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# EVALUATION REPORT FINAL PERFORMANCE EVALUATION OF THE USAID MUNICIPAL COMPETITIVENESS PROJECT IN EL SALVADOR

**January 29, 2014**

This evaluation report was produced at the request of the United States Agency for International Development. It was prepared independently by Dr. Michael Midling, Francisco Molina, Roy Sandoval, and Silvia López-Tull, under Purchase Order AID-519-O-14-00001 awarded to International Business & Technical Consultants, Inc.

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Photo: DF4D celebration, Caluco, December 2013. USAID photo

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## LIST OF ACRONYMS

ADESMA	Association for the Development of Women of Atiquizaya / Asociación para el Desarrollo de Mujer de Atiquizaya
APIL	Access to Public Information Law
ARENA	Nationalist Republican Alliance / Alianza Republicana Nacionalista
ASITECHI	Association of Sierra Tecapa Chinameca Municipalities / Asociación de Municipios de la Sierra Tecapa Chinameca
ASMOT	Association of Women of Santa María Ostuma / Asociación de Mujeres de Santa María Ostuma
BDU	Business Development Unit
BCR	Central Reserve Bank of El Salvador / Banco Central de Reserva de El Salvador
BFC	Business Friendly Certification
BPEACE	Business Council for Peace
CVPP	Crime and Violence Prevention Project
DF4D	Domestic Finance for Development
DIGESTYC	General Directorate of Statistics and Census / Dirección General de Estadística y Censo
E3	USAID Bureau for Economic Growth, Education, and Environment
EMPRE	Municipal Link for Enterprise Development / Enlace Municipal Para el Desarrollo Empresarial (Business Development Specialist/Unit)
ESEN	University of Economics and Business / Escuela Superior de Economía y Negocios
FMLN	Farabundo Martí National Liberation Front / Frente Farabundo Martí para la Liberación Nacional
FDI	Foreign Direct Investment
FODES	Fund for Economic and Social Development of the Municipalities of El Salvador / Fondo para el Desarrollo Económico y Social de los Municipios de El Salvador
FUNDE	National Foundation for Development / Fundación Nacional para el Desarrollo
FUNDES	Foundation for Sustainable Development / Fundación para el Desarrollo Sostenible
GDP	Gross Domestic Product
FY	Fiscal Year
GOES	Government of El Salvador
IDB	Inter-American Development Bank
ISDEM	The National Institute of Municipal Development / Instituto Salvadoreño de Desarrollo Municipal
JCAP	Joint Country Action Plan (El Salvador – United States)
IBTCI	International Business & Technical Consultants, Inc.
LED	Local Economic Development
LEI	Leading Economic Index
M&E	Monitoring and Evaluation
MCC	Municipal Competitiveness Committee

MCI	Municipal Competitiveness Index
MCP	Municipal Competitiveness Project
MRCP	Microregional Competitiveness Plan
OECD	Organization for Economic Cooperation and Development
PNC	National Civil Police / Policía Nacional Civil
PfG	Partnership for Growth
RIG	Regional Inspector General
RTI	RTI International
SACDEL	System for Local Development Technical Assistance and Training / Sistema de Asesoría y Capacitación para el Desarrollo Local
SIMTRA	Administrative Streamlining Procedures Program / Programa de Simplificación de Tramites
SOW	Statement of Work
SWOT	Strengths, Weaknesses, Opportunities, and Threats
TA	Technical Assistance
TT	Technical Team (RTI El Salvador)
UBNI	Unsatisfied Basic Needs Index
USAID	U.S. Agency for International Development
USG	United States Government
VAT	Value Added Tax
VVES	Vital Voices El Salvador / Voces Vitales El Salvador

# EXECUTIVE SUMMARY

The purpose of this final performance evaluation of the Municipal Competitiveness Project (MCP) in El Salvador is to document the effectiveness of the Project from its inception in October 2010 through September 2013 and to inform USAID and other stakeholders of opportunities for additional investments. The performance evaluation was conducted in November-December 2013 by a team of one U.S. and three Salvadoran specialists.

The USAID Municipal Competitiveness Project (MCP; “Project”) in El Salvador is a \$11.2 million project which was designed to improve the competitiveness of Salvadoran municipalities through the development of a unique model with several inter-related components designed to 1) enhance municipal effectiveness and efficiency; 2) measure the local business climate; 3) encourage private-public and inter-jurisdictional engagement and dialogue; and 4) provide incentive funds to encourage municipalities to mobilize financial resource for improving economic development and security. The MCP was designed in response to the findings of the first Municipal Competitiveness Index (MCI), which were published in 2009. The Contractor and its local implementing partners worked with 50 municipalities plus associations as partners in the MCP.

To assist in reversing the current trends of marginal economic growth and insecurity, U.S. Government assistance to El Salvador supports the U.S. and El Salvador Partnership for Growth (PfG) Joint Country Action Plan (JCAP) and the USAID Mission’s strategic objectives related to encouraging laws, policies, and regulations that promote trade, investment, and security. MCP is based on the premise that a supportive business environment can raise living standards, help the private sector’s commercial performance, increase local investment, and open employment opportunities. Related to this is that the improvement of public safety at the municipal level is expected to improve the investment environment.

There were challenges and delays, particularly during the early Project implementation period. Project implementers under-estimated the complexity of, and the time needed for, establishing private-public municipal competitiveness committees (MCC), which were to form the core of the initiative. Moreover, the 2012 municipal government elections resulted in high turnover of mayors, municipal councils and technical staff, and, to some extent, members of Project-supported MCCs, which are the primary venue for private-public dialogue. Despite these challenges, MCP represented the first widespread effort in El Salvador to encourage dialogue and alliances between local government and the private sector, and the Project has made a strong contribution in terms of initiating, stimulating, and strengthening the exchange of ideas and participation of entrepreneurs and other members of civil society in a dialogue and decision-making process with local governments. Within many of the 17 municipalities visited as part of this evaluation, the relationship between the public and private sector MCC members is now based on much greater trust than had previously been the case. Indeed, when the Project began, the concept of a shared public-private responsibility was extremely new in the Salvadoran context, and these actors typically viewed each other with deep-rooted suspicion. By September 2013, the end of the performance period of this evaluation, however, the Project had made a strong contribution to the strengthening of municipalities by facilitating the creation

of an environment in which an alliance between local governments and private sector/civil society could be cultivated. Moreover, another new and important precedent for El Salvador was established within the context of the MCCs, namely that of nonpartisan participation in local government decision-making.

In addition to the benefits accrued by facilitating this dialogue, the Project, through its work with implementing partners and MCCs, also made important concrete contributions to municipal-level development. Examples include initiatives to streamline administrative procedures (SIMTRA) for businesses; the creation of “one-stop windows” for registering businesses; and training of personnel to become “municipal links for enterprise development” (EMPRES); promoting access to public information; and competitiveness incentive initiatives, which were often used to strengthen services for employers and encourage the development of a strengthened municipal tax base; business plan challenge grants; training for female entrepreneurs; and many other activities designed to improve the local business environment and reinforce the public-private sector alliance. Although there were only six EMPRES in place during the period of performance of this evaluation, there were plans to expand to 16 by the end of 2013.

Domestic Finance for Development (DF4D) grant activities for violence prevention were just getting underway during the evaluation period of performance. The evaluation team visited a number of municipalities with active DF4D projects, which included some with a large presence of gangs and resulting extortion and other criminal activities. In each of the municipalities, MCC members stressed the importance of continuing community crime prevention activities and indicated that DF4D had stimulated MCC interest in crime prevention.

The evaluators were also asked to provide recommendations to address two structural constraints to development at the municipal level that are outside the scope of the Project as it is currently designed, but which USAID indicated might be important for subsequent Project phases, namely to: 1) encourage municipalities to increase revenues; and 2) measure investment at the municipal level.

The first issue, raising municipal revenues, could make an important contribution to the PfG JCAP goal of raising net tax revenues in the country to 16% of GDP by 2015. For the most recent years in which data are available, fiscal autonomy, in terms of ratio of locally generated income and national government subsidies to municipalities, has declined. Other factors exacerbate this problem of lack of municipal autonomy. These include a lack of incentives, which has led municipalities to take a lax attitude towards raising their own revenues; a national context in which the legal framework hinders the process by which municipalities can raise revenues, since the National Assembly must approve changes to each municipality’s tax code and tax rates; the lack of a property tax, which could provide an important source of revenue for municipalities; and political disincentives which militate against charging the full cost of municipal services. Increases in municipal revenues and expenditures as a result of Project assistance should then be tracked as a contribution to the PfG JCAP revenue goal.

The second issue relates to measuring investment at the municipal level. Although private investment behavior in industrialized nations has been studied extensively, determining levels of

investment in individual municipalities in El Salvador remains a challenge because of a lack of data. As a prime example, the last national economic census was conducted in 2005.

MCP has adopted a gender focus since the design and early implementation phases and the goals established by the Project's 2011 gender assessment analysis were reached, although one task—namely, the development of a baseline assessment of women's business ownership and participation in municipal decision-making in the 50 MCP municipalities, although accomplished, proved a difficult task due to a general lack of recent and reliable statistical data on business ownership by gender. On one key measure—women's participation in MCCs—rates have risen from an initial 33% to above 40%. Because MCCs are the main platform for public-private dialogue, participation has opened an opportunity to women to be represented in decision-making in their communities. As part of the effort to encourage greater women's participation in the economic and political arenas, the Project contracted with an organization that identifies, invests in, and bringing visibility to women leaders in business, government, and civil society. This organization, called Vital Voices, has trained nearly 500 women nationwide in skills related to leadership and entrepreneurship.

### Recommendations

The overarching recommendation is that **MCP or a program similar to it should be continued with minor changes**. Because of the difficulties encountered as a result of changes in municipal governments after the municipal elections of 2012, technical assistance activities for 2014 should continue with the current cohort of MCP municipalities, rather than adding new ones before the next municipal elections in 2015. To conserve and target limited resources, technical and financial assistance could be prioritized in favor of those municipalities that have demonstrated a commitment to implementing competitiveness plan activities. The evaluators also recommend that USAID should continue activities in municipal strengthening in 2015 and beyond. Efforts beginning in 2015 should target municipalities not currently included in the current MCP; they should be selected after the 2015 municipal elections to avoid operational problems such as those experienced by MCP shortly after the 2012 elections.

Specific recommendations are listed in order of priority, as follows:

- *Technical assistance to MCCs.* Continued technical assistance (TA) should remain the highest priority. For the current cohort, implementing partners should: 1) continue with and reinforce technical assistance to improve internal MCC functioning and skills; 2) implement monitoring, accountability, and reporting mechanisms for municipal competitiveness plan implementation and other MCC activities; and 3) enhance MCC capacity for effective communication and advocacy. For activities in 2015 or beyond, we recommend that new municipalities should also specify the amount of municipal resources committed to activities and specify the nature of and involvement of the mayor and other key officials, in activities, and include provisions for compliance monitoring of the competitiveness plans.
- *Training.* In addition to the more tailored and onsite technical assistance described above for MCCs, there is also a need for continuing training programs. For both current and future MCCs, a project should: 1) train MCC members in basic skills to increase the effectiveness and sustainability of MCCs; and 2) support certificate and degree programs

that promote local economic development (LED).

- *Communicating results within municipalities.* Although many improvements resulting from activities such as SIMTRA have been implemented, not all business owners in municipalities are aware of these efforts. Beginning in 2015, municipalities should implement a communications strategy on the results of initiatives related to municipal strengthening. Plans should incorporate improved citizen access to information on improvements on municipal services and MCC results.
- *Encouraging innovation through competitive grants.* Many stakeholders have indicated that competitions stimulate private sector participation and revitalize the MCCs. Future USAID-sponsored activities in municipal development should continue the competitive process that has been an integral part of MCP to date, so future activities should: 1) continue the process of open competitions; and 2) promote incentives to municipalities to improve performance. Based on the best practices derived from this pilot phase, and the outcomes of other grants such as DF4D, broader implementation of a national grants program should be considered. Based on success of USAID-assisted grants and to promote sustainability, legislation should be promoted that would allow national organizations, such as the National Institute of Municipal Development (ISDEM) to promote and fund this process.
- *Gender issues.* The issue of gender equity and the role of women in development is an essential crosscutting component in all USAID-funded activities, and this evaluation noted an increase in the role of women over time in the Project. For 2014, the Project or any follow-on should continue providing specific technical assistance to women and women's groups and: 1) build on the initiatives of implementing partners by providing follow-up to the cohort of women that have attended workshops; 2) encourage MCCs to devote particular attention to the role of women in local development in municipal competitiveness plans; and 3) train and provide follow-up support in establishing productive businesses to a new cohort of women entrepreneurs.
- *Knowledge production, management, and dissemination.* The Project has accrued a wealth of unstructured knowledge on the different topics and populations addressed throughout its interventions. Because MCP has the potential to serve as a model that other municipalities in El Salvador as well as in other countries could adapt, it is particularly crucial to systematize Project experiences. For this reason, future activities should address the documentation, systematization, and dissemination of information on Project experiences through: 1) developing a learning network to share case studies and other useful knowledge; and 2) activities that enable effective knowledge collection such as workshops, cross-sectoral committees, and applied research models to facilitate mechanisms for sharing. The reports and other information should be produced and made publicly available in English and Spanish for widest impact. In particular, the evaluators recommend specific studies on DF4D, MCI and gender.
- *Enhancing Municipal Revenue.* Helping municipalities learn how to raise municipal revenues is recognized as a much-needed focus of future USAID activities. At the national level, there are several issues related to decentralization financing of sub-national governments, all of

which go beyond the current scope of MCP. National level recommendations are to provide technical assistance to the National Assembly to update and modernize the legal framework regulating municipal taxation and to remove unnecessary barriers to diversifying funding sources. At the local level, activities should be focused on expanding fiscal training and linking it and follow-up technical assistance to an explicit commitment by municipal governments to implementing improvements. In addition, future activities should support other initiatives and competitiveness plans that help municipalities raise revenues.

- *Measuring investment at the municipal level.* Future activities should include investment measurement for providing baseline measures. As part of the recommendations to measure investment at the municipal level, the evaluators suggest three potentially complementary methods for the collection of baseline data on economic indicators. Over a longer range period, beginning in 2015, USAID, ideally in concert with other funding agencies, should consider: 1) support for a DIGESTYC Economic Survey under Central Reserve Bank (BCR) guidance; 2) including a business climate survey module in the MCI; and 3) developing capacity within municipalities to measure investment.

## Conclusion

MCP is highly innovative and has made a significant contribution to municipal development in El Salvador. Although the gains described in this report are still tentative in many MCP municipalities, the experiences accrued by the Project have a potential to serve as an international model for municipal development .

# I. EVALUATION PURPOSE AND EVALUATION QUESTIONS

## I.1 Evaluation Purpose

The purpose of this final performance evaluation of the Municipal Competitiveness Project (MCP) in El Salvador is to document the effectiveness of the Project from its inception in October 2010 through September 2013, and to inform USAID and other stakeholders of opportunities for additional investments. The primary objectives of the evaluation are to:

- Document successes and shortcomings of the MCP approaches in order to determine their effectiveness in promoting municipal competitiveness and business enabling environments
- Make recommendations for priority activities to ensure sustainability and increased private sector participation and improve competitiveness at the municipal level
- Identify the level of success of the Domestic Finance for Development (DF4D) component in promoting Municipal Competitiveness Committee (MCC) participation in community crime prevention activities
- Make recommendations on MCP approaches to encourage increased municipal revenues
- Offer suggestions on measuring municipal level investment in the country

## I.2 Evaluation Questions

Linked to the objectives above are the original six questions proposed in the RFP in order of importance. In addition, the evaluation team has added a seventh question on gender. In the report, sub-questions are generally discussed as separate questions. Evaluation questions are:

1. How effective has the MCP been in promoting municipal competitiveness?
  - a. Which activities have best created business-enabling environments at the municipal level?
  - b. What factors (such as but not limited to sustainability, integration of private sector into the municipal activities, cost/efficiency) made these activities (from question 1.a) successful at creating business enabling environments at the municipal level?
2. Based on the results of the MCP, what are the recommendations for future activities to promote business-enabling environments at the municipal level?
3. What are the recommendations for USAID and other stakeholders to promote future sustainability of the Municipal Competitiveness Committees (MCC)?
4. To what extent has the DF4D component promoted the participation of Municipal Competitiveness Committees in community crime prevention activities?
5. Based on the DF4D initiative and other related MCP activities, what recommendations can be made to encourage municipalities to increase revenues?
6. What recommendations can be made to measure investment at the municipal level in the country?
  - a. To what extent can increased investment at the municipal level be attributed to MCP activities?
  - b. What indicator can be used to measure investment at the municipal level?
7. To what extent has the Project adopted a gender focus?

## 2. PROJECT BACKGROUND<sup>1</sup>

The USAID Municipal Competitiveness Project (MCP; “the Project”) in El Salvador is a \$11.2 million project under Contract EPP-I-00-04-00037-00 between USAID and RTI International (RTI), which was designed to improve the competitiveness of Salvadoran municipalities through capacity building and increased dialogue with the private sector, initiatives supporting economic development and crime prevention and the promotion of alliances with the private sector and other municipalities. The MCP was designed in response to the findings of the Municipal Competitiveness Index (MCI) in 2009. The MCP task order was signed on September 23, 2010. In May 2012, RTI’s Task Order was raised from \$9.2 million to \$11.2 million to include an additional \$2 million component, which was primarily used for challenge grants.<sup>2</sup> As of September 30, 2013, according to RTI estimates, the project had expended \$7.6 million and had a remaining budget of \$3.6 million for the period from October 2013 through March 2014.<sup>3</sup>

Figure 1: Project Budget (in \$ US) as of September 30, 2013

	Total Budget	Estimated Expenses	Remaining Budget
Program Costs	\$6,841,326	\$4,531,065	\$2,310,260
Subcontracts	\$2,731,681	\$2,345,000	\$386,681
Grants	\$1,646,228	\$751,375	\$894,853
<b>Total</b>	<b>\$11,219,235</b>	<b>\$7,627,440</b>	<b>\$3,591,794</b>

RTI implements the Project with several inter-related component designed to 1) enhance municipal effectiveness and efficiency; 2) measure the local business climate; 3) encourage private-public and inter-jurisdictional engagement; and 4) provide incentive funds to encourage municipalities to mobilize financial resources for improving economic development and security (DF4D). RTI collaborates with four established Salvadoran implementing partners (IP): National Foundation for Development (FUNDE), Technical Assistance and Training System for Local Development (SACDEL), the Foundation for Sustainable Development (FUNDES), and the University of Economics and Business (ESEN). The Project is scheduled to end on March 31, 2014. The evaluation places Project activities within several important contexts, including 1) the Partnership for Growth between the governments of the United States and El Salvador; (2) USAID/El Salvador’s strategic objective of “economic freedom: open, diversified, and expanding economies” and intermediate results (IR) related to

<sup>1</sup> Annex II provides further details on the background of the Project, including discussion of the constraints to economic growth and policy foundations and implications of the MCP approach, and critical assumptions of project implementation. Because the Project has evolved over time, this section also discusses the MCP “model” in terms of its various components as follows: Component 1: Enhancing Municipal Effectiveness and Efficiency; Component 2: the Municipal Competitiveness Index; Component 3: Private-Public and Inter-Jurisdictional Engagement and Dialogue; and Component 4: Domestic Finance for Development.

<sup>2</sup> Through the period of this evaluation and up until the September 2013 quarterly Project report, the DF4D competition was considered an activity under Component 1, rather than a separate component.

<sup>3</sup> Figure 1 summarized from data in the September 2013 Quarterly report, p. 73, Table 29. “Program Costs” include labor, fringe, other direct costs, indirect costs, and fixed fee. Estimated expenses through September 2013; remaining budget as of October 2013-March 2014 from Quarterly Performance Report, September 2013. A more detailed breakdown of costs can be found in the September 2013 Quarterly Performance Report.

encouraging laws, policies, and regulations that promote trade and investment and to helping create more competitive, market-oriented private enterprises; and (3) a Project-level results framework to support USAID/El Salvador's strategy to increase municipal competitiveness.

### 3. EVALUATION METHODS & LIMITATIONS

#### 3.1 Evaluation Methods<sup>4</sup>

A brief summary of methods and limitations is presented below. For this evaluation three major groups of respondents were selected: (1) implementing partners and other non-governmental organizations with a role in MCP; (2) public officials at the municipal level; and (3) representatives of businesses and business associations. The evaluation was conducted in stages in November and December 2013, with the preliminary stages as follows: 1) a desk review of relevant USAID and Project documents and initial consultations with USAID; 2) initial semi-structured group interviews with RTI and its implementing partners, based on a framework of themes using interview guides;<sup>5</sup> and 3) development and field testing of protocols for key informant interviews for members of the steering committee, selected mayors and other key municipal respondents and individual implementing partners preliminary selection of observations and interviews. After the initial stages of data collection, observations and interviews were conducted in 17 municipalities selected to cover the broadest feasible range in terms of geographical location and population to ensure the inclusion of small, medium and large municipalities as well as implementation of procedural simplification (SIMTRA), participation in DF4D, and implementation of initiatives to enhance competitiveness. The evaluation team also assured meaningful representation of women among people interviewed, and relevant data are disaggregated by sex. During the final two weeks of fieldwork in El Salvador, the evaluation team convened a stakeholder meeting to discuss preliminary findings on December 13, 2013. Feedback from that meeting, which was attended by 34 persons from throughout the country, including 4 persons from the public sector, 14 private sectors, 14 from implementing partners, and 2 from USAID, has been incorporated into this report. A debriefing and discussion of findings was held with USAID on December 16, 2013, and the evaluation report was presented at USAID on January 23, 2014.

#### 3.2 Evaluation Limitations

There were no unforeseen limitations to the evaluation, and principal limitations are as follows: 1) The evaluation sample is purposive. In addition to selecting for demographic and geographic factors, the sample was selected for the existence of a variety of Project activities/components. Selecting for these latter criteria meant, coincidentally, that a majority of sites (nine of 17 municipalities) were considered by implementing partners as among the most advanced in the implementation of their competitiveness plans. 2) Most fieldwork used semi-structured individual and group protocols. The limitation of this approach, unlike that of a survey approach (in which a defined set of questions is asked of each respondent), is that it does not allow for disaggregation of responses at the individual

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<sup>4</sup> A detailed methodology is presented as developed in the work plan as Annex IV of this report.

<sup>5</sup> Semi-structured interviews, compared to focus groups, which tend to have formalized, limited-set questions, are more flexible, allowing new questions and avenues of research to be pursued during the interview as a result of interviewee responses, and, in the case of group interviews take the group, rather than individual respondents, as the principal unit of analysis. Unlike a survey approach (in which a defined set of questions are asked of each respondent or type of respondent), this approach does not lend itself to disaggregation of responses at the individual level. Therefore, this evaluation is likely to have fewer statements such as "x numbers of respondents indicated that..." or "y % indicate that..." This method is however, a very effective tool for identifying patterns and, therefore, appropriate for a performance evaluation in which the composition of respondents and groups is relatively heterogenous. Individual and group interview protocols are included as an annex of this report.

level. 3) Ideally, an evaluation of this type would integrate a range of statistical methods, such as regression analysis, to demonstrate effects based on an independent variable such as local investment or the effects of interventions on MCI rankings. However, because of the lack of data on investment, the relatively brief intervention period for the Project, and the fact that USAID-supported interventions are likely to be one of several factors influencing change, causality and attribution cannot be determined with any degree of certainty and therefore such tests were not conducted.<sup>6</sup> 4) A limitation in all evaluations involving more than one interviewer is inter-rater reliability. However, as described in Annex IV, Evaluation Methods, several steps were taken to minimize threats to validity.

## 4. FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

### 4.1 Findings

#### **How effective has the MCP been in promoting municipal competitiveness?**

This evaluation addresses the question of effectiveness in promoting municipal competitiveness in two parts. In this section, the focus is primarily on performance of selected MCP indicators that the Project implementers refer to as main indicators.<sup>7</sup> The question of effectiveness is also addressed in a more general, qualitative sense in the Conclusions chapter of this report. Gauging the progress of the Project activities towards achieving targets is an essential part of this evaluation and one that requires a close review of the quality and the reliability of the data collected and compiled by the Project. Moreover, it is also important to link these quantitative measures with the evaluation's qualitative findings on such issues as openness of the municipal governments to adopt a participatory methodology, the relation of partnership building with Project sustainability, and the strength of these partnerships. All of these issues have an impact on the achievement of Project targets and recommendations for future USAID investment.

#### ***Progress in meeting targets***

Under Project Component I: "Enhancing municipal effectiveness and efficiency," four of six indicators, including the number of new firms registered in assisted municipalities, have already exceeded cumulative life of Project (LOP) targets. According to interviews with MCC members and implementing partners, remaining targets that have not been met will be accomplished by Project end during the second quarter of FY 2014.

MCP has supported 50 selected municipalities since April 2011.<sup>8</sup> However, the Project underestimated the complexity of this task and the time it would take to achieve the fundamental objective of building local government alliances with the private sector within the municipalities. Exacerbating this problem, the 2012 municipal government elections resulted in a high rate of turnover of mayors, municipal council members and technical staff, and, to some extent, among MCC members. The problem of turnover was especially acute in the 30 municipalities of the eastern and central regions supported by FUNDE, where 12 municipal governments (40%) changed political parties. This often meant that efforts were once again needed to explain and examine the Project's strategy with new cohorts of participants. This, in turn, further set back timing in Project implementation of key components, such as signing of transparency and competitiveness plans and activities related to the

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<sup>6</sup> Despite these constraints, the evaluation team was able to posit a plausible hypothesis of why changes in one sub-index measure might provide a better measure of Project interventions than changes in the aggregate MCI measure.

<sup>7</sup> See, for example, Exhibit 2: "Summary of main MCP Indicators" in the Project's Performance Monitoring and Evaluation Plan (revised version December 2012).

<sup>8</sup> 45 Municipal Competitiveness Plans were completed in fiscal year 2012 and five were completed in 2013.

streamlining of administrative procedures (SIMTRA). Despite these challenges, 36, or almost 75%, of MCCs were functioning by 2012. However, almost 80% of competitiveness and transparency pacts (n=39), which hold local governments accountable to work with the private sector to implement MCP activities, were not signed until the current year (2013). The turnover in local governments also impacted Project financial resources, as the Project incurred additional expenses in providing training to new members of the MCC.

Figure 2. Component I Indicators

Component I: Enhancing municipal effectiveness and efficiency	2011	2012	2013	Cumulative	Target LOP	Progress %
1.1 Number of municipalities supported by the MCP	50	50	50	50	50	100
1.2 Number of participants in MCP trade and investment environment training	595 M 360 F 235	1,863 M 1,066 F 797	3,283 M 1,502 F 1,781	5,741 M 2,928 F 2,813	3,600 M 2,160 F 1,440	133 M 109 F 169
1.3 Number of new firms registered in assisted municipalities (USAID indicator)	15	900	1,266	2,181	1,450	153
1.4 Number of new jobs created as a result of USG assistance (USAID indicator)	24 10 M 14 W	3,209 M 1,491 F 1,718	4,032 M 2,042 F 1,990	7,265 M 3,543 F 3,722	5,000 M 3,000 F 2000	145 M 118 F 186
1.5 Number of municipalities certified as business-friendly (USAID indicator)	0	0	0	0	25	0
1.6 Number of MCP-assisted municipalities that have simplified administrative procedures in business registration, permitting, and licensing via SIMTRA (USAID indicator)	0	7	1	8	30	27

Source: RTI/USAID Performance Monitoring and Evaluation Plan and Quarterly Performance Report through September 2013

When Project implementation began, all 50 municipalities were viewed as being in need of training on competitiveness, its relationship to economic growth, and the role of local government and the private sector in economic development. The original target for this activity, which is noted in Figure 3 above as “1.2 MCP trade and investment environment training,” had originally been set at a total of 500 persons trained, with 50% women and 50% men. Because the need for training was much greater than originally anticipated, a new target was set at 3,600 (60% men and 40% women). Because the Project was able to respond to an increase in demand for training, the new target was exceeded in 2013 and the number of participants reached was 5,741 (51% men and 49% women).

The revised planned targets of 1,450 for new firms registered in assisted municipalities and 5,000 new jobs created as a result of United States Government (USG) assistance have been surpassed (2,181 and 7,265, respectively). However, since baseline data do not exist, it is not possible to estimate the magnitude of Project impact for these two data elements, but as discussed in the section on recommendations, these data can serve as baseline data on generation of jobs and registration of firms.

As of September 2013, only eight municipalities (27%) had in place streamlined administrative procedures for business registration, permitting and licensing (SIMTRA). The number of municipalities

implementing SIMTRA has increased substantially in the months of October and November 2013. In the 17 municipalities that were visited by the evaluation, 15 had in place a SIMTRA “one-stop window” (*ventanilla única*) system, and more than 50% of them had opened to the public in late November. According to RTI, by December 19, 2013, there was a total of 34 SIMTRA facilities open to the public, exceeding by 13% the LOP target.

The Business Friendly Certification (BFC) has been delayed until January 2014 for several reasons. According to RTI Project managers, the original criteria proposed by its local implementing partner (FUNDES) were duplicative of those measured in the MCI. To save the costs of conducting similar measurement exercises, RTI decided that it was more appropriate to include MCI 2013 data with additional evaluation criteria such as the existence of a Project-supported Municipal Link for Enterprise Development (EMPRE) or non-Project supported business development unit (BDU); the nature of public-private dialogue; the extent of competitiveness plan execution; regularity of competitiveness committee meetings; and municipal actions to promote gender equality and support for women’s issues. According to RTI, all 25 requests for BFC were to be evaluated in December 2013 and the results on the municipalities that meet the criteria and requirements to be certified by FUNDES will be announced in January 2014.

