN to include how

the integrated MIS will work and how to integrate USAID/El Salvador's MIS with that of the SRN. (1 week)

- **Logical Framework Training:** Provide logical framework training for personnel in the SRN and selected NGOs. The training could take the form of one or two workshops lasting two to five days each. Two trainers would be required. Five days of Washington would be required for one of the trainers. (Up to 2 weeks for two trainers)
- **Reports Preparation:** Demonstrate to the SRN how planning and reporting documents should be organized, produced, and automated. The SRN reports should be more operational in nature, reporting project operational status and performance. Performance should be stated in concrete measurable terms. (1 week)
- **Evaluation and Performance Measurement:** Assist the SRN in developing an evaluation plan and strategy for implementing the plan. This will require close coordination of data collection efforts of USAID/El Salvador and the SRN. Assist the SRN in reviewing and identifying appropriate indicators for their Action Plans. (2 weeks)
- **Restructuring of SRN's Programming, Evaluation, and Project Monitoring Functions:** Assist the SRN in consolidating its programming, evaluation, and project monitoring functions presently being performed by two Directorates. Assist the SRN in developing a schedule for integrating these functions and defining roles, responsibilities, and functions for evaluation, programming, and project monitoring. (1 week)

It could take up to seven weeks in El Salvador to complete these activities and one week in Washington, D.C. It would be preferable to divide the work in El Salvador into two periods.

ANNEX A STATEMENT OF WORK

I. BACKGROUND

In January 1992, the Salvadoran Government with the support of the United States and friendly nations reached a negotiated settlement to the armed conflict which had afflicted the Salvadoran people for over 10 years.

Following the cease-fire agreement, the Government of El Salvador (GOES) launched the National Reconstruction Program (NRP), which is managed by the Secretariat for National Reconstruction (SRN). The NRP focuses specifically on 1.4 million people and 115 municipalities most affected by the military conflict, and plans and implements the numerous projects for reconstruction of the country.

In early 1992, USAID/El Salvador approved the use of \$250 million (subsequently increased to \$300 million) under the five-year Peace and National Recovery Project (519-0394) in support of the NRP (\$61 million of this \$300 million is not managed by the SRN.) Over \$130 million has been committed to date for approximately 60 specific activities under this Project. Other donors have pledged a total of about \$550 million.

The SRN was created by Executive Decree on January 30, 1992 as a cabinet-level organization. The SRN incorporated the National Commission for the Restoration of Areas (CONARA), which had--and continues to have--responsibility for managing the GOES' Municipality in Action (MEA) Program which provides thousands of small grants each year for municipal infrastructure. CONARA had generally well functioning management systems for MEA; however, the NRP has brought with it a quantum leap in coordination, management, and project implementation requirements.

The SRN is charged with the overall direction of the National Reconstruction Program and coordination of its implementation. A key premise of the NRP is that national reconstruction and reconciliation is a shared responsibility of the Government and all sectors of society. As such, the SRN emphasizes the use of existing instruments and institution to implement the NRP through one of three available methods: NGOs, municipalities, and government agencies. Proposals from these institutions are submitted to the SRN to be evaluated, prioritized and approved based on a joint review with USAID. The SRN coordinates the financial management of the program with the Technical Secretariat for External Financing (SETEFE), the organization within the Ministry of Planning responsible for programming and monitoring the Extraordinary Budget. The SRN's role includes program evaluation, monitoring, reporting and follow-up to ensure that NRP resources are used wisely.

Since 1991, the SRN's total staff has risen from 293 to 378 persons. Over the same period its budget has risen from 19,520,000 *colones* to 39,343,000 *colones*. Despite (perhaps, in part, because of) these increases, there are serious questions as to the SRN's efficiency and effectiveness in planning for and implementing the NRP and, to a lesser extent, MEA.

II. PURPOSE

The purpose of the technical assistance is to assess and to make recommendations to improve the efficiency and effectiveness of the SRN's management of the NRP and MEA.

III. SCOPE OF WORK

The Contractor shall provide a team of short-term experts who shall perform comprehensive assessment of the management of the SRN. Inter alia, the assessment shall answer the following questions and, where problems are encountered, make recommendations to resolve those problems, including methods of implementing these recommendations.

A. SRN Objectives, Role and Responsibilities

1. Does the SRN have a clear statement of its own objectives and an appropriate organization structure to achieve its objectives? Are SRN objectives appropriate for providing effective direction to and coordination of the NRP?
2. How does the SRN view its role viz-a-viz its subgrantees (municipalities, other GOES organizations, NGOs)? Is that role appropriate? Does the SRN act in accordance with its view of its role?
3. As a cabinet-level institution can the SRN effectively direct and coordinate NRP-related activities of line ministries and other governmental agencies? What measures could be considered to improve the SRN's ability to coordinate activities with these institutions?
4. For the MEA program, does the SRN have an effective and efficient -- including from the standpoint of municipalities -- working relationship with the Corporation of Municipalities (COMURES) and the Municipal Development Institute (ISDEM)?

B. NRP Planning, Design, Monitoring and Evaluation, and Financial Management Functions

1. Is forward planning of operations (e.g., quarterly and especially annual plans) adequate for internal and external needs? Does it anticipate requirements and problems? Is it an effective management tool for measuring actual against expected progress and identifying related problems?
2. Does the SRN's project design and approval system function efficiently and effectively? Is the SRN proactive or reactive, i.e. can it effectively mobilize resources through other institutions to address priority NRP needs?
3. Are the SRN's project monitoring and evaluation, and related reporting, systems effective? Do they go beyond measuring inputs/outputs in order to measure overall program impact? Are there effective and timely mechanisms in place (e.g., project

managers and/or project committees) to deal with opportunities and problems identified by these systems?

4. Does the SRN's Management Information System meet the organization's internal and external needs, including the timeliness of reports? Does it adequately track accomplishments and expenditures of funds by each Action Plan?
5. Are the SRN's activity closeout and financial liquidation systems efficient?

C. SRN's Management Structure

1. Does an appropriate match exist between the SRN's managerial responsibilities and its staffing pattern, e.g., types, numbers and levels of positions? Do its units (e.g., programming, finance and operations) coordinate and communicate effectively? Do appropriate and functioning delegations of authority exist?
2. In general, are personnel adequately experienced and trained for their positions, especially the incumbents of middle and upper management positions? Are the incumbents doing what their position descriptions say? Doing what is needed? Do they meet the qualifications established in their position descriptions? Is redundant personnel a problem?
3. Are salaries at the various levels adequate to attract and retain qualified personnel?
4. Does the SRN have appropriate administrative, managerial and personnel policies and guidelines/manuals? Are they followed? (Review manuals produced under technical assistance provided by Price Waterhouse.)
5. Are the SRN's field offices adequately supported (e.g., equipment and budget) by headquarters? Do they have appropriate delegations of authority? Is the two-way flow of management information between headquarters and the field effective and efficient?
6. Are the field offices, which were established to support the MEA program, also tasked and structured to support the NRP in general?

D. SRN's Accountability Standards

1. Does the SRN's procurement system function properly, e.g., follow established policies, and with reasonable speed?
2. Does the SRN have an appropriate vehicles assignment and use policy? Is it followed?
3. Does the SRN have an adequate internal auditing function?

4. Does the SRN's budget match -- both in total and distribution -- the requirements of the organization?
5. Does the SRN have adequate controls in place to ensure that grantees and sub-grantees, especially non-governmental organizations, possess proper legal status (e.g. personería jurídica) prior to receiving Project funds. If not, what administrative measures are being employed to ensure accountability in the event of funds misappropriation?

IV. METHODOLOGY

Upon arrival the team will receive a briefing by the Project Implementation Committees responsible for the 519-0394 and MEA Projects. The team also will receive copies of the reports on the SRN prepared by Price Waterhouse in 1993, the Project Paper for 519-0394, the current Action Plan for MEA, the Action Plans that cover the SRN's budgets for 1991 through 1993 and concurrent monitoring reports prepared by Price Waterhouse.

