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Promoting Economic Opportunities Program: Municipal Competitiveness Ranking

Final Report

September 13, 2009

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Municipal Competitiveness Ranking

Final Report

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Report Summary

The United States Agency for International Development's (USAID) Promoting Economic Opportunities Program: Municipal Competitiveness Index (MCI)¹ project aimed to improve local economic growth in El Salvador by assessing and ranking the country's 100 largest municipalities on their regulatory and business-enabling environment to generate private sector development. The outcome of this assessment was a ranking tool that businesses and business associations can use to advocate for improved local policies and procedures. Municipal and central governments, as well as the donor community, can also use the tool to identify best practices among Salvadoran municipalities and to reduce constraints to private sector development across the country.

This final report is abbreviated in scope, covering primarily the administrative details of the project from January 12 to September 13, 2009, the full period of performance. For additional details on the MCI results and methodology, please view the publication *The El Salvador Municipal Competitiveness Index 2009: Measuring Local Economic Governance to Create A Better Business Environment* and accompanying document *Full Appendix: Methodological Aspects of the El Salvador Municipal Competitiveness Index (MCI) 2009*.²

All activities outlined in the scope of work were accomplished successfully. The MCI was rigorously constructed and tested, with the results being distributed widely through a series of dissemination events, print, radio and television media. The findings were well received, with both the public and the private sectors very engaged in discussing current constraints and the potential for generating economic growth through improved local economic governance. Requests for additional presentations of the results were made by both private sector and government representatives and were conducted. Further evidence of the project's success is the expression of support by several Salvadoran organizations to implement the MCI nationally in all 262 municipalities in the future and to potentially provide funding for the effort. Current MCI partner Escuela Superior de Economía y Negocios (ESEN), the think tank Fundación Salvadoreña para el Desarrollo Económico y Social (FUSADES), the Secretaria Técnica de la Presidencia, and the Ministerio de Economía have all made statements of interest.

The most significant obstacle faced by the project team was the short period of performance. The project end date had to be extended by a total of two months (at no cost to the project). This was primarily a result of complications from the timing of the project during the municipal elections on January 18 and presidential elections on March 15. The latter, in particular, delayed the implementation of the municipal and business surveys

¹ The project name was changed in July 2009, with USAID's approval, from Municipal Competitiveness Ranking (MCR) to Municipal Competitiveness Index (MCI).

² The documents are available for download at www.municipalindexelsalvador.com and www.indicemunicipalelsalvador.com.

due to limitations on public events by the electoral code and hectic pre- and post-election schedules of the mayoral candidates and post-election winners, and general public concern about the elections throughout the country. It also made implementation of the municipal government-focused survey difficult, as municipalities in which an incumbent lost were less willing to participate in the study. The final extension, however, was granted to allow the project team to conduct additional media interviews after the dissemination events to publicize the MCI results more widely.

Project activities are described below under the following headings: Administrative Activities; Building Stakeholder Support; Designing and Implementing the Survey Questionnaires; Managing Data; Producing the Report; Creating the Project Web Site; Disseminating the Results; and Lessons Learned.

Activity Details

A. Administrative Activities

All start-up activities related to the project were completed in February, including finalizing the work plan, branding and marking plan, and all contracts with project staff and the subcontractor. Porter Novelli, a public relations firm, was hired to organize a press conference project launch event, and Web site development firm Web Informática was selected to design the bilingual project Web site. In the first week of March the initial project Web site was also launched, with USAID approval, with information about the project, links to publicity, and contact details provided in both Spanish and English.

On other administrative issues, RTI submitted a request for a one-month no-cost extension in May and again in July. Both were granted. The former was requested as additional time was needed to mitigate missing-data issues, as a result of 11 municipalities initially refusing to participate in the study. The latter was necessary to allow time for media interviews and to honor additional presentation requests on the results, after the planned dissemination events.

Personnel changes were limited to Mr. Julio Rank's departure from the project in July, but RTI made quick adjustments to cover his roles and responsibilities for the remainder of the project. A request was also made and approved to replace Mr. Rank with RTI Senior Finance and Governance Specialist Mr. Stephen Pereira as a facilitator for the three municipal-level workshops slated for the end of the project. Municipal Governance Advisor Mr. Aldo Miranda assumed Mr. Rank's other project duties.

The project was a fixed-price contract. No financial abnormalities were experienced.

B. Building Stakeholder Support

In January and February, the project team organized and held stakeholder meetings with mayors and the business community around the country. The purpose of these meetings

was to inform key stakeholders about the project and to gain their support for conducting it, as well as to elicit information on the key obstacles they face with regard to their local business environment. The details from these meetings directly fed into the development and design of the survey questionnaires. Stakeholder meetings included: business associations in San Vicente, San Miguel, and Santa Ana; mayor-elects for San Vicente and Santa Ana; the mayor of Santa Tecla; La Libertad Tourism Board; Asociación Nacional de Empresa Privada (ANEP); the Ministerio de Economía; Fundación Nacional para el Desarrollo Sostenible (FUNDES); Cámara de Comercio e Industria de El Salvador; the Secretaría de Desarrollo Local and the Comisión Nacional de Desarrollo Local; the American Chamber of Commerce; and USAID implementer Evensen Dodge International. Meetings were also held with National Assembly Municipal Commission members in order to gain support from different political parties, specifically with PCN Congressmen, Mario Ponce and PDC municipal team members Guadalupe Martines, Francisco Zablah and Ruben Rivas Zamora.