Figure 3 below shows that under Component 2, two rounds of the Municipal Competitiveness Index (MCI) have been carried out since the MCP began. The MCI results for 2013 were published in October 2013, and the calculations on the number of MCP-assisted municipalities that have increased their competitiveness were not yet available at the time of the evaluation. The Project used improvement in MCI rankings as a performance measure for reporting to USAID; however, given that the methodology for MCI 2013 changed, direct comparison was no longer possible, and this indicator is no longer applicable. At the same time, all 50 municipal competitiveness plans include improving investment climate as measured by an increase in the MCI from the prior survey as a plan objective, and training courses, such as the certificate courses offered through the Program, cover potential measures for improving municipal performance in the MCI.<sup>9</sup>

Figure 3. MCI Rounds

Component 2: MCI	2011	2012	2013	Cumul.	Target LOP	Progress %
2.1 MCI round implemented in 2011 and 2013	1	0	1	2	2	100
2.2 Number of MCP-Assisted municipalities that have increased their competitiveness in providing services to business and investors as determined by the Municipal Competitiveness index (MCI) (USAID indicator)	0	0	0	0	50	0

Source: RTI/USAID Performance Monitoring and Evaluation Plan and Quarterly Performance Report through Sept. 2013

Other than as a component of the overall project, neither the evaluation scope of work, the evaluation design, nor the interview protocols (with the exception of the protocol designed for discussion of the MCI results with the MCI lead researcher at ESEN) focused specific questions for field-based respondents on the MCI. Rather, it was during the evaluation team’s visits to the municipalities that mayors and members from the MCC from the public sector in at least six

<sup>9</sup> Source on MCI in competitiveness plans: interviews with FUNDE and SACDEL

municipalities (representing approximately 35% of visited municipalities) including Atiquizaya, ranked #1 overall in the 2013 MCI, discussed their perception of a disconnect between the MCI results and their efforts to implement activities to improve municipal competitiveness as part of the MCP.<sup>10</sup>

The MCI 2013 report's authors caution that the 2013 data collection incorporates methodological changes,<sup>11</sup> and that the 2013 MCI is not directly comparable to the 2009 and 2011 MCI.<sup>12</sup> However, respondents in municipalities often remain unclear on the relationship between Project activities and movement (in either direction) on the MCI and tend to ignore the issue of non-comparability, focusing rather on their position relative to other municipalities and changes in their rankings and scores.

Figure 4 below shows that 8 of 17 municipalities visited by the evaluation team had improved their MCI overall index score (and ranking) in 2013. Nine municipalities had a lower score in 2013 compared to 2011. It is perhaps not surprising that Ciudad Delgado, a municipality without a functioning MCC, has seen its MCI score drop. On the other hand, based on the diversity in four other municipalities' Project activities designed to increase competitiveness and the enthusiasm of their MCCs, it would be difficult to conclude that La Libertad, Chalatenango, Santa Ana and Olocuilta, all of which had worse aggregate scores, are somehow "under-achievers." San Martin, a municipality that also experienced a drop in its index score, was also very active in terms of participation in a variety of Project activities, with an empowered MCC, a functional streamlined administrative procedures center (SIMTRA), and DF4D. In addition, without Project support, the municipality has developed an active business services office that provides the same type of services as the six active Municipal Links for Enterprise Developments (EMPRE) supported by the Project. In fact, local implementing partners (FUNDE and SACDEL) consider these four municipalities (La Libertad, Chalatenango, Santa Ana and Olocuilta) as examples of more advanced municipalities in terms of MCP implementation and their ability to sustain implementation without further technical assistance, a view that was independently confirmed by the evaluators.<sup>13</sup>

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<sup>10</sup> The evaluation site visits to the municipalities occurred during the same period in which the 2013 MCI data were published and disseminated. This very likely also contributed to the fact that MCI rankings surfaced as a discussion point in several municipalities.

<sup>11</sup> The report explains why these changes were made: "The new MCI better measures the attributes associated with the local business climate and serves as the baseline from which stakeholders can compare future measurements. The MCI 2013 methodology allows us to rank the municipalities on a level playing field despite differences in endowments and stages of development . . . [and] focuses on local economic aspects over which municipal governments have the same degree of control and provides information upon which all local governments can act."

<sup>12</sup> Because of methodological changes, statements on non-comparability can be considered an important caveat when comparing data across these years. However, despite these caveats, according to interviews with the principal study author at ESEN, statistical methods can be successfully employed to ensure that results are broadly comparable.

<sup>13</sup> See annexes for IP reports on the municipalities they serve and the criteria for categorizing municipalities in terms of their advancement in the process.

**Figure 4: MCI aggregate results and sub-index results for Municipal Services within sample municipalities, 2011 and 2013**

Municipality	MCI overall results			Sub-index Municipal services		
	2011	2013	Change 2011-13	2011	2013	Change 2011-13
1. San Salvador*	6.6	6.9	Improved	4.5	7.8	Improved
2. Ciudad Delgado+	6.0	5.5	Worsened	3.1	4.2	Improved
3. San Martín	5.8	5.5	Worsened	2.8	3.2	Improved
4. Panchimalco*	5.8	6.2	Improved	2.1	6.6	Improved
5. Santa Tecla	7.5	5.8	Worsened	6.0	6.9	Improved
6. La Libertad*	7.8	6.2	Worsened	6.8	6.5	Worsened
7. Olocuilta*	6.1	5.3	Worsened	3.6	4.7	Improved
8. Chalatenango*	6.9	6.0	Worsened	3.6	6.5	Improved
9. Suchitoto	6.5	6.4	Worsened	7.3	7.6	Improved
10. Santa Ana*	6.5	5.1	Worsened	2.4	3.6	Improved
11. Izalco*	5.6	6.0	Improved	1.9	6.3	Improved
12. Atiquizaya*	6.2	7.7	Improved	4.1	8.8	Improved
13. Chinameca	5.4	6.5	Improved	2.5	7.7	Improved
14. Ciudad Barrios	5.5	6.5	Improved	2.1	6.8	Improved
15. Jucuapa	5.6	5.5	Worsened	1.8	4.8	Improved
16. Alegría	5.1	7.2	Improved	3.9	9.4	Improved
17. Nueva Concepción*	5.8	6.5	Improved	3.1	7.7	Improved

\* Rated as among the most advanced in MCP implementation by implementing partners (IP)

+ Rated as among the least advanced in MCP implementation by implementing partners (IP)

Nine of the 17 sampled municipalities were identified by Project implementers as having advanced levels of implementation of their competitiveness plans.<sup>14</sup> Five of these nine higher achieving sites, including Atiquizaya, which is ranked #1 in the 2013 MCI, experienced improvements in their overall MCI scores. However, 8 of 17 municipalities in the evaluation sample witnessed a worsening of competitiveness as rated by the composite MCI scores, this despite documented achievements of many of their competitiveness committees. The following are explanations for this decoupling between Project activities and composite MCI scores:

- The Project implementers have disseminated the results of MCI in various regions of the country in an attempt to more effectively communicate the MCI results. Notwithstanding these efforts, however, there is a “disconnect” between the broader MCP and the MCI results based on the fact that the MCI results do not, nor are they intended to, measure progress on project implementation. However, improved MCI scores, either in terms of overall MCI scores or on selected sub-indices is included as strategic objectives within municipal competitiveness plans and had been included as a USAID performance indicator for the MCP.<sup>15</sup>

<sup>14</sup> For a description of the methods use to make these determinations, please see attached Annexes on methodology and the reports prepared by implementing partners FUNDE and SACDEL in response to the evaluators’ request for information.

<sup>15</sup> The evaluators strongly agree with USAID comments in an earlier evaluation report draft that the “focus should be on the MCI as a tool (like the World Bank’s Doing Business Report) not as an indicator of the success of the project.” However, under Intermediate Result 2: Municipal Competitiveness Index (MCI) Institutionalized, the number of MCI municipalities that have increased their competitiveness in providing services to businesses and investors as determined by the MCI is listed as a USAID indicator (see, for the

- The MCI provides a snapshot of the business climate at a given time. The impact of Project activities does not necessarily occur at the same time as the MCI survey.

Interestingly, in contrast with the apparent lack of correlation between Project activities and aggregated MCI scores, the sub-index of municipal services demonstrates a much closer fit concerning Project impact in municipal competitiveness.<sup>16</sup> The table above shows that in 16 of the 17 municipalities of the sample (all of them recipients of MCP technical assistance), the score improved in 2013 with respect to 2011. Moreover, in the one case in which a decline was registered, La Libertad, it was relatively minor, from a score of 6.8 to 6.5, and likely within a plausible margin of error. In contrast, the average gains among the other 16 municipalities were relatively much larger. One example, Alegría, a municipality with a dynamic mayor dedicated to improving municipal services,<sup>17</sup> increased from 5.1 to 7.2 on the composite scale and made remarkable progress from 3.9 to a near-perfect score of 9.4 in the MCI scale for municipal services, ranking it number one.

The municipal services index is quite likely a more time-responsive indicator than many of the other sub-indices. Clean and well-maintained streets, regular garbage collection, and other routine municipal services measured are much more readily visible and appreciated by the general public than many of the other sub-indices measured, for example, transparency or proactivity as measures of openness and dynamism of municipal governments; illicit payments; time to complete tasks such as business inspections; or the time costs and ease of registering and beginning operations of a business. Many of these sub-indices may be understood by a smaller fraction of community and business members interviewed for the MCI.

The main objective of Component 3 is to strengthen regional municipal associations to facilitate collaboration and joint investment promotion activities. The target of assisting four municipal associations has been achieved.

**Figure 5: Private Sector and Inter-Jurisdictional Engagement**

<b>Component 3: <i>Private sector and inter-jurisdictional engagement</i></b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>Cumul.</b>	<b>Target LOP</b>	<b>Progress %</b>
4.1 Number of municipal associations assisted and strengthened by MCP technical assistance	2	-	2	4	4	100

Source: Performance Monitoring and Evaluation Plan and Quarterly Performance Report, Sept. 2013

As one example, the evaluators interviewed the Mayor of Alegría, who is also the President of one of the regional associations supported by the Project, the Association of Sierra Tecapa Chinameca Municipalities (ASITECHI), an association of municipalities sharing the same geographical area and climate. Over the past few years, tourism has increased in importance in terms of economic activity.

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most recent example, p. 75 of USAID MCP—Quarterly Performance Report July 1–September 30, 2013.) USAID has indicated that after the publication of the MCI 2013, this indicator is no longer applicable.

<sup>16</sup> As we discuss in the methodological annex, although this evaluation notes what appears to be a clear trend related to MCP and MCI sub-index of municipal services, given the caveats concerning comparing MCI 2011 and 2013 data, further statistical studies are required to rule out the possibility that this correlation is anomalous or is an artifact of changes in the data collection and analysis methods.

<sup>17</sup> As one example, under the current mayor, the municipality has an ambitious plan for recycling 75% of municipal solid waste, which is comprised primarily of organic materials, leaving only 25% to be disposed of in landfills. This proposed composting program has the potential to benefit Alegría’s municipal coffers by turning its garbage collection from a revenue-negative activity into a positive one.

Alegría, Jucuapa, and the other municipalities in the region hold rotating artisanal fairs once a month per municipality and receive tax income from sales. According to the mayors in the area, as members of a distinct micro-region, they came to the same conclusion: “If you solve a problem in one municipality, it is solved for all.” As a concrete example, the member mayors of ASITECHI met with the Under Secretary for Territorial Development to gain support for efforts to strengthen the municipalities and the association and to participate in Public Policy Management courses. As an increasingly strengthened organization, association members unanimously rejected the construction of a new maximum-security prison in one member community (Jucuapa, another municipality in this evaluation sample). As a result of lobbying and meetings with the Vice-Minister for Science and Technology, association members were successful in convincing the Ministry of Justice and Security to transfer the land previously designated for the prison to the Ministry of Education (MINED) to build an educational campus that provides technical and vocational support required by Jucuapa’s competitiveness plan, as well as other regional development plans, and to ensure the necessary resources for construction activities.

***Quality of Data Collected by the Program.*** The monitoring and evaluation (M&E) plan shows evidence of careful information gathering and monitoring of results with feedback and substantive participation of the Project staff and subcontractors. Data are organized following a suitable and relevant structure with an adequate verification process as well as detailed and well-documented records on indicators reported to USAID. Data enable a useful measurement of the extent to which the objectives of the activity are achieved, including measurements of performance based on standardized templates. Overall, the methodological approach for data production and analysis is sound and appropriate to the Program requirements. Likewise, the Program keeps detailed information on all training events, including the name and sex of beneficiaries, place of the event, type of training, photographs, and related publications. Most M&E responsibilities lie with a three-person RTI technical team, which is also responsible for supervising and providing support to implementing partners throughout the country.

#### **Which activities have best created business-enabling environments at the Municipal level?**

The Project has many activities that contribute to improving the business climate and promoting economic activity. By far, however, the most important Project contribution has been to initiate, stimulate, and strengthen the exchange of ideas and participation of entrepreneurs and other members of civil society in local government policy dialogue and decision-making. The idea that such collaboration could exist in any real way between public and private actors that viewed each other with deep-rooted suspicion was so new in the Salvadoran context that it took time to build confidence so that the initiative might bear fruit. Over time, however, there was a consensus within the sampled municipalities that the approach could work. By the time of the evaluation site visits at the end of 2013, 16 of 17 municipalities had functioning committees.

The Project’s greatest contribution, therefore, was facilitating the creation of an environment in which an alliance between local governments and private sector/civil society could be cultivated. Furthermore, an extremely important precedent was established within the context of the MCCs, namely, that of nonpartisan participation in local government decision-making. In the past, mayors included only men or women that were political partisans or friends in their municipal councils. In the words of a member of Chalatenango’s MCC, there were only two times when local governments would try to get close to citizens: “when it was getting close to election time or if someone hadn’t paid their taxes.”

Certainly, the process of establishing MCCs was long and often arduous, beginning with training and technical assistance to organize and build the MCC structure, followed by facilitation and further

technical assistance for elaborating multiyear work plans. The Project then progressively expanded in scope, initiating an intense training program on such topics as the role of policy dialogue, and the types of activities that are required to build an environment that nurtures local development and improves local business climates through trade and investment.

Other activities also contributed to these efforts. These include the simplified administrative procedures and the creation of “one-stop windows” for registering businesses under the SIMTRA component; the creation and implementation of Municipal Links for Enterprise Development (EMPRES) and the training of EMPRES staff; promoting access to public information; competitiveness incentive initiatives, which were often used to strengthen services for employers and encourage the development of a strengthened municipal tax base (although, as we describe later, there are still several important structural issues that need to be addressed at both national and sub-national levels in this regard); business plan challenge grants; and training for female entrepreneurs among many other activities designed to improve the local business environment and reinforce the public-private sector alliance.

***Private Sector/Civil Society Alliance with Local Government.*** This Project was the one of the first to offer a comprehensive “package” of services promoting public-private dialogue for local economic development.<sup>18</sup> Within this framework it was difficult to foresee the obstacles and also ascertain with a high degree of confidence what could be accomplished in a relatively short period of time. The Project had many difficult tasks in promoting the alliance. One of the first obstacles that had to be overcome was changing the mind-set of both sides from “Why do we need each other?” to “Why do we need to work together?” to “What can we do together to make this community better for all?” According to one of the mayors interviewed, he and most of his peers had previously neglected cultivating closer ties with the business community and underestimated the importance of improving the business climate.

Within a highly politically bifurcated environment, the widely held perception of USAID as neutral and nonpartisan proved to be an extremely important element throughout the process of MCP development. According to several respondents, USAID support provided much-needed credibility for the process. According to the Mayor of Nueva Concepción, the political spectrum was highly polarized, and it was very difficult to persuade the private sector to work together with him as an FMLN mayor, as the party is still associated with the political left.<sup>19</sup>

The MCC of Chalatenango, Atiquizaya, Olocuilta, San Martín, and Nueva Concepción, among others, considered that the most important contribution of the Project to improving the business climate has been the legacy of creating favorable conditions in promoting an alliance between the private sector and the public sector. In Olocuilta, MCC private sector members have established strong links with the municipality, at times participating in policy discussions of the municipal council. They now

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<sup>18</sup> The MCP model and components are described in Annex II of this report. The only other example that is well enough documented to draw some comparison is Vietnam, where USAID has provided technical assistance to enhance Vietnam’s competitiveness since 2001. According to an audit, the first effort was a pilot project, followed by a larger Vietnam Competitiveness Initiative Phase I (VNCI-I) from 2003 to 2008, which worked in the areas of policy reform and economic governance. Although legal reforms were cited as “major achievements” under the program, the implementation of regulations and administrative procedures to enhance competitiveness was “poor at both the national level and in the provinces, where enterprises interact daily with government officials.” To address this problem, USAID/Vietnam awarded a 4½-year, \$12.4 million task order contract to the DAI/Nathan Group, covering the period from October 2008, through February 2013, to implement VNCI-II (USAID/RIG 201 I).

<sup>19</sup> Nueva Concepción has a highly diverse committee and includes, among others, a local pastor. The FMLN was formerly a coalition of five guerrilla organizations formed in 1980. The right-wing Nationalist Republican Alliance (ARENA) party was also founded in 1980. The FMLN and ARENA are now the two major political parties in the country.

indicate that their needs and suggestions are taken into consideration. These members see this as a win-win situation that they never could have imagined before the Project.

Although MCCs are proud of their accomplishments in engaging the business community, and several municipalities, including Olocuilta, have engaged businesses as partners in specific activities (see further discussions in the following sections), MCCs have had difficulty in engaging larger employers. Large employers do not necessarily perceive the same benefit in participation in MCCs that smaller employers do, as they typically have access to information and capital resources and do not necessarily require support from municipalities for their activities.

There is also a continuing need to strengthen communication between municipal governments and residents. For example, if residents do not know that municipal procedures to register a new business have been streamlined, they may respond that the procedures take an inordinate amount of time (as was the case prior to the implementation of SIMTRA) and may continue to view time to process documentation as an obstacle for business investment.

### **What factors made these activities successful at creating business-enabling environments at the municipal level?**

The most significant contribution of the Project related to creating business-enabling environments at the municipal level has been the development of effective mechanisms for private-public sector collaboration. This in turn has encouraged 1) a more proactive municipal attitude in promoting businesses; 2) the development of Municipal Links for Enterprise Development (EMPRE) as a specific model for business development; 3) reductions in entry costs; and 4) reductions in the costs of doing business.

*Effective private-public sector collaboration* has been achieved for the most part by integrating the private sector in the municipality through a consensus building process (MCP) and a platform for collaboration (MCC). This has contributed to creating an enabling business environment through the following means:

- ***A changing municipal focus from public service provision to economic development.*** Dialogue brought about consensus on problems, priorities, and strategic courses of action as described in competitiveness plans. Prime examples from the evaluation sites include Izalco, Nueva Concepción, Atiquizaya, Panchimalco, but this is true even in some other municipalities where the MCCs are not necessarily achieving their desired results.
- ***A means of engaging multi-stakeholder participation.*** MCC membership includes a diversity of sectors: commercial (Panchimalco, San Martín), education (Santa Ana), religious (Nueva Concepción), industrial (Nahuizalco), service (Olocuilta, Izalco) and agriculture (Nueva Concepción). This diverse membership has enabled some MCCs to leverage human resources and develop a larger knowledge base. This has resulted in more dynamic municipalities, injecting a wider variety of views, knowledge and experiences into policymaking-making public officials more sensitive to private sector needs, which has led to innovative development ideas. As examples, the MCC coordinator in La Libertad has introduced the concept of funding inexpensive water filtration systems, costing \$180 per unit, in each of the municipality's schools; and Ciudad Barrios, where the MCC had come to a standstill, has found that replacing nonparticipating committee members with its local business idea challenge winners has revitalized the committee.
- ***Improved cooperation among private sector partners.*** One unintended "spillover" effect has been that private sector MCC members now have greater access to fellow business owners. This has led to strengthened local business networks founded on relations of trust, which can be used to

elicit grants and develop local projects. In Olocuilta, MCC members engaged with textile firms to provide industrial machinery so that Project-funded technical assistance teams could train workers. In San Salvador, private sector members have been able to elicit cooperation of non-MCC private sector partners, which has contributed to the welfare of the community through in-kind and other donations for road improvements—all as a direct result of the work of one of San Salvador district’s MCC subcommittees.<sup>20</sup>

The *Municipal Link for Enterprise Development* (EMPRES) is a person (or potentially a member of a larger business development unit) that supports businesspersons, entrepreneurs and local economic development units in developing productive, commercial and managerial abilities and identifying new investment and business opportunities. The EMPRES provides information and links entrepreneurs to suitable business development services organizations, in order to leverage the development of operations. As a result, it helps to boost local economies through the financing of various actors (USAID MCP, the municipalities and the business development services providers). Additionally, EMPRESs generally act as coordinators or reference persons for municipal competitiveness committees, and provide an essential service in documenting and follow-up for those committees where EMPRESs were present.<sup>21</sup> According to respondents in the sites visited as part of this evaluation, EMPRESs have built up credibility among the entrepreneurial community and often serve as the “face” of proactivity in business development within their respective municipalities.

*Lowered costs of entry for businesses* are another important result of the streamlining of administrative procedures (SIMTRA), which has resulted in significant time reductions of business related processes and reduced opportunities for bribery and other non-transparent practices. In several of the municipalities with one-stop business windows, MCC respondents and private-sector beneficiaries commented that processes that normally took days in the past can now be completed with one visit. In Santa Ana, for example, most processes have been reduced from days to what the head of the municipality’s one-stop center indicated was now an average of 7 minutes for most procedures, if all documentation was complete, and 15 minutes for those business customers who required assistance with the documentation process. Only a few processes still take days—for example, the procedure for obtaining alcohol licenses, which requires site inspection to determine compliance with municipal regulations, such as distance from schools or other public facilities.

*Reductions in the cost of doing business.* As discussed in greater detail in the following section, MCC participation has promoted crime prevention activities. Izalco and Nueva Concepción MCC members indicated that the Project revived crime prevention initiatives that were existing but inactive. Izalco has worked towards creating more illuminated and better patrolled “defensible spaces,” where social and economic activity could be promoted. In Nueva Concepcion the MCC worked with the municipality, which declared itself “violence-free” and indicated that the strategic actions set forth in their competitiveness plan has led to a significant reduction of violent crime. Committee members in these municipalities indicated an increase of economic activity as a result of these efforts.

Despite these myriad benefits, MCCs require further strengthening. The degree of support host municipalities provide has made substantial differences in MCCs in terms of their effectiveness. In

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<sup>20</sup> Because of its large size, San Salvador is unique in having district level MCC subcommittees, which report to a larger municipal-level MCC.

<sup>21</sup> As of the period of performance, the Project supported two phases of EMPRESs, the first in the municipalities of La Libertad and Panchimalco; the second in Atiquizaya, Izalco, Nueva Concepción, and Olocuilta, with another nine planned in a third phase through November 2013.

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municipalities in which mayoral support has been identified by implementing partners and community members as strong (e.g., Nueva Concepción, Atiquizaya and Izalco) there has been significant progress towards achieving competitiveness plans. In other municipalities with less support from mayors, MCCs cite a lack of funds to carry out initiatives or a lack of means to ensure transparency and accountability in implementing Project-funding activities. Respondents in San Salvador, for example, noted a lack of sufficient funds to carry out all competitiveness plan activities, as well as the lack of a legal foundation for the MCC in order to be able to receive donations in a transparent and accountable manner. They indicated that if funds went to the municipality, for example, they could be diverted for other purposes.

Many MCC members mentioned the lack of follow-up on actions, sometimes due to something as simple as a lack of basic organizational tools such as recording of minutes of committee meetings; in such cases, repeated discussion of action items without follow-up can lead to frustration or apathy, particularly among private sector participants, all of whom spend time away from income-generating activities in order to participate in the MCC.

### **To what extent has the DF4D component promoted the participation of Municipal Competitiveness Committees in community crime prevention activities?**

In June 2012, the MCP contract was modified in order to add financing for developing the Domestic Finance for Development (DF4D) crime and violence prevention competition, thus opening a window of opportunity for MCP municipalities (and three other municipalities with high levels of crime that are included in the MCI) to present proposals to prevent crime and violence. DF4D was highly appreciated among all winners; the main constraints, especially for small and medium size municipalities with scarce revenues, are finding the financial resources to make a significant contribution in reducing crime and violence. DF4D has contributed to place crime and violence prevention at the top of the list of priorities in municipalities that won awards.<sup>22</sup>

The municipalities visited by the evaluation team included some with a large presence of gangs and extortion, and included *Ciudad Delgado*, *Panchimalco* and *Ciudad Barrios*.<sup>23</sup> In each of the municipalities visited by evaluation team members, MCC members stressed the importance of continuing community crime prevention activities and indicated that DF4D had stimulated MCC interest in crime prevention.

According to the mayor of *San Martín*, it was difficult to motivate the private sector to participate in the MCC. However, gradually trust was developed between MCC private sector members and the local government. As a committee, they tackled the issue of a high level of gang presence, through a number of crime prevention activities developed as elements of the municipal competitiveness plan that have been implemented in 2013 as key goals. These include: increasing the number of municipal police and providing them with more vehicles and motorcycles as well as providing three

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<sup>22</sup> Based on points received, 20 winning municipalities were selected to access DF4D funds to undertake violence prevention and security/citizen safety activities contemplated in their competitiveness plans (MCP). The evaluation team visited 45% (nine out of 20) of the DF4D winners. Amounts awarded to winners in our sample ranged: USD \$100,000 (Izalco, Olocuilta, Panchimalco and Santa Tecla), \$75,000 (San Martín, Atiquizaya and Suchitoto) and \$50,000 (La Libertad and Chalatenango). Projects are implemented by non-governmental organizations (NGOs) selected and approved by the MCCs.

<sup>23</sup> In Cuidad Delgado, for example, the former MCC secretary, who operates a small used car parts store with her husband indicated that her main motivation for joining the MCC was related to her own experiences in confronting the continuing demands of organized crime syndicates (maras). She currently pays \$200 or more per week for gang “protection” for her business. This amount is so high that it precludes her from paying for the education of her children. Three years ago, the couple’s warehouse was burned to the ground by maras, leaving them with \$70,000 in continuing debt to pay for an asset that no longer exists.

motorcycles, six bicycles, tires and gasoline to the National Civilian Police to facilitate their municipal patrols.<sup>24</sup>

The municipality of San Martin also intends to equip its new vocational center with computers, bakery and carpentry equipment. According to the Mayor, the new center will be of utmost importance in preventing crime, providing youth the opportunity to learn new skills and have a better chance of finding a job or becoming an entrepreneur. Adjacent to the vocational center, which will begin operations in early 2014, the municipality has almost finished the renovation of another building that will be used as a sports center for youth. The vocational center, together with the sports center, will be used as a magnet to keep young women and men busy, learning new skills and playing sports. As one example, after graduating from high school in Panchimalco two years ago, Laura and José, described their life as “just hanging out” because job opportunities were scarce. Both were trained as artisans as part of DF4D, and now they describe themselves as very happy with USAID and the local government because they are active and have learned new skills.

In *Chalatenango*, for example, one of the most important deterrents to investment has been crime and violence. According to private sector members of the Chalatenango MCC that were interviewed together with local government officials, before the Project, crime and gang activity were increasing, but the local government was not taking a strong stance in crime prevention, nor was supportive of private-sector efforts to do so. Because of this, the local private sector association, without the support of the local government, met with central government officials of the National Civil Police (PNC) and Ministry of Justice and Security to request an increase in police patrolling and more security around the penitentiary. However, after the institution of the MCCs, the private sector had a forum in which to advocate for crime prevention. As a direct result of MCC advocacy, municipal government funds and other resources now pay for an enhanced municipal police presence, and surveillance cameras have been placed in the downtown area, creating a “safe zone” for commercial activities.

In *Atiquizaya*, stimulating tourism was a key part of the municipal competitiveness plan, but to become competitive, one of the most important necessary measures was strengthening crime prevention. In 2013, the municipality took several actions to prevent crime, the most important of which was the establishment of a municipal police force.

*Olocuilta* also presented an interesting approach to crime prevention and increasing opportunities for women and youth. As part of public-private dialogue encouraged by the Project, municipal workers had conversations with representatives from a local textile firm. There, they learned of the textile industry’s demand for skilled labor and its willingness to participate in a training program for women and youth. The municipality offered to train local women and youth to operate industrial machinery to manufacture textiles. The textile firm provided the equipment and the Project paid the trainer and provided transportation and food stipends. According to the municipality, close to half of the women and youth that were trained were hired. Another innovative idea was to use DF4D funding to buy 11 laptops. The municipality, with its own resources, bought a truck and a wagon and equipped it with the laptops and air conditioning. With this mobile computing center (“*Compu-mobil*”), the Olocuilta

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<sup>24</sup> Efforts to combat crime have not been totally successful. For example, two days after an evaluation team member visited San Martin, two women were shot and killed in the crossfire of a gunfight near the public market that was being rehabilitated for use as a DF4D-funded youth center.

municipality is now providing computer training to youth in the most remote rural areas under its administrative jurisdiction.

According to the DF4D coordinator at the Center for Training and Promotion of Democracy (CECADE)—the NGO implementing DF4D in Panchimalco, despite the widespread presence of gangs in that municipality, the local government did not previously have a comprehensive crime prevention activity for youth at risk. In the DF4D competition, the MCC played an important role in determining the location of training, concentrating courses for youth at risk living in areas with high levels of violence. Furthermore, DF4D assistance focused on training activities for young men and women 18 years or older that are not working, studying or seeking employment and who are in imminent risk of violence or gang involvement. At-risk youth are being trained as artisans (clay, wood and painting). After the training, they will receive courses in entrepreneurship and business development.

### **Increasing municipal revenues**

Raising municipal revenues could make an important contribution to the PfG JCAP goal of raising net tax revenues to 16% of GDP by 2015. As noted in the introduction, this commitment was made within the context of low levels of taxation and the resulting insufficiency of revenues to meet necessary demand for public investment and services. Currently, most municipalities are dependent upon central government transfers to satisfy their investment needs. Due to lower relative tax income among El Salvadoran municipalities, fiscal autonomy declined between 2004 and 2008. While in 2004 municipal governments on average financed 61% of total expenditures with their own revenues, by 2008 this proportion had declined to 48%, primarily due to faster increases in the growth of central government subsidies vs. growth of taxes and other municipal public service revenues. According to Sabatini, a lack of incentives has led municipalities to take a lax attitude towards raising their own revenues (Sabatini, 2010).<sup>25</sup>

Moreover, the current legal framework hinders the process by which municipalities can raise revenues. National laws on municipal taxes require that changes to tax rates must be approved by the National Assembly. Such a condition creates obstacles both to updating tax rates and to the establishment of new taxes.<sup>26</sup> For instance, one of the municipalities visited for this evaluation opted to use an antiquated law on economic activity with extremely low rates of tax rather than go through the problems of submitting a request for updated rates to the National Assembly. The current tax structure is regressive and therefore deters investment. Moreover, the lack of property tax in the country puts the country in a weaker position than, e.g., Guatemala, Panama and Colombia, where property tax revenues equal 0.18%, 0.41% and 0.61% of GDP, respectively.<sup>27</sup> Such an initiative in El Salvador would require updated cadasters at municipal levels. One potential initiative for encouraging improved effectiveness and efficiency in municipal services has recently been implemented as part of legislation for Peru's 2013 Municipal Management and Modernization Plan. This plan codifies an earlier initiative designed to motivate and financially compensate local governments for successfully

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<sup>25</sup> On fiscal autonomy, see, Blöchliger et al (2009).