After reviewing the written materials the team will begin in-depth interviews at the SRN. A few short visits also will be required to SRN field offices and a small sample of the numerous SRN subgrantees. The USAID will assist the team in selecting contacts, sites and arranging for field visits.

During the course of the team's work, other contract teams are expected to be evaluating Projects 510-0394 and MEA. Communications among the teams will be facilitated by the USAID as all should be gathering data useful to the others.

V. REPORTS

The Contractor shall provide to USAID the following:

1. Participation in entrance and exit briefings with the Implementation Committees for 519-0394 and MEA Project and Mission management, as appropriate.
2. Within five workdays from the day of arrival, the team leader shall submit for USAID approval a preliminary report outline.
3. Not later than seven workdays before leaving El Salvador, the team leader shall provide the USAID five copies of an initial draft report in English, along with a Spanish language translation of the draft Executive Summary. This draft will be reviewed by the Mission Implementation Committees within four days, and oral and/or written comments/recommendations will be provided to the team leader. The SRN will be requested to comment on the Executive Summary.
4. The Contractor shall consider the USAID's and SRN's comments and recommendations in preparation of the final draft report, which is to be left with the Mission prior to departure.

5. The USAID will provide final comments on the draft report within two weeks. The Contractor shall consider these comments in the preparation of the final report and shall send to the USAID 10 copies of the final report in English and 10 copies in Spanish within 30 days of receipt of the USAID's final comments. In addition to the main narrative sections, the report shall include, but not be limited to, the following sections or annexes:
- a) Executive Summary: Including a brief description of the SRN and the purpose of the assessment, the methodologies used, findings, conclusions and recommendations. It shall be complete enough so that the reader can understand the assessment without having to read the entire document and shall be self-contained.
 - b) Scope of Work and Methodology Annex: A copy of the initial scope of work. Any deviation from the scope of work shall be explained.
 - c) Assessment Team Annex: A list of team members, their field of expertise and the role they played on the team.
 - d) Paginated Table of Contents
 - e) Glossary of Acronyms
 - f) List of Persons Interviewed Annex: Include their organizations title, address and telephone number.
 - g) SRN Budget Tables: The SRN's actual budgets for the calendar years 1991 through 1993 broken down by major categories, along with a Contractor recommended budget for calendar 1994.
 - h) SRN Personnel Tables: The SRN's actual staffing levels broken down by SRN organization units for the calendar years 1991 through 1993, along with a contractor recommended staffing level for calendar 1994.
 - i) Recommendations Annex: A list of all recommendations to the Host Country and USAID made in the report in priority order.

VI. RELATIONSHIPS AND RESPONSIBILITIES

The team shall work under the guidance of the USAID's Director of the Office of Infrastructure and Regional Development (IRD) or his designee. USAID liaison officials will be Messrs. Marc Scott, Lynn Sheldon, and Thomas Hawk, all located in IRD.

ANNEX B

A REVIEW OF THE ROLES, RESPONSIBILITIES, AND FUNCTIONS OF THE SECRETARIAT FOR NATIONAL RECONSTRUCTION

ACTIVITY: A workshop to discuss the Findings, Conclusions, and Recommendations Regarding "A Review of the Roles, Responsibilities, and Functions of the Secretariat for National Reconstruction (SRN)"

TIME: February 28, 8:00 AM - 4:00 PM

PARTICIPANTS: Personnel from SRN and the MSI Assessment Team

PLACE: Camino Real Hotel, San Salvador

AGENDA

Part I: SRN Objectives, Roles, and Responsibilities

1. Does the SRN have a clear statement of its own objectives and an appropriate organization structure to achieve its objectives? Are the SRN objectives appropriate for providing effective direction to and coordination of the National Reconstruction Program (NRP)?
2. As a cabinet-level institution can the SRN effectively direct and coordinate NRP-related activities of line ministries and other governmental agencies?
3. How does the SRN view its role viz-a-viz its sub-grantees (municipalities, other GOES organizations, NGOs)?

Part II: SRN's Administrative Functions

1. Does the SRN have appropriate administrative, managerial, and personnel policies and guidelines/manuals? This will include a review of manuals produced with technical assistance provided by Price Waterhouse.
2. Are personnel adequately experienced and trained for their positions, especially the incumbents of middle and upper management positions? Are the incumbents performing in accordance with their position descriptions? Do they meet the qualifications established in their position descriptions? Is redundant personnel a problem?
3. Are salaries at the various levels adequate to attract and retain qualified personnel?

4. Are the SRN's field offices adequately supported (e.g., equipment and budget) by headquarters? Do they have appropriate delegations of authority? Is the two-way flow of management information between headquarters and the field effective and efficient?

Part III: SRN Planning, Design, Monitoring, Evaluation and Reporting Function

1. Is forward planning of operations adequate for internal and external needs?
2. Does the SRN's project design and approval system function effectively?
3. Are the SRN's project monitoring and related reporting systems effective? Are the SRN's activity closeout systems efficient?
4. Are the SRN's evaluation systems effective?

Part IV: The SRN Management Information System

1. Does the SRN's Management Information System(s) meet the organization's internal and external needs, including the timeliness of reports?
2. Does it adequately track accomplishments and expenditures of funds by each Action Plan?

Part V: SRN Financial Management Functions and Accountability Standards

1. Are the SRN's financial systems regarding accounting, disbursement, liquidation and close-out efficient?
2. Is there adequate financial planning by the SRN of the NRP?
3. Is the SRN the internal auditing function appropriate for its present and future requirements?
4. Is the SRN relation to any revolving loan funds operated by implementing agencies or sub-grantees satisfactory with regards to the management of these funds?
5. Does the SRN's procurement system function properly; e.g., follow established policies, and with reasonable speed?
6. Is the SRN vehicles assignment and use policy appropriate for its present and future requirements?
7. Does the SRN have adequate controls in place to ensure that grantees and sub-grantees, especially non-governmental organizations, possess proper legal status prior to receiving project funds?

8. Does the SRN's administrative budget reflect, both in total and distribution, the requirements of the organization? Is there adequate planning in the development of the administrative budget to support the SRN?

Part VI: SRN's Management and Administrative Structure

1. Does an appropriate match exist between the SRN's managerial responsibilities and its staffing pattern; e.g., types, numbers, and levels of positions? Do its units (e.g., programming, finance, and operations) coordinate and communicate effectively? Do appropriate and functioning delegations of authority exist?

ANNEX C
PERSONS CONTACTED

Secretariat for National Reconstruction

Secretary General: Norma Rodriguez de Dowe

Directorate of Programming and Evaluation:

Claudia María Noubleau de Amaya, Chief
Guillermo García, Chief Program/Evaluation Unit (PEU)
Joaquín Dimas, Systems Section, PEU
Rodolfo Zaror, Programming Section, PEU
María D. de Nobs, Chief Systems/Evaluation Unit (SEU)
Daisy Murcia, Impact Evaluation Section, SEU
Ruth Portillo, Impact Evaluation Section, SEU
Berta de Castillo, Chief of Projects Unit (PU)
Jorge Donis, Production/Infrastructure Section, PU
Maria Teresa Vazquez, PU

Directorate of Finance and Administration:

Hilda Ludmila Aguirre de Rodriguez, Chief
Reyna Elizabeth Revas de Moline, Chief of Finance
Ana María de los Angeles Molina de Campos, Chief Administration Unit
Luis Edgar Perla Fernandez, Chief of General Services and Maintenance
Soraya de Daura
Luis Antonio Bermúdez Caceres, Advisor
Adilia del Carmen Siliezer Pena, Chief of Accounting
Jorge Alberto Guerrero, Chief of Disbursing
Blanca Luz Guzmán de Duarte, Chief of Human Resources
Jose Luis Rodríguez Torres, Administrative Assistant
Maryhlin Doris Franco de Zavaleta, Administrative Assistant
Carlos Enrique Flores Menjivar, Administrative Assistant
Nereyda Soraya Saade de Daura, Chief of Procurement
Roberta Alfonso Salazar Figueroa, Procurement