A press conference event was organized with Porter Novelli and USAID to launch the project on February 19 at ESEN's campus. USAID, RTI, and ESEN all participated in the event, with five media outlets attending. *El Diario de Hoy* ran two articles, while *La Prensa Gráfica*, *El Más*, and *El Mundo* each ran one.³

In March and April, the project team continued to actively seek media exposure and interviews were granted with various media outlets, including “Dialogo con Ernesto Lopez” on Channel 21, La Entrevista with Alfredo Mena Lagos on Channel 21, a news story on “El Noticiero” on Canal 6, a radio interview with Radio YSKL, and meetings with specialized economic editors. Radio interviews with Radio Cuscatlan and Radio YSKL aired the second week of April with national coverage.

In June, following the release of the International Finance Corporation's Municipal Scorecard 2008, the MCI team and USAID met with the International Finance Corporation to learn about the findings for El Salvador, present the MCI project, and discuss the similarities and differences between the two initiatives.

These early activities to gather information to develop the MCI and inform key stakeholders about the project proved vital to the success of the dissemination events.

C. Designing and Implementing the Survey Questionnaires

February and March were focused on developing, refining and testing the survey questionnaire to collect perceptions data from businesses, as well as the survey questionnaire to gain hard data from the municipalities. RTI led numerous internal team meetings to review and debate each question on the survey instruments to ensure that they were framed appropriately with regard to the methodology structure and that the index was being constructed properly. The instruments went through several iterations to

³ The documents are posted at www.municipalindexelsalvador.com and www.indicemunicipalesalvador.com.

ensure that the questions were relevant, were well designed, and could be appropriately coded and used in the final index and analysis.

- **Survey Design**

- Following the initial round of stakeholder meetings in late January and early February and extensive research on municipal authority and local economic development, the project team selected 10 sub-indices for the index. Criteria for selection were: importance to businesses, level of municipal influence over the selected issues, and variance on the measures among municipalities in El Salvador. The sub-indices chosen were: Transparency, Municipal Services, Proactivity, Informal Payments, Public Safety, Time to Compliance, Rates and Taxes, Entry Costs, Municipal Regulations, and Labor Training.
- During this period the survey instruments were also tested in three focus group sessions and two pilot tests. Focus groups were held on Wednesday, March 18, with 18 business owners from Santa Tecla and Antigua Cuscatlán; on Thursday, March 19, in Sonsonate with 12 participants including the mayor, city council members, and key officers; and on Monday, March 23, with 14 representatives from business associations and local development nongovernmental organizations. During the focus group sessions, representatives of Salvadoran businesses and municipal governments named problems in the legal framework, lack of transparency and access to information, and poor quality of municipal services as key obstacles to growth, in that order.
- A pilot testing plan was also developed: the tests were conducted on Monday, March 23, for the business survey in Zaragoza and the municipality survey in Santa Tecla. With information from these activities, the survey was adjusted and finalized.
- In March, a survey sample was designed, with lists of businesses to be surveyed developed through random sampling. More than six training sessions were held for the six field supervisors and 36 professional enumerators who were hired to conduct the surveys. These sessions included general information on the project, mock interviewing and training on all field and quality control procedures, and logistical organization of the fieldwork activities (work group formation, routes, transport administrative arrangements, etc.).

- **Survey Implementation**

- In mid-March, mayors in the project municipalities were informed about the project through letters and appointments were requested with municipal officials to complete the municipal questionnaires. Additionally, advance appointments were made by phone with larger businesses to ensure that enumerators would be able to meet with the appropriate person to answer the survey questions. Logistical matters were also completed such as acquiring

commercial liability insurance and arranging vehicle rentals with insurance policies.

- Data collection in all 100 municipalities began on Monday, March 30, and was completed on Friday, April 24. All data were gathered from the business survey without incident, including additional data from a sample of 80 large establishments in San Salvador, Santa Ana, and San Miguel.
- Eighty-nine municipality surveys were also completed at this time. However, several municipalities were reluctant to participate in the project: Izalco, Mejicanos, Nahuizalco, Quezaltepeque, San Alejo, San Miguel, San Salvador, San Sebastián Salitrillo, Santo Tomás, Soyapango, and Tejutla. Reasons included political transition issues, particularly in municipalities where there was a change in majority party; out-of-town mayors; and municipal leaders who regularly refuse to participate in projects and studies. This created significant missing data issues which are described in more detail in Section D.

D. Managing Data

Data entry and quality control systems were designed specifically for this effort, so that data entry could begin after the first day of data collection. The systems worked well and data entry was without incident; however, there were significant challenges with regard to collecting complete data from the municipality survey. As a result, much of May was spent developing, testing, and applying alternate approaches to get the data needed to complete the construction of the index.

- **Data Management**

- In late March, before survey implementation began, a customized data entry application program was designed. The data from the pilot test were used to test this system for technical glitches. Data collected from the field were entered, as planned, beginning the second day of data collection. Data entry was essentially completed the last week of April. Some data entry continued in May as more information trickled in from the municipalities reluctant to participate in the project.
- In April and May, quality control checks continued to be run on the data, through field visits and phone calls. In case of errors, a team of six interviewers was used to recover data from the relevant establishments and the municipal governments. Data cleaning was completed in early May.

- **Mitigation of Missing Data**

- In late April, the project team created a task force composed of our senior project staff to revisit municipalities reluctant to participate in the project. In this manner, we were able to gain information from all municipalities with the

exception of San Miguel, San Salvador, San Sebastián Salitrillo, and Soyapango.