<sup>26</sup> Anaya (2009) notes that in 2001 the National Assembly rejected 107 legal documents updating tax rates for not following the principles and norms outlined in the national Municipal Tax Law (*Ley General Tributaria Municipal*). In 2007, the special Commission for Municipal Issues of the National Assembly was still analyzing 40 initiatives to update tax rates by or pass tax laws from different Municipal Councils between 2001 and 2007.

<sup>27</sup> Source: Zapata (2012). In all cases these revenues have grown in time, especially for the cases of Colombia and Panama with significant growth in the real estate sector. Lower revenues in Guatemala are due to the recent establishment of property tax and to some problems related to the design of that country's property tax system.

improving municipal management in such areas as improved road safety, public spaces, and non-motorized transportation (Colin, 2013).

Despite a clear need at the municipal level to increase additional sources of revenue and the desirability of reducing national subsidies to municipalities, none of the proposals brought to the National Assembly to establish a property tax, has garnered enough support to warrant further work toward passing such a bill. Consequently, El Salvador continues to be the only country in Central America without a property tax, yet another example of a lack of political commitment to decentralizing public finance.

Nevertheless, the Project has seen the receptiveness of local governments to incentives and opportunities to improve revenue collection. Competitiveness Initiatives contests, the promotion of associativity, and participation in DF4D were all Project incentives and opportunities that allowed municipalities the chance to use additional revenues for activities that may not have otherwise been funded. As we discussed in the previous section, DF4D raised awareness and fostered efforts to solve financial problems because of contest requirements. Competitiveness Initiative contests gave municipalities the opportunity to use funds in areas that could improve revenue raising abilities. Contest winners within our sample, such as the municipalities of Izalco, Nueva Concepción and Santa Ana, used Project funding to improve collection and taxpayer registration and to update information systems software and equipment.

Municipal staff in several municipalities have received training in public service pricing and analysis of balance sheets. This has helped those staff better understand ways to improve tax and public service administration and particularly the methods for bringing current taxpayer registry systems, current tax rates and user fees up-to-date. However, although some municipal councils have considered measures to reduce their deficit by taking such actions as updating tax laws and ordinances, in other municipalities, even after staff receive training on methods of pricing municipal services, many local governments did not follow through with updating tariffs for public services due to political considerations.<sup>28</sup> Respondents in one of the municipalities visited as part of this evaluation indicated that one of their public services is subsidized for more than 50% of its cost. Because of political considerations, the municipality has intentionally kept this public service underpriced and has also avoided developing an explicit policy regarding which sectors of the population should benefit from subsidized public service or how large those subsidies should be. Such practices continue to present challenges towards real change in municipal tax practices.

Finally, respondents in all of the sampled municipalities indicated that they have insufficient funds to carry out all local level public investments demanded. They pointed to projects fostering economic activity, such as the development of tourism and entrepreneurship, as potential opportunities for improving municipal revenues through user rates or taxes. However, securing loans or other financial resources for project funding is a difficult task for municipalities. Such difficulties stem not only from the inherent risks compared to projected returns, but also from a lack of knowledge about alternative sources of funding, such as international aid or private philanthropy. These topics have been addressed as part of the implementing partner's technical assistance to several MCCs, though, as committee members in San Salvador added, even if MCCs were able to obtain grants or donations,

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<sup>28</sup> Unlike participation in SIMTRA, which required an explicit commitment from the municipality to streamline administrative processes, training on pricing for public service workers did not include such a commitment, nor was there any follow-up component as to implementation, i.e. it did not require any commitment from receiving municipality.

they generally lack the internal accounting mechanisms to receive them directly in a way that ensures full transparency.

### **Measuring investment at the municipal level**

Although private investment behavior in industrialized nations has been studied extensively, determining levels of investment in individual municipalities in El Salvador remains a challenge because of a lack of data. As USAID/El Salvador noted in its response to a 2013 USAID Regional Inspector General (RIG) report, Project implementers found that “measuring investment in MCP municipalities cannot be reasonably employed to determine the impact of the Project on [investment]”—an assertion with which the RIG later concurred. The inherent weakness of data collection at the municipal level in El Salvador reflects what on a larger scale the former IMF managing director termed as a need for “global monetary financial statistics that are accurate, comprehensive, comparable across countries, and widely available on a timely basis.”

At sub-national levels, the ability to gather investment statistics is often limited – even data needed to assess real property for taxes and service charges are often incomplete and outdated. As one example from El Salvador, the last economic census was carried out by the General Directorate of Statistics and Census (DIGESTYC) in 2005, and although another economical census had been planned for 2012, it was not implemented due largely to financial constraints. The 2013 MCI survey does include some questions regarding business investment plans but that data was not included as part of the 2013 report.

Other difficulties include absence of a sub-national regional system of accounts; the lack of consistency in maintaining comprehensive, updated, and precise municipal-level information systems; and having municipal-level technical staff with enough know-how to manage of data collection. When the question “How is investment at the municipal level currently measured in El Salvador?” was posed by the evaluation team in municipalities visited, no clear methodology was revealed. One institution capable of measuring investment is the Central Bank (BCR). The BCR already publishes investment data processed according to IMF guidelines from economic surveys. DIGESTYC, the agency that conducts data collection and publishes Economic Census, Annual Economic Surveys, and other census and survey data, forms an integral part of measuring investment as the agency in charge of conducting the economic surveys for BCR.<sup>29</sup>

### **To what extent can increased investment at the municipal level be attributed to MCP activities?**

In several of the sample municipalities that were visited, MCC members and other respondents noted their perception that the MCP has stimulated investment. However, most respondents did not provide concrete examples or how such investment might be related to the Project. A few respondents, for example, those in the municipality of Nueva Concepción, did note the opening of new establishments and the expansion of others as well as knowledge of the intent of national business chains to invest locally. In particular, Nueva Concepción respondents clearly attributed this to the Project-supported activities in crime and violence prevention. However in this case, and for the Project as a whole, claims of a causal relationship could not be independently verified.

At present, there is a weak capacity in municipalities to measure investment. The only two variables being measured for Project monitoring that relate to the degree of economic activity are new

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<sup>29</sup> Other important institutions related to measuring investment are PROESA, agency charged with the promotion of exports and investment and the Office of National Investment created under the Law for Investment, which registers all foreign investments in the country.

employment and new businesses registered. The use of employment, although imprecise, does have some justification in economic theory, namely, that the greater the number of jobs created, the greater the level of consumer confidence, which in turn leads to greater economic activity, which is favorable to investment. For this reason, economists often treat employment as a leading indicator. Similarly, new establishments can be indicative of new investment and could help track fixed asset investment in a limited way (machinery, equipment, building, etc.).

However, both indicators have significant weaknesses. Although the use of employment can be considered a leading indicator of general economic activity, it provides a very imprecise proxy measure of investment. Similarly, although measuring the number of new business can be indicative of new investment, there can be extreme variation among the sizes of business establishments leading to a range of investment amounts. Although each would count as one new business, the investment made by a microenterprise versus that of a national chain store would likely be different by multiple orders of magnitude.

### To what extent has the Project adopted a gender focus?

The major steps the Project has taken to address gender issues include:

- Project consultant staff completed a gender assessment analysis in January 2011 based on interviews with RTI, other implementing partners, as well as other members of civil society and the Government of El Salvador.
- RTI's gender specialist carried out field observation activities in April 2012, working closely with the MCP technical team to develop a gender action plan. Themes of the evaluation team's field visits included discussions and observations with women entrepreneurs, many of whom must share their time between their income generating activities and childcare or other household responsibilities.
- A first version of the gender action plan was completed in June 2012, and a final version was approved by USAID in April 2013.<sup>30</sup> Although originally included as an element of component 2: (MCI) in the 2010 work plan,<sup>31</sup> according to Project staff, gender has since been a crosscutting MCP commitment, and the gender plan is implemented across the three MCP components and monitored by the MCP technical team.

In the 2011 gender assessment analysis,<sup>32</sup> five major areas of work were recommended. These recommendations for activities and the current status of these activities<sup>33</sup> are summarized below:

Recommendations	Current status
1. Create a baseline assessment of business ownership and participation in municipal decision-making in each municipality.	There were difficulties in creating a baseline due to the lack of statistical information. Project staff, using data collected through MCI 2009 and 2011, generated a baseline of business ownership disaggregated by sex in the 50 MCP municipalities. It was submitted to USAID in August 2013. Accomplished.
2. Identify and reach out to women's groups and associations in El Salvador.	The MCP has been supporting two women's associations since the Project began: ADESMA in Atiquizaya and ASMOT in Santa María

<sup>30</sup> According to RTI staff, delays were due to modifications of training courses and changes in implementing partners, which caused readjustments to the Plan every time a change arose.

<sup>31</sup> MCP Project Work Plan (2010), p. 12. "Year 1 Work Plan: Calendar of Activities."

<sup>32</sup> USAID Municipal Competitiveness Project (MCP) Gender Assessment Analysis, January 14, 2011.

<sup>33</sup> Based on interviews with the Project's gender specialist and recent quarterly and reports, particularly the combined annual and quarterly report through September 2013.

	Ostuma. Accomplished.
3. Increase the focus on gender and collection of gender data.	Introduction of a “gender culture” in the work of implementing partners: include a column to mark the person’s sex on training attendance lists; improve access of women to training; provide equal opportunities. Accomplished
4. Use gender indicators in the monitoring and evaluation plan and implementation.	Accomplished
5. Create a MCP Gender Integration Plan.	Accomplished

As the chart above indicates, the goals established in the 2011 gender assessment analysis were generally accomplished. However, the first item in the chart, namely the development of a baseline assessment of women’s business ownership and participation in municipal decision-making in the 50 MCP municipalities was a particularly difficult task. As described in the preceding sections, a country economic census has not been carried out since 2005. For this reason, the most cost-effective alternative was to create a sample from the 2009 and 2011 MCI based on the proportion of business ownership among men and women. This exercise made possible the establishment of a baseline, which had been required by the RIG auditors. The baseline report was submitted on August 21, 2013. As the Project has developed over the years, women’s participation in MCCs has risen from an initial 33% to above 40%. Because MCCs are the main platform for public-private dialogue, participation has opened an opportunity to women to be represented in decision-making in their communities.

As part of the effort to encourage greater women’s participation in the economic and political arenas, the Project contracted with the El Salvador chapter of Vital Voices (VVES), whose focus is on identifying, investing in, and bringing visibility to women leaders in business, government, and civil society globally.<sup>34</sup> As an example, an association of women in the small community of Caserío Las Crucitas visited by the evaluation team received Project and municipal support for an egg production project. These women indicated that if equipped with knowledge, technical assistance, and economic support and follow-up, women could accomplish huge achievements and both self-esteem and their economic situation would improve. Their new perception about themselves as capable beings has had a major impact in their lives, both economically and psychologically; they indicated that they now feel represented and that the approach to gender has positively impacted their lives in regards to self-esteem and economic empowerment. They recognize however that changes in the cultural pattern based on patriarchal modes of thought can only be accomplished one step at the time. For them, this will be a continuing process—their association is still not recognized by some men as a legally registered female organization; rather they are simply perceived as a group of women trying to do something to survive in the community.

According to Project records and VVES respondents, the organization implemented six training workshops for women entrepreneurs from all 50 MCP municipalities. The original target of 300 trainees in the 6 workshops was surpassed; 465 women were trained nationwide in empowerment, leadership, and entrepreneurship. The Project is currently providing technical assistance to two women’s associations: the Association for the Development of Women of Atiquizaya (ADESMA) and the Association of Women of Santa María Ostuma (ASMOT). Women’s self-esteem has emerged as

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<sup>34</sup> Vital Voices is an NGO that grew out of the U.S. government’s Vital Voices Democracy Initiative dating from 1997. The El Salvador Chapter was launched in 2009 and supports women leaders and entrepreneurs by carrying out capacity-building trainings and programs focused on entrepreneurship and professional development, to empower emerging women leaders.

the most important theme of all VVES workshops and technical assistance activities. One unexpected benefit achieved during the workshops was the creation of a female entrepreneur's communication network for sharing knowledge and experiences.

## 4.2 Conclusions

The overall conclusion of this evaluation is that MCP is highly innovative and has made a significant contribution to municipal development in El Salvador. Clearly, developing a business-enabling environment within which local areas develop a culture of competitiveness is a long-term process, and it is a process that will likely require sustained interventions on the part of USAID and other development partners. Although the gains described in this report are still tentative in many MCP municipalities, the experiences accrued by the Project have a potential to serve as a model for municipal development internationally for those countries that are pursuing municipal or other sub-national development strategies that require some degree of decentralization.<sup>35</sup>

When the MCP was designed, it had several critical assumptions, including: 1) the existence of adequate security and stability for Project staff; 2) the openness of municipal governments to adopt and embrace a participatory methodology working collaboratively with local businesses; 3) the willingness and the enthusiasm of the private sector to engage in such dialogues to create a municipal business friendly environment; and 4) that the 2012 municipal elections would not derail the MCP processes. In fact, several of these factors did impact Project implementation.

Because this Project was the first of its kind in El Salvador to make a sustained effort to involve a public-private sector dialogue in the context of local economic development, there was little knowledge of the real amount of time necessary for such processes as the formation of functioning MCCs was unknown and underestimated. Moreover, just as the process of forming a public-private partnership was beginning to take hold, 2012 municipal elections further delayed implementation. This, in turn, necessitated a new round of technical assistance and training for MCCs in many of the MCP municipalities. As a result, particularly during the early implementation period, projected activities were delayed as the initial period of training and technical assistance necessary turned out to be much more intense, complex, and of longer duration than originally envisioned.

However, by the time of this evaluation, the Project had made a major contribution to developing a model for public-private sector dialogue and implementing a coherent program in support of a municipal competitiveness agenda. The Project's greatest contribution was facilitating the development of alliances between local governments and members of the private sector. These alliances, as reflected in the work of MCCs, are based on a relation of trust achieved through the construction of a shared vision, municipal competitiveness plans, and a commitment to work together for positive change. The establishment of this platform based on a process of competitiveness planning has helped municipalities become more proactive institutions that jointly define strategic course of action with private sector participation based on a shared vision. This platform has furthered private sector participation in the municipality garnering other private sector contributions towards improving the municipality. This process helped to change the mindsets of both the municipal governments and the business sector about the potential benefits of collaborating in municipal development. Furthermore, the Project contributes to:

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<sup>35</sup> Elements of this model are described in greater detail in Annex II of this report.

- A change of emphasis and approach of local governments, namely from one in which they saw themselves primarily as providers of basic services to one in which they are envisioning themselves as *agents of economic development*.
- Opening of spaces for citizen participation in municipal decision-making in the MCC, with a spillover to *pluralistic citizen participation* in municipal councils. It has also allowed multiple stakeholder engagement and the leveraging of local human resources to infuse greater dynamism into the committees and the knowledge base.

As the Project evolved over the implementation period, a series of activities have progressively contributed in some way to promoting more proactivity on the part of municipalities and making them more “business friendly,” including streamlining of administrative procedures (SIMTRA), the creation of “one-stop windows,” the creation and implementation of municipal link for enterprise development (EMPRES) and the training of these staff; violence prevention grants; promoting access to public information; competitiveness incentive initiatives; business plan challenge grants; training for female entrepreneurs among many other activities designed to improve the local business environment and reinforce the public-private sector alliance. One key aspect related to successful implementation, and one that is of prime importance, is the support of the mayor for the work done by the competitiveness committees and for internal municipal government reforms.

Although Project implementers currently have ongoing training for MCCs, there is an ongoing need to dynamize MCCs, and most MCC members indicate a continuing need for further training, technical assistance, and financing for community development in economic development projects. An important gap in some MCCs is a lack of an administrative support structure. Having an EMPRES that supports business people and entrepreneurs and, additionally, acts as a technical secretary for municipal competitiveness committees can help with this process. However, of the MCP 50 sites, very few yet had EMPRESs.<sup>36</sup>

Another, more structural, constraint to development at the municipal level has to do with local power to raise revenue. These problems require modernization at the national level and therefore go beyond the scope of this Project, at least as it is currently designed. Removing, or at least reducing, obstacles such as the current requirements to seek approval of the National Assembly for updates to municipal tax codes would be required to allow municipalities to become major engines of economic development. Alternative sources of financing, such as property taxes, could also be important contributors to increasing municipal revenues. In the absence of such actions, municipalities will continue to lack their own resources for implementing competitiveness plans and for other investment demands. Proper costing of and billing for public services provided together with updated taxpayer registry systems might improve revenues, but political considerations often trump these goals. However, Project incentives to modernize and increase efficiency have likely increased the receptiveness of municipalities to consider such modernization efforts.

Moreover, municipalities do not currently have the ability to measure levels of local investment, and this makes it difficult for projects such as MCP to gauge their effectiveness in producing many of the desired outcomes. Neither of the indicators used by the Project, namely new employment and newly registered businesses, yield complete information on investment; at best, they should be considered as proxies of investment with important limitations. Scattered anecdotal evidence supported links between MCP activities and investment at the municipal level, but since no baseline measures of

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<sup>36</sup> During the period of performance of this evaluation only six EMPRESs were fully functioning, with another nine municipalities slated to have the EMPRES model during the period of the site visits through November 2013.

investment were made, it is not possible to posit claims of causal attribution. Also, even assuming that baseline data become available (and we are providing several recommendations in response to the question regarding methods to measure investment at the municipal level), it is important to recognize that many Project activities would not be expected to have readily discernable effects over a short timeframe.

The Project began with an awareness of the importance of gender since its design and early implementation phase and this report has noted several indications that gender is becoming a progressively more important aspect of the Project. Most importantly, the number of women participating in MCCs and as Project beneficiaries is high in both relative and absolute terms and has continued to increase over the life of the Project; second, the involvement of women's advocacy groups has contributed to encouraging the active participation of women in production and other economic activities.

### 4.3 Recommendations

Because even relatively low performing municipalities have improved in their ability to provide services to business persons and other citizens, based on the evaluation team's observations and findings, the overarching recommendation is that:

**MCP or a program similar to it should be continued with minor changes.**

The recommendations in this section are grouped by theme, and each theme is presented in order of priority. Several recommendations also include suggestions on the sequencing of activities.

#### I. General recommendations

**1. As feasible, technical assistance activities for 2014 should continue with the current cohort of MCP municipalities.**

During early 2014, activities for the current cohort are winding down. Depending on financial resources, technical and financial assistance should be prioritized in favor of those municipalities that have demonstrated a commitment implementing competitiveness plan activities.<sup>37</sup> The evaluators also recommend that:

**2. USAID should continue activities in municipal strengthening in 2015 and beyond.**

Although it is not yet possible to predict which, if any, municipalities in the current cohort are likely to require further assistance beyond 2014 and should be included in future cohorts, the evaluators recommend that most, if not all, efforts beginning in 2015 should target municipalities not currently included in the current MCP. Once a determination has been made to continue activities, preparation for requests for new proposals or for Project extensions should begin. However, a final selection of new municipalities should be made after the 2015 municipal elections to avoid operational impacts resulting from administration changes, as experienced by MCP shortly after the 2012 elections (e.g., the need to reintroduce the Project and retrain key personnel and new MCC members).

#### II. Technical Assistance

Continued technical assistance (TA) should remain the highest priority. TA, generally offered onsite and tailored to the specific needs of individual MCCs, should focus on reinforcing the public-private

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<sup>37</sup> At the request of the evaluators, for all 50 of the MCP sites, local implementing partners FUNDE and SACDEL provided input on their perceptions on the level of implementation and private and public sector commitment to the MCC process. These reports have been separately submitted to the Mission. Priority in the choice of municipalities receiving continuing support in 2014 should be based on explicitly defined criteria, building on previous criteria developed for competitive awards and for Business Friendly Certification.

sector partnership platform. Based on a diagnosis and resulting classification of all current MCP municipalities recommended below, several activities should be emphasized. As an example, several of the MCCs in the evaluation sample indicated that they lacked the essential organizational tools for internal operations (e.g., recording of minutes; mechanisms for follow-up on action items). In such cases, implementing partners should:

**I. Continue and reinforce technical assistance to improve internal MCC functioning and skills.**

Activities involving new cohorts should focus on the development of, and training on, an MCC operational manual, with the goal of making MCCs more effective, politically viable, and sustainable organizations. During 2014, the project should therefore continue tailored technical assistance to MCCs members on methods of implementing essential organizational tools and skills such as: results-oriented planning, agenda planning, recording minutes of meetings, designation of responsibilities to carry out agreements, and establishing means to verify implementation. Related to assisting MCCs to internally monitor plan implementation, is the need for the Project implementers to also develop an effective system for MCCs to:

**2. Implement monitoring, accountability, and reporting mechanisms for municipal competitiveness plan implementation and other MCC activities.**

Future activities should begin with the establishment of performance-based indicators related to MCC activities. Indicators should ideally include benchmarks and milestones on competitiveness plan components executed; measures of the number and cost of projects financed from funds other than the municipal budget, and other statistics that could be used to demonstrate positive outcomes (e.g., reduction in crime rates, increased business starts, etc.). Beginning in 2015, such mechanisms should be incorporated into MCC operational guidelines. Also, because MCCs are largely volunteer organizations without legal standing, they are critically dependent upon mayors and other municipal leaders for support. For this reason, the evaluators recommend that implementing partners conduct the following related activities:

**3. Enhance MCC capacity for effective communication and advocacy.**

For FY 2014, implementing partners (IP) should encourage activities geared to increasing the capacity MCCs to effectively communicate their goals and results. One of the specific findings of this evaluation was that, in the sampled municipalities, the degree of support and involvement of mayors in the work of the MCCs was crucial in terms of implementing plan activities. In those municipalities where official support is lacking, IPs should strengthen the capacity of MCCs to ensure that they are able to communicate key goals and motivate officials and MCCs to improve results. Furthermore, for new municipalities participating in activities in 2015 or beyond, any agreement made involving USAID funding or technical assistance should:

**4. Specify the municipal commitment of resources and involvement of key officials, and include provisions for compliance monitoring**

**III. Training**

In addition to the tailored technical assistance described above for MCCs, there is also a need for continuing training programs. Ideally, MCC members should have a shared skills set, some of which can be accrued through a training of trainers model; other skills may be gained through direct training and technical assistance from IPs. Hence, the recommendation is, for both current and future MCCs to:

**I. Train MCC members in basic skills to increase the effectiveness and sustainability of MCCs.**

Such training should include the fundamentals of local economic development, negotiation, procurement, financing, and other skills areas identified as a result of recent Project experiences.

Certificate and degree programs sponsored through the Project were unanimously well received by those participants interviewed. For future activities, the recommendation is therefore to:

**2. Support certificate and degree programs that promote local economic development (LED).**

Such training should be encouraged for, in priority order, MCC members, other (non-MCC) municipal staff, and non-MCC private sector participants in participating municipalities. One “spillover” effect is that as a result of their experience with the LED diploma program, participating higher education institutions are now expanding LED coursework at the undergraduate and graduate levels. Drawing on this momentum, and in synergy with other USAID-supported activities related to higher education, MCP experiences can provide university faculty and staff with opportunities to research and teach about municipal strengthening and competitiveness as part of urban and regional planning and economic development.

**IV. Communicating results**

Although many improvements resulting from activities such as SIMTRA have been implemented, there is a strong need to increase broader awareness of improvement in transparency, improvements in other aspects related to enabling businesses, improving the investment climate, and enhancing municipal services to residents more generally. For this reason the recommendation is that beginning in 2015:

**I. Municipalities implement a communications strategy on the results of initiatives related to municipal strengthening.**

Future agreements should include provisions on increasing participation of the municipalities’ communications departments. Plans should incorporate as a goal, improved citizen access to information on improvements on municipal services and MCC results.

**V. Encouraging innovation through competitive grants.**

Many stakeholders have indicated that competitions stimulate private sector participation and revitalize the MCCs, which in turn contribute to strengthening the public sector-private sector alliance. Past examples of USAID-supported MCP competitions include Business Ideas and Competitiveness Initiatives. These competitions have motivated and helped to maintain interest in the Project among committee members. One further “spillover” effect is that in at least one case, Business Ideas winners are being integrated as members into their local committee, thus further enhancing and revitalizing public-private dialogue in their municipality. Future USAID-sponsored activities in municipal development should continue the competitive process that has been an integral part of MCP to date, so the recommendation is to:

**I. Continue the process of open competitions.**

Recent initiatives, such as Peru’s municipal management and modernization plan, which motivates and financially compensate local governments for improving management, in specific could provide one model for such activity. As part of its ongoing activities in municipal development for FY 2014, the recommendation is to:

**2. Promote incentives to municipalities to improve performance.**

Using the grants process developed as part of DF4D and other competitions, USAID activities should provide performance-based grants and technical assistance, accompanied by formative and summative evaluation of the results of such grants. Based on the best practices derived from this pilot phase, and the outcomes of other grants such as DF4D, broader implementation of a national grants program could begin as early as FY 2015, with the grant solicitation process occurring after 2015 municipal elections. To promote sustainability, USAID should also consider encouraging legislation that would

allow the National Institute of Municipal Development (ISDEM) through its administration of the Fund for Economic and Social Development of the Municipalities of El Salvador (FODES) to promote and fund this process after a pilot phase.

## **VI. Gender issues.**

Because addressing questions of gender equity and the role of women in development is an essential crosscutting component in all USAID-funded activities, it does not fit neatly into any system of prioritization. This evaluation noted an increase in the role of women over time in the Project, both in terms of numbers served and in the increased emphasis of the role of women in local development adopted by the Project and its implementing partners. For 2014, the recommendation is that the project continue providing specific technical assistance to women and women's groups and:

- 1. Build on the initiatives of implementing partners by providing follow-up to the cohort of women that have attended workshops.**

As a key example, the 465 women trained by Vital Voices in entrepreneurship are now entering a new phase of development. Many are now facing challenges to making their new businesses prosper and would benefit from continued training and technical assistance. Over the longer term, from 2015 on, the recommendation is that implementing partners:

- 2. Encourage MCCs to devote particular attention to the role of women in local development in municipal competitiveness plans.**

and

- 3. Train and provide follow-up support in establishing productive businesses to a new cohort of women entrepreneurs.**

## **VII. Knowledge production, management, and dissemination.**

The Project has accrued a wealth of unstructured knowledge on the different topics and populations addressed throughout its interventions. Because MCP has the potential to serve as a model to be used in other municipalities in El Salvador as well as other countries, it is particularly crucial to systematize Project experiences. For this reason, the Project can make a significant contribution by devoting substantial efforts to working with local implementers (i.e., FUNDE, SACDEL) to promote knowledge transfer. Future activities should address the systematization and documentation of Project experience. Reports on the systematization on Project experience should be widely available to the public.

- 1. Develop a learning network to share case studies and other useful knowledge transfer.**

Some activities related to the recommendation have recently begun. During FY 2013, MCP established a "Municipal Competitiveness Learning Network," designed and implemented on the Project's Web site. Beginning the first quarter of FY 2014, MCP intended to populate the network with case studies, success stories, and other information.<sup>38</sup>

Related to the effort of production of additional knowledge and an online presence, future activities should also:

- 2. Support activities that enable effective knowledge collection**

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<sup>38</sup> According to RTI comments to a previous draft of this evaluation report, this resource will "provide comparative MCI and other performance data and benchmarks, including best practices and other information resources. It is expected that municipal and private sector representatives and other organizations will share common problems and jointly build solutions to overcome them. Municipal mentors will share approaches and experiences that facilitated improvement of the business environment."

Activities should include: workshops, cross-sectoral committees, and applied research models to facilitate mechanisms for sharing, discussion and application; identifying the primary users of its knowledge-sharing to best enable reference to and application of contextual, conceptual and technical information acquired throughout implementation; encouraging and initially host sustained contributions of key actors and stakeholders and ensure that information is updated and relevant; supporting the formation of a community of practice that fosters peer-to-peer information exchanges; and coaching. The reports and other information should be produced and made available to the public in both in English and Spanish. In particular, the evaluators recommend specific studies on DF4D, MCI and gender. One key initiative that should be emphasized under the rubric of knowledge collection is DF4D implementation. DF4D was at an early stage during the period of performance for this evaluation, and it was therefore not possible to draw definitive conclusions on DF4D outcomes. However, as noted in this report, the DF4D process has motivated MCCs and other key stakeholders in grantee municipalities to proactively address questions related to citizen security. Because DF4D is an important component that was originally introduced as a pilot, in 2014, as part of ongoing USAID-funded activities the recommendation is to:

- **Document the DF4D Component, with particular emphasis on outcomes and lessons learned.**

Documentation should include a baseline study on the occurrence of violent crime and murder rates for 2013 and 2014 in DF4D municipalities and a comparison with similar other MCP municipalities that did not receive DF4D funding; make recommendations based on the outcomes of the DF4D components; and draw lessons learned from the different outcomes and experiences related to improving citizen security.

Another key knowledge gap is that MCP municipalities, particularly those with active committees, perceive a strong disconnect between MCI results and their own progress in implementing competitiveness plans. The current performance evaluation is limited in its capacity to perform an impact analysis, but the evaluators suggest a possible measurable causal relationship between the Project and one sub-index, namely “municipal services.” However, this hypothesis, as well as other potential hypotheses, requires rigorous scientific testing.<sup>39</sup> This evaluation has noted that MCP provides a useful model for broader replication in El Salvador and other countries facing similar issues related to economic decentralization. However, and notwithstanding efforts to disseminate MCI results, there is an apparent “disconnect” between the broader MCP and MCI results. This is due largely to the fact that the MCI was not originally designed to measure progress on implementation of specific project activities, but nonetheless has become the de facto measure by which municipalities evaluate their progress in terms of MCP implementation. The evaluators therefore recommend that starting in 2014, USAID through its IPs:

- **Conduct a rigorous multi-methods study on the relation of results from a sample of MCP municipalities to the MCI.**

Such a study should include qualitative data on MCP strategies and actions to increase competitiveness from sampled MCP municipalities to the 2013 MCI aggregate and sub-index results. Although 2011 and 2013 results are not now directly comparable, statistical models should be applied so that changes over this period can be as accurately measured against MCP strategies and activities as possible.