Directorate of Municipal Development:

Elizabeth Eugenia G. Rodríguez de Rebollo, Chief
Carlos Humberto Rodríguez, Technical Advisor-Engineer
Amalia Aspinal, Chief Control Unit
Sandra de Trigueros, Control Unit
Samuel Masariego, Control Unit

Chalatenango Region:

Garbriel Romeo Soriano, Director, Chalatenango Region
Mario Angel Ordóñez, Departmental Representative
Pedro Roberto Castro Sanchez, Departmental Representative
Carlos García, Departmental Representative
Fredy Guillermo de la Cruz, Administrative Assistant
Rafael Angel Chacon Argueta, Field Technician
Francisco Roberto Jaimés, Field Technician
Juan Tobías Ramírez Menjivar, Departmental Representative
Orlando Jimenez, Supervisor of Construction in the San Isidro Municipality

Directorate of Social Development:

Miguel A. Aquino, Chief
Miguel Angel Figueroa Moreno, Chief of the Control Unit
Carlos Cuahtemoc Soriano, Chief of Productive Unit
Ana Leocadia de Machuca de Fonseca, Health Unit
Sonia Elizabeth Alvarenga de Granados, Health Unit
Josefa Antonia Viana, Supervisor
David Campos Lamos, Eastern Region Director
Delia Mery Soto de Bermudez, Supervisor, Eastern Region
Enrique Moreno, Supervisor, Eastern Region
Jose Morano Valladares, Supervisor, Eastern Region
Rafael Ernesto Granada Caceres

Computer Center:

Antonio Mejia Herrera, Chief
Juan Roberto Hildalgo Manzano, Technician

Internal Audit Office:

David de Jesus Silva Alvarado, Chief

USAID/EI Salvador

Infrastructure and Regional Development Office:

Raymond Douglas
Maritza Molina
Marcia Rivera de Bailey

National Reconstruction Division:

Lynn Sheldon
Henry Alderfer
Grace Awad
Lucy de Gonzalez
Sonia de Caceres
Cecilia Cecilia de Canas
Marvin Dreyer

Yolanda Herrera
Ana Maria de Lopez
Roxana de Oberlin
Debbie Stephenson
Eunice Rafaela de Zelaya

Regional and Urban Development Division:

Tom Hawk
Aracely de Majano
Aldo Miranda

Training:

Mildred Beasley

Controller's Office:

Thomas Clarkson, Controller
Ovidio Lara
Claudia M. Morales
Martin Shulz
Edgardo Zacapa (USAID/El Salvador employee with SRN)

Program Office:

Karen Freeman

SETEFE

Jose Mauro Iraheta, Deputy Executive Director
Ena de Sanchez

Price Waterhouse, San Salvador

Julio Santos

PACT-PRODEPAS - San Salvador

Beatrice Fuente de Bonilla

TechnoServe/San Salvador

Carlos Abarca Gomez, Program Director
Rene Hernandez Molina
Victor Manuel Rodriguez
Erasmus Perla Rodriguez
José Efrain Launa
Roberto E. Meléndez

Catholic Relief Services

Ricardo Romero Cubias, FRATA Project Coordinator

Miguel Angel Jovel, Financial Advisor

Walter Blake

Independent Consultant

Susan Gantt

Contacts made James J. Villalobos during Workshop on the Preparation, Analysis, and Classification of Position Descriptions for SRN Personnel - March 11, 14, 15, 1994.

- 1 Juan Antonio Segovia Gomez, Morazón Departmental, Representative, DMD
- 2 Blanca Luz de Duarte, Chief of Personnel, DAF
- 3 Soraya Saade de Daura, Chief of Procurement, DAF
- 4 Marielos de Campos, Chief of Administration, DAF
- 5 Antonio Mejía Herrera, Chief of the Computer Center
- 6 Miguel Angel Figueroa Moreno, Chief of the Control Unit, DSD
- 7 Luis E. Peral, Chief of Maintenance, DAF
- 8 Sara Ingrid Lopez
- 9 Sandra de Lopez
- 10 Gabriel Soriano, DMD
- 11 Vladimir Salazar, Departmental Chief, Central Region, DMD
- 12 Miguel Rodríguez Quiroa, Departmental Chief, Central Region, DMD
- 13 Rene Orlando Monroy Campos, Departmental Chief, Central Region
- 14 Rafael Antonio Lopez, Departmental Chief, Central Region
- 15 Carlos Alberto García, Departmental Chief, Central Region1, DMD
- 16 Amalia Espinal
- 17 Adilia Siliezan De Navidad, DAF
- 18 Lorena M. Anaya Calderon, DAF
- 19 Guillermo Garcia
- 20 Berta De Castillo
- 21 Claudia De Anaya, DPE
- 22 Reyna De Molina, DAF
- 23 Elizabeth De Rebollo, DMD
- 24 Ludmila Aguirre, DAF
- 25 Ana Machuca, DSD
- 26 Ricardo Sandoval, DSD
- 27 Jose A. Juarez, DSD
- 28 David Silva, Internal Audit
- 29 Mauricio Cabrera, DSD
- 30 Juan Roberto Lazo
- 31 Morena De Moretalos
- 32 Lysette Margarita Velasquez, DMD
- 33 Lois Antonio Hernandez, DMD
- 34 Ana Graciela Gonzalez Handal, DMD
- 35 Carlos Antonio Rodríguez, DMD
- 36 Mauricio A. Aguirre
- 37 Sonia Alvarenga, DSD
- 38 Julio Cesar Sanchez
- 39 Jorge Alberto Madrid
- 40 Jorge Alberto Chicas, DMD
- 41 Armando Enamorado, DMD
- 42 Tomas Velasquez S., DMD
- 43 David Campos Lomas, DMD

44 Carlos Cuauhtemoc Soriano
45 Luis Aguilar
46 Juan Tobías Ramirez, DMD
47 Rosemberg Isaac Benitez, DMD
48 Jose Alfonso Quinonez Caray, DMD
49 Roberto Castro Sanchez, DMD
50 Hector Rogelio Castro Mezquita
51 Sabino De Jesus Saravia, DMD
52 Baltazar González Garriaguirre, DMD
53 Josif Olimpo Dzelioiu, DMD
54 Jorge Alberto Madrid, DMD
55 William Salvador Gochez, DMD
56 Jose Roberto Cruz, DMD
57 Jose a. Medina Avarol, DMD
58 Aida Lorena Juarez De Pineda, DMD
59 Carlos Humberto Rodríguez
60 Maria Teresa Vasquez, DPE
61 Miguel Angel Aquino, DSD
62 Ricardo Augusto Vega V., DMD

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ANNEX E
THE SECRETARIAT FOR NATIONAL RECONSTRUCTION --
ORGANIZATION, STAFFING, AND FUNCTIONS

POSITIONS	
OCCUPIED	366
VACANT	12
TOTAL	378

SECRETARIAT FOR NATIONAL RECONSTRUCTION (SRN)

FUNCTION: To coordinate and integrate the activities concerned with the programs and projects dealing with the investment program of the National Reconstruction Plan (NRP) to support the strengthening of the democratic process through working with local governments as well as with activities promoting decentralization, to collaborate in the administration and management of external resources allocated for financing the NRP, to establish the strategic role of the SRN to manage and guide the external activities of its subordinate organizational units.

POSITIONS

1 Secretary General 1 Executive Secretary

PUBLIC RELATIONS OFFICE

FUNCTION: To plan and program the publicity of projects that are coordinated and financed through SRN both at the national and international levels, to organize publicity campaigns for the purpose of stimulating the population to participate and/or integrate itself in the national reconstruction program.

POSITIONS

1 Chief of Public Relations 2 Administrative Assistant
 2 Communication Assistant

INTERNAL AUDIT OFFICE

FUNCTION: To plan and carry out the internal audit program and determine the extent of audit revisions required, to review and authorize the release of audit reports in accordance with the provisions of established regulations and to investigate, analyze, define, and submit for SRN consideration, any changes and/or modifications to the internal audit control system and participate in their respective implementation, to assume responsibility for the evaluation, control and follow-up of audit activities.