- The project team also developed and implemented an alternative “mystery shopper” approach, to acquire data from the remaining nonparticipating municipalities and tested this approach to determine whether it would produce valid results. The “mystery shopper” approach entailed sending someone posing as a person trying to open a business to each remaining nonparticipating municipality to gather basic data to allow us to create a sound index ranking tool. We tested its validity by also gathering “mystery shopper” data from municipalities where we had already collected data via the survey questionnaire to determine whether the results matched.
 - Additionally, hard data were collected from other sources, such as the *Diario Oficial*, government reports, and Web sites; the municipal associations Consejo de Alcaldes del Área Metropolitana de San Salvador (COAMSS) and Corporación de Municipalidades de la República de El Salvador (COMURES); the Instituto Salvadoreño para el Desarrollo Local (ISDEM); and the funding organization Fondo de Inversión Social para el Desarrollo (FISDL).
- **Index Construction**
 - The results from the business survey were too similar—that is, not showing enough variance across municipalities—on the Labor Training indicators to make it a strong sub-index. Moreover, the municipal data on the indicator were incomplete, because municipalities do not have significant control over labor and vocational training; labor training programs are the responsibility of the central government. Finally, many people work outside of the municipality in which they reside. As a result, we were forced to drop Labor Training as a sub-index. Nine sub-indices were used in the study instead of ten.
 - An initial ranking of the project municipalities and a draft report was produced on May 26. With extensive technical comments from Methodological Expert Dr. Edmund Malesky and the project team, the index and weightings were recalculated, reviewed, and rigorously tested multiple times to arrive at a final version in early June.⁴

E. Producing the Report

The production of the MCI summary report and full appendix was a time-intensive process, primarily because the documents needed to be produced in two languages simultaneously. Additionally, the reports went through extensive reviews and revisions

⁴ The weights were derived from the relative contribution that each sub-index made to the variations in two measures of economic success of local businesses during 2008: the average sales increase and the number of businesses registered in the municipal cadastre.

internally before being shared with USAID for comments. Also in June and July the team prepared an accompanying full appendix, explaining the methodology in detail. RTI used in-house resources to manage the production of the reports, including for translation reviews, editing, formatting, and graphics and layout design. On July 24, the layouts were completed and the MCI summary reports, in Spanish and English, were sent to a local printer.

- **Report Development**

- A first rough draft of the MCI summary report was completed on May 26. After an internal review, a first round of changes was made and a portion of the report was shared with USAID for initial comments. A completed draft, which included many technical changes, was submitted in English to USAID for comments on June 19. Additional text, an acknowledgements section and an executive summary were submitted to USAID for comments and approval on Wednesday, July 8; and on Friday, July 10, respectively. Also in July, anecdotal quotes and information on best practice initiatives was gathered related to the sub-indices. Text boxes were drafted in both languages for the relevant sub-index sections to make the MCI sub-indices more pertinent and accessible the average reader.
- The draft design of the English version of the report was submitted to USAID on July 3 for comments on the colors, style, spacing, and general layout; as well as branding and marking of the document.
- Multiple quotes were solicited and received to print and bind the MCI summary report, and to burn all MCI materials, including the full appendix and the survey questionnaires onto CDs. Artes Graficas Publicitarias (AGP) was selected to print the reports, and RTI decided to create the CDs in-house.
- As noted above, the MCI summary report files, in both Spanish and English, were finalized and submitted to the printers on Friday, July 24. On Monday, August 3, AGP delivered 400 reports in Spanish and 100 in English.
- The final version of the full appendix in English was submitted to USAID for approval on July 29. The Spanish version was finalized the first week of August and both versions were formatted and designed at this time.
- Following the dissemination events, another 750 reports were ordered — 500 in Spanish and 250 in English — due to unexpectedly high demand by the public sector, private sector and donors.

F. Creating the Project Web Site

In the first week of March, the initial project Web site was launched, with USAID approval. It contained basic information about the project, links to publicity, and contact details provided in both Spanish and English. Three design options for the home page and internal pages were created in collaboration with Web Informática, with one option

chosen and subsequently approved by USAID in the first week of April. On May 20, the new version of the Web site was launched with the initial content that had been developed and approved.

One challenge that we had to overcome was how to present the results for 100 municipalities in a meaningful way. The project team wanted to group the municipalities by region so that municipalities could be compared easily with their neighbors. However, there are a variety of existing regional designations and an inappropriate selection could be controversial. RTI discussed the issue with USAID. It was decided that the Centro Nacional de Desarrollo (CND) regional designations would be used as they most accurately represent regions with regard to economic activity.

The Web site construction was completed and a link for general approval was sent to USAID on July 31. The site was officially launched on August 11, in conjunction with the main MCI results launch event in San Salvador.

At the completion of the project, administration and hosting duties of the site will be transferred to partner ESEN to ensure sustainability of the site and to encourage active use of the data for additional research. A training session was organized and held with ESEN to present and explain the structure and technical issues surrounding the site on Monday, September 7.

G. Disseminating the Results

RTI began planning for the dissemination events in June in coordination with USAID and public relations firm Porter Novelli. The dates for the main results launch in San Salvador and the smaller municipal press conferences and workshops were adjusted several times as the project was extended. The attendance and participation at the events exceeded the project team's expectations, with extensive media coverage and requests for additional presentations of the results, and interest expressed in supporting the MCI in the future. Details on event attendance and media coverage are noted in Annex A. The results from the three municipal workshops are located in Annex B.