Also for 2015, a third recommendation related to knowledge production is to:

- **Conduct a gender assessment in a subset of new municipalities receiving support for municipal strengthening and competitiveness.**

Ideally such a study would draw heavily from ethnographic case study methods to document the daily life of women entrepreneurs in a limited number (3-5) of municipalities and would document the barriers they face to building a viable enterprise or otherwise participate in local political and economic affairs and the strategies they have used to overcome such barriers. The report should document successful strategies for empowering women in the context of promoting a business-enabling environment at the municipal and sub-municipal (especially rural community) levels. Such an assessment would complement existing research conducted as part of the MCP and would provide deeper insights into the types of training and technical assistance (including basic skills such as literacy and numeracy) required by women to form businesses and/or women's productive associations and to better prepare them to participate in important economic and social activities, such as regional fairs.

## **VIII. Enhancing Municipal Revenue.**

Helping municipalities learn how to raise municipal revenues is a much-needed focus of future USAID activities. At the national level, there are several issues related to decentralization financing of sub-national governments, all of which go beyond the current scope of the Project. These national level recommendations are as follows:

### **1. Provide technical assistance to the National Assembly for updating and modernizing the legal framework regulating municipal taxation.**

As part of the JCAP PfG commitment to increasing revenue to 16% of GDP, USAID, and as feasible, with the support of other relevant USG or bilateral and multilateral donor agencies, should expand its technical assistance to include work the National Assembly to remove unnecessary barriers so that municipalities can better raise revenues or incorporate other initiatives to diversify funding sources.

Ideally, the national municipal tax law should be amended to create a set of conditions whereby changes to tax rates could be adopted through municipal ordinances without needing approval of the National Assembly. In the shorter term, beginning in the current program year as part of ongoing municipal competitiveness initiatives, USAID should fund technical assistance to municipalities to design updated tax codes and get them enacted.<sup>40</sup> There has already been substantial research on the feasibility of promoting property tax at the municipal level, but bills authorizing support for property tax have not been passed at the National Assembly. Therefore, as a part of ongoing efforts to strengthen municipalities, there is a need to first promote an awareness of the benefits of allowing municipalities to establish real property tax, and to provide technical assistance to municipalities in getting appropriate legislation enacted. Ongoing USAID activities should continue assisting municipalities in improving revenue administration and collection efforts. Future activities should therefore:

### **2. Expand fiscal training, linking it and follow-up technical assistance to an explicit commitment by municipal governments to implementing improvements.**

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<sup>40</sup> Particular attention should be given to assisting smaller municipalities, which often lack the technical resources to draft legislation capable of meeting current standards for passage in the National Assembly.

Technical assistance activities on public service pricing and analysis of balance sheets in those municipalities in which staff have already received training should be focused on assisting municipalities overcome political and other barriers to implementing changes in tariffs. Future training and technical assistance, municipal financial administration should also assist municipalities develop public outreach and awareness-raising strategies activities, which would better enable public officials to enhance revenues. Such programs are likely to be successful, however, only if they are couple with increased transparency and more responsiveness in terms of service provision. In addition, future activities should:

### **3. Support other initiatives and competitiveness plans that help municipalities raise revenues.**

Competitiveness plans that contain enhanced revenue goals to help support economic development activities should be encouraged. Additional revenue can be used to promote such public goods as associativity, tourism, artisanal fairs, and job fairs. The Project should continue to assist the current cohort of municipalities where efforts have been ongoing and should extend these activities to any new Project municipalities in the future. Helping MCCs and municipalities procure financing and donor funding for planned projects should be done concurrently with training and technical assistance on legal and accountability mechanisms enforcing the transparent and proper use of public funds.

## **IX. Measuring investment at the municipal level**

One of the evaluation questions we were asked to address was: “Can investment at the municipal level be attributed to MCP activities in the future?” As noted in this evaluation, the Project was unable to determine its impacts on municipal-level investment. For this reason, sufficient funds should be allocated to implement actions leading to investment measurement, and for providing baseline measures for future comparison. In addition, measuring causal attribution warrants careful attention to the design of impact studies, including capturing other explanatory variables in order to control for their influence. As part of the recommendations to measure investment at the municipal level, the evaluators suggest three potentially complementary methods for the collection of baseline data on economic indicators. These have been developed using three perspectives on the information required in terms of accuracy of measurement and coverage.<sup>41</sup> For this reason, the evaluators recommend that over a longer range period, beginning in 2015, USAID:

### **I. Provide support for three potentially complementary methods to measure investment at the municipal level: 1) support for a DIGESTYC Economic Survey under Central Reserve Bank (BCR) guidance; 2) including a business climate survey module in the MCI; and 3) developing capacity within municipalities to measure investment.**

Because these are suggested as complementary methods, they are not listed in order of priority, but rather by expected costs, from high to low.

- The first component of this recommendation is that USAID, ideally together with other funders, such as development banks (e.g., the Inter-American Development Bank, World Bank) or other bilateral funders support a **DIGESTYC Economic Survey with BCR guidance**. The most accurate method to measure private investment would be through a survey to be carried out by funding DIGESTYC under BCR supervision and training. DIGESTYC already has the capacity to conduct economic censuses and surveys, and BCR estimates investment periodically at the national level from surveys gathered by DIGESTYC. Because of the relatively high costs due to the intensity of

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<sup>41</sup> Although the evaluation question does not specify public or private investment, there is a clear intention to improve municipal capacity for attracting private investment (e.g., MCP SOW p. 3) and therefore this section is focused on private investment.

data collection required, but also because of potentially high returns in terms of useful and accurate data, the evaluators recommend that a consortium approach be adopted.

- **Business climate survey module.** Another, less costly, but also less accurate method is to capture the intention to invest by expanding questions related to business climate perception in the MCI. These questions would capture private sector intentions for investing in the following year (e.g., if motivation and funding for investment have increased, declined or remained the same as regards the previous year), and other pertinent information. Although the precise levels of investment may not be accurately measured through such questions, this method may provide valuable information regarding expectations. This alternative also has the advantage of using an existing municipal sample base, as well as the ability to relate survey questions to the business sector with the intention to invest. Because ESEN has agreed to assume funding for the MCI as of 2015, USAID financial participation can be limited to a share of overall costs for the marginal cost of including a forward-looking “business environment” module, and at the same time continue to contribute to the sustainability of MCI.
- **Promoting the capacity of municipalities to collect and analyze investment data.** A third method, but one that requires both a longer gestation period and local willingness to engage in the process, is strengthening the capacity of municipal staff to capture information regarding investment within their respective municipalities. This would require strengthening municipalities and staff capacity to carry out related tasks.<sup>42</sup> Although such an approach might capture some of the components of private investment, there are also important limitations. The most important of these limitations is that municipalities will likely only be able to provide a partial measurement of local investment, and unlike the first survey method described, may not necessarily capture other important factors related to investment such as variations in inventory. The advantage of such a method is that it would build on the capacity-building and training of the Project’s current technical assistance component (Component I).

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<sup>42</sup> E.g., the ability to capture from data sources already available, including from tax and financial statements, or construction or land development permits.

## ANNEXES

## ANNEX I: EVALUATION STATEMENT OF WORK

**Final Performance Evaluation  
Statement of Work  
Municipal Competitiveness Project (MCP) in El Salvador  
May 8, 2013**

### I. Purpose of the Evaluation

The purpose of this final performance evaluation (as defined in [USAID's Evaluation Policy](#)) on the Municipal Competitiveness Project (MCP) is to document the effectiveness of project approaches on municipal competitiveness and inform USAID and other stakeholders of opportunities for additional investments. The evaluation will cover implementation from the start of MCP in October 2010 through September 2013.

The objectives of the evaluation are:

- To document successes and shortcomings of the MCP approaches in order to determine their effectiveness in promoting municipal competitiveness and business enabling environments
- To make recommendations for priority activities to ensure sustainability and increased private sector participation and improve competitiveness at the municipal level
- To identify the level of success of the Domestic Finance for Development (DF4D) component in promoting Municipal Competitiveness Committee participation in community crime prevention activities
- To make recommendations on MCP approaches to encourage increased municipal revenues
- To offer suggestions on measuring municipal level investment in the country.

Participants include the Government of El Salvador (GOES), specifically municipal governments; the implementing partner, Research Triangle Institute, Inc. (RTI); MCP's four strategic subcontractors: Fundación Nacional para el Desarrollo (FUNDE), Sistema de Asesoría y Capacitación para el Desarrollo Local (SACDEL), Fundación para el Desarrollo Sostenible (FUNDES) and Escuela Superior de Economía y Negocios (ESEN); and USAID. The evaluation will serve as an independent evaluation of the MCP and be used by USAID to inform future investments. The evaluation will be shared with stakeholders to include the GOES, particularly the municipal governments, for use in Partnership for Growth (PfG) and municipal planning.

### II. Background Information on the Project

<b>Project Name:</b>	Municipal Competitiveness Project in El Salvador
<b>Contract Number:</b>	EPP-I-00-04-00037-00
<b>Implementing Partner:</b>	Research Triangle Institute, Inc. (RTI)
<b>Award Dates:</b>	September 2010 – March 2014
<b>Funding:</b>	\$ 11.2 million (\$2 million of which corresponds to DF4D interventions)

– see below for more information)
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The USAID Municipal Competitiveness Project in El Salvador, under Contract EPP-I-00-04-00037-00 with Research Triangle Institute, Inc. is a \$11.2 million project improving the competitiveness of Salvadorian municipalities through capacity building and increased dialogue with the private sector, initiatives supporting economic development and crime prevention and the promotion of alliances with the private sector and other municipalities. The Task Order was signed on September 23, 2010, and will end on March 22, 2014. This evaluation will cover MCP implementation from October 2010 to September 2013.

USAID's strategy is to assist El Salvador and meet the Mission Strategic Objective "Economic Freedom: Open, diversified, and expanding economies." MCP contributes to this Objective by working with municipal governments searching to better serve private sector needs and to improve municipal policies and practices that will create a secure environment more open to investment. MCP contributes to Intermediate Result No. 1 "Laws, Policies, and Regulations that Promote Trade and Investment" and Intermediate Result No. 2 "More Competitive, Market-Oriented Private Enterprises," generating jobs and attracting investment.

In 2009 USAID designed a Municipal Competitiveness Index (MCI) Project to measure local business climates in El Salvador's 100 most-populated municipalities (of 262 total). The MCI collected baseline data on the business environment at the local level for nine sub-indices: Transparency, Municipal Services, Proactivity, Informal Payments, Public Safety, Time to Compliance, Rates and Taxes, Entry Costs and Municipal Regulations. The MCI analyzed results to identify administrative and regulatory constraints to private sector development. The MCI was implemented by RTI with the local university Escuela Superior de Economía y Negocios (ESEN), currently a sub-contractor under MCP. One significant finding (see [2009 Municipal Competitiveness Index](#)) was that although the country's business environment varied greatly, all of the municipalities could use improvement.

The MCP was designed in response to the findings of the 2009 MCI. The goal of the MCP is to strengthen Salvadoran municipalities' competitiveness by enhancing their administrative and delivery-service capacity, cultivating mayors' ability to promote economic activity, and fostering alliances among municipalities and the private sector to promote investment and trade and increase economic growth and employment.

In 2011 the MCP completed the second MCI (see [2011 Municipal Competitiveness Index](#)), which included the original 100 municipalities, plus an additional eight. The Index showed improvement for the 100 municipalities in their competitiveness between 2009 and 2011. RTI/ESEN have started data collection activities for the 2013 MCI, which is expected to be available in September 2013.

On May 31, 2012, the MCP contract was modified to increase the total estimated cost of the task order from \$9,219,234, to \$11,219,234 to include an additional component: the Domestic Finance for Development (DF4D) initiative. The objective of this US \$2 million initiative, the Challenge Grant Program, is to implement a competitive grants program that incentivizes

improved financial resource management at the municipal level and supports crime prevention activities.

Fifty three municipalities participated in a six-month-long competitive process entitled “Competition for Support for Crime and Violence Prevention Initiatives.” The goal of the competition was to motivate participants to raise additional revenue, build their capacity to combat crime and create a more secure environment for economic development. Following the competition, the municipalities were evaluated on improvements in tax revenue generation and presented crime prevention projects designed in collaboration with non-governmental organizations (NGO). In February 2013, twenty municipalities were selected to receive grants from \$50,000 to \$100,000 to further their crime prevention activities. Implementation of the projects will occur from June to December 2013.

A major component of USAID’s strategic and programmatic focus is the PfG Joint Country Action Plan (JCAP) 2011-2015 for El Salvador and the United States, signed in November 2011 (See [JCAP](#)). The JCAP identified two key constraints to growth in the country: low productivity in the tradables sector and crime and insecurity. MCP activities are aligned to Goal #5 under the Tradables constraint although MCP contributes to several goals, including the improvement of tax revenue collection, crime reduction and the creation of an improved investment climate. (See **Annex 1: List of MCP Goal Contributions**). Competitiveness and security continue to be extremely important to El Salvador’s growth and USAID’s strategy.

#### **Technical Description**

The MCP has four technical components: 1) Enhancing municipal effectiveness and efficiency; 2) the Municipal Competitiveness Index; 3) Private sector and inter-jurisdictional engagement and 4) the DF4D financial incentive initiative (See **Annex 2: MCP Statement of Work, Annex 3: Presentation on the DF4D, Annex 4: MCP Annual Work Plans**).

RTI is responsible for technical, operational, and managerial support of the MCP and works directly with four local subcontractors: FUNDE, SACDEL, FUNDES and ESEN. FUNDE and SACDEL facilitate the integration of Municipal Competitiveness Committees and the development of Municipal Action Plans. RTI and FUNDES work on the Business Friendly Certification Program and the Municipal Procedure Simplification Program (SIMTRA) in 39 of the 50 municipalities to implement one-stop initiatives.<sup>43</sup> RTI and ESEN coordinate to collect data, analyze data and produce the Municipal Competitiveness Indices (2011 and 2013). RTI is responsible for management and implementation of the DF4D initiative.

The **development hypothesis** of MCP is: if technical and financial assistance is provided to municipalities that are willing to make changes and assistance is coupled with dialogue with the private sector and crime reduction initiatives, municipalities will improve their competitiveness and security, leading to increased local income, employment and private investment.

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<sup>43</sup> The MCP contract states that RTI will implement SIMTRA in 15 municipalities; however, this number was increased to 39 through project work plans after success in those initial 15.

MCP uses the following definitions: **Competitiveness** - the capacity to compete for goods and services in the markets. **Economic Governance** - the processes of providing support to economic activity and economic transactions through protection of property rights, enforcement of contracts and collective action to ensure appropriate physical and organizational infrastructures.

### **Component 1- Enhancing Municipal Effectiveness and Efficiency**

Component 1 includes a Core technical Assistance Program for MCP municipalities, as identified in the Municipal Competitiveness Plans developed under the MCP. In addition, the Business Friendly Certification Program and SIMTRA Program were developed and implemented through FUNDES under this component.

### **Component 2- Municipal Competitiveness Index (MCI)**

The 2009 MCI tool measured local business climate in nine core areas and was repeated in 2011 in 108 municipalities (including eight additional municipalities that are among the poorest in the country). RTI worked with ESEN to collect data and publish the 2011 MCI. In March 2013 data-gathering for the 2013 MCI started. On April 19, 2013, there was a public event to announce the launch of the 2013 MCI. The final index will be available in September 2013. ESEN is covering 50% of the total costs of the 2013 MCI and is committed to funding future indices.

### **Component 3- Private Sector and Inter-jurisdictional Engagement**

RTI and its subcontractors are responsible for working with municipalities to provide training and develop Municipal Competitiveness Plans, and organize public policy dialogue meetings in all targeted municipalities to present the MCP to communities and engage private sector participation in developing the Plans. The MCP is responsible for bringing together mayors and other local government officials in a process to facilitate interaction among municipalities and microregions that will serve to carry out activities identified in Municipal Competitiveness Plans. The Plans are to be validated by the local community and the Municipal Competitiveness Councils. MCP also created a Technician Coordination Committee with donors and other MCP partners, and a Consultative Committee, in which representatives from the Government of El Salvador, MCP subcontractors and others meet to discuss progress made on these Plans. (See **Annex 5: Methodological Guide for Elaborating Competitiveness Improvement Plans, Annex 6: Sample Municipal Competitiveness Plan, Annex 7: Sample Transparency Plan.**)

In particular, implementing partner FUNDE has worked with Asociación de la Sierra Tecapa Chinameca (ASITECHI) and Asociación Los Nonualcos (ALN), two regional municipal associations. SACDEL continued to work with the micro-regions of the Asociación de Municipios del Valle de San Andrés (AMUVASAN, which includes the municipalities of Sacacoyo, San Juan Opico, Ciudad Arce, Colón, and Armenia) and BALSAMO (consisting of Sacacoyo, Tepecoyo, Talnique, and Jayaque) to improve competitiveness. The mayors of both micro-regions expressed interest in presenting the MCP to their municipal councils.

### **Component 4 – Domestic Fund for Development (DF4D)**

RTI is managing US \$2 million in incentive funds to encourage municipalities across El Salvador to mobilize their financial resources to improve economic development and security. Twenty winners of the Challenge in Support of Crime and Violence Prevention Activities were

announced on February 14, 2013. Awards of \$100,000 were granted to eight municipalities that demonstrated significant progress on their finances and had the highest ranked scores from the evaluation committee; awards of \$75,000 were given to seven municipalities, and awards of \$50,000 to five municipalities. MCP worked with the 20 DF4D grant winners, 16 potential implementing NGOs and the local Competitiveness or Crime Prevention Committees to select the projects to be completed as part of their awards. The most promising proposals were selected based on budget, feasibility, time-to-completion, and MCP then matched the grant winners with NGOs best suited for project implementation.

The expected final result of the MCP is stronger, more secure municipalities that generate more income, create more employment and promote private investment and trade. This end goal includes five specific results:

1. A minimum of 50 municipalities have increased their competitiveness in providing services to businesses and investors as determined by the MCI.
2. At least two associations of at least two municipalities formed and becoming a model for other municipalities with potential to work together in a permanent manner.
3. 5,000 jobs created, 15 municipalities certified as business-friendly and 200 new businesses registered above Project baseline in municipalities assisted.
4. MCI disseminated nationwide among stakeholders and implemented in 2011 and 2013, with at least 50% of the 2013 MCI being financed by non-USAID funds.
5. \$2 million of incentive funds distributed through the DF4D initiative to municipalities through a competitive process to combat crime and create more secure economic environments.

MCP is a pioneer project in the country promoting inter-sector dialogue between the private sector and municipalities on economic issues. These two sectors had less experience than expected in joint dialogue promoting local economic development. The process of selecting 50 partner municipalities and the use of a new approach to develop Municipal Competitiveness Plans required more time than initially expected, which delayed initial implementation plans.

USAID uses a number of methods to monitor progress of MCP, including meetings with RTI, site visits and other means of communications (See **Annex 8: RTI Monitoring & Evaluation Plan** for the list of Project indicators used to monitor activities. See **Annex 9: RTI Annual and Quarterly Reports** for Project performance management information). The evaluation team is responsible for reviewing all monitoring data on MCP indicators, analyzing it using cross tabulations and triangulation (or cross examinations from several data sets collected using different methods) and reporting on it as it relates to the evaluation questions stated in this Statement of Work in the Final Evaluation Report. Most MCP indicators have a baseline of zero (0). The MCP Monitoring and Evaluation Plan was updated in January 2013.

In January-February 2013 MCP was audited by the Regional Inspector General (RIG) at USAID (the Final Audit Report will be shared when available with the evaluation team). The audit purpose was to determine if the MCP was achieving its main goals. Despite the implementation of many activities, the audit could not determine if the MCP is successfully promoting investment and trade at the municipal level. Progress could not be measured because of the lack of indicators.

In April 2013 a consultant carried out a review of the MCP implementation strategy and activities to evaluate the approaches taken to improve competitiveness of municipalities and incorporate the private sector in promoting economic development. The final report of this review will be shared when available with the evaluation team as input for the evaluation.

### III. Evaluation Questions

For the evaluation of the MCP, the Evaluator must comply with [USAID's Evaluation Policy](#).

The following evaluation questions, in **priority order**, must be answered by the evaluation team and clearly presented in logical order in the Final Report.

1. How effective has the MCP been in promoting municipal competitiveness?
  - a. Which activities have best created business enabling environments at the municipal level?
  - b. What factors (such as but not limited to sustainability, integration of private sector into the municipal activities, cost/efficiency) made these activities (from question 1.a.) successful at creating business enabling environments at the municipal level?
2. Based on the results of the MCP, what are the recommendations for future activities to promote business enabling environments at the municipal level?
3. What are the recommendations for USAID and other stakeholders to promote future sustainability of the Municipal Competitiveness Committees?
4. To what extent has the DF4D component promoted the participation of Municipal Competitiveness Committees in community crime prevention activities?
5. Based on the DF4D initiative and other related MCP activities, what recommendations can be made to encourage municipalities to increase revenues?
6. What recommendations can be made to measure investment at the municipal level in the country?
  - a. To what extent can increased investment at the municipal level be attributed to MCP activities?
  - b. What indicator can be used to measure investment at the municipal level?

### IV. Data Collection, Analysis and Methodology

The data collection plan for this evaluation will include at a minimum: a desk review of relevant documents; interviews and/or focus groups; and direct observation through site visits. The results of these interviews and reviews will be analyzed for content on a qualitative and

quantitative basis. The evaluation team must propose its full data collection and analysis methodologies in the Evaluation Plan.

- Desk review of relevant documents
  - USAID will provide the evaluation team with all relevant MCP documents, such as statements of work, reports, prior assessments, etc. The evaluation team should review the documents before meeting with local stakeholders for interviews. The evaluation team will review these and create a Document Review Matrix to be delivered to USAID using the following illustrative format, which may be improved by the Evaluator:

**Document Review Matrix (Sample Table)**

Document Name	Evaluation Question I	Evaluation Question Ia	Evaluation Question Ib...	Comments
<i>Quarterly Report #1</i>	X	X		

- USAID will provide monitoring data on indicators.
- USAID will provide the listed Annex information.
- Consulting stakeholders in the country
  - Key Informant Interviews, Group Interviews, Focus Groups. The Evaluator will interview people, through key informant interviews, group interviews and/or focus groups, from the institutions listed below, as well as any from others deemed relevant to this evaluation. USAID will provide the list of contact information to facilitate selection once the Evaluation contract is signed by the Evaluator. The selection methodology should be recorded in the Evaluation Plan. The Evaluator may propose additional contacts.

List of contacts:

1. USAID (MCP Contracting Officer Representative, Sandra Lorena Duarte, other staff)
2. Research Triangle Institute, Inc. staff
3. 108 municipalities listed in the 2009 and/or 2011 MCI. Mayors and Competitiveness Committee members from the 50 MCP municipalities
4. ESEN
5. FUNDE
6. FUNDES
7. SACDEL
8. Boards of Directors from ASITECHI, ANL, AMUVASAN and Bálsamo.
9. Technical Committee or Consultative Committee members
10. Governmental agencies that have formed partnerships (for example, Secretariat for Territorial Developing and Decentralization (*Sub-secretaria de Desarrollo Territorial y de Descentralizacion*), etc.)
11. Private sector companies in local municipalities

Interview and focus group questions must be approved by USAID; the questions should be suggested by the Evaluator with the specific purpose of answering the evaluation questions listed in this Statement of Work and must be limited in number. A sampling plan for who is selected for interviews, whether purposeful sampling, random or a combination of approaches, must be explained in the Evaluation Plan and Final Evaluation Report.

- Site visits to participating municipalities, including a mix of municipalities with and without single-window initiatives. USAID will provide the list of participating municipalities, and USAID or RTI will assist the Evaluator in communicating with them; however, the Evaluator will make the final determination of which sites to visit and should visit without USAID or other stakeholders present to the extent possible. Site visit selection will be based on a sampling plan summarized in the Evaluation Plan and Final Evaluation Report. This could include purposeful sampling methods, random sampling, or some combination of approaches. Convenience must not be the primary reason a site is selected.
- Team planning meetings
  - The first team planning meeting will be held between USAID and the Evaluator in Week 1 after the award. USAID will clarify any questions from the Evaluators, expectations and guidelines. The expected result of this meeting is to:
    - Clarify each team member's role and responsibilities
    - Confirm the anticipated timeline and deliverables
    - Discuss data collection tools and methodologies to be presented in the Evaluation Plan
    - Identify communications logistics among the Evaluator, USAID and RTI.
  - A second team planning meeting will be held among USAID, the Evaluator and RTI in country before the evaluation begins so that the Evaluator can clarify the evaluation methodology and initiate contact with RTI. Subcontractors may also be present.

The analysis of the data collected is equally important as the data collection. The Evaluator must triangulate data collected to have sound evidence for the findings and conclusions in the final evaluation report based on the data presented. Recommendations must be clearly linked to findings, realistic given national and municipal contexts, presented in priority order and identify any gaps in MCP implementation. In both the Evaluation Plan and the Final Report, the Evaluator must list any biases or limitations that exist for both data collection and analysis. In addition, all real or possible conflicts of interest must be disclosed by each member of the evaluation team in writing (See **Annex 10: Disclosure of Conflict of Interest Form**).

All data must be disaggregated and analyzed by sex, as well as analyzed for any differences between effects on men and women or male and female participation. This analysis must be noted in the Evaluation Report, as applicable.

## V. Deliverables

The Evaluator is responsible for the following:

1. Timeline and/or Milestone Plan in Word or Excel in Week 3 after the award.
2. An Evaluation Plan in Word with the methodologies, sampling plan and limitations in Week 3 after the award.
3. Weekly bullets of activities and progress of the Timeline in Word due every Monday by the close of business.
4. A validation workshop with a Powerpoint presentation of the initial evaluation findings with MCP stakeholders in Week 6 after the award.
5. Document review matrix in Word or Excel (see format above) to be completed by Week 8 after the award.
6. A draft Final Report due in Week 8 after the award. USAID will provide comments within one week. The draft report must be submitted in English. The report must include an Executive Summary no longer than 4 pages (single space, minimal font 12pt), stating the methodologies, limitations, findings, conclusions and recommendations of the evaluation. The final Executive Summary will be presented in both English and Spanish in the same format as the draft Final Report.
7. A Final Report in Word and PDF no longer than 30 pages excluding annexes (single space, minimal font 12pt), identifying methodologies, limitations, findings, conclusions and recommendations. The Final Report, including the Executive Summary and Annexes, must be presented in English and Spanish and have incorporated USAID's comments, as appropriate. USAID and/or RTI may attach a Statement of Differences as an annex to the Final Report. The Evaluator must deliver two copies in print in each language and one copy in electronic version with both languages (DVD, CD or email with electronic files). The Final Report is due to USAID one week after the Evaluator receives comments on the draft, in Week 10 after the award. USAID will inform the evaluation team when the Final Report is approved.
8. Any raw data (qualitative or quantitative) collected in electronic form (DVD, CD or email with electronic files, in original format of Word, Excel, etc.) due by Week 10 after the award.
9. A Final Presentation with Powerpoint slides to USAID in Week 10 after the award.

All reports and papers will be considered draft until they are approved by USAID.

## VI. Reporting Requirements

The Final Report in English and Spanish will become public documents for distribution among the project's stakeholders, including high-level U.S. government policy-makers and officials, host country government officials, the private sector and civil society and other audiences. The evaluation will be used by USAID and other stakeholders to plan for future investments in the area of municipal competitiveness.

The Final Report will include the following sections:

1. Project Identification Cover Page, using the USAID Evaluation Branding Template
2. Executive Summary
3. Table of Contents
4. List of Acronyms
5. Background
6. Evaluation Purpose and Objectives
7. Methodologies and Limitations (such as how data was collected and analyzed)
8. Findings
9. Conclusions
10. Recommendations
11. Appendices
  - a. Copy of the final Evaluation Statement of Work (SOW) or Purchase Order (PO) – required
  - b. Copy of the final Evaluation Plan - required
  - c. A Statement of Differences, regarding significant unresolved differences of opinion by funders, implementers and/or members of the evaluation team – if needed
  - d. Copies of all tools used, such as checklists, surveys, questionnaires – required
  - e. A list of all sources of information, properly identified – required
  - f. Any other Appendices

The Final Evaluation Report must comply with the quality criteria listed in Appendix I of the [USAID Evaluation Policy](#). The Evaluator will coordinate with the USAID Evaluation Contracting Officer's Representative (COR) in the Program Office for all issues related to the evaluation award and to submit the Final Report in English and Spanish to the [Development Experience Clearinghouse \(DEC\)](#) within one month after final approval.

## VII. Team Composition

To minimize costs, this performance evaluation will use a combination of international, regional and local experts. The team should include at a minimum:

### I. Team Leader

**Education:** Bachelors university degree in development or a related development field, such as Economics, Political Science, Public Administration, Business Administration, or other discipline

related to development assistance required. Advanced degree preferred. Formal training in monitoring and evaluation is preferred.

**Language Proficiency:** Spanish Level III and English Level IV

**Work Experience:** At least 8 years of relevant prior experience conducting development evaluations and monitoring projects and programs, preferably in Latin or Central America. At least 5 years of project management experience. Some familiarity with USAID's objectives, approaches and operations, particularly as they relate to evaluations, is a plus.

**Position Description:** The Team Leader must be someone external to USAID. The Team Leader will be the lead on Monitoring and Evaluation; therefore, s/he should have knowledge and experience in evaluation methodologies and practical applications. The Team Leader will be responsible for overseeing and coordinating all activities related to this evaluation and for ensuring production and completion of a quality report, in conformance with this SOW.

## **2. Economic Governance Expert**

**Education:** Bachelors university degree in development or a related development field, such as Economics, Political Science, Public Administration, Business Administration, or other discipline related to development assistance required. Advanced degree is preferred.