POSITIONS

1 Chief Auditor 1 Internal Auditor 1 Programming Assistant 4 Auditor 1 Secretary

COMPUTER CENTER

FUNCTION: To work with and collaborate with all organizational levels of the SRN in moving from a manually-operated to an automated and integrated information system, to provide advice and assistance as problems arise during the implementation of an SRN-wide automated-computer assisted information system.

POSITIONS

1 Chief of Computer Center 6 Computer Specialist

LEGAL OFFICE

FUNCTION: To provide legal assistance and advice to all organizational levels of the SRN, to render legal opinions on matters which affect or may have a legal impact on any activity of the institution, to draft, review, and/or revise contracts (dealing with loans, professional services, leases, etc.), to serve as the legal counsel when required by the Secretary General.

POSITIONS

1 Legal Advisor 1 Secretary 3 Administrative Technician

GENERAL ADVISORS OFFICE

FUNCTION: To provide advisory services to the Secretary General in those areas not specifically covered within the delegated functions of technical directorates and which require special attention and/or treatment.

POSITIONS

4 General Advisor 1 Secretary

DIRECTORATE OF PROGRAMMING AND EVALUATION (DPE)

FUNCTION: To coordinate, organize and supervise the work processes concerned with the programming, reprogramming, follow-up, and evaluation of the programs and projects of the investment program of the National Reconstruction Program (NRP), to respond to and support the project implementing organizations, i.e., CNCRs and international organizations on all activities related to the implementation and/or documentation and reporting on the NRP.

POSITIONS

1 Director of Programming and Evaluation 2 Secretary 2 Administrative Assistant

DIRECTORATE OF MUNICIPAL DEVELOPMENT (DMD)

FUNCTION: To plan, coordinate, direct, and control the resources assigned to the municipalities for the development of infrastructure programs to assure that resources are applied in accordance with the policies and objectives established by higher authority.

POSITIONS

1 Director of Municipal Programs
 3 Secretary
 5 Administrative Technician

PROGRAMMING AND EVALUATION UNIT

FUNCTION: To define the functional policies, methodologies, and operating procedures necessary to implement and/or coordinate the NRP to support the processes concerned with the identification, programming, and supervision of the financial resources necessary for the execution of the NRP to carry out SRN's responsibility for the evaluation, control, and follow-up of program activities, to coordinate with UNDP/UN the investment of other SRN actions and projects which complement and are in line with the Social and Economic Program and the Regular Program of Public Investments of the GOES.

POSITIONS

1 Unit Coordinator
 1 Programming Coordinator
 1 Programming Assistant
 2 Evaluation Assistant

PROJECTS UNIT

FUNCTION: To serve as the technical counterpart to donor organizations and implementing agencies, to achieve implementation procedures concerning the priority of projects and Plans of Action, to inform them on the procedures for the development, execution, implementation, and monitoring of projects; to coordinate the implementation of project sites and projects, including those concerned with the integration of the socio-economic; to advise the Directorate of Social Development and provide information to facilitate the follow-up evaluation of field projects; to conduct follow-up activities during project implementation stages for the purpose of resolving any technical and/or administrative problems which may surface during the life of the projects; to maintain an up-to-date registration register which identifies the life cycle of the projects and programs financed by the SRN.

POSITIONS

1 Unit Coordinator
 1 Health Sector Advisor
 1 Education and Training Sector Advisor
 2 Agricultural Sector Advisor
 1 Product and Infrastructure Advisor
 1 Administrative Assistant

SYSTEMS AND EVALUATION UNIT

FUNCTION: To establish and adapt information systems which facilitate the analysis, control, and follow-up of SRN programs and projects, to verify programs and project impact to enable informed decisions when defining or revising policies and strategies in the allocation of resources and their expenditures; to ensure that operations are based on technical criteria and to support compliance with PRN objectives.

POSITIONS

1 Assistant Unit Coordinator
 1 Evaluator
 1 Evaluation Assistant
 1 Systems Technician
 1 Support Assistant

CONTROL UNIT

FUNCTION: To provide assistance in defining the technical standards and control strategies of local government projects for the purpose of assuring the best and most economical use of the financial resources.

POSITIONS

1 Control Unit Supervisor
 2 Secretary
 4 Field Technician

REGIONAL OFFICE

FUNCTION: To plan and control the technical assistance required both at the regional as well as throughout the various departments, in the identification, evaluation, financing, and supervision of sub-project implementation.

POSITIONS

5 Regional Manager 18 Field Technician
 5 Regional Assistant 8 Assistant Technician
 15 Secretary 6 Promoter
 27 Administrative 5 Watchman
 Technician

DESIGN AND CONTRACT UNIT

FUNCTION: To plan, select, supervise contracts, and control the preparation of sub-project technical files on infrastructure projects.

POSITIONS

1 Design and Contract Supervisor
 2 Secretary
 2 Administrative Technician

DEPARTMENTAL OFFICE

FUNCTION: To facilitate community participation through the office of the mayor by providing technical assistance to local governments in the selection and implementation of infrastructure projects.

POSITIONS

23 Department Representative 23 Administrative Assistant
 10 Department Assistant 21 Field Technician
 14 Secretary

DIRECTORATE OF ADMINISTRATION AND FINANCE (DAF)

FUNCTION: To control and coordinate the financial and administrative resources assigned to the SRN for the logistic and financial support necessary to carry out the functions in the Directorate of Reconstruction; to analyze and approve the transfer and assignment of funds to the various implementing entities; to plan, implement, and evaluate the strategies necessary to make efficient, effective and economical use of the financial, administrative and physical resources.

POSITIONS

1 Director Administration and Finance 2 Secretary
 2 Administrative Technician 1 Administrative Financial Advisor

DIRECTORATE OF SOCIAL DEVELOPMENT (DSD)

FUNCTION: To accept the activities funded by the NRP that are being implemented by non-governmental and governmental entities; to establish the monitoring role in coordination with the DPE, to participate in the approval of Action Plans in conjunction with the DPE and the DAF; to facilitate the flow of funds for activities funded by NRP for which they have the accounting responsibility.

POSITIONS

1 Director of Social Development
 1 Secretary

ADMINISTRATION UNIT

FUNCTION: To control and coordinate the administrative resources assigned to the SRN to carry out the functions in the different areas of reconstruction; to plan, implement, and evaluate the strategies necessary to make efficient and effective use of human and material resources assigned to the SRN.

POSITIONS

1 Director of Administration 1 Secretary

FINANCE DEPARTMENT

FUNCTION: To plan, coordinate and control the financial resources assigned to the SRN with the legal parameters established by regulation and contracts or agreements with international entities; to control the financial resources assigned to carry out the functions of the different areas of reconstruction; to analyze and approve the transfer and assignment of funds to the various implementing organizations; to plan, implement, and evaluate the strategies necessary to make efficient and effective use of the financial resources assigned to the SRN.

POSITIONS

1 Financial Manager
 1 Administrative Technician

EDUCATION UNIT

FUNCTION: To carry out follow-up action on the status of education projects being carried out by implementing entities.

POSITIONS

3 Program Chief 1 Secretary
 3 Supervisor

CONTROL UNIT

FUNCTION: To develop control systems, through the establishment of an information flow process which identifies the various stages of Action Plans being carried out by government and non-government entities.

POSITIONS

1 Chief of Control Unit 1 Secretary
 4 Auditor 5 Technical Assistant

HUMAN RESOURCES DEPARTMENT

FUNCTION: To implement and establish up-to-date policies and the instruments necessary to guide the administration of the human resources; and to secure the well-being of the personnel.

POSITIONS

1 Chief of Human Resources Department
 2 Secretary
 4 Administrative Technician

PROCUREMENT DEPARTMENT

FUNCTION: To procure and purchase the materials, equipment, and services necessary to achieve the goals of the Secretariat of the National Reconstruction (SRN) and to assure compliance with laws, regulations, and terms of contracts with international entities.