- In July, the dates for the dissemination events were formally changed to August 11 for the main results launch and August 12, 13, and 14 for the smaller municipal events. At the request of USAID, RTI located a new venue located in San Salvador for the first event. It was held at the Radisson Plaza Hotel rather than on the ESEN campus, which is located in neighboring Santa Tecla and is less convenient for many of the expected attendees. The final locations for the municipal press conferences and workshops were Suchitoto (department of Cuscatlan), San Francisco Gotera (department of Morazán), and Sonsonate (department of Sonsonate).
- On July 30, in preparation for the dissemination events, the members of project team and USAID met with an inter-institutional group that is developing a national competitiveness index, including representatives from

the Secretaría Técnica de la Presidencia, FUSADES and the Ministerio de Economía. The purpose of the meeting was to provide information on the MCI development and methodology and to determine how the inter-institutional group could use the MCI and/or adapt it to a national level. The meeting was highly successful; the team is interested in collaborating in future years to replicate the MCI project nationally and potentially to provide funding support.

- Banners, report folders, CD labels, and other materials to be used at the events were designed by RTI and submitted to USAID for approval the last week of July and produced by Diseñarte the first week of August.
- On the afternoon of August 10, a presentation was made to the COMURES Executive Board to prepare them for the release of the MCI results the following day.
- The dissemination events were all well attended: San Salvador (254 attendees); Suchitoto (44 attendees); San Francisco Gotera (12 attendees); and Sonsonate (30 attendees). Most importantly the quality of the discussion was very high with all sides open to learning about the results, the public and private sectors actively engaging in dialogue about current constraints and potential solutions, and requesting technical assistance to improve their local business environments.
- At the municipal workshops 11 different work groups were formed and asked to name the sub-indices that were most important to prioritize for action. The same ones were selected throughout the three locations with the following overall totals: Transparency (9), Public Safety (6), Municipal Services (5), and Proactivity (3), further validating the priority sub-indices identified by MCI.
- Innovative ideas to improve the local business environment were generated at each workshop, but the strongest response that was repeated throughout was that previously the public sector and the private sector had not actively engaged on local economic development issues. At each event, everyone felt that institutionalizing a regular dialogue between the two groups would be the first and most important step to improving the relationship and improving local economic governance. Currently, there is a lack of knowledge about one another's roles and responsibilities, challenges, and priorities. Workshop details are noted in Annex A.
- Additional presentations were given in August and September about the MCI results at the request of several organizations and USAID, including Red de Cooperantes para el Desarrollo Local (RECODEL) and ANEP.
- Media coverage surrounding the dissemination events was extensive. Details are noted in Annex B.

H. Lessons Learned

During the implementation of the MCI 2009, RTI and ESEN learned some valuable lessons that should be taken into consideration in any future implementation of the project.

- ***Six months is not enough:*** The timeline of the MCI 2009 was very ambitious, attempting to complete the entire project in six months and during presidential, legislative and municipal elections. In the end, it took approximately eight months were needed to complete the effort from start to finish, which is more in line with the experiences of implementing the methodology in other countries. More time is needed for the analysis and report writing stages.
- ***Media are vital to success:*** The MCI 2009 was a success because the media were involved from the start of the project. However, some of the difficulties encountered in implementing the municipal survey may have been mitigated with additional media coverage prior to the start of the fieldwork, particularly given the timing of the project during elections. Future MCI efforts must include the media in every step.
- ***Support is needed to improve participation:*** The MCI approach has proven effective in El Salvador and changes should be minor. The most significant challenge was attaining participation by the municipal governments. To improve response rates for the municipal questionnaire, the effort should not be undertaken during an election period and support from COMURES, and other relevant institutions, should be requested to bring all mayors on board.
- ***The MCI should be institutionalized:*** The MCI has proven an effective and much needed means of engaging the public and private sectors around high-priority reform. Many stakeholders have requested that it be institutionalized as a regularly implemented activity, with USAID support for the next round. With a high-profile donor, the reputation, relevance, and wide dissemination of the tool can be more effectively maintained. With valuable time-series data, each municipality can be monitored and evaluated to better identify champion reformers, best practices and success stories that can potentially be replicated.
- ***Sustainability is achievable:*** Generating supplemental funding or cost-share from Salvadoran organizations to support the next round of the MCI is a realistic and needed goal to reach sustainability. ESEN has expressed its interest to implement future MCI efforts and to provide funding or cost-share. In addition, FUSADES, the Secretaría Técnica de la Presidencia, and the Ministerio de Economía have expressed an interest in collaborating in future years to implement the MCI nationally in all 262 municipalities, and to potentially provide funding for the effort.

- ***Targeted technical assistance is needed:*** During the workshop events, numerous requests were made from businesses and governments to assist them in improving performance. Assistance could focus on improving the local business environment on the four aforementioned sub-indices prioritized for action (Transparency, Public Safety, Municipal Services, and Proactivity); precipitating coordination among local and national-level actors to improve information dissemination and decentralization initiatives; and institutionalizing processes that allow for public-private sector dialogue on local economic development issues.