**Language Proficiency:** Spanish Level IV and English Level III

**Work Experience:** At least 5 years of relevant prior experience in donor-funded competitiveness programs, decentralization programs, local government and regulation strengthening programs or programs on municipal competitiveness, economic growth, enterprise development and investment, preferably in Latin or Central America. The Economic Governance Expert must have experience with El Salvador's local governments and understand the municipal context. It is preferred for the Economic Governance Expert to have relevant prior experience in evaluations of development projects.

**Position Description:** S/he will be responsible for providing expertise and advice to the evaluation team and coordinating all technical analyses with the evaluation team having to do with competitiveness, decentralization and local government development. This Expert will provide knowledge about Salvadorian municipal governments, local business development, contextual factors and local players and dynamics. This Expert will be involved in planning, data collection and analysis and drafting the final reports, as well as any other tasks determined by the Team Leader.

## **3. Logistics Coordinator**

**Education:** High school or technical degree in administration or a related development field, such as Economics, Political Science, Public Administration, Business Administration, or other discipline related to development assistance is required.

**Language Proficiency:** Spanish Level IV and English Level II

**Work Experience:** At least 5 years of relevant administrative work experience. Participation in or knowledge about evaluations of development projects is a plus.

**Position Description:** The Logistics Coordinator will be responsible for coordinating with USAID, RTI, local subcontractors, other partners and the evaluation team to schedule local meetings, transportation and other administrative logistics. The Logistics Coordinator will be involved in planning and should help with data collection and analysis.

In addition, each team member should have, at minimum, the following skills and experience:

- An understanding of the country context
- Demonstrated skill in written and oral communications in both English and Spanish
- Ability to work effectively and communicate with a diverse set of senior governmental officials and professionals

### **VIII. Logistics**

The Evaluator will be responsible for all logistical support under this Purchase Order, including all travel arrangements, appointment scheduling, administrative services, report preparation, printing and copying, and for complying with provisions set forth in this SOW.

### **IX. Evaluation Criteria**

The criteria listed below are presented by major category in descending order of importance, so that Offerors will know which areas require emphasis in the preparation of information. Offerors should note that these criteria serve as the standard against which all technical proposals will be evaluated, and serve to identify the significant areas that Offerors should address.

- **Technical Approach**  
Extent to which the proposed approach is: clear, well-conceived, and Technically sound; is appropriate to the local context; and addresses key evaluation questions. Extent to which the proposed Evaluation Plan, as well as the Timeline are complete and adequate for the evaluation.
- **Management Plan and Personnel**  
Extent to which the management structure clearly plans an adequate mix of technical capabilities, experience, education and language capabilities of the individuals proposed.
- **Institutional Capacity and Past Performance**

Demonstrated recent and relevant technical and field experience and quality in development project evaluations. Satisfactory past performance working in development project evaluations. Experience with evaluations in Latin America is a plus.

**X. Annexes– Available from USAID/EI Salvador upon request**

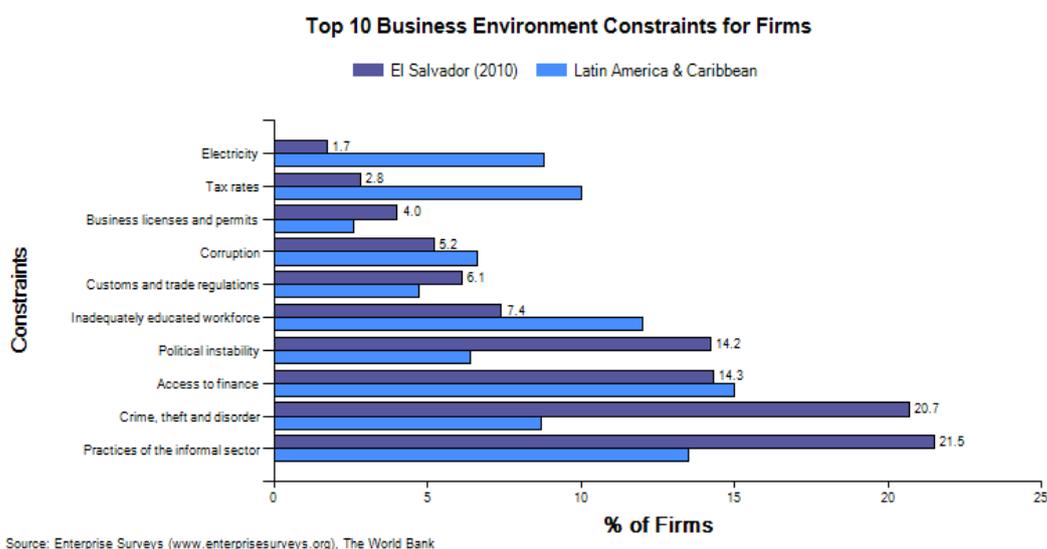
1. List of MCP Goal and Line of Action Contributions to PfG
2. MCP Statement of Work
3. DF4D presentation
4. MCP Work Plan
5. Methodological Guide for Elaborating Competitiveness Improvement Plans
6. Sample Municipal Competitiveness Plan
7. Sample Transparency Plan
8. RTI M&E Plan
9. RTI Annual and Quarterly Reports
10. Disclosure of Conflict of Interest Form

## ANNEX II: PROJECT BACKGROUND

### Constraints to Economic Growth

There are several important constraints to economic growth in El Salvador. Although as measured by a World Bank-funded survey,<sup>1</sup> El Salvador measures slightly better on some indicators compared to other countries in the Latin America and Caribbean (LAC), including those on levels of public corruption and access to finance, than other countries in the region, the public sector is constrained through lower than average rates of taxation and public utilities (electricity is captured in Figure I below, but rates for other public utilities such as water are similarly low). The country has higher costs to businesses in terms of business licensing and customs and trade regulations than the average for the LAC region, but most importantly, El Salvador has considerably higher levels of political instability, inadequacy of education among the workforce, and crime and theft compared to other countries in the region.

Figure I.



The Government of El Salvador (GOES) is determined to reverse current trends of marginal economic growth and crime. To this end, U.S. Government assistance to El Salvador recognizes this nationally-driven process and is supporting measures to overcome the pervasive barriers to increased investment and broad-based economic growth. Moreover, in consonance with national efforts to promote economic growth, the Partnership for Growth (PfG) Joint Country Action Plan (JCAP) 2011-2015 between El Salvador and the United States enables the Governments of El Salvador and the United States to jointly engage in new efforts to improve the ability of local areas in the country to grow and prosper.

The JCAP identified two key constraints to growth in the country: low productivity in

<sup>1</sup> El Salvador data are based on a survey of business owners and top managers in 360 firms interviewed from July 2010 through May 2011. Specific data on types of firms surveyed are available at <http://www.enterprisesurveys.org/Data/ExploreEconomies/2010/el-salvador>

the tradables sector<sup>2</sup> and crime and insecurity, which the governments of El Salvador and the United States pledged to address through a process identifying goals and implementing concrete activities. In the overall context of the PfG JCAP, MCP activities have been designed to address some municipal-level problems. Project objectives are primarily aligned to PfG JCAP Goal #5 under the tradables constraint: “Supporting a strategy for attracting and promoting foreign direct investment (FDI) . . . and streamlining the establishment of operations for potential investors.”<sup>3</sup>

To address the constraint of low economic productivity, the PfG/JCAP indicates a need, among other goals, for strengthening tax collection and transparency, investing in infrastructure and human capital, attracting foreign direct investment, and strengthening institutions and businesses for internationalization. Besides addressing Goal #5, other goals related to economic productivity addressed through the Project include: economic goal #1: “...promoting an environment of trust and improve the business climate [as measured by the MCI] and investments in activities or sectors regarded as strategic”; and economic goal #6: “Surmount low productivity . . . by transforming factors of production . . . through the implementation of strategies to improve innovation and quality, and a focus on the international market.” The Project also addresses one further PfG JCAP economic goal (#4) of raising net tax revenues to 16% of gross domestic product (GDP) by 2015 and using public resources efficiently and transparently.

In terms of overcoming institutional obstacles related to security, the Project addresses several security goals, including #6: “Professionalize El Salvador’s civil service and enhance public confidence in the government”; and #7: “Promote a national dialogue on actions to improve citizen security . . . and involve all sectors of national life, including the private sector, the media, nongovernmental organizations, churches, etc. in efforts to solve the problem of insecurity.” In addition to these institution-building efforts, the Project also addresses two other security-related goals, namely #8: “Assist at-risk youth between ages 16-25 through efforts to afford them economic opportunities and engage them in productive activities”; and #11: “Prevent crime and violence in key municipalities . . .”

A Project-level results framework has been established to support PfG goals and the Mission’s strategic objective of promoting economic freedom through open, diversified, and expanding economies and IRs related to encouraging laws, policies, and regulations that promote trade and investment and to helping create more competitive, market-oriented private enterprises. Key to these efforts has been Project support for municipal competitiveness committees (MCC; “committees”) and regionally based associations formed to develop public-private sector dialogue and activities outlined in municipal competitiveness plans.

The Project started with three major technical components and added a fourth during the implementation period. These components are: 1) Enhancing municipal

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<sup>2</sup> The term “tradables,” as used in the PfG, refers to products that are or can be traded internationally; prices are set on international markets, whereas the prices for “non-tradables” are set domestically.

<sup>3</sup> A summary matrix mapping Project performance indicators and other variables tracked by the Project is provided as part of Annex IV: Sources of Information. This matrix was adapted from an earlier version prepared by the Project with input from USAID El Salvador.

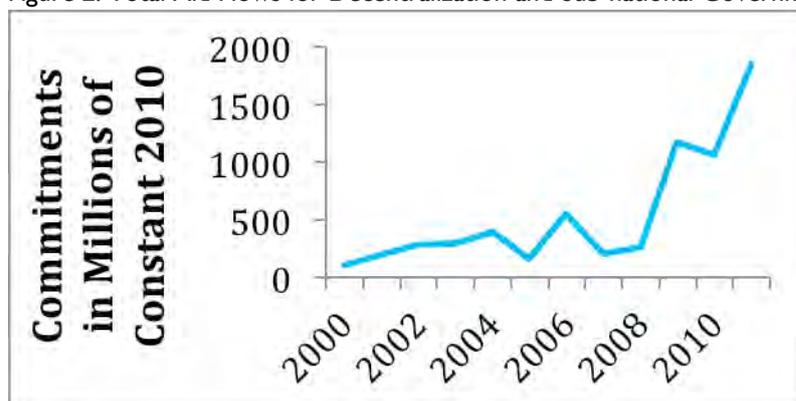
effectiveness and efficiency; 2) the Municipal Competitiveness Index; and 3) Private sector and inter-jurisdictional engagement; and 4) the DF4D, which was primarily used for challenge grants. The Project is currently scheduled to end on March 31, 2014. Under Component 1, the major technical assistance component, RTI is working with 50 municipalities (plus several associations). Under Component 2 and as of December 2013, MCI had published two rounds of findings (2011 and 2013), in addition to those published in 2009 under a previous contract with RTI. The Project has also worked with several private-sector and inter-municipal associations as part of component 3. In February 2013, through Component 4, the DF4D initiative, 20 municipalities were awarded challenge grants of up to \$100,000 to implement crime prevention activities, out of 53 municipalities, which submitted 74 concept papers.

## 2.2 The Project's Theories of Change and Development Hypothesis

MCP is based on the premise that a supportive business environment can raise living standards, help the private sector's commercial performance, increase local investment, and open employment opportunities. The Project's aim is to help municipalities become more competitive by strengthening their administrative and service delivery capacity, cultivating mayors' dynamism in promoting economic activity, and fostering alliances among municipalities and with the private sector. Project implementers expect that activities should result in stronger municipalities that facilitate the generation of more income, creation of more employment opportunities, and promotion of private investment and trade.

The theory of change promoted by MCP has its roots in several theories of public policy, including fiscal federalism<sup>4</sup> and decentralization.<sup>5</sup> Aid donors continue to see value in decentralization as foreign aid flows recently reached nearly \$2 billion in 2011 worldwide.

Figure 2: Total Aid Flows for Decentralization and Sub-national Governments



Source: OECD, Creditor Reporting System Database; from Resnick, 2013

<sup>4</sup> The underlying assumptions of fiscal federalism are: (1) that different layers of government should have different functions and (2) that tailoring goods and services to preferences of local constituencies can increase national welfare (Musgrave, 1958; Oates, 1977).

<sup>5</sup> Theorists discuss decentralization in terms of *deconcentration*, which occurs when the central government redistributes decision-making authority from central to field offices of national ministries; *delegation*, which occurs with the transfer of responsibility for certain public functions to sub-national governments; and *devolution*, which transfers responsibility and authority over decision-making and accountability to sub-national governments (Resnick, 2013; Rondinelli et al.; 1983). On decentralization within the context of Latin America's urban services sector, also see Guarda, 1989.

Another theory of change, which also has economic implications, is that improvement of public safety at the municipal level will improve the investment environment. Although the PfG does not cite a specific year, that document estimates that the constraining effects on the economy are between 4.8 percent and 10.8 percent of GDP, depending on whether health costs are included. Although violent crime has decreased since a March 2012 gang truce, many observers continue to view the peace as fragile (e.g., Lakhani, 2013). Local government authorities can play a critical role in citizen safety and crime prevention. Although the national civilian police force is the primary body responsible for security in the country, municipalities contribute through creation of observatories, combined patrols of municipal and national police, assisting citizen groups to coordinate social prevention activities, providing lighting in high-risk areas, and rehabilitating parks and repurposing abandoned public spaces community buildings and sport facilities, among others.

### **Policy Implications**

Under conditions of fiscal decentralization, local governments have discretion over both formulation and allocation of budgets as well as over the means of revenue generation. In many developing countries, where city mayors and managers are keen to improve economic competitiveness, the ability to provide local infrastructure supply is directly related to a city's ability to raise its own revenues by means of local taxes and user fees (Lall et al., 2010).

However, in designing a decentralized system of intergovernmental finances, there is a need for a policy decision on concrete assignments of both expenditure responsibilities as well as taxes. In balancing intergovernmental fiscal relations, problems with expenditure assignments can relate to: (1) lack of formal assignments or fragmentation of responsibilities, (2) inefficient assignments; and (3) overambitious attribution of functions to sub-national governments. For these reasons, sub-national tax autonomy has often remained limited and capacity to develop existing competences is weak. As a result, most sub-national governments rely on property taxes, commercial or business licenses, and local retail sales taxes (Boschman, 2009).

Many external elements also affect the growth and performance of firms as related to regulatory reform. Therefore, promoting local investment often has important political and governance implications. For this reason, as an OECD (Organization for Economic Cooperation and Development) paper on assistance for the promotion of private investment notes, progress is more likely if led by the partner country and agreement is reached at the partner country level on some key concepts and approaches at the early stage of program formulation (OECD, 2006).

### **Critical Assumptions**

The Project had the following critical assumptions:

1. There would be adequate security and stability for Project staff.
2. Municipal governments would be open to adopting and embracing a participatory methodology for jointly deciding, with representatives of the local businesses, what is needed to change and adjust in order to promote local economic development.
3. There would be a willingness among a significant set of local and national

officials to work with MCP, and, even more, there would be enthusiasm and will of El Salvador's private sector to engage in dialogues for creating a municipal business friendly environment.

4. The 2012 municipal elections would not derail the processes, initiatives, instruments and mechanisms for public-private sector dialogues built up at the local and microregional levels.

## The MCP Model and Project Components

### The MCP model for municipal development

The MCP model consists of four basic stages: establishment of a baseline measure on municipal competitiveness, promoting private public sector dialogue, establishing a relation of trust and tooling municipalities to achieve competitiveness.

In the first stage, key activities include identifying potential participating municipalities and establishing baseline measures.<sup>6</sup> A second stage, namely the promotion of private-public sector dialogue is important in that it establishes the foundation for future public-private sector collaboration. At this stage, the identification of participants from both sectors, the establishment of ground rules for dialogue that promote relations of trust and efficacy of outcomes, and the generation of a framework for common knowledge, which is often acquired through workshops and other training and onsite technical assistance activities by implementing partners sets the stage for continued dialogue. A key element of such dialogue, particularly if it to bear fruit in terms of concrete and positive action, is the agreement between technical/financial assistance providers and municipality in ensuring municipal support for the process. Such actions lead to a third stage, which is the establishment of a relation of trust achieved through the construction of a shared vision and action plan (municipal competitiveness plans) by private and public sector participants, the formation of an implementing organization (competitiveness committees), and a commitment to positive change agreed to by municipality and private sector participants (e.g., competitiveness and transparency pacts). The implementing partner generally takes a strong lead during this phase to achieve desired outcomes.

A fourth and final phase is providing the tools to to achieve planned goals and promoting a culture of municipal competitiveness. As part of the construction of competitiveness plans, the implementing partner leads committee members through a SWOT diagnostic process, which serves to refine areas to target for competitiveness. Progress towards improving competitiveness is achieved through the provision of specialized technical assistance to committees and municipalities for desired outcomes in different targeted areas.<sup>7</sup> Other activities include more advanced training, including

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<sup>6</sup> As discussed elsewhere, the MCI or similar instruments could be useful tools for gauging progress or evaluating performance over a longer period, but there is not necessarily an immediate or linear correlation between MCI and the experiences of municipalities with MCP activities.

<sup>7</sup> Examples of this are improvements in transparency and implementation of the Access to Public Information Law (APIL), entrepreneurial talent promotion and business support, EMPREs, reductions in bureaucratic costs to private sector (SIMTRA), raising municipal revenues, sectoral development (e.g., tourism, agriculture), fiscal training (e.g., analysis of tax and balance sheets, public service cost training, etc.). Of particular importance are EMPREs which connect local and national providers of business services, credit, and project funding, with local entrepreneurs, as

diploma courses, to strengthen knowledge of local economic development (LED) and territorial competitiveness, and the implementation of an incentives package to support desired outcomes in different areas relating to business enabling environments such as increasing municipal income, reducing crime, and promoting business ideas and entrepreneurial talent. Further actions designed to promote an enabling environment include strengthening sectoral or general business associations and associations of municipalities into “micro-regional” associations often to promote specific activities (e.g. tourism development) and business support units or EMPREs. The awarding of technical assistance or funds on a transparent and competitive basis forms another key element of the MCP model.

### **Component I: Enhancing Municipal Effectiveness and Efficiency<sup>8</sup>**

Component I comprises the core technical assistance (TA) activities of the MCP model, in which RTI has worked with 50 municipalities plus several associations. Key activities under Component I include the following:

- The formation of *Municipal Competitiveness Committees* (MCC) comprised of private and public sector participants.
- The development of *Municipal Competitiveness Plans* as part of a participatory process supported with technical assistance from implementing partners. Such plans are intended as “living documents” that will evolve to address local economic development issues.
- *Streamlining administrative procedures* (SIMTRA) are intended to improve the quality of customer service to business customers through reducing time and opportunity costs associated with business formalities; providing entrepreneurs access to information about business registration procedures; reducing the number of requirements and eliminating duplication during this process; and creating “one-stop windows” (business service points) for business registration and other procedures.
- *Transparency and competitiveness pacts* are intended to further promote public-private alliances for local economic development. Through these pacts, local governments commit themselves in a public manner to working with the private sector to implement activities identified in the MCP in an open and transparent manner.
- *Business friendly certification* using MCI 2013 results and additional evaluation criteria<sup>9</sup> to determine which municipalities should be considered “business friendly.”
- *Promoting a focus on gender* through activities such as gender assessments and studies on women as producers and entrepreneurs; analysis of MCI data to

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well as functioning as the MCC’s technical secretary, providing needed follow-up and direct links to the municipal government.

<sup>8</sup> RTI uses components as an organizational tool, but does not track expenditures by component (Source: follow-up communication with RTI, January 17, 2014).

<sup>9</sup> Factors considered in the award of the certification include the following: Municipal Link for Enterprise Development (EMPRE) or other business development unit (see discussion under Component 3 below); public-private dialogue, Municipal Competitiveness Plans, regularity of Municipal Competitiveness Committee meetings, and municipal actions to promote gender equality and support for women’s issues.

develop a baseline of business ownership disaggregated by gender; and other activities geared toward assessing the local business climate effects on gender and related technical assistance needs as identified by public and private sector stakeholders through the MCP process.

The Project also provided technical training and capacity building in a variety of areas and specializations, including:

*Certificate and graduate courses on local economic development and governance.* As one example, a course offered by SACDEL on *Economic Development and Territorial Competitiveness* covers potential measures for improving municipal performance in the MCI; identification and management of territorial opportunities and potentials; micro and small enterprise innovative development and associativity; and building effective value chains. Another course on *Local Economic Governance* was also launched in 2013 with modules covering economics and public policy, measurement problems and analysis using the MCI for local governance.

*Training for transparency and access to public information.* Workshops for the implementation of the *Access to Public Information Law (APIL)* were designed to support municipalities in the formation, training, and awareness among municipal employees and officers directly responsible for the implementation of the law with particular emphasis on dissemination of information. Other training sessions, including a workshop entitled on the *Implementation of Units of Access to Public Information (UAIP)*, were conducted for municipal information officers.

*Fiscal training* workshops were implemented in such areas as *Cost Accounting for Municipal Services*, designed to assist in helping municipal staff better understand the costs and income of municipal services and prepare cost analysis reports; *Tax Administration* on more accurately identify the tax base and updating business registries as well as conducting analysis of financial statements and other related documents in order to calculate tax fees.

The Project also sponsored competitive grants to municipalities and to individuals under Component I, including:

- *Competitive Incentive Initiatives* providing municipalities with grants for computer equipment and accessories.
- *Business plan challenge* addressing the need for small entrepreneurs based on the specific conditions in their municipalities to translate their business ideas into business plans and link them to specialized business development suppliers to strengthen their capabilities for sustainability and growth.

## **Component 2: Municipal Competitiveness Index**

In December 2013, the third round of MCI findings was published.<sup>10</sup> With some customization (e.g., the addition of a measure of public safety), the MCI is largely

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<sup>10</sup> The MCI had published two rounds of findings (2011 and 2013) under the current Project, in addition to the first round published in 2009 under a previous contract with RTI.

patterned primarily on the Provincial Competitiveness Index (PCI) used in a USAID-supported project in Vietnam,<sup>11</sup> as a tool designed to measure the local business climate. In El Salvador ESEN will conduct the MCI on a triennial basis, beginning in 2017.

The 2013 MCI evaluates the business climate of 108 municipalities, which are among the most populous in the country. The MCI 2013, as well as each of the eight sub-indices, were calculated based on data collected from a sample of 8,818 businesses owners and local officials from the 108 municipalities. The overall MCI is a weighted average of the rankings derived from the following sub-indices:

- *Transparency*: Degree of openness to provide access to information and the predictability of changes to regulations affecting businesses in a municipality.
- *Municipal Services*: Quality of services a municipality provides to the private sector.
- *Proactivity*: Level of dynamism of a municipal government in developing and promoting initiatives aimed at attracting investments and improving local business conditions.
- *Illegal Payments*: Magnitude, incidence, and costs of illegal payments that are required to start and operate a business in a municipality.
- *Public Safety*: Impact of crime and delinquency on business owners' and municipalities' ability to prevent and control crimes and keep the municipality within acceptable limits.
- *Time to Comply with Regulations*: Frequency of inspections in each municipality, the degree to which they are carried out in an appropriate manner, and the number of regulations imposed on business operations in a municipality.
- *Rates and Taxes*: The rate of local taxes and other burdens required for the operation of businesses, adjusted by the degree to which these are appropriate to the quality of public services provided by the municipality.
- *Entry Costs*: Time costs and ease of registering and initiating business operations in a municipality.

### **Component 3: Private-Public and Inter-Jurisdictional Engagement and Dialogue**

Component 3 is designed to build the organizational and networking capacity of both public and private sectors to support more effective dialogue; to develop a more collaborative regional perspective toward development, facilitated through joint investment promotion activities; and to increase mutual accountability. This component provides support for the development and functioning of municipal and microregional competitiveness committees. As another essential element of the MCP model, committees constitute the main platform for local public and private sector representatives to converge and analyze and discuss issues related to implementing municipal competitiveness plans and are the first institutionalized public-private forums at the local level in El Salvador. Other activities under this component include media outreach; a partnership with the Business Council for Peace (BPEACE), which supports employment generation assistance for small and medium enterprises. The most recent emphasis under this component has been on the promotion of regional associativity

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<sup>11</sup> As a comparison, in Vietnam, the 2012 Provincial Competitiveness Index (PCI) report represents the eighth iteration (Report on Vietnam Provincial Competitive Index, 2012).

through the development of microregional competitiveness plans (MRCP) based on a shared vision, as well as an analysis of strengths, weaknesses, opportunities, and threats (SWOT) and identification of strategic projects to be implemented.

#### **Component 4: Domestic Finance for Development**

Domestic Finance for Development (DF4D) is a United States government policy initiative with the following goals:

- Strengthen the political will for reform within partner countries.
- Provide technical assistance, such as taxation expertise, in partner countries including through innovative public-private partnerships.
- Elevate the importance and interrelation of domestic resource mobilization, fiscal transparency, and anti-corruption efforts in public finance as key components for sustainable economic development.<sup>12</sup>

53 municipalities submitted 74 concept papers for DF4D in El Salvador; in February 2013, through that initiative, 11 non-governmental organizations (NGOs) in 20 municipalities were awarded challenge grants ranging from US\$50,000 to US\$100,000 to implement 29 projects with activities focused on preventing crime and violence. Several of the sampled municipalities receiving DF4D funds developed vocational centers. In San Martin and Chaletango, for example, large older buildings once used for local markets had remained empty for many years, and new centers were being constructed in Izalco and Atiquizaya. More examples of DF4D projects included in the evaluation study sample are discussed in detail in the findings section of this report, but some brief examples include the following:

- In *Chalatenango*, entrepreneurship workshops are designed to help at-risk youth improve their skills so they can find jobs or to create micro-enterprises as electricians, cosmetologists, bakers and carpenters. Ten graduates will be provided with seed capital to start their own business.
- In *Suchitoto*, the Art Center for Peace provides music, dance, sports, and agricultural production training for local youth in both the urban area and in several rural communities.
- In *La Libertad*, the DF4D grant sponsors a variety of activities ranging from violence prevention, childcare, entrepreneurship, and sports.

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<sup>12</sup> Source: Domestic Finance for Development (DF4D): “Helping Developing Countries Fund Their Own Development.” Fact Sheet, U.S. Department of State, Bureau of Public Affairs, January 27, 2012.

## ANNEX III: EVALUATION WORK PLAN



# Final Performance Evaluation Municipal Competitiveness Project (MCP) in El Salvador Work Plan

December 2, 2013

This draft work plan was produced at the request of the United States Agency for International Development. It was prepared independently by Michael Midling, PhD, Francisco Molina, Roy Sandoval, and Silvia López-Tull, under Purchase Order AID-519-O-14-00001 awarded to International Business & Technical Consultants, Inc.

Final Performance Evaluation  
The Municipal Competitiveness Project (MCP) in El Salvador  
Work Plan

Michael Midling, PhD  
Francisco Molina  
Roy Sandoval  
Silvia López-Tull

The authors' views expressed in this draft work plan do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

## I. PURPOSE OF THE EVALUATION

The purpose of this final performance evaluation on the Municipal Competitiveness Project (MCP) in El Salvador is to document the effectiveness of the project from its inception in October 2010 through September 2013, and to inform USAID and other stakeholders of opportunities for additional investments.

The objectives of the evaluation are:

- To document successes and shortcomings of the MCP approaches in order to determine their effectiveness in promoting municipal competitiveness and business enabling environments
- To make recommendations for priority activities to ensure sustainability and increased private sector participation and improve competitiveness at the municipal level
- To identify the level of success of the Domestic Finance for Development (DF4D) component in promoting Municipal Competitiveness Committee participation in community crime prevention activities
- To make recommendations on MCP approaches to encourage increased municipal revenues
- To offer suggestions on measuring municipal level investment in the country.

## II. OVERVIEW OF THE PROJECT

The MCP was designed in response to the findings of the 2009 MCI Project and awarded to RTI International (RTI) in September 2010; it is scheduled to end in March 2014. RTI is implementing MCP in collaboration with four established Salvadoran organizations: Fundación Nacional para el Desarrollo (FUNDE), Sistema de Asesoría y Capacitación para el Desarrollo Local (SACDEL), Fundación para el Desarrollo Sostenible (FUNDES), and Escuela Superior de Economía y Negocios (ESEN).

The project started with three major technical components: 1) Enhancing municipal effectiveness and efficiency; 2) the Municipal Competitiveness Index; and 3) Private sector and inter-jurisdictional engagement. In May 2012, RTI's Task Order was raised from \$9.2 million to \$11.2 million to include an additional component, the Domestic Finance for Development (DF4D) initiative, which is primarily the challenge grant. Under Component 1, the major technical assistance component, RTI is working with 50 municipalities (plus several associations). In February 2013, through the DF4D initiative, 20 municipalities were awarded challenge grants of up to \$100,000 to implement crime prevention activities, out of 53 municipalities, which submitted 74 concept papers.

The evaluation will place project activities within several important contexts, including (1) the Partnership for Growth (PfG) between the governments of the US and El Salvador; (2) the Mission Strategic Objective of "Economic freedom: open, diversified, and expanding economies," and intermediate results (IR) related to encouraging laws, policies, and regulations that promote trade and investment and to helping create more competitive, market-oriented private enterprises; and (3) a project-level results framework to support its strategy to increase municipal competitiveness through:

- Increased effectiveness and efficiency in municipal administration
- Institutionalization the municipal competitiveness index (MCI)
- Strengthened private sector and inter-jurisdictional engagement
- Establishment of a learning network
- Increased security at the local level

### III. UNDERSTANDING THE PROJECT'S THEORIES OF CHANGE AND DEVELOPMENT HYPOTHESIS

MCP is based on the premise that a supportive business environment can raise living standards, help the private sector's commercial performance, increase local investment, and open employment opportunities. The project's stated aim is to help municipalities become more competitive by strengthening their administrative and service delivery capacity, cultivating mayors' dynamism in promoting economic activity, and fostering alliances among municipalities and with the private sector. Project implementers expect that the program will result in stronger municipalities that facilitate the generation of more income, creation of more employment opportunities, and promotion of private investment and trade.