POSITIONS

1 Procurement Supervisor
 4 Secretary
 3 Administrative Technician

ACCOUNTING DEPARTMENT

FUNCTION: To assure the control and maintenance of general accounting to establish and control the flow of disbursements, expenditure and financial statements for the purpose of giving effect to the collection of funds during financial transactions consumed by the SRN.

POSITIONS

1 Accounting Supervisor
 2 Secretary
 7 Administrative Technician

HEALTH UNIT

FUNCTION: To follow-up on the status of health projects being carried out by implementing entities.

POSITIONS

2 Program Supervisor
 1 Secretary
 3 Supervisor

DEMobilized UNIT

FUNCTION: To carry out follow-up actions on the status of demobilized persons projects being carried out by implementing entities.

POSITIONS

3 Program Supervisor
 5 Supervisor

GENERAL SERVICES DEPARTMENT

FUNCTION: To provide the necessary logistic support services with respect to the security, upkeep, messengers, correspondence, and maintenance of office equipment and SRN installations, to assure the maintenance and repair of automotive equipment to establish and control vehicle routes, and to review and approve automotive repair estimates.

POSITIONS

1 General Services Supervisor
 2 Secretary
 18 Administrative Technician

MAINTENANCE DEPARTMENT

FUNCTION: To assure the maintenance and operation of automotive equipment to establish and control vehicle routes, to verify and authorize use of gasoline, to assure the repair of vehicles, and, to review and approve automotive repair estimates.

POSITIONS

1 Chief of Maintenance
 1 Secretary
 12 Administrative Technician

DISBURSING DEPARTMENT

FUNCTION: To control the receipt, scheduling and expenditure of funds of the SRN, to assure compliance with the laws, regulations, and procedures established by the SRN and agreements signed with international entities.

POSITIONS

1 Disbursement Supervisor
 3 Secretary
 3 Administrative Technician

PRODUCTION UNIT

FUNCTION: To monitor and carry out follow-up actions in the area of plans and projects being implemented.

POSITIONS

2 Program Chief
 5 Supervisor

EASTERN REGION FIELD OFFICE

FUNCTION: To coordinate, monitor, and follow-up on field activities of all action programs in the region.

POSITIONS

1 Field Coordinator
 1 Secretary
 4 Supervisor

ANNEX F

DRAFT POSITION DESCRIPTION - VOUCHER EXAMINER

POSITION DESCRIPTION

- A. POSITION TITLE: Voucher Examiner
- B. PURPOSE AND DUTIES OF POSITION
1. Purpose of Position: To provide a person to examine bills from businesses and institutions for work and/or services performed, through grants or contract purchase for the SRN.
 2. Duties and Responsibilities
 - a. Performs examinations of vouchers and their related supporting documents (invoices, certificates of shipment, contracts, or notifications from the grants management personnel that work was satisfactorily performed, receiving reports and other records) to determine the accuracy and adequacy of all facts and the presence of all necessary supporting documents. This includes complete verification of facts in the invoice and identification of any clerical errors, omissions, duplications, or other irregularities such as use of the wrong fund authorization number on the invoice; determines the necessary data needed to support the request for payments; and initiates action through correspondence or personal contact to obtain it.
 - b. Uses the contract and guidelines to assure procedural accuracy as well as appropriateness of a variety of facts, figures, and charges such as identification numbers, destinations, shipping instructions, performance certificates, purchase authorizations, or documents which authorize the contractee to spend money in other related areas, allocability of transportation charges, prices, costs, etc.; determines that conditions which are incompatible with the basic contract were authorized by the contracting officer, on-site inspector, contract modification amendment, price escalation clauses, etc.; and that the amount of progress or partial payment has written approval of either the appropriate grant technician or other comparable authority.
 - c. Checks for defaults, failure of performance, and other such conditions by noting any unusual charges and insuring they are authorized such as by securing the authorizing certificates (usually a prior written clearance) from either contracting, grants management, procurement, etc.

- d. Summarizes from contracts, subsequent contract modifications, and performance certificates the terms, clauses, and amounts of progress and other payments pertinent to payment of pending invoices. Prepares running balance sheets and records of retroactive, closeout, and other similar payments. Prepares control sheets containing information as to the amount of monies expended and procurement time left under the contract, increase and/or decrease to time of contract, funds expended, discount allowances, balances, and final payment reports.
- e. Reviews the contract file and orders therein monthly to insure there are no pending vouchers or irregularities such as duplicate shipments, duplicate payments, erroneous claims, unauthorized or undocumented charges and similar irregularities. This insures rapid recoupment actions on contracts which have no reservation of funds clause.
- f. Computes extensions, costs, and discounts, to insure proper application, calculation, and consideration of factors such as contracted basis of payment terms, price variations, cost increases and decreases, or modification of orders or contracts affecting amount payable.
- g. Performs other related duties as assigned by supervisor or higher authority.

C. FACTORS IMPACTING UPON THE POSITION

1. Knowledge Required by the Position: Incumbent must possess a high school diploma and approximately one year experience as a bills examiner or comparable work and must possess knowledge of and skill in applying the standardized instructions on processing "run-of-the-mill" vouchers (supply and purchasing manuals, contracts, agency guides, oral instructions, etc.) to determine allocability, sufficiency of clerical execution of the paperwork, correctness and documentation sufficiency.

The incumbent must possess knowledge of bookkeeping methods to understand the relationship between items in the invoice to the proper fund code numbers and to maintain running balance sheets by organization and fund allocation for use when computing partial payment.

2. Supervisory Controls: Duties and responsibilities are performed in accordance with the specific instructions from the supervisor, i.e., the supervisor gives specific individual instructions only for non-recurring work assignments, deviations from normal or prior approved and new or revised procedures.

The voucher examiner independently examines all assigned vouchers within established rules and procedures, making adjustments to accommodate minor deviations, as required based on experience and precedent action; unfamiliar or

unprecedented situations or major deviations from established practices, rules, and procedures are referred to the supervisor for assistance.

Completed work is reviewed on a spot-check basis to determine that the voucher examiner has used proper procedures and methods, and that the vouchers were examined in a timely fashion; completed work is also subject to a formalized quality review process to check for accuracy and compliance with fiscal requirements and contract conditions.

3. Guidelines: Work is accomplished by using SRN's guides which outline correct procedures and allocability of changes. Judgment is used, however, in determining the appropriate regulation or guideline to be used in specific cases, in determining the extent of partial or progress payments and reservation of funds allowed by the guide, and to determine proper coding of transactions.

Situations to which the guidelines cannot be applied or significant proposed deviations from the guidelines are referred to a higher authority.

4. Complexity: The voucher examiner performs a combination of steps when screening invoices to insure clerical sufficiency, factual accuracy, compliance with guidelines, and allocability of expenses; summarizes contracts; establishes control files on new contracts; updates the files as vouchers are approved; computes contract closeouts; handles queries and asks for information by letter and phone.

Vouchers vary in factual content and problems encountered due to the variety in the basis of payment, type of contract (flat rate, cost plus a fixed fee, etc.), and contract performance certificate modifications. In this respect, the incumbent must use judgment and adjust the sequence of the processing steps to properly process the voucher.

5. Scope and Effect: The incumbent performs the full range of voucher examining processes and must be constantly alert to errors, omissions, duplications, and inconsistencies in the invoices and supporting documents and insures that expenses which could result in erroneous payments are disallowed before processing the documents for certification.

The resultant work affects the accuracy, reliability, and acceptability of the SRN's accounting and disbursing functions.

6. Personal Contacts: Contacts are with personnel from private industry, government and non-government entities, plus contacts with persons from within the SRN which include on-site compliance inspectors.

7. Purpose of Contacts: The purpose of the contacts is to give and secure factual information usually to resolve problems with documentation or allocability of expenses.
8. Physical Demands: The work is sedentary with some walking, bending, and stooping when using files.
9. Work Environment: Work is performed in an office setting and requires that the incumbent exercise normal safe work practices.