Annex A: Comprehensive Charts Showing Results from Regional Workshops Applied to MCI El Salvador 2009: Suchitoto; San Francisco Gotera, Morazán; and Sonsonate

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GROUPS	PRIORITY SUB INDEXES	STRENGTHS OF SUB INDEX	ACTIONS TO ENCOURAGE	WEAKNESSES OF THE SUB INDEX	ACTIONS TO CORRECT THEM
GROUP 1	1) Transparency	<ul style="list-style-type: none"> a) Trust in the administration b) Promotes private sector investment c) Generates employment and local development d) Improves the income of the municipality 	<ul style="list-style-type: none"> a) Education and training 	<ul style="list-style-type: none"> a) Lack of interest in information and communication b) Lack of information and training c) Lack of cooperation and culture 	<ul style="list-style-type: none"> a) Education and training b) Improve the communications unit of the municipality c) Implement the Municipal Code
	2) Municipal services	<ul style="list-style-type: none"> a) Promotes private sector investment 		<ul style="list-style-type: none"> a) Quality of services is deficient 	<ul style="list-style-type: none"> a) Implement the Municipal Code
GROUP 2	1) Transparency	<ul style="list-style-type: none"> a) Information to citizens b) Organization and communications c) Trust d) Freedom of association for businessmen e) Participative and informative open sessions f) Municipal projection g) Participation by local actors 	<ul style="list-style-type: none"> a) Publicity 	<ul style="list-style-type: none"> a) Lack of information b) Local authorities do not promote town hall meetings c) Citizens are indifferent to participation d) Lack of citizen participation 	<ul style="list-style-type: none"> a) Promote citizen participation
	2) Proactivity	<ul style="list-style-type: none"> a) Promote economic development policies b) Have the certainty of businessmen 	<ul style="list-style-type: none"> a) Promote trade fairs and exhibitions 	<ul style="list-style-type: none"> a) Insufficient resource investment b) Lack of security for the investors 	<ul style="list-style-type: none"> a) Trainings and incentives Train the members in terms of motivational and economic support
		<ul style="list-style-type: none"> c) Promote the municipality 		<ul style="list-style-type: none"> c) Local authorities are not 	<ul style="list-style-type: none"> The council members must address

SUCHITOTO

GROUPS	PRIORITY SUB INDEXES	STRENGTHS OF SUB INDEX	ACTIONS TO ENCOURAGE	WEAKNESSES OF THE SUB INDEX	ACTIONS TO CORRECT THEM
		among the private sector d) Implement business fairs e) Generate trust for investment purposes f) Organization of local and commercial leaders g) Sell the municipality to the private sector h) Good development measures		visionary d) Development Plans commission e) Lack of initiative f) Inadequate use of municipal resources	more topics to include them into the municipality
GROUP 3	1) Transparency	a) Generate trust and more stability in businesses b) Allows businesses to become more stable c) Values the integrity of the municipal officers	a) Intersectoral workgroups a) Interinstitutional committees	a) Low economic capacity for publicity b) Citizens have little interest on the topic c) Poor relationship between city hall and the businesses	a) Seek for common interests between city hall and businesses b) Solicitation of funding support c) Intersectoral workgroups and interinstitutional committees
	2) Public Safety	a) Prevention b) Communities are united c) Employment generation	a) Family interaction/integration activities b) Training	a) Lack of education and opportunities b) Loss of values/morals c) Lack of witness protection to people who report crimes	a) Coordination activities with law enforcement groups (like the Policia Naciona Civil) b) Legal organizations
GROUP 4	1) Transparency	a) Promotes development b) Local government in close contact with citizens c) Citizen participation	a) Dissemination of clear rules and procedures	a) Lack of communication from the municipality to citizens b) No accountability at the beginning and end of a period c) Poor access to documents d) Clear reports	a) Facilitate access to information by means of clear mechanisms b) Expand coverage
	2) Municipal services	a) Access to municipal services (cellular, means of communication) b) Efficient management by city hall	a) Adequate solicitation by local government (offers, promises and development plans) b) Seek for effective access/means to communication	a) Little availability of resources b) Bureaucracy	a) Correct resource deficiencies in the municipality (electricity, drinking water, transportation) b) National and international solicitation

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GROUPS	PRIORITY SUB INDEXES	STRENGTHS OF SUB INDEX	ACTIONS TO ENCOURAGE	WEAKNESSES OF THE SUB INDEX	ACTIONS TO CORRECT THEM
GROUP 5	1) Transparency	Nothing noted		c) Few municipal service areas a) Information is oriented to the citizens (not to businesses)	a) Become closer to the private sector b) Establish institutional work groups c) Identify the economic and local structures d) Bring in short-term consultants
	2) Public Safety	a) Intersectoral committees b) Work groups with citizens c) Recovering public spaces d) Promoting recreation and sports e) Support to production and employment f) Coordination among the Policia Nacional Civil (PNC), municipality and businesses	a) Continuity of the strengths	a) Lack of information b) Fear c) Lack of organization (to protect the leaders and create a friendly environment) d) Transparency of the public safety information is aimed at communities rather than businesses e) Lack of intersectoral work groups	a) Create one committee b) Guarantee confidentiality