The belief in change of the type promoted by MCP has its roots in several theories of public policy. As one example, the theory of change promulgated by the project has an ideological root in what has come to be known as "fiscal federalism," whose underlying assumptions are: (1) that different layers of government should have different functions and (2) that tailoring goods and services to preferences of local constituencies can increase national welfare.<sup>56</sup> Recent theorists have described the varied types of decentralization in terms of *deconcentration*, which occurs when the central government redistributes decision-making authority from central to field offices of national ministries; *delegation*, which occurs with the transfer of responsibility for certain public functions to sub-national governments; and *devolution*, which transfers responsibility and authority over decision-making and accountability to sub-national governments.<sup>57</sup>

Another theory of change, which also has economic implications, is that improvement of public safety at the municipal level will improve the investment environment. According to some estimates, crime in El Salvador generates losses of 25% of the annual gross domestic product. Although crime, and particularly violent crime, has decreased considerably since the March 2012 gang truce, many observers continue to view the peace as fragile.<sup>58</sup> Local government authorities can play a critical role in citizen safety and crime prevention. Although the national government, through the Policía Nacional Civil (PNC), is the primary body responsible for security in the country, municipalities contribute through creation of observatories, combined patrols of municipal and national police, assisting citizen groups to coordinate social prevention activities, providing lighting in high-risk areas, and rehabilitating parks and repurposing abandoned public spaces community buildings and sport facilities.<sup>59</sup>

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<sup>56</sup> See for example Musgrave, Richard A.: *Multi-Level Finance* (1958), in: Musgrave, Richard A.: *Public Finance in a Democratic Society*. Coll. Papers, Vol.2, Brighton, U.K.: Wheatsheaf Books Ltd, 1986, pp. 3-8; and Oates, Wallace E.: *An Economist's Perspective on Fiscal Federalism*, in: Oates, Wallace E. (ed.): *The Political Economy of Fiscal Federalism*, Lexington/Toronto, 1977, pp. 3-20. For a recent review of decentralization in a comparative context, see Danielle Resnick, United Nations University, *Decentralization and Local Governance in Developing Countries* (2013).

<sup>57</sup> E.g., Elizabeth Linda Yuliani, "Decentralization, deconcentration and devolution: what do they mean?"

<sup>58</sup> See for example, Nina Lakhani, "Fragile peace in San Salvador as youth gangs trade weapons for jobs and hope," *The Observer*, June 8, 2013.

<sup>59</sup> USAID/El Salvador, Press Release, June 29, 2012. "Gobierno de Estados Unidos proporciona dos millones de dólares para la prevención del crimen a escala municipal."

## Policy Implications

Under conditions of fiscal decentralization, local governments have discretion both over formulation and allocation of budgets as well as over the means of revenue generation. In many developing countries, where city mayors and managers are keen to improve economic competitiveness, the ability to provide the type of local infrastructure supply is directly related to a city's ability to raise its own revenues by means of local taxes and user fees.<sup>60</sup> However, in designing a decentralized system of intergovernmental finances, there is a need for a policy decision on concrete assignment of both expenditure responsibilities as well as taxes. In balancing intergovernmental fiscal relations, problems with expenditure assignments can relate to: (1) lack of formal assignments or fragmentation of responsibilities, (2) inefficient assignments; and (3) overambitious attribution of functions to sub-national governments. For these reasons, the authors argue that sub-national tax autonomy has often remained limited and capacity to develop existing competences is weak. As a result, they conclude that for most sub-national governments it has been appropriate to rely on property taxes, commercial or business licenses, and local retail sales taxes.<sup>61</sup>

Many external elements also affect the growth and performance of firms to regulatory reform, and therefore promoting local investment often has important political and governance implications. For this reason, as an OECD paper on assistance for the promotion of private investment notes, progress is more likely if led by the partner country and agreement is reached at the partner country level on some key concepts and approaches at the early stage of program formulation.<sup>62</sup>

## IV. EVALUATION QUESTIONS

In addition to the original six questions proposed in the RFP in order of importance, the evaluation team has added a seventh question on gender:

1. How effective has the MCP been in promoting municipal competitiveness?
  - a. Which activities have best created business-enabling environments at the municipal level?
  - b. What factors (such as but not limited to sustainability, integration of private sector into the municipal activities, cost/efficiency) made these activities (from question 1.a) successful at creating business enabling environments at the municipal level?
2. Based on the results of the MCP, what are the recommendations for future activities to promote business enabling environments at the municipal level?
3. What are the recommendations for USAID and other stakeholders to promote future sustainability of the Municipal Competitiveness Committees?
4. To what extent has the DF4D component promoted the participation of Municipal Competitiveness Committees in community crime prevention activities?
5. Based on the DF4D initiative and other related MCP activities, what recommendations can be made to encourage municipalities to increase revenues?

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<sup>60</sup> See for example, Somik V. Lall, Hyoung Gun Wang, and Uwe Deichmann, 2010, "Infrastructure and City Competitiveness in India." United Nations University, World Institute for Development Economic Research, Working Paper No. 2010/22.

<sup>61</sup> Niña Boschmann, 2009, "Fiscal Decentralization and Options for Donor Harmonisation."

<sup>62</sup> Organization for Economic Co-operation and Development, 2006. "Promoting Private Investment for Development: the role of ODA."

6. What recommendations can be made to measure investment at the municipal level in the country?
  - a. To what extent can increased investment at the municipal level be attributed to MCP activities?
  - b. What indicator can be used to measure investment at the municipal level?
7. To what extent has the project adopted a gender focus?

The final report will be no longer than 30 pages, with type in 12 point minimum, and allocation of space within the Final Report will be based primarily on the Mission's order of priority.

### Evaluation Process

Figure I below presents our proposed timeline and work plan in graphic form.

#### Data Collection, Progress to Date: Weeks 1-4

During weeks 1-2, the evaluation team conducted a desk review of relevant USAID and project documents and had initial consultations with USAID via telephone and at Mission.

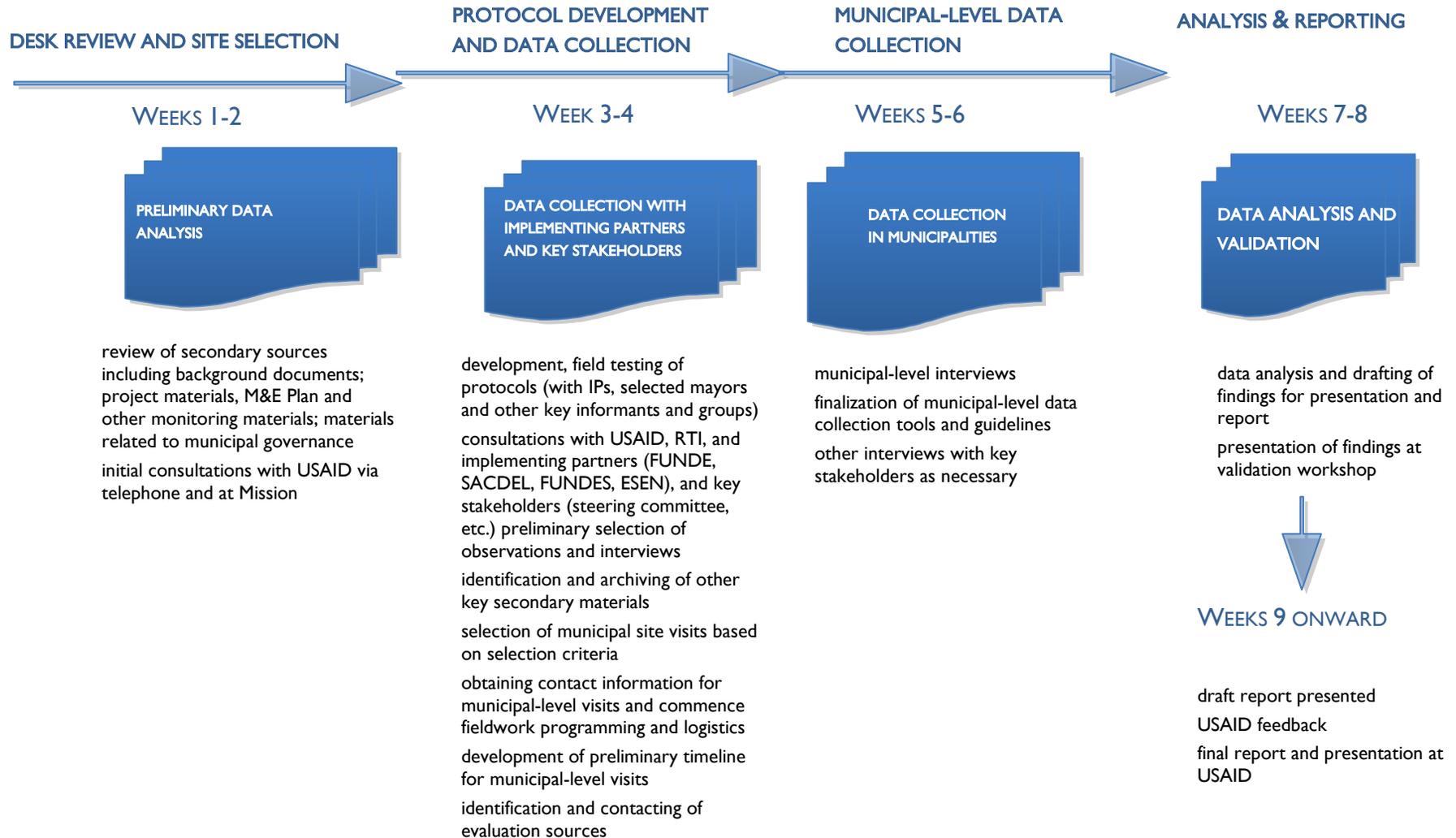
During weeks 3-4, the evaluation team conducted the following activities:

- Development and field testing of protocols for:
  - Semi-structured group interviews with RTI and its implementing partners (FUNDE, SACDEL, FUNDES, ESEN), based on a framework of themes using interview guides.<sup>63</sup>
  - Key informant interviews for members of the steering committee, selected mayors and other key municipal respondents and individual implementing partners preliminary selection of observations and interviews.
- Identification and contacting of evaluation sources
- Identification and archiving of other key secondary materials
- Selection of municipal site visits based on selection criteria and validation of these with RTI and implementing partners
- Obtaining of contact information for municipal-level visits and commence fieldwork programming and logistics
- Development of preliminary timeline for municipal-level visits
- Development of pilot group and/or individual protocols for use at the municipal-level

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<sup>63</sup> These interviews, compared to focus groups, which tend to have a formalized, limited-set questions, are more flexible, allowing new questions and avenues of research to be pursued during the interview as a result of interviewee responses. The interviews take the group, rather than individual respondents, as the principal unit of analysis.

Figure 1: Work Plan Timeline



### Evaluation Limitations

First, and as described previously, the evaluation sample is purposive. In addition to selecting for demographic and geographic factors, the sample was selected for the existence of a variety of program activities/components. Selecting for these latter criteria, meant, coincidentally, that a majority of sites (9 of 16 municipalities) are considered by implementing partners as among the most “proactive,” and therefore likely “good practice” sites. Therefore, when drawing conclusions, it is important to reiterate that in this respect, the sample is not intended to be representative in terms of proactivity. Rather, the evaluators will draw conclusions based on a mix of “good practices” and weaker implementation sites.

Second, in addition to individual interviews (e.g., mayors; some implementing partners), most field work uses semi-structured individual and group protocols. The limitation of this approach, unlike that of a survey approach (in which a defined set of questions are asked of each respondent), does not allow for disaggregation of responses at the individual level. Therefore, the evaluation is likely to have few statements of the nature of “x numbers of respondents indicated that...” or “xx% believe that...” This method is however, a very effective tool for identifying patterns and, therefore, appropriate for this type of performance evaluation.

A third limitation concerns the scope of the questions asked. It is beyond the scope of this evaluation to offer definitive answers to certain questions, such as those dealing with potential recommendations to encourage municipalities to increase revenues, and measuring investment at the municipal level.

Fourth, a limitation in all evaluations involving more than one interviewer is inter-rater reliability, or, more simply stated, that different evaluators may view responses differently or may choose to emphasize certain questions over others. Although this problem can never be completely eradicated, certain measures can be taken to diminish the problem. In the case of the current evaluation, over the period of time of municipal-level data collection, several of the field interviews will be conducted by team members jointly, to ensure that all team members have the same understandings and to reduce the likelihood of inter-evaluator variability; in other cases, team members will split for individual site visits to different municipalities. This approach will allow for up to two municipal site visits per day during the ten-day period in Weeks 5-6 of the evaluation. At the end of each week (more often if it seems desirable), team members will confer to compare notes and to reduce the possibility of norms drifting over time, both for individuals evaluators and among them. The intended schedule of visits to municipalities is as follows:

Date	Municipality
11/25	Ciudad Delgado
	Panchimalco
11/26	La Libertad
	San Martin
11/27	Olocuilta
11/28	Chinameca
	Jucuapa
11/29	Ciudad Barrios
12/2	Santa Ana
	Atiquizaya
12/3	Izalco
	Chalatenango
12/4	Suchitoto
	Sensuntepeque
	Ilobasco
12/5	Santa Tecla
12/6	San Salvador

The municipalities of Alegria and Nueva Concepcion have been added as alternate sites, due to the possibility that one or two of the original sites may not be able to receive the evaluation team due to patron saint holidays.

During the final two weeks in El Salvador, stakeholder meetings will be convened to discuss preliminary findings and a debriefing will be conducted with USAID.

Subsequently, the team will prepare and submit a draft report. After USAID's comments are incorporated, in January 2014 IBTCI will prepare and deliver a final evaluation report and an in-country presentation of the evaluation findings, conclusions and recommendations.

#### **Information Sources**

For this purpose three major groups of respondents will be selected: (1) implementing partners and other non-governmental organizations with a role in MCP; (2) public officials at the municipal level; and (3) representatives of businesses and business associations.

Because MCP works with some 500 business associations, training centers, financial institutions, NGOs, and educational institutions,<sup>64</sup> developing a schedule of representative organizations and key informants at the local level has been an essential task during the preparatory period. The evaluation team is taking steps to assure meaningful representation of women, as feasible, among people to be interviewed, and relevant data will be disaggregated by sex. We plan to use the following steps to assure meaningful representation of women:

- a. We will endeavor to identify appropriate female staff as well as male staff to interview among the four strategic sub-contractors and MCP-wide partners in the steering committee.
- b. We will confer with the reference persons and others in Municipal Competitiveness Committees and seek to identify appropriate women as well as

<sup>64</sup> Source: [http://www.rti.org/brochures/rti\\_el-salvador.pdf](http://www.rti.org/brochures/rti_el-salvador.pdf)

men to interview. We will also ask them to help to identify appropriate women among the respective municipal grant recipients.

- c. We will solicit the assistance of implementing partners and reference persons and others in Municipal Competitiveness Committees in identifying governmental, private sector, and other stakeholders (e.g., business firms involved with SIMTRA) for interviews and focus groups.

In addition to interviews with national organizations based in San Salvador and elsewhere, observations and interviews will be conducted in 16-18 municipalities selected according to criteria described in the following section. Individual and group interview protocols are included as an Annex of this work plan.

### **Municipal Site Selection**

Another important element of the process during the initial period of the evaluation during weeks 1-4 was the selection of sites.

The selection of municipalities visited and their respective beneficiary populations constitute a purposive sample,<sup>65</sup> and therefore, not all municipalities and their beneficiaries had an equal probability of being included in this sample. Municipalities were selected to cover the broadest possible range in terms of geographical location, population to ensure the inclusion of small, medium and large municipalities, as well as implementation of procedural simplification (SIMTRA) and participation in DF4D, and implementation of initiatives to enhance competitiveness.

#### Municipal site selection criteria

Some 108 municipalities, including the 100 largest in the country, which represent more than 80% of El Salvador's population, have participated in providing data for the Municipal Competitiveness Index (MCI). About half of these, or 50 municipalities, have been direct recipients of core MCP technical assistance, and most (42) have participated since the inception of the project. Technical assistance has been focused on developed a business-friendly environment, and to date, a large majority of these 50 municipalities have instituted competitiveness committees and completed municipal action plans for improving competitiveness and transparency.

Because most technical assistance has been concentrated on this cohort of 50 MCP participants, the evaluation team believes that it is best to focus its efforts at the municipal-level on these sites. For this reason, we considered the participation of municipalities in the MCP as a primary criteria. Other selection criteria include regional distribution of municipalities; the dichotomous variables of participation in DF4D-funded crime and violence prevention activities, business friendly certification and procedural simplification (SIMTRA) programs and Business Development Units (BDU or *EMPRE* in Spanish); and municipality size. These are briefly described below:

- Participation in the MCP. The project has sought to strengthen municipal competitiveness by developing a favorable business climate in order to increase private investment, business and job opportunities for both men and women aimed at local economic development in 50 municipalities.

Figure 2 shows the distribution of these sites by geographic region and department.

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<sup>65</sup> A purposive sample, also referred to as a judgmental or expert sample, is a type of non-probability sample that is selected based on the knowledge of a population and the purpose of the study. This sampling approach enabled the evaluation to apply the Program's learning curve to select a sample that could best reflect the key issues of the evaluation. It also was an approach commensurate with the time, resource and source availability constraints present in this evaluation process.

Figure 2: Distribution of MCP sites by geographic region

Western (8)*	Metro/paractr. (21)	Other Central (14)	Eastern (7)
Ahuachapán (1)	San Salvador (12)	Chalatenango (3)	Usulután (4)
Santa Ana (2)	La Libertad (9)	Cuscatlán (3)	San Miguel (3)
Sonsonate (5)		La Paz (5)	Morazán (0)
		Cabañas (1)	La Unión (0)
		San Vicente (2)	

\* Figures in parentheses denote number of MCP participating municipalities

Geographical location:

- Based on 2010 census data, the population of El Salvador is heavily concentrated in two departments of San Salvador and La Libertad, which contain most of the population of the greater metropolitan and paracentral<sup>66</sup> San Salvador and over 40% of the country’s total population. IBTCI evaluators intend to visit 16 to 18 municipalities—one-third or more of the 50 MCP participating municipalities—including, at a minimum:
  - Four municipalities in the Department of San Salvador<sup>67</sup>
  - Two municipalities in the Department of La Libertad
  - Four municipalities in other departments of central El Salvador
  - Three municipalities in western El Salvador
  - Three municipalities in eastern El Salvador

Population:

To ensure the inclusion of small, medium and large municipalities, approximately 38% of municipalities selected from the top tier in terms of population (larger urbanized areas with population greater than 70,000); approximately 38% from medium-range population areas of less than 70,000 and greater than 30,000; and 25% from the less populated tier of municipalities of fewer than 30,000.

Project activities:

- For the purposes of documenting early implementation of the Crime and Violence Prevention Activities (DF4D) component, and to provide a comparison with non-grantees, approximately 60% of the total sites were selected from among DF4D challenge grantees.

<sup>66</sup> Urban areas surrounding San Salvador. For this study, these include the metro and paracentral areas of San Salvador and La Libertad departments.

<sup>67</sup> To clarify the methodology used to choose the sample, the following steps were taken to choose the Municipalities in San Salvador. In San Salvador, according to the geographical location criteria, four out of 12 municipalities that participate in the MCP need to be selected. San Salvador was selected because it is the municipality with the largest population (345 thousand), substantial economic activity and is very active in the project. Ciudad Delgado was chosen because it has a large population (approximately 139 thousand), significant economic activity and is not performing well in the project. Panchimalco, has a population of around 40 thousand and is performing well in the project. Panchimalco has in place a BDU, a Procedural Simplification Center and is implementing competitiveness initiatives and DF4D. Lastly, San Martin (population 83 thousand) was chosen as part of the Department of San Salvador. San Martin has also been very active in the project, has a Procedural Simplification Center, DF4D, and is on the waiting list for the BDU.

- To document technical assistance in the areas of Procedural Simplification (SIMTRA) and implementation of competitiveness initiatives approximately 80% of the sites visited will have implemented one or both of these programs (DF4D and SIMTRA).
- To pay particular attention to BDU efforts to promote local economic development, five of the six BDU's that are operational were included in the sample.
- To guarantee that we interview stakeholders and beneficiaries of most project activities, and pinpoint gender focused activities and impact, the majority of the municipalities in the sample have multiple project activities carried out in their territory and a significant number have won competitions.

To summarize, municipalities were chosen purposefully to include those that were involved in activities that were considered important for increasing competitiveness and strengthening public-private alliances, such as BDU/EMPRE, DF4D and Competitiveness Initiatives. As a secondary “check,” after we had drawn our sample, we obtained a list from RTI's main implementing partners of those municipalities that were considered the “most proactive” and “least proactive” municipalities. Because we selected municipalities with a range of activities, it is not surprising that nine of the sixteen municipalities chosen were considered by implementing partners as being among the “most proactive” and one was considered among the “least proactive,” with another six somewhere in the middle of the range. For this reason, our sample can be considered, at least among a majority of sites, a “best practice” sample, but one which also includes slower performers.

Other sites:

In addition to the 16 municipalities included in the sample, we intend to also include the following, as feasible. These sites are included both to provide further variety, and to help ensure that between 16-18 sites are visited, in case some municipalities from our main selection of 16 cannot participate:

- Ilobasco, the municipality that decided to pull out from the Project. We intend to visit this municipality to determine the reasons that it withdrew from the project after having been selected as one of the 50 main MCP municipalities.
- For comparative purposes and to help identify lessons learned, other municipalities that participated in the process but were not among the 50 main MCP municipalities may also be included in the sample. With input with RTI, we are currently in the process of identifying a short-list of alternatives from this group.

The table on the next page shows the 16 municipalities that were chosen, of the 50 municipalities that are participating in the MCP, using the multiple criteria of selection explained above.

<i>MCP PARTNER</i>	<i>Departament</i>	<i>Municipality</i>	<i>Population</i>	<i>Domestic Finance for Development (DF4D)</i>	<i>Competitiveness Initiatives</i>	<i>Business Development Unit (BDU)</i>	<i>Simplification of Procedures / Points of Attention for Enterprises (SIMTRA / PAE)</i>	<i>Business or regional associations (sector)</i>
FUNDE	San Salvador	San Salvador	344,992				x	
FUNDE	San Salvador	Ciudad Delgado	138,998				x	
FUNDE	San Salvador	San Martín	82,774	x			x	
FUNDE	San Salvador	Panchimalco	40,039	x	x	x	x	x (turismo)
SACDEL	La Libertad	Santa Tecla	133,601	x			x	x (turismo)
SACDEL	La Libertad	La Libertad	39,285	x	x	x	x	x (turismo)
FUNDE	La Paz	Olocuilta	32,463	x	x	x	En proceso	x (turismo)
FUNDE	Chalatenango	Chalatenango	31,136	x			x	x
FUNDE	Cabañas	Sensuntepeque	44,605	x				x
FUNDE	Cuscatlán	Suchitoto	24,529	x				
SACDEL	Santa Ana	Santa Ana	124,926		x		x	
SACDEL	Sonsonate	Izalco	74,349	x	x	x	En proceso	
SACDEL	Ahuachapán	Atiquizaya	33,547	x		x	En proceso	x
FUNDE	San Miguel	Chinameca	23,333				En proceso	x (ASITECHI)
FUNDE	San Miguel	Ciudad Barrios	27,671				En proceso	
FUNDE	Usulután	Jucuapa	19,578				x	x (ASITECHI)

Selection criteria noted in Underline in Headers

## Interview Protocols

English translation is followed by the Spanish-language version for each protocol. The original protocols were in Spanish.

**Main List of Questions for Implementing Partners  
FUNDE and SACDEL**  
*(Use list to develop specific protocols for coordinators and technicians assigned to municipalities)*

Date / Time

\_\_\_\_\_

Location: \_\_\_\_\_

Name	Position	Institution / Entity

International Business & Technical Consultants Inc. (IBTCI) has been contracted by USAID to evaluate the Municipal Competitiveness Program during the implementation period from October 2010 to September 2013. During this month, we will be visiting the implementing partners, municipalities, Competitiveness Committees, and other participants and beneficiaries in order to collect relevant data in compliance with the following objectives of the evaluation:

- Document successes and shortcomings in the approach of the program in promoting municipal competitiveness and the creation of enabling environments for business.
- Recommend priority activities to ensure sustainability and increased private sector participation and improve competitiveness at the municipal level.
- Identify the level of success of the component Domestic Finance for Development (DF4D).
- Review the actions of the program to support the increase in municipal revenues.
- Offer suggestions on measuring the level of investment at the municipal level for the country.

Due to the short time available, the collaboration of participants, implementing partners and beneficiaries, it is vitally important to obtain the best available information and present results in the best quality. **In advance, thank you for your time and availability to discuss your experiences on the following topics:**

- Activities related to Municipal Competitiveness Plans
- Municipal Competitiveness Committees
- Other Program Assistance to Municipal Competitiveness

*On the development of Municipal Competitiveness Plans*

1. What was your role as technical staff in the preparation of the Municipal Competitiveness Plans?
2. Please, comment on the complexity and difficulties experienced in the development of Municipal Competitiveness Plans.

What were the most difficult aspects, the complexity of information, engaging the private sector, and so on.

How long did it take to develop Municipal Competitiveness plans?

3. Do you believe that the Municipal Competitiveness plan has facilitated the implementation of project activities? If so, how? If not, why?

#### *On the Participation of the Private Sector*

4. What have been your most significant experiences in achieving and maintaining the participation of the private sector?
  - in the development of Municipal Competitiveness Plans?
  - in the formation and maintenance of Municipal Competitiveness Committees ( MCC )?
  - in implementing plans?

5. What strategies could be pursued in the future to ensure continued interest and attract private sector participation (e.g., in Municipal Competitiveness Committees, or related to the implementation of Plan activities)?

6. Does the project provide direct support to the private sector?  
If the answer is no, what should have been included?

7. Which municipalities have progressed in implementing the Municipal Competitiveness Plans?  
Why?

8. Which municipalities have made less progress in implementing the Municipal Competitiveness Plans? Why?

#### *Municipal Competitiveness Committees*

#### *Background*

9. Who followed up on the Competitiveness Committees' work?

If so, how was it done?

10. Who provides support for the MCCs –for instance, technical assistance, training, and so on– and what training have they received for their work?

11. How often are MCP updates on developments presented, and who does this?

May I have copies of some of the reports?

### *Operations and Sustainability*

12. When comparing different Competitiveness Committees, what factors do you see making a difference in their dynamism and proactivity?

13. What strategies might you propose to improve their performance?

How can they improve? What strategies would you suggest?

14. What are the most important challenges and effective strategies regarding the sustainability of the Municipal Competitiveness Committees?

### *BDU/EMPRE*

15. What is the process by which a BDU/EMPRE is formed? How long does it take for it to be functioning?

What were the most significant obstacles to the process of implementing a BDU/EMPRE?

16. Do you consider the BDUs / EMPREs could play a significant role in the sustainability of Municipal Competitiveness Committees? Whether affirmative or negative, why is it important, or not?

### *Transparency*

17. What incentives and disincentives are there to comply with the agreements in the Competitiveness and Transparency Pacts?

18. Who follows up on Pact compliance?

–What happens if one or more are not complied with?

19. What should be the role of USAID, NGOs, Civil Society, and others, to ensure citizens are aware of their rights, and of the importance of exercising them, particularly, as regards issues of Municipal Competitiveness?

#### *Training and technical Assistance (TA)*

20. What training and technical assistance has been the most beneficial for MCP implementation?

21. What emphasis have the trainings and technical assistance placed on the issue of planning, and updating plans?

22. What areas of training/TA do they (the municipalities and/or the private sector) indicate –or you notice– that they require further assistance or strengthening (to implement MCPs, to perform new municipal services-function in BDU, to comply with the Law of Access to Public Information (LAIP) and other measures related to Transparency)?

23. Upon Program completion, what priority actions are to be taken in order to secure financing for future requests as to TA, training, or other assistance regarding implementation of the MCPs?

#### *New municipal services*

24. What priority actions would you propose, not already in the program, to ensure sustainability of the new municipal services: information, and Business Development Unit (BDU). (Financing and continuity of trained staff.)

#### *Summary questions*

25. What are the main lessons learned from formulating and implementing Municipal Competitiveness Plans?

–from formulating and implementing Micro-regional Competitiveness Plans?

26. What are the main challenges and strategies to foster municipal partnerships?

27. What are the most important lessons learned from working with the program?

28. In your view, what are the program's greatest strengths?

--- ...the program's greatest weaknesses?

29. What are the main lessons learned from fostering local economic development?

**Listado Principal de Preguntas para Socios Implementadores  
FUNDE y SACDEL**  
*(Utilizar el listado para desarrollar protocolos específicos para Coordinadores y Técnicos asignados a los municipios)*

Fecha / Hora \_\_\_\_\_

Lugar: \_\_\_\_\_

Nombre	Cargo	Institución / Entidad

La empresa International Business & Technical Consultants Inc. (IBTCI) ha sido contratada por USAID para evaluar el Programa de Competitividad Municipal durante el período de ejecución entre Octubre 2010 a Septiembre 2013. Durante el presente mes, estaremos visitando a los socios implementadores, Municipios, Comités de Competitividad, otros participantes y beneficiarios con el fin de recabar datos pertinentes en el cumplimiento de los siguientes objetivos de la evaluación:

- Documentar los éxitos y carencias en el abordaje del programa en la promoción de la competitividad municipal y en la creación de entornos facilitadores de negocios
- Recomendar las actividades prioritarias para asegurar la sostenibilidad e incremento de la participación del sector privado y mejorar la competitividad a nivel municipal.
- Identificar el nivel de éxito del componente Finanzas Domésticas para el Desarrollo (DF4D)
- Recomendar sobre las acciones del Programa para apoyar el aumento de ingresos municipales.
- Ofrecer sugerencias en la medición del nivel de inversión a nivel municipal para el país.

Debido al corto tiempo disponible, la colaboración de participantes, socios implementadores y beneficiarios, se vuelve de vital importancia a fin de obtener la mejor información disponible y presentar resultados de la mejor calidad posible. **De antemano agradecemos su tiempo y disponibilidad para conversar sobre sus experiencias sobre los siguientes temas:**

- Actividades relacionadas con los Planes de Competitividad Municipal
- Comités de Competitividad Municipal
- Otras asistencias del Programa de de Competitividad Municipal

*Sobre la elaboración de los Planes de Competitividad Municipal*

1. ¿Cuál fue el rol de ustedes los técnicos en la elaboración de los Planes de Competitividad Municipal?
  