EL SISTEMA DE EVALUACION
POR FACTORES EN
LA CLASIFICACION DE PUESTOS
EN LA
SECRETARIA DE RECONSTRUCCION NACIONAL
DE EL
SALVADOR

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**MANUAL DE CLASIFICACION DE PUESTOS
SISTEMA DE EVALUACION POR FACTORES (SEF)**

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EL SISTEMA DE EVALUACION POR FACTORES EN LA CLASIFICACION DE PUESTOS EN LA SECRETARIA DE RECONSTRUCCION NACIONAL

El Sistema de Evaluación por Factores (SEF) es un método para determinar los niveles de responsabilidad por factor para cada puesto con el propósito de definir el grado de clasificación correspondiente del mismo en una organización.

En este manual se delinearán los conceptos que dan sustancia a cada uno de los factores. Asimismo se describe en detalle una metodología para facilitar la evaluación y clasificación de todos los puestos de la Secretaría de Reconstrucción Nacional (SRN).

A. INTRODUCCION

Toda administración, ya sea pública o privada, es en cierta manera, gerencia de personal, pues en última instancia las cuestiones administrativas han de reducirse a su componente humano.

Por ello, debemos poner especial interés en considerar esas formas de relación entre supervisores (directores, jefes, etc.) y subordinados y entre empleados y público.

La calidad de los servicios públicos depende a menudo de los métodos implantados en su organización interna, donde es de gran importancia la selección, educación y armonización de la totalidad de los funcionarios. Contra la anticuada idea de aquellos que invocan la necesidad de que el directivo superior y sus más próximos ayudantes sean los responsables únicos de los problemas que plantea la administración, aquí nos interesamos por señalar lo útil que resulta que esa responsabilidad sea compartida, de acuerdo con la amplitud de sus tareas, deberes y responsabilidades, aconsejando a la vez la ayuda constante de los especialistas en las diversas materias.

La educación y adiestramiento, el sistema de mérito para el servicio público y las abundantes experiencias que esas cuestiones presentan en El Salvador, son los temas que se han estudiado cuyo conocimiento es de notable beneficio no solo para los altos gerentes de la Secretaría sino también para quienes en cualquier oficina del nivel central, regional y departamental, respondan por las ocupaciones más sencillas.

B. PLANEAMIENTO Y ORGANIZACION Y METODOS

1. Planeamiento

Las actividades de una organización cualquiera, sea pública o privada, requieren una cuidadosa y ponderada planificación para

que dicha organización pueda lograr satisfactoriamente sus objetivos.

La empresa privada, enfrentada a una competencia propia del sistema de libre mercado, y a un incremento sustancial del costo de la mano de obra, se ha visto precisada a planificar la política de la gerencia de personal a fin de crear condiciones satisfactorias de trabajo, que a la vez produzcan un aumento cualitativo y cuantitativo en la producción.

De otra parte, la transformación operada en el Estado contemporáneo, cuando abandona su misión de Estado gendarme o policial para convertirse en el Estado social de derecho, orientador y promotor de los cambios necesarios al desarrollo socio-económico, ha requerido que la maquinaria administrativa gubernamental esté representada por una burocracia técnicamente capacitada, capaz de convertir en realidad los planes de desarrollo.

En la planificación administrativa del gobierno, y en este caso el de la Secretaría, la administración de personal constituye el campo de acción más importante. Habrá fortalecimiento en el desarrollo de los proyectos de reconstrucción en la medida en que la Secretaría cuente con un sistema avanzado de gerencia de personal, el cual exige una canalización de sus diferentes fases y procesos.

Cabe observar, que en un sistema de personal de una empresa como la Secretaría, o de una firma privada de una gran fuerza de trabajo, deberán planificarse todas las acciones de personal, tanto de orden económico como administrativo. Solo así se podrán formular políticas de personal satisfactorias, de acuerdo con los principios del mérito y de justicia retributiva, y según el costo de la vida imperante en un momento dado.

2. Organización y Métodos

Señala un conocido administrativista brasileño, al referirse a la disciplina cuyo objeto es el estudio referente a la micro y macro-organización, lo siguiente:

"De las actividades de asesoría administrativa, Organización y Métodos es, en verdad, la de mayor amplitud, pues, se aplica incluso a las demás, como Presupuesto y Personal. Se entiende por Organización y Métodos el conjunto de técnicas que tienen la finalidad de investigar y estudiar la estructura y el funcionamiento de las entidades administrativas, a fin de mejorarlas y facilitar el avance de sus objetivos: puede aplicarse igualmente a la definición o establecimiento de una estructura o de un nuevo procedimiento. En uno u otro caso, presenta, por lo tanto, el carácter de actividad altamente creadora".

MANAGEMENT SYSTEMS INTERNATIONAL

= SAMPLE =



Otorgan el presente Diploma a:

Sr. Luis Edgar Merla Hernández

por haber completado satisfactoriamente el Taller

*Preparación, Análisis, Clasificación y Valorización de puestos
a través de un Sistema por Factores*

impartido del 11 al 15 de Marzo de 1994

San Salvador, 15 de Marzo de 1994

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Especialista en Desarrollo Organizacional

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Lic. Norma Rodríguez de Dowe
Secretaría General de Reconstrucción

ANNEX I

RECOMMENDATIONS LISTED BY PRIORITY

CHAPTER VII RECOMMENDATIONS

1. **Continuation of Functional Statement Development and Job Classification**
Process: The process of functional statement and job classification definition should continue as the principle means of addressing the issues related to determining if an appropriate match exists between the SRN's managerial responsibilities and its staffing pattern; e.g., types, numbers, and levels of positions.

2. **Reorganization of DAF:** Consideration should be given to restructuring the Directorate of Administration and Finance into four functioning units, listed below. (See Diagram #6, "Directorate of Administration and Finance - Current Organizational Chart," as DAF is presently structured and Diagram #7, "Proposed Restructuring of the Directorate of Administration and Finances" as is proposed.)
 - Finance Unit
 - Human Resources Unit
 - General Services Unit
 - Procurement Unit

This reorganization could result in eliminating as many as four positions.

3. **Organization of Human Resources Unit:** Consideration should be given to restructuring the Human Resources Unit into the departments listed below. (See Diagram #8, "Human Resources Department - Current Organizational Chart" and Diagram #9, "Proposed Reorganization of Human Resources Unit.")
 - Administration Department
 - Position Classification and Wage Administration Department: To plan, implement, and evaluate a modern system of position classification and wage administration.
 - Recruitment, Placement, and Employee Utilization Department: To plan, implement, and evaluate a modern system of recruitment which takes into account the promotional opportunities of personnel within the organization, establishes promotional opportunities, and maintains an updated skills bank.
 - Training and Employee Development Department: To plan, implement, and evaluate a system for conducting a training needs survey within the organization and identifies training institutions.

4. **Voucher Examiners in DSD:** Though it appears that the voucher examiners located in the Control Section of the DSD are performing adequately, it would be appropriate to assign this function to the Finance Unit of DAF and in turn move the voucher examiners to the Finance Unit. This would result in a modest step to simplify a very complex and inordinately time consuming process.
5. **Consolidation of Project Functions with Programming and Evaluation Functions:** The programming and evaluation functions and the design, monitoring, and reporting functions associated with the project process should be consolidated into one directorate in the SRN. This directorate would have two units with the responsibility to perform the functions listed below. (See Diagram #4, "A Proposed Consolidated Directorate for Programming, Evaluation, and Project Monitoring.")
 - Preparing programming documents
 - Preparing evaluation plan
 - Implementing evaluation plan
 - Reviewing Action Plans
 - Monitoring Action Plans
 - Reporting performance of the NPR

This reorganization could result in eliminating as many as seven positions.