SAN FRANCISCO GOTERA, MORAZAN

GROUPS	PRIORITY SUB INDEXES	STRENGTH OF SUB INDEX	ACTIONS TO ENCOURAGE	WEAKNESSES OF THE SUB INDEX	ACTIONS TO CORRECT THEM
GROUP 1	1) Transparency	a) Communication between the city hall and the general public b) Resource optimization c) Investment of resources received d) Adequate information relative to financial services e) Greater investment by private enterprises f) Increase in the trust by the general public and by both private and public sectors g) Timely information on expenditures and income	See Actions to Correct Them	a) Lack of controls and timely reports b) Citizens are insecure; general public is not well informed on municipal works and activities c) Some business owners do not live in municipalities where they have their businesses making it more difficult to obtain information d) Lack of transparency leads to a series of social and economic difficulties	a) Improve controls and inform the citizens on a regular basis, in a timely manner b) Continue to improve resource optimization c) Open meetings, and other more transparent means of communication d) Municipal organization on the preparation and execution of the action plan for the period e) Use radio programs and promoters to project municipal image in order to generate interest and disseminate information f) Use pamphlets, monthly bulletins to inform the public about changes, new ordinances and by-laws, etc.
	2) Municipal Services (including public services)	a) Municipalities provide garbage collection, sewage, etc. b) Creates trust for the private sector resulting from works and municipal services	See Actions to Correct Them	a) Needs financial resources; lack of resources to ensure good coverage for all b) Lack of material resources such as vehicles to collect garbage and human resources	a) Involve all organizational sectors in the municipal service committee and strengthen citizen participation in the committee b) Create interinstitutional committees to discuss and seek solutions to local problems and services

SAN FRANCISCO GOTERA, MORAZAN

GROUPS	PRIORITY SUB INDEXES	STRENGTH OF SUB INDEX	ACTIONS TO ENCOURAGE	WEAKNESSES OF THE SUB INDEX	ACTIONS TO CORRECT THEM
		<p>c) Helps ensure the well being of citizens; beneficial and necessary services for all in the community</p> <p>d) Rendered efficiently and effectively</p> <p>e) There is a strategic and operative plan for public services that was created with citizen participation</p> <p>f) Formation of municipal services committee to address service problems in the community</p>		<p>c) Lack of technical resources and infrastructure</p> <p>d) Poor understanding and collaboration by the general public</p> <p>e) Quality of services is not consistent (water, trash collection, etc); also, not all the cantons and neighborhoods are provided with services</p>	<p>c) Improve coverage</p> <p>d) Increase benefits</p> <p>e) Strengthen financial resources allocated to this areas</p> <p>f) Improve efficiency and effectiveness</p> <p>g) Develop a action plan up to year 2011</p> <p>h) Provide skills training to improve human resources in this areas</p> <p>i) Improve infrastructure</p> <p>j) Disseminate information on municipal actions and income and expenditures, including of earmarked resources</p>

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GROUPS	PRIORITY SUB INDEXES	STRENGTH OF SUB INDEX	ACTIONS TO ENCOURAGE	WEAKNESSES OF THE SUB INDEX	ACTIONS TO CORRECT THEM
GROUP 2	1) Transparency	<p>a) Transparency helps create more participation and trust in municipal decisions</p> <p>b) Transparency also helps generate interest to develop projects</p>	<p>a) Promote and publish municipal activities and period information: create informative monthly public bulletins; publish the municipal work programs, finances, projection and planning in the short and medium terms.</p> <p>b) Both sectors must have decision-making power and participation in the municipality such as at seminars, open meetings, and in the creation/modification of ordinances. Must involve businesses from a variety of sectors and of various sizes (small, medium, large)</p> <p>c) Support the micro-enterprises to improve local development</p>	<p>a) Lack of knowledge by both the public and private sector, regarding the role that the other performs in local development</p> <p>b) Lack of professional ethics hinders good development</p>	<p>a) Create better awareness of the roles and activities of each the public and private sectors</p>

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GROUPS	PRIORITY SUB INDEXES	STRENGTH OF SUB INDEX	ACTIONS TO ENCOURAGE	WEAKNESSES OF THE SUB INDEX	ACTIONS TO CORRECT THEM
	2) Municipal Services	a) Good municipal services create good relations between the private sector and municipalities for improved municipal development	a) Create spaces for participation	a) Inadequate coverage of services b) Lack of knowledge about business activity in the municipality c) Lack of knowledge regarding regulations applicable to businesses	a) Improve interest in and payment of services b) Generate better local development

SONSONATE

GROUPS	PRIORITY SUB INDEXES	STRENGTHS OF THE SUB INDEX	ACTIONS TO ENCOURAGE	WEAKNESSES OF THE SUB INDEX	ACTIONS TO CORRECT THEM
GROUP 1	1) Transparency	a) Transparency generates trust among the sectors and more income for the community b) Greater security c) Better working environment d) Better economic growth e) Increases the trust of taxpayers and motivates them to be punctual with their payments f) Tourists have trust and this generates income g) Generates trust in all sectors h) Dissemination of municipal plans i) Tax payments are more accessible for small businesses j) Tourism performs well	a) Continuous information via loudspeakers, citizen consultations, town hall meetings, informative bulletins b) According to whatever means are available, could request support from the private companies to increase the interest in promotion campaigns c) All of the municipal officers should understand the transparency and dissemination processes in depth d) Hiring of good municipal workers in the communities	a) Lack of clear rules b) Lack of publicity regarding municipal development c) Lack of interest by the municipality	a) Dissemination of information through available means b) Inform the public about how their taxes have been invested in the municipality
	2) Public Safety	a) Interventions in crime prevention	a) Coordination with the Policia Nacional Civil	a) Lack of interest by the municipality for security issues	a) Request support from private companies in order to avoid security issues