2. ¿Comenten sobre la complejidad y dificultades que tuvieron en la elaboración de los MCP?

¿Qué aspectos fueron los más difíciles, lo complejo de la información, lograr la participación del sector privado , etc.

¿Cuánto tiempo se tardaron en la elaboración de los Planes de Competitividad Municipal?

3. ¿Consideran que los planes de competitividad municipal han facilitado la implementación de la actividades del proyecto?

*Sobre la Participación del Sector Privado.*

4. ¿Cuáles han sido sus experiencias más importantes en lograr y mantener la participación del sector privado?
  - ¿en la elaboración de los Planes de Competitividad Municipal (MCP)?
  - ¿en la formación y mantenimiento de los Comités de Competitividad Municipal (CCM)?
  - ¿en la implementación de MCP's?
  
5. ¿Qué estrategias podrían tomarse en el futuro para atraer interés y asegurar continua participación del sector privado (e.g. en los Comités Comp. municipales u otras actividades relacionadas con la implementación del Plan)?
  
6. ¿Tiene el proyecto un apoyo directo al sector privado?  
Si la respuesta es no, ¿qué se debería de haber incluido?

7. ¿Cuáles municipios han avanzado más en la implementación los Planes de Competitividad Municipal? ¿Por qué?
8. ¿Cuáles municipios han avanzado menos en la implementación los Planes de Competitividad Municipal? ¿Por qué?

*Comités de Competitividad Municipal  
Antecedentes*

9. ¿Cómo y quién lleva acabo el seguimiento del traHigh de los Comité de Comp.  
¿Si lo hacen cómo lo hacen?
10. ¿Quién apoya a los CCM's, es decir asistencia técnicas, capacitaciones, etc. y que capacitaciones han recibido para su labor?
11. ¿Con que periodicidad y a quienes les presentan los avances en el cumplimiento de los MCPs?  
¿Me pueden dar algunas copias de los informes?

*Funcionamiento y Sostenibilidad*

12. ¿Al comparar entre Comités Comp.... ¿Qué factores consideran hacen la diferencia en su dinamismo y proactividad?
13. ¿Qué estrategias propondrían para mejorar su desempeño?  
¿Cómo mejorar? ¿Qué estrategias sugiere?
14. ¿Cuáles son los retos más importantes y estrategias efectivas relacionadas con la sostenibilidad de los Comités de Competitividad Municipal?

### *EMPRES*

15. ¿Cuál es el proceso para la formación de los EMPRE? ¿Cuanto tiempo se tardan para que estos entren en funcionamiento?

¿Cuales han sido los obstáculos más importantes en el proceso de implementación de los EMPRES?

16. ¿ Consideran que los EMPRES pueden tener un rol importante para la sostenibilidad de los Comités de Competitividad Municipal? Si es afirmativa o negativa Por qué es o no es importante,

### *Transparencia*

17. ¿Cuáles son los incentivos y desincentivos que existen para cumplir con los acuerdos de Pactos de Comp. y Transparencia?

18. ¿Quién da seguimiento al cumplimiento de Pactos

--- que sucede si no se cumplen uno o más de los mismos?

19. ¿Cuál debería de ser el rol de USAID, ONGs, Sociedad Civil, etc, para asegurarse que los ciudadanos están conscientes de sus derechos y de la importancia que ellos los ejerzan? En particular en lo relacionado a los temas de Competitividad Municipal

### *Capacitación y Asistencia Técnica (AT)*

20. ¿Qué capacitaciones y asistencia técnica han sido las más beneficiosas para la implementación de los MCP's?

21. ¿Qué importancia se le ha dado, en las capacitaciones y asistencia técnica al tema de la planificación y la actualización de planes?

22. ¿En qué áreas de capacitación/AT han indicado (los municipios y/o sector privado), o observan vds. requerir de mayor asistencia o refuerzo (para implementar MCP's, realizar los nuevos servicios municipales- función en EMPRE, cumplir con Ley de

Acceso a la Información Pública (LAIP) y otras medidas relacionadas con la Transparencia)?

23. Finalizado el Programa, ¿Qué acciones serían prioritarias para asegurar el financiamiento de futuras demandas de AT, capacitación u otra asistencia relacionadas con la implementación de los MCP's?

*Nuevos servicios municipales.*

24. ¿Qué acciones prioritarias propondrían, si no las hay en el programa, para asegurar la sostenibilidad de los nuevos servicios municipales: información y Unidad de Desarrollo Empresarial (EMPRE). (financiamiento y continuidad de personal capacitado).

*Preguntas resúmenes*

25. ¿Cuáles son las principales lecciones aprendidas de la formulación e implementación de Planes de Comp. Municipal?

--- ¿de la formulación e implementación de Planes de Competitividad Micro regional?

26. ¿Cuáles son los principales retos y estrategias al fomento de la asociatividad municipal?

27. ¿Cuáles serían las lecciones aprendidas más importantes que han resultado de trabajar con el programa?

28. ¿Cuáles considera que son las mayores fortalezas del programa?

--- ...¿ Las mayores debilidades del programa?

29. ¿Cuáles son las principales lecciones aprendidas de fomentar el desarrollo económico a nivel local?

Protocol for Results Capture Form: FUNDE

1. In your municipalities, how many Competitiveness Committees do you consider able to continue implementing the MCP without assistance?  
\_\_\_\_\_
2. How many require more technical and financial capacity building?  
\_\_\_\_\_
3. How many require only financial capacity building, assistance in managing funds?  
\_\_\_\_\_
4. How many require more awareness raising for public officials?  
\_\_\_\_\_
5. How many require more awareness raising for the public sector?  
\_\_\_\_\_
6. With the training already provided (Diplomas, Leadership, etc.), how many Committees could carry out a **Plan update without assistance**?  
\_\_\_\_\_
7. With your technical specialists and municipal reference people, please, document the turnover on the Committee from June 2012 to September 2013. Please, use the following chart (expand until it includes all the municipalities) for each municipality under your responsibility, and cover the total for the Implementing Partner.

No.	Municipality	Public Sector		Private Sector	
		Members	Changes	Members	Changes
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

No.	Municipality	Public Sector		Private Sector	
		Members	Changes	Members	Changes
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					

Please, make copies for each person in charge of the municipality, in order to complete the following Chart and consolidate with Number 7

No.	Municipality	Public Sector		Private Sector	
		Members	Changes	Members	Changes
1					
2					
3					
4					
5					

**Protocolo para Captura de Información: FUNDE**

1. De sus municipios cuantos Comités de Comp. considera **pueden continuar con la implementación de los MCP sin asistencia?** \_\_\_\_\_
2. ¿Cuántos les falta más capacidad técnica y financiera? \_\_\_\_\_
3. ¿Cuántos sólo capacidad financiera, asistencia en la gestión de fondos?  
\_\_\_\_\_
4. ¿Cuántos les falta más sensibilización de funcionarios públicos?  
\_\_\_\_\_
5. ¿Cuántos les falta más sensibilización al sector privado? \_\_\_\_\_
6. ¿Con las capacitaciones otorgadas (Diplomados, Liderazgo, etc.), cuantos Comités podrían llevar a cabo una **actualización del Plan sin asistencia?**  
\_\_\_\_\_
7. Con sus técnicos y referentes municipales, por favor documentar los cambios de personas en el Comité, realizados de junio 2012 a septiembre 2013. Favor utilizar el cuadro siguiente (ampliar hasta cubrir todos los municipios) para cada municipalidad a su cargo y cubrir el total del Socio Implementador.

No.	Municipio	Sector publico		Sector privado	
		Miembros	Cambios	Miembros	Cambios
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					

No.	Municipio	Sector publico		Sector privado	
		Miembros	Cambios	Miembros	Cambios
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					

Por favor, copia para cada encargado de municipio para poder llenar el Cuadro siguiente y consolidarlo en el Num. 7

No.	Municipio	Sector publico		Sector privado	
		Miembros	Cambios	Miembros	Cambios
1					
2					
3					
4					
5					

**Protocol for Results Capture Form: SACDEL**

1. In your municipalities, how many Competitiveness Committees do you consider are able to continue implementing the MCP without assistance?  
\_\_\_\_\_
2. How many require more technical and financial capacity building?  
\_\_\_\_\_
3. How many require only financial capacity building, assistance in managing funds?  
\_\_\_\_\_
4. How many require more awareness raising for public officials?  
\_\_\_\_\_
5. How many require more awareness raising for the public sector?  
\_\_\_\_\_
6. With the training already provided (Diplomas, Leadership, etc.), how many Committees could carry out a **Plan update without assistance**?  
\_\_\_\_\_
7. With your technical specialists and municipal reference people, please document the turnover on the Committee from June 2012 to September 2013. Please, use the following chart (expand until it includes all the municipalities) for each municipality under your responsibility, and cover the total for the Implementing Partner.

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8					
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11					
12					

No.	Municipality	Public Sector		Private Sector	
		Members	Changes	Members	Changes
13					
14					
15					
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Please, make copies for each person in charge of the municipality, in order to complete the following Chart and consolidate with Number 7

No.	Municipality	Public Sector		Private Sector	
		Members	Changes	Members	Changes
1					
2					
3					
4					
5					

**Protocolo para Captura de Información: SACDEL**

1. De sus municipios cuantos Comités de Comp. considera **pueden continuar con la implementación de los MCP sin asistencia?** \_\_\_\_\_
2. ¿Cuántos les falta más capacidad técnica y financiera? \_\_\_\_\_
3. ¿ Cuántos sólo capacidad financiera, asistencia en la gestión de fondos?  
\_\_\_\_\_
4. ¿ Cuántos les falta más sensibilización de funcionarios públicos?  
\_\_\_\_\_
5. ¿ Cuántos les falta más sensibilización al sector privado? \_\_\_\_\_
6. ¿Con las capacitaciones otorgadas (Diplomados, Liderazgo, etc.), cuantos Comités podrían llevar a cabo una **actualización del Plan sin asistencia?**  
\_\_\_\_\_
7. Con sus técnicos y referentes municipales, por favor documentar los cambios de personas en el Comité, realizados de junio 2012 a septiembre 2013. Favor utilizar el cuadro siguiente (ampliar hasta cubrir todos los municipios) para cada municipalidad a su cargo y cubrir el total del Socio Implementador.

No.	Municipio	Sector publico		Sector privado	
		Miembros	Cambios	Miembros	Cambios
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2					
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5					
6					
7					
8					
9					
10					
11					
12					
13					
14					

15					
16					
17					
18					
19					
20					

Por favor, copiar para cada encargado de municipio para poder llenar el Cuadro siguiente y consolidarlo en el Num. 7

No.	Municipio	Sector publico		Sector privado	
		Miembros	Cambios	Miembros	Cambios
1					
2					
3					
4					
5					

**Protocol for Individuals: Higher School of Economics and Business  
/ Escuela Superior de Economía y Negocios (ESEN)**

Date / Time

\_\_\_\_\_

Location: \_\_\_\_\_

Name	Position	Institution / Entity

International Business & Technical Consultants Inc. (IBTCI) has been contracted by USAID to evaluate the Municipal Competitiveness Program during the implementation period from October 2010 to September 2013. During this month, we will be visiting the implementing partners, municipalities, Competitiveness Committees, and other participants and beneficiaries in order to collect relevant data on compliance with the following objectives of the evaluation:

- Document successes and shortcomings in the way the program approached promoting municipal competitiveness, and the creation of enabling-environments for business.
- Recommend priority activities to secure sustainability and increased private sector participation, and improve competitiveness at the municipal level.
- Identify the level of success of the component Domestic Finance for Development (DF4D).
- Review program actions to support increasing municipal revenue
- Offer suggestions on measuring the level of investment at the municipal level for the country

Due to the short time available, the collaboration of participants, implementing partners and beneficiaries, it is vitally important to obtain the best available information and present results of the best quality. **In advance, thank you for your time and availability to discuss your experiences on measuring the Municipal Competitiveness Index:**

1. What challenges have you encountered in measuring the Municipal Competitiveness Index (MCI)?
  
2. Please, tell us about how it compares with other periods?
  - a. Changes made for the 2013 survey, how have they improved the index?
  - b. Given this affects comparability with other years, is it possible to have comparable subindexes? Is it convenient to create and publish them?
  
3. What is the Program using the Index and Subindexes for?
  - a. What are the uses for mayors and municipalities?
  - b. Do they use it to improve their own competitiveness?
  - c. Do they use them politically?
  
4. What challenges do you find in municipalities using the Index and Subindexes?
  
5. Who will carry on measuring the Index and Subindexes following Program termination?

**Protocolo Individual : Escuela Superior de Economía y Negocios (ESEN)**

Fecha / Hora

Lugar: \_\_\_\_\_

Nombre	Cargo	Institución / Entidad

La empresa International Business & Technical Consultants Inc. (IBTCI) ha sido contratada por USAID para evaluar el Programa de Competitividad Municipal durante el período de ejecución entre Octubre 2010 a Septiembre 2013. Durante el presente mes, estaremos visitando a los socios implementadores, Municipios, Comités de Competitividad, otros participantes y beneficiarios con el fin de recabar datos pertinentes en el cumplimiento de los siguientes objetivos de la evaluación:

- Documentar los éxitos y carencias en el abordaje del programa en la promoción de la competitividad municipal y en la creación de entornos facilitadores de negocios
- Recomendar las actividades prioritarias para asegurar la sostenibilidad e incremento de la participación del sector privado y mejorar la competitividad a nivel municipal.
- Identificar el nivel de éxito del componente Finanzas Domésticas para el Desarrollo (DF4D)
- Recomendar sobre las acciones del Programa para apoyar el aumento de ingresos municipales.
- Ofrecer sugerencias en la medición del nivel de inversión a nivel municipal para el país.

Debido al corto tiempo disponible, la colaboración de participantes, socios implementadores y beneficiarios, se vuelve de vital importancia a fin de obtener la mejor información disponible y presentar resultados de la mejor calidad posible. **De antemano agradecemos su tiempo y disponibilidad para conversar sobre sus experiencias en la medición del Índice de Competitividad Municipal.**

1. ¿Qué retos ha encontrado en la medición del índice de Competitividad Municipal (ICM)?
  
2. Háblenos por favor sobre la comparabilidad con otros períodos?
  - a. ¿Los cambios realizados para la encuesta del 2013, como mejoran el Índice?
  - b. En vista que esto afecta la comparabilidad con otros años....¿Es posible tener subíndices comparables? ¿Conviene hacerlos y publicarlos?
  
3. ¿Cuáles son los usos que le está dando el Programa al Índice y Subíndices?
  - a. ¿Cuáles son los usos para los alcaldes y municipios?
  - b. ¿Lo usan para mejorar su competitividad?
  - c. ¿Lo usan políticamente?
  
4. ¿Qué retos encuentra en el uso del Índice y Subíndices por municipios?
  
5. ¿Quién llevará la medición del Índice y Subíndices una vez finalizado el Programa?

**Protocol for Individual/Group for Implementation Partner FUNDES**  
**National Foundation for Development/Fundación Nacional para el Desarrollo**

Date / Time \_\_\_\_\_

Location: \_\_\_\_\_

Name	Position in the Project	Institution / Entity
	Director	FUNDES
	Coordinator	FUNDES
	Evaluator	IBTCI

**Introduction**

International Business & Technical Consultants Inc. (IBTCI) has been contracted by USAID to evaluate the Municipal Competitiveness Program during the implementation period from October 2010 to September 2013. During this month, we will be visiting the implementing partners, municipalities, Competitiveness Committees, and other participants and beneficiaries in order to collect relevant data on compliance with the following objectives of the evaluation:

- Document successes and shortcomings in the way the program approached promoting municipal competitiveness, and the creation of enabling environments for business.
- Recommend priority activities to secure sustainability and increased private sector participation, and improve competitiveness at the municipal level.
- Identify the level of success of the component Domestic Finance for Development (DF4D).
- Review program actions to support increasing municipal revenue
- Offer suggestions on measuring the level of investment at the municipal level for the country

Due to the short time available, the collaboration of participants, implementing partners and beneficiaries, it is vitally important to obtain the best available information and present results of the best quality. In advance thank you for your time and availability to discuss FUNDES actions as regards the Municipal Competitiveness Committee in:

- Executing actions to Simplify Procedures and
- Establish Single-Window system
- Implement the "Business Friendly" Certification Program

*Training / technical Assistance Provided*

1. *What started first, Training or TAs?*

What activities have you developed under the Municipal Competitiveness Program? (*Please, detail + duration*) *Request documental support*

T / TA/B	Name	Duration (months)

T=Training, TA=technical Assistance, B=both

- a) How were trainings organized? (E.g., groups of neighboring municipalities, each municipality with its own training session, etc.)
  - b) From what month to what month? See chart / When did the 1<sup>st</sup> group start?
2. Do you know if Competitiveness Project funds were used to equip the Business Service Centers/Puntos de Atención Empresarial (PAE)?
3. How were participating municipalities chosen in the 1<sup>st</sup> group?

And, in the 2<sup>nd</sup>?

4. What experiences did you have preparing personnel during the phase of Simplifying Process /Simplificación de Trámites (SIMTRA)?
- a. General ---- Shared by all
  - b. Challenges & Success - Differences in the results and reasons they came about.

*Examples of how you adapted to particular circumstances?*

*Implementing the Single-Stop Windows*

5. After implementing the simplification processes (training, process analysis, etc.):  
Results

What changed in (the way you carry out) the process?

How?

What areas require further support or expansion? Why?

6. What were the results of simplification as regards procedures with the private sector?
- Did it incorporate all of the most important areas to the private sector?
  - In case not:* Are there more areas to work on? Which ones? Should they be incorporated?
  - How did results vary among municipalities? How come? Examples?
  - Do you consider that enough technical capacity has been built to reproduce other improvements in simplifying processes at the municipality?
7. Was there attrition among trained personnel?

What effect did this have (*train again (# of municipalities with changes), delays in implementation (time), etc.*)?

8. Did the Program objectives include beneficiaries being able to replicate simplification for other processes at the City Hall?

#### *Certification Program*

9. As regards the “Business Friendly” Certificate: (request document support) What has been done?
- What are the prerequisites to achieve this Certification?
  - Who will measure these requirements and how will it be done?
  - How long is the Certificate valid for (time)?
  - What are the benefits of being Certified? (Who will be the beneficiaries and who issue it?)

10. How will certification take place once the program is terminated? Who will do it, and how will it be validated?

If this is unknown, whom would you propose?

11. What lessons have you learned as a Program implementation partner (*scope, limitations, conditions encountered, activity implementation*)?

**Protocolo Individual / Grupal para Socio Implementador FUNDES**

Fecha / Hora

Lugar: \_\_\_\_\_

Nombre	Cargo en Proyecto	Institución / Entidad
	Director	FUNDES
	Coordinador	FUNDES
	Evaluable	IBTCI

### Introducción

La empresa International Business & Technical Consultants Inc. (IBTCI) ha sido contratada por USAID para evaluar el Programa de Competitividad Municipal durante el período de ejecución entre Octubre 2010 a Septiembre 2013. Durante el presente mes, estaremos visitando a los socios implementadores, Municipios, Comités de Competitividad, otros participantes y beneficiarios con el fin de recabar datos pertinentes en el cumplimiento de los siguientes objetivos de la evaluación:

- Documentar los éxitos y carencias en el abordaje del programa en la promoción de la competitividad municipal y en la creación de entornos facilitadores de negocios
- Recomendar las actividades prioritarias para asegurar la sostenibilidad e incremento de la participación del sector privado y mejorar la competitividad a nivel municipal.
- Identificar el nivel de éxito del componente Finanzas Domésticas para el Desarrollo (DF4D)
- Recomendar sobre las acciones del Proyecto para apoyar el aumento de ingresos municipales.
- Ofrecer sugerencias en la medición del nivel de inversión a nivel municipal para el país.

Debido al corto tiempo disponible, la colaboración de participantes, socios implementadores y beneficiarios, se vuelve de vital importancia a fin de obtener la mejor información disponible y presentar resultados de la mejor calidad posible. De antemano agradecemos su tiempo y disponibilidad para conversar sobre las acciones de FUNDES con el Programa de Competitividad Municipal en:

- Ejecución de acciones para la Simplificación de Trámites y
- Establecimiento de Ventanillas Únicas.
- Implementación del Programa Certificación "Amigable con los Negocios"

*Capacitaciones / Asistencias Técnicas Otorgadas*

2. *Que inició primero las Capacitaciones o ATs?*  
 ¿Cuáles han sido las actividades que ha desarrollado High el Programa de Competitividad municipal? (*puntualizar por favor + su duración*) *Pedir documentación*

C / AT/A	Nombre	Duración (meses)

C=Capacitación, AT= Asistencia Técnica, A=ambos

- c) ¿Cómo se organizaron las capacitaciones (ej., en grupos de municipalidades cercanos; cada municipio tenía su capacitación; etc. )
- d) ¿De qué mes a hasta que mes? Ver cuadro / Cuando Iniciaron el 1º grupo?
3. Sabe vd. si se utilizaron fondos del Proyecto de Competitividad para equipar las PAE.?
4. ¿Cómo se escogieron a los participantes municipios en 1º grupo ?

Y en el 2do?

5. Que experiencias tuvo en la preparación del personal durante las fases del SIMTRA?
- a. Generales ----Comunes a todos
  - b. Retos y Éxitos - Diferencias en resultados y razones porque se dieron.

*Ejemplos de cómo adaptaron a condiciones particulares?*

*Implantación de Ventanillas*

6. Luego de haber implementado los procesos de simplificación (capacitación, análisis de procesos, etc): Resultados

¿Qué cosas cambiaron del (como realizo el) proceso?

¿Cómo?

¿Qué áreas requieren de más apoyo o ampliación? Porque?

7. ¿Cuáles fueron los resultados de la simplificación en relación a los trámites relacionados con el sector privado?
  - e. Se incorporaron todas las áreas más importantes relacionadas con el sector privado?
  - f. *En caso No.* Hay mas áreas en las cuales trabajar? Cuáles? Debieran incorporarse?
  - g. Como variaron los resultados entre municipalidades? Porque? Ejemplos?
  - h. Considera que se ha creado la capacidad técnica suficiente para reproducir otras mejoras en simplificación de procesos en la municipalidad?

8. ¿Hubieron pérdidas de personal capacitado?

*¿Cómo afectó (volver a capacitar (# mpios con cambios), atrasos en la implementación (tiempo), etc)?*

9. Fue parte de los objetivos del Programa el que los beneficiarios pudieran replicar la simplificación a otros procesos en la alcaldía?

#### *Programa de Certificación*

10. Sobre el Certificado “Business Friendly”: (solicitar documentación) ¿Que han hecho?
  - e. Cuáles son los requisitos para alcanzar esta Certificación?
  - f. Como y quien va ha medir estos requerimientos?
  - g. Que vigencia tiene la Certificación (tiempo)?
  - h. Cuáles son los beneficios de la Certificación? (Quienes serán los beneficiados y quienes lo otorgaran?)

11. ¿Como se realizará la certificación una vez finalice el programa? Quién lo hará y cómo se hará para dar validez?

Si no se sabe, a quien propondría?

12. ¿Cuáles son las lecciones aprendidas como socio implementador con el Programa (*alcances, limitantes, estado encontrado, implementación de actividades*)?

**Protocol for Individual / Group: MUNICIPAL MAYOR**

**Date / Time**

\_\_\_\_\_

**Location:** \_\_\_\_\_

Name	Position	Institution / Entity

International Business & Technical Consultants Inc. (IBTCI) has been contracted by USAID to evaluate the Municipal Competitiveness Program during the implementation period from October 2010 to September 2013. During this month, we will be visiting the implementing partners, municipalities, Competitiveness Committees, and other participants and beneficiaries in order to collect relevant data on compliance with the following objectives of the evaluation:

- Document successes and shortcomings in the way the program approached promoting municipal competitiveness, and the creation of enabling-environments for business.
- Recommend priority activities to secure sustainability and increased private sector participation, and improve competitiveness at the municipal level.
- Identify the level of success of the component Domestic Finance for Development (DF4D).
- Review program actions to support increasing municipal revenue
- Offer suggestions on measuring the level of investment at the municipal level for the country

Due to the short time available, the collaboration of participants, implementing partners and beneficiaries, it is vitally important to obtain the best available information and present results of the best quality. **In advance, thank you for your time and availability to discuss your experiences on the following:**

- Program contribution toward creating more efficient and effective municipalities.
- Program integration into municipal work.
- Open and ongoing dialogue between the public and private sectors.

1. What is the Mayor's role on the Municipal Competitiveness Committee?
2. Has there been an integration of the Municipal Competitiveness Plan and its participative planning and budget?
3. Do you consider the project has contributed toward improving collaboration between the City Hall and the private sector? How?

To what extent do you consider there has been an improvement in the service and cooperation with the private sector? (Range from 1 (*minimum*) to 10 (*maximum*)).

4. Is there an innovative component in the Competitiveness Project, for instance, improving tax revenue or improving municipal services?

If so, How? If not, why not?

*General*

5. What are the Program's most significant contributions to you municipality? (Which *programs and activities? And Why?*)

Protocolo Individuo / Grupal : ALCALDE MUNICIPAL

Fecha / Hora

Lugar: \_\_\_\_\_

Nombre	Cargo	Institución / Entidad

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- Documentar los éxitos y carencias en el abordaje del programa en la promoción de la competitividad municipal y en la creación de entornos facilitadores de negocios
- Recomendar las actividades prioritarias para asegurar la sostenibilidad e incremento de la participación del sector privado y mejorar la competitividad a nivel municipal.
- Identificar el nivel de éxito del componente Finanzas Domésticas para el Desarrollo (DF4D)
- Recomendar sobre las acciones del Programa para apoyar el aumento de ingresos municipales.
- Ofrecer sugerencias en la medición del nivel de inversión a nivel municipal para el país.

Debido al corto tiempo disponible, la colaboración de participantes, socios implementadores y beneficiarios, se vuelve de vital importancia a fin de obtener la mejor información disponible y presentar resultados de la mejor calidad posible. **De antemano agradecemos su valioso tiempo y disponibilidad para conversar sobre:**

- Los aportes del programa a crear municipios más eficientes y efectivos.
- La integración del programa al quehacer municipal.
- Abrir y mantener el diálogo entre sector público y privado.

1. ¿Cuál es el rol del Alcalde en el Comité de Competitividad Municipal?
  
2. ¿Se ha integrado el Plan de Competitividad Municipal a su planificación y presupuesto participativo?
  
3. ¿Considera que el proyecto ha contribuido a mejorar la colaboración entre Alcaldía y el sector privado ? ¿Cómo?

¿En qué grado considera se han mejorado la atención y relaciones de cooperación con el sector privado? (rango de 1 (menor) y 10 (*máximo*)).

4. ¿Hay algún componente innovador en el Proyecto de competitividad, por ejemplo, para mejorar la recaudación tributaria o mejorar los servicios municipales?

Si, ¿Cómo? No, ¿Por qué?

#### *Generales*

5. ¿Cuáles son los aportes más significativos del programa para su municipio (cuales *programas y actividades? Y ¿Por qué?*)?

<b>Group Protocol: MUNICIPAL COMPETITIVENESS COMMITTEE</b>
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Date / Time

\_\_\_\_\_

Location: \_\_\_\_\_

Name	Position	Institution / Entity

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- Document successes and shortcomings in the way the program approached promoting municipal competitiveness, and the creation of enabling-environments for business.
- Recommend priority activities to secure sustainability and increased private sector participation, and improve competitiveness at the municipal level.
- Identify the level of success of the component Domestic Finance for Development (DF4D).
- Review program actions to support increasing municipal revenue
- Offer suggestions on measuring the level of investment at the municipal level for the country

Due to the short time available, the collaboration of participants, implementing partners and beneficiaries, it is vitally important to obtain the best available information and present results of the best quality. In advance thank you for your time and availability to discuss your experiences on the following topics as regards the Competitiveness Committee:

- Work achieved to date.
- Future plans.
- Future sustainability.

I. What are the key activities in the Municipal Competitiveness Program (MCP) in your municipality?  
*To the evaluator: See attached matrix for a list of MCP activities*

What are the results of these activities in your municipality?

Of these results, which were most effective in creating an enabling environment for business?

2. How has the Domestic Finance for Development (DF4D) Program/Donation to Prevent Violence Contest promoted the Committee's participation in Crime prevention activities?

Which of these activities have been more outstanding in terms of violence prevention?

3. What does the Competitiveness Committee need to ensure sustainability?
4. How would you describe the relationship between the person responsible for the Business Development Unit (BDU/EMPRES) and the other departments at the municipality (for instance land registry, services, etc.)?

What does the person responsible for the BDU/EMPRES need to do their work better? (For instance, *training, guidance, Technical assistance or other types of support.*)

### ***Municipal Income and Investment***

5. Is municipal income sufficient –or not– for the municipality to perform its functions?

Has the Program motivated or helped you to think of ways of increasing municipal income?

If so, how? What are some examples?

6. One of the measures of Program success is increased investment by the private sector in your municipality.  
Do you consider this has been achieved?  
If so, how do you know this and measure it?

If not, what data would you need to know the level of local investment in your municipality?

7. Have municipal staff or others received training or Technical assistance to improve:  
.... land registry?  
.... charges for services?  
.... collecting municipal taxes?

How would you describe the results?

***Gender***

8. Are women presently empowered to contribute to local economic development?
9. What kind of support and resources are available to women? (For instance *education, finance, recreation, support to foster entrepreneurship.*)  
If so, which are most used locally? What could be improved?
10. Do you consider the program has contributed to strengthening women's entrepreneurial capacity in your municipality?