6. **Organization of the Directorate of Municipal Development:** Consideration should be given to undertaking a detailed study of responsibilities, roles, and functions of the DMD before the new Municipal Development Project to be financed by USAID/EI Salvador is implemented. An Organization and Methods (O&M) Specialist should execute this study. At the heart of this study would be the issue of an appropriate match existing between the SRN's managerial responsibilities and its staffing pattern; e.g., types, numbers, and levels of positions. A number of factors must be considered that include:
 - Geographic radius that must be covered by personnel at the Regional and Departmental levels and the mode of transportation available for personnel at these levels
 - Whether Departmental Offices are co-located with Regional Offices.
 - Estimated project load
 - Type of financial flow system to be introduced into the new Municipal Development Project

Short of accomplishing the above, the SRN shall continue to operate on the basis of the best "guesstimate" any O&M or Human Resources Specialist can provide.

CHAPTER VIII RECOMMENDATIONS

1. HUMAN RESOURCES MANAGEMENT AND ADMINISTRATIVE SYSTEMS DEVELOPMENT ASSISTANCE PROVIDED

The lack of management tools that systematically define processes to rationalize the administration of the personnel management function in the SRN hampers the overall management of the SRN. For this reason it was recommended that manuals need to be developed for the following areas:

- Personnel Regulation
- Position Classification
- Recruitment and Placement
- Training and Employee Development
- Performance Evaluation
- Conduct and Discipline
- Organization and Management of Personnel Folders

A Classification Manual was prepared for the SRN and instruction in the manual's application was delivered by James Villalobos on March 11, 13, and 14. This instruction focused on the preparation of position descriptions, their analysis, and the importance of the position description process to an organization. Annex G is the initial pages of the instructional manual that was used in the course and Annex E has a list of the SRN personnel that attended the instruction. Annex H is sample diploma that was given to the participants that attended the course.

2. HUMAN RESOURCES MANAGEMENT AND ADMINISTRATIVE SYSTEMS DEVELOPMENT ASSISTANCE FOR THE FUTURE

FIRST PHASE - Six Weeks

The following is a list of consultant activities including deliverables that are necessary to provide a personnel management base upon which the SRN can update and strengthen its administrative systems.

- Identify and train (with full SRN participation) the persons who are to be assigned to the technical functions in the to-be-established Department of Human Resources, as described in Diagram #9 "Proposed Restructuring of the Human Resources Unit."
- Develop the instructional materials in Spanish and train the technicians in the to-be-established Department of Human Resources and other key supervisory personnel in SRN in the application of the following manuals:

1. Recruitment and Placement
2. Performance Evaluation

3. Training and Employee Development
4. Conduct and Discipline

- Continue to assist the SRN in the implementation of the Position Classification Manual.
- Develop a Salary and Wage Schedule using the presently approved minimum-maximum pay rates, and determine the cost of its implementation; i.e., the moving of employees from a non-system to an up-graded system of salary and wage administration.

It would take six weeks to complete these activities. It would be preferable to divide this First Phase of training into two three-week periods.

SECOND PHASE - Three Weeks

Develop the instructional materials in Spanish and train the technicians in the to be established Department of Human Resources and other key supervisory personnel in the SRN in the application of the following manuals:

1. Personnel Regulation
2. Recruitment and Placement
3. Organization and Management of Personnel Folders

3. PLANNING, PROGRAMMING, MONITORING, AND EVALUATION MANAGEMENT INFORMATION SYSTEMS AREAS

The following is a list of consultant activities including deliverables that are designed to strengthen the planning, programming, monitoring, evaluation, and management information systems capacity of the SRN.

- **Management Information Systems (MSI) Development:** Assist the SRN in the design and use of their Area Network (LAN) as well as their integrated MIS. Develop a clear plan on information sharing on the LAN to include how the integrated MIS will work and how to integrate USAID/El Salvador's MIS with that of the SRN. (1 week)
- **Logical Framework Training:** Provide logical framework training for personnel in the SRN and selected NGOs. The training could take the form of one or two workshops lasting five days each. Two trainers would be required. Five days of Washington would be required for one of the trainers. (2 weeks for two trainers)
- **Reports Preparation:** Demonstrate to the SRN how planning and reporting documents should be organized, produced, and automated. The SRN reports should be more operational in nature reporting project operational status and

performance. Performance should be stated in concrete, measurable terms. (1 week)

- **Evaluation and Performance Measurement:** Assist the SRN in developing an evaluation plan and strategy for implementing the plan. This will require close coordination of data collection efforts of USAID/El Salvador and the SRN. Assist the SRN in reviewing and identifying appropriate indicators for their Action Plans. (2 weeks)
- **Restructuring of SRN's Programming, Evaluation, and Project Monitoring Functions:** Assist the SRN in consolidating its programming, evaluation, and project monitoring functions presently being performed by two Directorates. Assist the SRN in developing a schedule for integrating these functions and defining roles, responsibilities, and functions for evaluation, programming, and project monitoring. (1 week)

It could take up to seven weeks in El Salvador to complete these activities and one week in Washington, D.C. It would be preferable to divide the work in El Salvador into two periods.

CHAPTER III RECOMMENDATIONS

1. **Administration Systems Development:** Manuals need to be developed for the following areas:
 - **Personnel Regulation:** This document would outline the legal parameters within which the SRN's personnel policy will be carried out. The actual operating procedures to implement the principal clauses of this manual would be developed in the following manuals.
 - **Position Classification:** This manual would provide guidance for the preparation, analysis and evaluation of position descriptions for the purpose of establishing an equitable, efficient, effective, economical, and practical system which forms the basic structure for the management of an organization.
 - **Recruitment and Placement:** This manual would provide guidance for recruiting from within or outside the organization, the use of the position description for determining qualifications, the interview process, the selection board composition, and the selection and placement of individuals.
 - **Training and Employee Development:** This manual would provide guidance on how to: organize training; conduct training needs surveys; use the position description for outlining the training requirements; identify training institutions; establish cross-training, on-the-job training, and career training patterns; and assess of employee/supervisor training needs.

- **Performance Evaluation Manual:** This manual would provide guidance on how to take the position description and develop evaluation criteria from it for establishing the degree of performance required on the job, and the method of carrying out the pre, during, and post performance interviews. It focuses on the performance of assignments based on the written position description.
 - **Conduct and Discipline Manual:** This manual would provide guidance for administering disciplinary actions. The positive aspect is that it provides uniform guidance to all supervisors in administering the same sanctions for the same acts.
 - **Organization and Management of Personnel Folders:** This is a handbook which would provide guidance on how to organize and maintain personnel folders up-to-date. The personnel folder constitutes an important legal document which contains the work history of each employee.
2. **Technical Assistance to Prepare Manuals and Install Systems:** Technical assistance in the preparation of the manuals and to advise in the installation of the systems as prescribed by the manuals would be appropriate. The person undertaking the assignment would work with the DAF and other SRN supervisors in the development of the personnel policy and the manuals and guides needed to implement and manage a modern human resources management program. This assistance should include the necessary training, as dictated by the application of the finished guides and manuals. Work should be started on the following guides and manuals as soon as possible. (Note: Elaboration of this recommendation is discussed in Chapter VIII: "Recommendations for Follow-on Technical Assistance to Strengthen the SRN.")
 3. **Development of a Position Classification Manual:** Priority should be assigned to the development of a Position Classification Manual. A Position Classification and Wage Administration Specialist should be contracted to work with the Department of Administration and Finance in the development, training, and application of the Position Classification Manual. (Note: This activity has moved ahead and is discussed in Chapter VIII: "Recommendations for Follow-on Technical Assistance to Strengthen the SRN.")
 4. **Development of a Salary Schedule:** A salary schedule should be developed in conjunction with the preparation of and training on the application of the Position Classification Manual.

CHAPTER IV RECOMMENDATIONS

1. **SRN and USAID/El Salvador Role in the Design Process:** The SRN and USAID/El Salvador should more clearly define how best to assist NGOs in designing and improving their Action Plans before they are officially submitted. There is a need for more technical assistance at an earlier stage to avoid the need for multiple drafts later on thus slowing down the design and approval process.