SONSONATE

GROUPS	PRIORITY SUB INDEXES	STRENGTHS OF THE SUB INDEX	ACTIONS TO ENCOURAGE	WEAKNESSES OF THE SUB INDEX	ACTIONS TO CORRECT THEM
		<p>b) Working with greater security and a better work environment and trust in the projects</p>	<p>b) Collaboration on the part of citizens reporting problems/crimes</p> <p>c) Hiring of good agents in the communities</p> <p>d) Continuous information via loudspeakers, citizen consultations, town hall meetings, informative bulletins</p>	<p>b) Lack of security increases migration and generates closure of businesses</p> <p>c) Many times when citizens report problem there are information leaks</p> <p>d) Increased immigration heightens crime (there are no clear rules in the municipalities, the little security existing in the municipalities increases migration and closure of businesses)</p> <p>e) Few Policia Nacional Civil vehicles for support/patrol purposes</p>	<p>b) Motivate interest In prevention campaigns</p> <p>c) Sporting events to keep youth busy</p> <p>d) Requesting additional police support</p> <p>e) Businesses help pay for the cost of repairs and acquisition of security personnel and equipments</p> <p>f) Dissemination of information through available means</p> <p>g) Generate more interest in prevention campaigns</p> <p>h) Publishing the municipality's security improvements</p>
GROUP 2	1) Public safety	<p>a) Improves the living conditions of the citizens</p> <p>b) Contributes towards growth and economic and social development</p> <p>c) Generates sources of employment and opportunities</p>	<p>a) Preventive education at basic primary education</p> <p>b) Develop coexistence and citizen participation projects</p> <p>c) Long term development plans with political agreements</p>	<p>a) Does not stimulate local investment and increase inventors' risk</p> <p>b) Increases the poverty indexes</p> <p>c) Lack of economic resources</p>	<p>a) Professional education for youth and adults</p> <p>b) Develop public safety infrastructure</p> <p>c) Increase amount of security officers</p>

SONSONATE

GROUPS	PRIORITY SUB INDEXES	STRENGTHS OF THE SUB INDEX	ACTIONS TO ENCOURAGE	WEAKNESSES OF THE SUB INDEX	ACTIONS TO CORRECT THEM
		<ul style="list-style-type: none"> d) Preventative education at the primary level e) Long term development plans with political approval f) Strengthening the administrative solicitation and existing security companies g) Develop coexistence and citizen participation projects h) Increase number of security personnel i) Levels of progress and investment are promoted j) Increase in collection 	<ul style="list-style-type: none"> d) Strengthening administrative management of existing businesses 	<ul style="list-style-type: none"> d) Fiscal incentives e) Lack of professional formation opportunities for youth and adults 	
	2) Proactiviity	<ul style="list-style-type: none"> a) National and international promotion of municipality's economic activities b) Request/receive international assistance for economic development c) Create programs together with citizens 	<ul style="list-style-type: none"> a) Disseminate information through national and international media b) Promotion committees abroad c) Solicit funding d) Good management of resources received e) Promote business association at municipal level f) Citizen participation 	<ul style="list-style-type: none"> a) Stagnation of economic activity b) Flight of specialized laborers c) Decreases production, growth, and economic and social development 	<ul style="list-style-type: none"> a) Investments promotion and fiscal incentives b) Employment generation opportunities c) Promote the establishment of businesses and reduce time for business establishment d) Improve system of tax collection and create a tax payment culture e) Promote development of indigenous projects

SONSONATE

GROUPS	PRIORITY SUB INDEXES	STRENGTHS OF THE SUB INDEX	ACTIONS TO ENCOURAGE	WEAKNESSES OF THE SUB INDEX	ACTIONS TO CORRECT THEM
GROUP 3	1) Public safety	a) Good policies in place to bring public safety projects to towns and villages b) Good police and/or military presence c) Good relations with those in charge of security d) Projects are being implemented in different cantons and neighborhoods e) Awareness of the need to support efforts aimed at improving public safety	a) Educational and multidisciplinary youth formation programs b) Incentives to involve numerous different sectors and make them aware of public safety objectives c) Look toward working together as a community d) Citizens should be trustful e) Collaborate with local police, citizens and community; coordinate and strengthen relations with the military/police f) Hire honest policemen and public safety can improve g) Create additional public safety programs/activities h) Government should strengthen FOES so that city halls can offer a wider range of projects	a) Lack of appropriate resources and operatives b) Lack of resources for satisfactory development of public safety plans c) Lack of equipment and patrol cars are in poor condition d) Lack of operatives in the city e) Lack of collaboration by the citizens f) Municipalities are only worried about collecting taxes and not about the safety of their citizens g) Absence of desire to keep developing projects that support municipal development	a) Central government should increase the budgets for public safety institutions; municipalities need to create better awareness of these institutions in order to lobby for funding b) Strengthen legal institutions c) Work with international organizations to secure funding and technical support d) Have courage to report incidents/crimes e) Request assistance from higher authorities f) Implement support plans
	2) Municipal services	a) Good assistance for people obtaining municipal permits and going through procedures	a) Continue to provide excellent services and keep taxpayers happy	a) Some municipal workers have low self esteem and thus are not able to provide good attention to people obtaining permits and going through procedures	a) Establish payment plans by means of a transitory interest exemption and default payment law