2. **Timely Project Review:** The SRN, SETEFE, and USAID/El Salvador need to agree that the NGOs are their principal clients and they are there to serve them. They need to rekindle their commitment to timely project approval. Each link of the project approval chain deserves further review to streamline the overall process. The three institutions should consider creative and flexible approaches to solving these delays. The SRN should give NGOs a specific date by which the SRN will inform the NGO of the status of its Action Plan in the approval process and estimate final project approval.
3. **Indicators in Action Plans:** DPE should continue to emphasize the requirement to develop indicators for core objectives articulated in Action Plans. Where critical to the monitoring and evaluation effort, baselines should be developed as a part of the process of implementing the Action Plan. However, the cost of establishing a baseline and measuring performance should always be considered to ensure the appropriateness of expenditures necessary to establish a baseline.
4. **Close-out Procedures:** With USAID/El Salvador assistance, the SRN should design a basic close-out check list and procedure. The requirement of following the official close-out procedure should be added to the standard Action Plan PIL.
5. **Nature and Degree of Monitoring NGOs:** The SRN needs to determine the nature and degree of monitoring that is needed for NGO activities. The nature of an umbrella versus non-umbrella NGO must be considered in calculating the role to be played by the monitoring entity.
6. **Consolidation of Project Functions:** The design, monitoring, and reporting functions should be consolidated into a single unit under one directorate in the SRN. The unit that monitors project implementation, and as a consequence has the responsibility to identify problems in the project implementation process, should be privy to the process that resolves the problems.

The consolidation of the monitoring functions should result in a reduction in personnel. However, reductions are a function of the definition of monitoring that the SRN adopts. Once monitoring tasks are established, personnel numbers can be fully considered and not until then.

7. **Evaluation Strategy:** DPE needs to specify an evaluation strategy through 1997, focusing on the sectors and programs that need the greatest attention, their desired impact for the overall program (i.e., jobs, income, quality of life indices), and how to best to use evaluation results during the life of the program. Upon completion of an overall evaluation strategy, the SRN should specify who will actually perform the evaluations (SRN staff, SRN consultants, NGOs, etc.). Based on the strategy and how the evaluations will be performed, a budget for evaluation should be established. In developing an evaluation strategy, the issue of project versus program evaluations must be considered and clear priorities set for these evaluations.

8. **Logical Framework Training:** DPE and project monitors should be trained in the Logical Framework methodology. Training for PACT and umbrella NGOs should also be considered.
9. **USAID/El Salvador Coordination with the SRN on Evaluation Data Collection Efforts:** USAID/El Salvador should actively and regularly coordinate its data collection plans under Project 519-0394 and for its "Strategic Objective No. 1 - Assist El Salvador to Make the Transition from War to Peace" with the SRN. This is particularly for the cases of special data collection efforts, such as rural income surveys or public opinion polls.
10. **Consolidation of Evaluation and Programming Functions in DPE:** DPE's two evaluation functions as well as the programming function should be united into one unit.

CHAPTER V RECOMMENDATIONS

1. **LAN Up and Running:** The primary focus should be to get the LAN up and running trouble free. The SRN should demand that its certified vendor of Novell products work with them until the problems are fixed.
2. **Seminars on How a LAN Works:** Toni Mejía should give one-hour seminars on how a LAN works--information sharing, connectivity, security, password protection, access rights, standardization, and the use of system-wide protocols. He should start with senior staff and then provide a similar orientation for each directorate. A one to two page written piece on the LAN would probably be helpful as well.
3. **Training for SRN Personnel on Novell LAN:** Toni Mejía and at least one of his staff need a minimum of a week-long course on administering a Novell LAN, preferably one provided by Novell itself. Mejia and the other person can, in turn, provide training to the Computer Unit, which can be supplemented by formal training locally available in El Salvador as necessary.
4. **Novell LAN or FoxPro LAN User Groups:** The Computer Center should find out whether any user groups exist in El Salvador for Novell LAN or FoxPro LAN users and participate in those groups. If they don't exist, they should consider starting an informal network to share experiences and solve problems faster. The SRN should consider forming users groups within the SRN for the integrated MIS so the system can be continually improved based on user input.
5. **Data Sharing on a LAN:** The Computer Center needs to lead the SRN in a design process of how to structure data sharing on the LAN, including the directory structure for Word Perfect and other basic programs. This process should take place through a series of interviews with information users at all levels and parts of the organization. The designers should simply ask users what is the information that they produce that others need on a regular basis and what is the information that others need from them

on a regular basis and who should have access to that information. The SRN should consider forming users groups within the SRN for the integrated MIS so the system can be continually improved based on user input.

6. **SRN User Groups for the MIS:** The SRN should consider forming users groups within the SRN for the integrated MIS so the system can be continually improved based on user input.
7. **SRN Internal Training:** The SRN should consider the pros and cons of conducting more of its software training internally and compare the advantages of that system (cost and non-cost) to contracting it out. Training could include Novell, Fox Pro, word processing, spreadsheets, Email, and DOS).
8. **Computer Section Personnel Needs:** The Computer Section needs to decide either to hire new staff with Foxpro or Novell experience or train the people worth training in these areas. Once the MIS design is complete, Dimas should be integrated into the Computer Unit to be a central resource for all of the SRN.
9. **Move out of XENIX Environment:** The Computer Section should move out of XENIX environment completely, as recommended by Price Waterhouse two years ago, as soon as the Novell LAN is up and basic systems, mainly accounting, are up and running in FoxPro LAN. The XENIX hardware should be sold.
10. **Electronic Mail Package:** The SRN should consider buying a electronic mail package for its network. It should then consider buying a few dedicated phone lines and attempt to develop an electronic mail connection with SETEFE and USAID/El Salvador.
11. **PC Purchase:** The SRN should undertake a study to determine how many PC's should be purchased to have sufficient SRN capacity. It appears that as many as 20 PC's are needed on a priority basis, some of which should be dedicated to senior staff so they can become part of the network and understand its power. All new PC's should be of one high quality brand.
12. **SRN Should Buy Legal LAN Versions of All Its Major Software:** The SRN should buy legal LAN versions of all its major software to be used within the SRN. Software use must become standardized as well. Purchasing official software is expensive, there are a lot of good technical reasons to do it; it is also the law.
13. **Equipment for Regional Offices:** In the medium term, the SRN should consider upgrading computers in field offices of MEA and attempt to gain some authority over their use to standardize operations. Electronic mail connections with Regional Offices should also be considered.

CHAPTER VI RECOMMENDATIONS

1. **Voucher Examiners in DSD:** Though it appears that the voucher examiners located in the Control Section of the DSD are performing adequately, it would be appropriate to assign this function to the Finance Unit of DAF and move the voucher examiners to the Finance Unit. This would result in a modest step to simplify a very complex and inordinately time consuming process.
2. **Role, Responsibilities, and Functions of Voucher Examiners:** If and when the voucher examination function is moved from DSD to DAF, it would be appropriate to review the role, responsibilities, and functions of the voucher examiner as a critical step in organizing and implementing this function in the DAF. Annex F, "Draft Position Description - Voucher Examiner" is provided to serve as a model for positions in the component performing the voucher examination function.
3. **Financial Planning:** A quarterly projection of expenditures by fiscal year should be made for each Action Plan through its completion date for unexpended funds. For each new Action Plan, a quarterly projection by fiscal year for expenditures should be made through its completion. These projections should be updated in the quarterly planning document prepared by the DPE.
4. **Review of Audit Policy in the Future:** Audit policy should be reviewed at some future date once the audits policy of the revised *Corte de Cuentas* can be evaluated to determine if there is an appropriate overall audit program so as to avoid excess audit and monitoring of implementing entities.
5. **Management of Revolving Funds After PACD:** SRN should plan to assist the NGOs managing revolving funds in their transition to serving their communities on a non-restricted basis.
6. **Vehicle Maintenance and Fleet Standardization:** Major emphasis should be directed toward improving vehicle maintenance and fleet standardization.