SONSONATE

GROUPS	PRIORITY SUB INDEXES	STRENGTHS OF THE SUB INDEX	ACTIONS TO ENCOURAGE	WEAKNESSES OF THE SUB INDEX	ACTIONS TO CORRECT THEM
		b) Personnel are competitive about doing a good job; receive thanks from the community c) Good garbage collection d) Creation of recreational areas e) Good amount of resources to fulfill the needs of the people in terms of garbage collection, street sweeping, lighting, and recreational areas f) Income is used to help the most needy people	b) Offer support to public works c) Constant supervision in order to provide better services d) Be on the lookout for neighborhoods/cantons that still do not have drinking water access e) Training programs for municipal personnel in customer service	b) Scarce financial resources and lack of proper accounting c) Little importance paid to garbage collection/disposal d) Do not have the necessary resources to offer high quality services e) Lack of tariff and tax payments to the municipality f) Bureaucracy	b) Transitory law offering payment opportunities c) Periodic audits on the local level d) Place more bins for waste disposal e) Train personnel; seek financial support and programs to improve the attitude and motivation of personnel
GROUP 4	1) Transparency 2) Public Safety 3) Proactivity	a) Media b) Organization Structure c) Capabilities	a) Positive/constructive/credible communication and strengths will counteract the weaknesses	a) Lack of articulation b) Poor citizen participation b) Political polarization and lack of willingness to take necessary actions	a) Associate with and learn from others; also leads to economies of scale b) Coordinate with citizens c) Open town hall meetings

Note: Group 4 did not separate the three sub-indexes they chose, stating they were interrelated and that the strengths, weaknesses and actions to be taken applied to all three.

Annex B: Municipal Competitiveness Index Results Events and Media Coverage

August and September 2009					
EVENT	DATE	PLACE AND TIME	PURPOSE	PARTICIPANTS	AUDIENCE
Media Briefing Luncheon	August 10, 2009	12:00-1:00pm, Radisson Hotel	Create interest in the media about in the MCI	20 members of the press	El Diario de Hoy (José Luis Henríquez) La Prensa Grafica (Mariela Belloso), El Mundo, Itxchel Santamaría, Revista Summa, radio and television stations
Main Event Presentation at Radisson Hotel	August 11, 2009	9:00am-10:30am, Radisson Hotel	Present the MCI results	254 attendees and 21 members of the press	Mayors and other municipal officials, National Government officials, private sector organizations and business owners, donors, universities, think tanks and media
Municipal Press Conferences/ Workshops	August 12, 13, 14 2009	9:00am-2:00pm, lunch provided 12: Hotel La Posada de Suchitlan, Suchitoto, Cuscatlán 13: Restaurante Los Olivos, San Francisco Menéndez, San Miguel 14: Hotel Agape, Sonsonate, Sonsonate	Present the results to region's mayors and officials, local leaders and private sector representatives. Hold workshops to get feedback on results and to begin public-private dialogue process.	Suchitoto: 44 attendees and no press San Francisco Gotera: 12 attendees and 8 members of the press Sonsonate: 30 attendees and 4 members of the press	Mayors and other municipal officials, , private sector organizations and business owners, and other relevant local stakeholders
Television interview	August 11, 2009	8:00-9:00pm, Canal 33, Ocho en Punto (Nacho Castillo)	Media interview to discuss the MCI results	Carlos Carcach (MCI COP); Aldo Miranda (RTI); Milagro Navas (COMURES)	General Public
Radio interview	August 13, 2009	Grupo Radio Stereo, FORO PAIS, 6pm (Rafael Domínguez)	Media interview to discuss the MCI results	Carlos Carcach (MCI COP); Aldo Miranda (RTI); Milagro Navas (COMURES)	General Public
Radio interview	August 17, 2009	6:45am, Radio Cuscatlán (Luis Orellana)	Media interview to discuss the MCI results	Carlos Carcach (MCI COP); Aldo Miranda (RTI); Milagro Navas (COMURES)	General Public

August and September 2009					
EVENT	DATE	PLACE AND TIME	PURPOSE	PARTICIPANTS	AUDIENCE
Radio interview	August 19, 2009	7:00-8:00am, Radio YSKL	Media interview to discuss the MCI results	Carlos Carcach (MCI COP); Aldo Miranda (RTI); and COMURES President Milagro Navas	General Public
Presentation	August 25, 2009	1:30pm, Asociación Nacional de Empresa Privada (ANEP)	Presentation of the Municipal Competitiveness Index results to the ANEP Board of Directors	Sandra Lorena Duarte (USAID); Carlos Carcach (MCI COP); Aldo Miranda (RTI)	ANEP
Presentation	August 27, 2009	11:00am-12:00pm, Agencia Española de Cooperación Internacional para el Desarrollo (AECID)	Presentation of the Municipal Competitiveness Index results to RECODEL	Sandra Lorena Duarte (USAID); Carlos Carcach (MCI COP); Aldo Miranda (RTI)	RECODEL
Presentation	TBD September	Time TBD, American Chamber of Commerce (AMCHAM)	Presentation of the Municipal Competitiveness Index results to AMCHAM	Sandra Lorena Duarte (USAID); Carlos Carcach (MCI COP); Aldo Miranda (RTI)	AMCHAM members
Presentation	TBD September	Time TBD, Instituto Latinoamericano de Estudios Superiores	Presentation of the Municipal Competitiveness Index results to the Instituto Latinoamericano de Estudios Superiores	Sandra Lorena Duarte (USAID); Carlos Carcach (MCI COP); Aldo Miranda (RTI)	Instituto Latinoamericano de Estudios Superiores
Round Table Television Event	September 17, 2009	Time TBD, Universidad Francisco Gavidia (UFG) TV Station	TV broadcast of a round table on municipal competitiveness	Sandra Lorena Duarte (USAID); Carlos Carcach (MCI COP); Aldo Miranda (RTI); Adalberto Campos (UFG's Dean of Economics); Roberto Rubio (Executive Director of FUNDE); yet to be determined expert on local development	General Public