***General***

11. Based on Program results, what future activities would you recommend to continue promoting an environment that is favorable toward business in the municipality?
12. What benefits has the Municipal Competitiveness Program brought to the municipality? (*Municipal efficiency for business, crime and violence reduction partnerships, business platforms, platforms for business idea development, others?*)

**Program Activities (Evaluators use this list to refer to specific activities when conducting the Committee Interviews)**

No.	Program Activity	
A	Donation Contest for Violence Prevention (DF4D)	Process
B	Contest of Incentives for Competitiveness	Resources for equipment and projects promoting competitiveness
C	Municipal Business Development Units (BDU/EMPRES)	Managing local and national entrepreneurial services
D	Simplifying Process and Business Service Center (SIMPTRA/PAE)	Training and Technical assistance to streamline processes, estimate real cost for municipal service, and improve knowledge of financial statements, in order to improve taxation on businesses.
E	Business Associations	
F	Regional Associations	Job fairs, product fairs, promote tourism.
G	Training and activities tied to the Law for Access to Public Information (LAIP)	Training for enforcement of the LAIP

H	Platform for public/private sector collaboration: Competitiveness Plans, Competitiveness Committee	Training in Economic Development, Leadership, accompany search for funding, Plan implementation, implementing Contests, etc.
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**Protocolo Grupal: COMITÉ DE COMPETITIVIDAD MUNICIPAL**

Fecha / Hora

\_\_\_\_\_

Lugar: \_\_\_\_\_

Nombre	Cargo	Institución / Entidad

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- Ofrecer sugerencias en la medición del nivel de inversión a nivel municipal para el país.

Debido al corto tiempo disponible, la colaboración de participantes, socios implementadores y beneficiarios, se vuelve de vital importancia a fin de obtener la mejor información disponible y presentar resultados de la mejor calidad posible. De antemano agradecemos su valioso tiempo y disponibilidad para conversar sobre los siguientes temas relacionados al Comité de Competitividad:

- El trabajo realizado hasta la fecha.
- Los planes para el futuro.
- Su sostenibilidad en el futuro.

13. ¿Cuáles son las actividades claves del Programa de Competitividad Municipal (MCP) en su municipio?

*Al evaluador: Ver la matrix adjunta para una lista de actividades de PMC*

¿Cuáles han sido los resultados de esas actividades en su municipio?

¿De estos resultados, cuáles han sido más efectivos en crear un entorno facilitador para los negocios?

14. ¿Cómo ha promovido, el Programa Finanzas Domesticas Para el Desarrollo (DF4D)/ Concurso Donación para la Prevención de la Violencia, la participación del Comité en actividades de prevención del Crimen?

¿Cuáles de estas actividades han sido las más notables en prevención de violencia?

15. ¿Qué cosas necesita el Comité de Competitividad para asegurar su sostenibilidad?

16. ¿Cómo es la relación de la persona responsable del Unidad de Desarrollo Empresarial (EMPRE) con otros departamentos de la municipalidad (e.g. catastro, servicios, etc.)?

¿Qué necesita la persona responsable del EMPRE para mejorar su labor?  
(ej. *capacitación, asesoría, asistencia técnica u otro apoyo*)

#### ***Ingresos Municipales e Inversión***

17. ¿Son o no los ingresos municipales suficientes para cumplir con las funciones de la municipalidad?

¿Le ha incentivado o ayudado el Programa a pensar en formas de incrementar los ingresos municipales?

Si, ¿Cómo? ¿Cuales son algunos ejemplos?

18. Una de las medidas de éxito del Programa es incrementar la inversión del sector privado en su municipio.

¿Considera que esto se ha logrado?

Si, ¿Como lo sabe y mide?

No, ¿Que le faltaría como datos para conocer el nivel de inversión local en su municipio?

19. ¿Ha recibido el personal del municipio u otros, capacitaciones o asistencias técnicas para mejorar en:

- .... en el catastro?
- .... cobros de servicios?
- ....cobro de impuestos municipales?

¿Qué tipo de resultados han tenido?

#### ***Género***

20. ¿Están las mujeres actualmente facultadas para contribuir al desarrollo económico local?
21. ¿Qué tipos de apoyo y recursos que están disponibles para apoyar a las mujeres? (*ej., educativos; financieros; recreacionales; apoyo para fomentar emprendedurismo*)  
Si, ¿Cuáles son los más utilizados localmente? ¿Qué se podría mejorar?
22. ¿Considera que el Programa ha contribuido a fortalecer capacidad emprendedora de la mujer en su municipio?

#### ***Generales a todos***

23. ¿Basado en los resultados del Programa, que actividades recomendaría en el futuro para continuar promoviendo un entorno favorable a los negocios en el municipio?
24. ¿Cuáles han sido los beneficios que el municipio ha recibido del Programa de Competitividad Municipal? (*Eficiencia municipal en atención empresarial, socios para reducción de crimen y violencia, plataformas para hacer negocios, plataformas para el desarrollo de ideas de negocio, otras?*)

**Actividades del Programa (Los evaluadores usan este listado para hacer referencia a actividades puntuales al realizar entrevistas del Comité)**

No.	Actividad del Programa	
A	Concurso de Donación para la Prevención de la Violencia (DF4D)	Proceso.
B	Concurso de Incentivos para la Competitividad	Recursos para equipo y proyectos que promuevan competitividad
C	Unidades de Enlaces Municipales para el Desarrollo Empresarial (EMPRE)	Gestión de servicios empresariales locales y nacionales
D	Simplificación de Trámites y	Capacitaciones y asistencias

	Punto de Atención Empresarial (SIMPTRA / PAE)	técnicas para reducir trámites, estimar verdadero costo de servicios municipales y mejorar conocimiento de estados financieros para precisar mejor los impuestos a empresas.
E	Asociaciones Empresariales	
F	Asociaciones Regionales	Ferias de empleo, de productos promoción turismo.
G	Capacitaciones y actividades conexas a la Ley de Acceso a la Información Pública (LAIP)	Capacitaciones para cumplimiento con la Ley
H	Plataforma de colaboración sector público / privado: Planes de Comp., Comité de Comp.	Capacitaciones de Desarrollo Económico, Liderazgo, acompañamiento en la gestión de fondos, implementación del Plan, aplicación de Concursos, etc.

<b>Protocol for Group / Individual - Initiatives for Competitiveness</b>
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Date / Time \_\_\_\_\_

Location: \_\_\_\_\_

Name	Position	Institution / Entity

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- Document successes and shortcomings in the way the program approached promoting municipal competitiveness, and the creation of enabling-environments for business.
- Recommend priority activities to secure sustainability and increased private sector participation, and improve competitiveness at the municipal level.
- Identify the level of success of the component Domestic Finance for Development (DF4D).
- Review program actions to support increasing municipal revenue
- Offer suggestions on measuring the level of investment at the municipal level for the country

Due to the short time available, the collaboration of participants, implementing partners and beneficiaries, it is vitally important to obtain the best available information and present results of the best quality.

**1) *What are the activities in the Competitiveness Initiatives in your municipalities?***

- 2) *What positive impact do you consider the Competitiveness Initiatives could have in the municipality?*
  - *How could they contribute to improving collaboration between City Hall and the private sector?*
  
- 3) *What do you consider to be the main weaknesses and strengths of the Competitiveness initiatives?*
  
- 4) *How do the Competitiveness Initiatives contribute to improving the investment climate in the municipality?*

<b>Protocolo Grupal / Individual - Iniciativas para la Competitividad</b>
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Fecha / Hora \_\_\_\_\_

Lugar: \_\_\_\_\_

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- Ofrecer sugerencias en la medición del nivel de inversión a nivel municipal para el país.

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1) ¿Que son las actividades de las Iniciativas para la Competitividad en su municipalidad?

- 2) **¿Qué impacto positivo considera que las Iniciativas para la Competitividad podría tener en la municipalidad?**
  - **¿Como podrían contribuir a mejorar la colaboración entre la Alcaldía y el sector privado?**
  
- 3) **¿Cuáles considera que son las principales debilidades y fortalezas de Iniciativas para la Competitividad?**
  
- 4) **¿Cómo contribuyen las Iniciativas para la Competitividad a mejorar el clima de inversión en el municipio?**

**Protocol for Individuals / Group for NGOs Implementing DF4D in Municipalities / “Domestic Finance for Development (DF4D) Program/Donation to Prevent Violence Contest”**

Date / Time \_\_\_\_\_

Location: \_\_\_\_\_

Name	Position	Institution / Entity

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- Identify the level of success of the component Domestic Finance for Development (DF4D).
- Review program actions to support increasing municipal revenue
- Offer suggestions on measuring the level of investment at the municipal level for the country

Due to the short time available, the collaboration of participants, implementing partners and beneficiaries, it is vitally important to obtain the best available information and present results of the best quality. In advance thank you for your time and availability to discuss your experiences on the following topics as regards the Competitiveness Committee:

*1) Do you consider that the grants program “Domestic Finance for Development (DF4D) Program/Donation to Prevent Violence Contest” has contributed to promoting the participation of the Municipal Competitiveness Committees in community crime-prevention activities?*

*What other positive impact do you consider these activities might have in the municipality?*

2) *To what extent do you consider that grants have contributed to promoting the participation of the Municipal Competitiveness Committees in community crime-prevention activities?*

— *Description*

— *Range 1 (minimum) to 10 (maximum)*

3) *Based on the grants initiative or other Municipal Competitiveness Project activities, what do you recommend the municipality should do to increase municipal income?*

4) *What do you consider to be the main weaknesses in the grants program “Domestic Finance for Development (DF4D) Program /Donation to Prevent Violence Contest?”*

<b>Protocolo Individuo / Grupal para las ONG's Implementadoras de DF4F en los Municipios / Finanzas Domesticas para El Desarrollo (DF4D) / Concurso para la Prevención de la Violencia</b>
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Fecha / Hora \_\_\_\_\_

Lugar: \_\_\_\_\_

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Debido al corto tiempo disponible, la colaboración de participantes, socios implementadores y beneficiarios, se vuelve de vital importancia a fin de obtener la mejor información disponible y presentar resultados de la mejor calidad posible. De antemano agradecemos su valioso tiempo y disponibilidad para conversar sobre los siguientes temas relacionados con la :

- 1) ¿Considera que el programa de subvenciones “Programa Finanzas Domésticas para el Desarrollo (DF4D)/ Concurso Donación para la Prevención de la Violencia” ha contribuido a promover la participación de los Comités de Competitividad Municipal en actividades de prevención al crimen en la comunidad?

¿Qué otros impactos positivos considera que estas actividades podría tener en el municipio?

- 2) ¿En qué grado considera que los subvenciones han contribuido a promover la participación de los Comités de Competitividad Municipal en actividades de prevención al crimen en la comunidad?

--- Descripción

--- Rango 1 (menor) y 10 (máximo)

- 3) Fundamentado en la iniciativa de los subvenciones u otras actividades del Proyecto de Competitividad Municipal, qué recomendaciones podría hacer para incentivar a las Alcaldías a incrementar los ingresos municipales?

- 4) ¿Cuáles considera que son las principales debilidades del programa de subvenciones “Programa Finanzas Domesticas para el Desarrollo (DF4D)/ Concurso Donación para la Prevención de la Violencia”?

**Protocol for Individuals Responsible for the Business Development Unit  
/Unidad de Desarrollo Empresarial (BDU/EMPRESA)**

Date / Time

\_\_\_\_\_

Location: \_\_\_\_\_

Name	Position	Institution / Entity

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Due to the short time available, the collaboration of participants, implementing partners and beneficiaries, it is vitally important to obtain the best available information and present results of the best quality. In advance thank you for your time and availability to discuss your experiences on the following topics:

- The work being done by the person responsible for the BDU/EMPRESA.
- Future of the unit.

1) *What positive impact do you consider the BDU/EMPRESA could have in the municipality?*

- 2) *Do you consider the BDU/EMPRES activities could contribute to improving collaboration between the municipality and the private sector? How?*
  
- 3) *Do you consider the BDU/EMPRES activities could contribute to improving the investment climate in the municipality? How?*
  
- 4) *What do you consider to be the BDU's main weaknesses?*
  
- 5) *There are few municipalities with a BDU/EMPRES. Why? Is it due to a lack of interest?*

**Protocolo Individual para el Responsable de la Unidad de Desarrollo Empresarial -EMPRES**

**Fecha / Hora** \_\_\_\_\_

**Lugar:** \_\_\_\_\_

<b>Nombre</b>	<b>Cargo</b>	<b>Institución / Entidad</b>
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Debido al corto tiempo disponible, la colaboración de participantes, socios implementadores y beneficiarios, se vuelve de vital importancia a fin de obtener la mejor información disponible y presentar resultados de la mejor calidad posible. De antemano agradecemos su valioso tiempo y disponibilidad para conversar sobre los siguientes temas:

- Labor que realiza el responsable en la EMPRES.
- Futuro de la unidad.

1) ¿Qué impacto positivo considera que EMPRES podría tener en la municipalidad?

- 2) *¿Considera que las actividades de EMPRE podrían contribuir a mejorar la colaboración entre la Alcaldía y el sector privado? ¿Cómo?*
  
- 3) *¿Considera que las actividades de EMPRE podrían contribuir a mejorar el clima de inversión en la Municipalidad? ¿Cómo?*
  
- 4) *¿Cuáles considera que son las principales debilidades de EMPRE?*
  
- 5) *Son pocas las municipalidades que tienen un EMPRE operando.  
¿Por qué? ¿No hay interés?*

## ANNEX IV: EVALUATION METHODS AND LIMITATIONS

The work plan included as an annex to this report contains a detailed description of the evaluation methods and limitations; this section adds new material that further describes the process as implemented. To summarize from the methods section in the work plan, municipalities were chosen purposefully based on specific geographic and size criteria, and to also to include those that also had additional Project components that were considered important for the evaluators to include, such as EMPRE, DF4D, SIMTRA or business service window (PAE), or competitiveness initiative grants.

In addition to interviews with national organizations based in San Salvador and elsewhere, observations and interviews were conducted in 17 municipalities selected according to criteria described in the following section. The following are the 16 municipalities that were chosen from the 50 MCP municipalities using the multiple selection criteria explained above. In addition, two municipalities, Alegría and Nueva Concepcion, were selected as alternate sites, due to the possibility that one or two of the original sites might not be able to receive the evaluation team due to patron saint holidays or other reasons and that at least 16 municipalities would be visited. We had intended to visit the one municipality, Ilobasco, that withdrew from the Project after having been selected as one of the 50 main MCP municipalities. Evaluators were unable to reach the Project implementer's contact in that municipality after multiple attempts. Only one site from the original list, Sensuntepeque, was unable to host the evaluation team due to scheduling conflicts due to patron saint holidays.

### Original Sample (in proposed order of visit) = 16

Ciudad Delgado	Atiquizaya
Panchimalco	Izalco
La Libertad	Chalatenango
San Martin	Suchitoto
Olocuilta	Sensuntepeque
Chinameca	Ilobasco
Jucuapa	Santa Tecla
Ciudad Barrios	San Salvador
Santa Ana	

### Alternate (replacement) sites = 2

Alegría  
Nueva Concepción

### Sites visited = 17

Ciudad Delgado	La Libertad
Panchimalco	San Martin
	Olocuilta
	Chinameca

Jucuapa  
Ciudad Barrios  
Santa Ana  
Atiquizaya  
Izalco  
Chalatenango

Alegría  
Nueva Concepción  
Suchitoto  
Santa Tecla  
San Salvador

During the final two weeks in El Salvador, the evaluation team convened a stakeholder meeting to discuss preliminary findings. A debriefing and discussion of findings was conducted with USAID. Subsequently, the team prepared and submitted a draft report. After USAID's comments are incorporated, in January 2014 IBTCI is to prepare and deliver a final evaluation report and an in-country presentation of the evaluation findings, conclusions and recommendations.

### **Evaluation Limitations**

As described previously, the evaluation sample is purposive and therefore provides a very useful alternative to probability-based samples for qualitative research. However, as with any methodology, it is important to understand the extent to which inferences can or cannot be made among subsets of municipalities (e.g., among MCP municipalities, municipalities included in the MCI, etc.) or in relation to specific selection criteria (i.e., in terms of the regional criteria, different implementing partners provided services in different regions of the country, so any effects would have to control for this as a variable, or in terms of size of municipality). For this reason, although the ET noted trends related to MCP and a particular MCI sub-index ("municipal services"), further statistical studies are required to rule out the possibility that this correlation is anomalous.

Although less of a "limitation," as one of the USAID reviewers to an earlier draft signalled to us, there is a danger in making overly broad inferences based on a purposive sample. In this case, the caution is especially appreciated. Although as a proportion, the evaluation team conducted site visits to fully one-third of all MCP municipalities (17 of 50; 34%), and although the evaluators did not purposely select municipalities based on perceived levels of performance, the sites included in the sample diverged to some extent compared to non-selected sites. As described above, that the research design was intentionally constructed so that evaluation team (ET) members would visit sites that had a variety of activities. This meant that in addition to primarily selecting for a well-defined set of demographic and geographic factors, other factors, such as the existence of a variety of activities in the municipalities was considered. After the selection process was completed, we conducted two rounds of checks with implementing partners, using a variety of criteria to gauge whether the municipalities could be considered as high, medium, or low performers. As a first check on the degree to which the sample included sites that could be considered more advanced in MCP implementation, after we had drawn our sample, we asked FUNDE and SACDEL, RTI's main implementing partners (IP) to describe their perceptions of the municipalities in which they worked. Based on such factors as commitment among private and public sector partners and the ability to continue implementation without further technical support, the evaluation team produced the following list:

**MORE ADVANCED**

San Salvador  
Apastepeque  
Olocuilta  
Chalatenango  
Panchimalco  
Sensuntepeque  
Atiquizaya  
La Libertad  
Izalco  
Santa Ana  
Nueva Concepción  
Nahuizalco

**LESS ADVANCED**

Mejicanos  
Aguilares  
San Luis Talpa  
Nueva Guadalupe  
Ciudad Delgado  
Apopa  
Acautla  
Antiguo Cuscatlán  
San Juan Opico  
Nejapa  
Sonsonate

As a secondary set of criteria after geographic location and municipality size, and following the general guidance of the evaluation SOW and discussions with USAID, the evaluators purposely selected municipalities with a range of activities and components, including DF4D, SIMTRA, EMPRES or other personnel working in business development units (BDU).<sup>68</sup>

Because the ET selected for these secondary criteria in addition to the criteria on geographical location and population, it is perhaps not surprising that nine of the original sixteen municipalities, and one of the two alternative sites chosen were considered by implementing partners as being among the “most advanced” in terms of execution of their competitiveness plans, and only one was considered among the “least advanced,” with another six somewhere in the middle of the range. For this reason, our sample can be considered, a mix of “higher” and “medium” implementers, but one which also includes one municipality without a functioning competitiveness committee (Ciudad Delgado).

As another check, we also compared the MCI 2013 “Municipalities Classified within the Excellent Performance Group,” table (MCI 2013, Table ES-I, p. v.), highlighting (in bold below) those municipalities ranked as “excellent” according to specific sub-indices. Not surprisingly, two sites in our sample, Atiquizaya rated overall as #1 and Alegría, which was originally selected as an alternative site primarily because its mayor served as chair of a micro-regional organization, was rated #3 overall.

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<sup>68</sup> As mentioned above, one other originally proposed secondary selection criteria, namely business-friendly certification, was not included in the final set of criteria, as none of the municipalities had yet this certification during the site visit period.

Sub-index	Municipalities Classified within the Excellent Performance Group
Transparency	<b>Atiquizaya</b> , Antigua Cuscatlán, Zacatecoluca, San Juan Nonualco, San Julián, <b>San Salvador</b> , and Ilopango
Municipal Services	Antigua Cuscatlán, Pasaquina, <b>Atiquizaya</b> , Ciudad Arce, and Juayúa
Proactivity	<b>Suchitoto</b> , <b>Atiquizaya</b> , Antigua Cuscatlán, El Carmen (Department of Cuscatlán), Tepecoyo, and San Julián
Illegal Payments	Sensuntepeque, Moncagua, Corinto, Chirilagua, Apastepeque, and Santa Cruz Michapa
Public Safety	<b>Alegría</b> , El Carmen (Department of Cuscatlán), Tepecoyo, Antigua Cuscatlán, San Julián, and Juayúa
Time to Comply	Jujutla, Talnique, <b>San Salvador</b> , Guazapa, Colón, and <b>Atiquizaya</b>
Rates and Taxes	<b>Atiquizaya</b> , Tejutla, El Carmen (Department of Cuscatlán), San Vicente, Jujutla, and Tepecoyo
Entry Costs	Huizúcar, Santa Cruz Michapa, <b>Atiquizaya</b> , San Luis de La Herradura, Jiquilisco, and Berlín

Another important methodological issue is that, in addition to individual interviews (e.g., mayors; some implementing partners), fieldwork relied primarily semi-structured individual and group protocols. The limitation of this approach, unlike that of a survey approach (in which a defined set of questions are asked of each respondent), is that it does not allow for disaggregation of responses at the individual level. Therefore, the evaluation is likely to have few statements of the nature of “x numbers of respondents indicated that...” or “xx% believe that...” This method is however, a very effective tool for identifying patterns and, therefore, highly appropriate for this type of performance evaluation.

Similarly, and also addressing concerns related to quantitative measures, ideally an evaluation of this type would also integrate a range of statistical methods, such as regression analysis, to demonstrate effects based on an independent variable such as local investment. However, the question of feasibility and value of such a study would have depended on an analysis of type, quantity, and validity of source information. Based on RTI’s and the Mission’s response to a recent USAID RIG report that measuring investment in MCP municipalities “cannot be reasonably employed to determine the impact of the Project on [investment],” and the RIG’s concurrence to this assertion, there were obvious concerns that effects cannot be accurately measured, and such a study was ruled out during the design phase. Moreover, as pointed out in responses to the RIG, the question of causality and attribution cannot be determined with certainty. In addition to the reasons noted in that report, namely that USAID-supported interventions are likely to be one of several factors influencing change, the evaluation team is also cognizant that the Project has had a relatively brief intervention period. For this reason, the ET sees value in outcome measures related to investment disaggregated at the municipal level. Having even approximate data on investment would represent a major improvement.

Another potential limitation for all evaluations involving more than one interviewer is inter-rater reliability, or, more simply stated, that different evaluators may view responses differently or may choose to emphasize certain questions over others. Although this problem can never be completely eradicated, certain measures can be taken to diminish the problem. In the case of the current evaluation, over the period of time of municipal-level data collection, several of the field interviews will be conducted by team members jointly to ensure that all team members have the same understandings and to reduce the likelihood of inter-evaluator variability; in other cases, team members will split for individual site visits to different municipalities. This approach allowed for up to two municipal site visits per day during the evaluation period. At the end of each week, and more often when deemed necessary, team members conferred to compare notes and to reduce the possibility of norms drifting over time, both for individual evaluators and among evaluators.

## ANNEX V. MAPPING PARTNERSHIP FOR GROWTH (COUNTRY STRATEGY) TO PROJECT OBJECTIVES

Adapted from USAID/El Salvador materials

<b>CONSTRAINT 1: CRIME AND INSECURITY</b>	
<b>GOALS</b>	<b>PERTINENT MCP PERFORMANCE INDICATOR FROM DECEMBER 2012 M&amp;E PLAN</b>
<b>STRATEGIC AREA OF INTERVENTION: INSTITUTIONAL STRENGTHENING</b>	
<b>GOAL #6: Professionalize El Salvador's civil service and enhance public confidence in the government.</b>	1.1.3 # of municipal mechanisms or systems implemented to improve transparency and enhance the quality and availability of information
	4.1. Municipal Competitiveness learning network established to share case studies and other informational resources
<b>GOAL #7: Promote a national dialogue on actions to improve citizen security in El Salvador. Actively involve all sectors of national life, including the private sector, the media, nongovernmental organizations, churches, etc. in efforts to solve the problem of insecurity.</b>	3.3.3 # of Municipal Competitiveness Committees (MCC), integrated with representatives from public and private sector, operating regularly.
	3.3.4 # of micro regional associations that develop public-private sector dialogues twice a year
	3.3.6 # of special national-local dialogues events
	Project Strategic Result B. # of municipal competitiveness plans formulated with the private and public sectors participation
<b>STRATEGIC AREA OF INTERVENTION: CRIME AND VIOLENCE PREVENTION</b>	
<b>GOAL #8: Assist at-risk youth between ages 16-25 through efforts to afford them economic opportunities and engage them in productive activities.</b>	3.2.1 # of special events organized to promote the micro-regions, their products and investment opportunities
	3.2.2 # of job fairs held with regional partners to identify employment and internship opportunities for regional youth
	3.3.1 # of entrepreneurs participating with business ideas in the Business Ideas Challenge (BIC)
	3.3.2 Number of entrepreneurs awarded in the BIC with technical assistance to design their business plan.
	Number of DF4D grants awarded
<b>GOAL #11: Prevent crime and violence in key municipalities of El Salvador and support reforms, as outlined in components 2 (Social Prevention of Violence and Crime) and 5 (Institutional and Legal Reform) of the National Policy for Justice, Public Safety and Violence Prevention</b>	Project Strategic Result B. # of municipal competitiveness plans formulated with the private and public sectors participation
	1.1.1 # of participants in MCP training events of trainers
	4.1. Municipal Competitiveness learning network established to share case studies and other informational resources

<b>CONSTRAINT 2: LOW PRODUCTIVITY IN THE TRADABLES SECTOR</b>	
<b>STRATEGIC AREA OF INTERVENTION: IMPROVE THE INSTITUTIONAL ENVIRONMENT</b>	
<b>GOALS</b>  <b>GOAL #1: Facilitate the establishment of a Growth Council to promote an environment of trust and improve the business climate (as measured by the Doing Business indicators) and investments in activities or sectors regarded as strategic. The goal in this area is that, by the end of the PFG, the GOES and the private sector will have established a relationship based on trust, understanding and clarity, in which private investment can have the greatest impact, spurring inclusive economic growth and improving social conditions in El Salvador.</b>	<b>PERTINENT MCP PERFORMANCE INDICATOR FROM DECEMBER 2012 M&amp;E PLAN</b> Project Strategic Result A. # of Municipalities receiving USG assistance to improve their competitiveness performance at Municipal-level
	Project Strategic Result B. # of municipal competitiveness plans formulated with the private and public sectors participation
	1.1.4 Number of MCP-assisted municipalities that have simplified administrative procedures in business registration, permitting, and licensing via the SIMTRA program
	1.1.5 # of municipalities certified as business-friendly
	3.1.1: # of participatory regional competitiveness plans formulated by municipal associations
	3.1.2: # of municipal associations receiving MCP technical assistance and training, becoming a model for other municipalities
	3.3.3 # of Municipal Competitiveness Committees (MCC), integrated with representatives from public and private sector, operating regularly.
	3.3.4 # of micro regional associations that develop public-private sector dialogues twice a year
	3.3.6 # of special national-local dialogues events
4.1. Municipal Competitiveness learning network established to share case studies and other informational resources	
<b>STRATEGIC AREA OF INTERVENTION: STRENGTHENING TAX COLLECTION AND TRANSPARENCY</b>	
<b>GOAL #4: Raise (net) tax revenues to 16 percent of GDP by 2015 and use public resources efficiently and transparently. These goals are also included in the implementation of the fiscal pact, which is an integral part of the PQD priority areas, as defined by the Economic and Social Cabinet.</b>	1.1.2 # of Transparency and Competitiveness Municipal Pacts signed
	1.1.3 # of municipal mechanisms or systems implemented to improve transparency and enhance the quality and availability of information
	Project Strategic Result D: Number of MCP-assisted municipalities that have increased their competitiveness in providing services to businesses and investors as determined by the Municipal Competitiveness Index (MCI)
<b>STRATEGIC AREA OF INTERVENTION: ATTRACTING FOREIGN DIRECT INVESTMENT</b>	
<b>GOAL #5: Support a strategy for attracting and promoting FDI and making El Salvador a more attractive place for foreign investment. The measures described are aimed at streamlining the establishment of operations for potential investors and simultaneously focusing on and scaling up efforts to promote and attract investments.</b>	1.1.1 # of participants in MCP training events of trainers
	1.1.4 Number of MCP-assisted municipalities that have simplified administrative procedures in business registration, permitting, and licensing
	1.1.5 # of municipalities certified as business-friendly
	2. A. # of MCI municipalities that have increased their competitiveness in providing services to businesses and investors as determined by the Municipal Competitiveness Index (MCI)
	2.2.1 # of MCI round implemented in 2011
	2.3.1 # of MCI round implemented in 2013
	3.2.1 # of special events organized to promote the micro-regions, their products and investment opportunities
	Project Strategic Result C. Number of participants in trade and investment environment trainings.
<b>STRATEGIC AREA OF INTERVENTION: STRENGTHENING INSTITUTIONS AND BUSINESSES FOR INTERNATIONALIZATION</b>	
<b>GOAL #6: Surmount low productivity of tradables by transforming factors of production of the tradables</b>	3.1.3 Number of women's regional and local MCP –assisted business network

**sector through the implementation of strategies to improve innovation and quality, and a focus on the international market. As a result of PFG, Salvadoran firms will be more prepared to confront global markets and compete successfully and the necessary institutions will be prepared to support them.**

3.1.4 Number of regional and local business associations (RBA and LBA) MCP-assisted
3.3.1 Number of entrepreneurs participating with business ideas in the Business Ideas Challenge (BIC)
3.3.5 # of initiatives derived from public-private sector dialogue for enhancing local competitiveness

## ANNEX VI. SOURCES MATRIX AND BIBLIOGRAPHY

Question Matrix: Final Evaluation of the Municipal Competitiveness Project (MCP) in El Salvador							
No.	Evaluation Questions	Evaluation Criteria	Type of Answer/Evidence Required	Data Collection Methods	Sampling Selection	Data Sources	Data Analysis
1	How effective has the MCP been in promoting municipal competitiveness?	Effectiveness	Primarily qualitative	1. For M and E data review section: Key indicators and 2009/2011/2013 MCI trends in sampled municipalities with particular emphasis on 2011-13 changes; Review of plans, reports, publications especially most recent annual / quarterly report  For conclusion section 1. Key Informant Interviews 2. Semi-Structured Group Interviews 3. Project reports	Key informant interviews, group discussions with GOES, RTI, implementing partners, mayors and other municipal representatives, local, regional and national associations, chambers of commerce, local business owners	Key informant interviews, group discussion internal synthesis reports. Review of M & E and MCI aggregate and sub-index data. Project progress; annual reports; other Project monitoring & evaluation materials; media reports.	Evaluation team members will make an independent assessment of the quality and performance in terms of M & E data. The question of causality is likely to be clouded by two other factors: a relatively brief intervention period (for the current Project) and the fact that USAID-supported interventions are likely to be one of several factors influencing change. The evaluators do, however anticipate that there will be valuable qualitative data, which combined with available quantitative data, will allow for reasonable approximation of effects of the Project on investment.
2	Which activities have best created business enabling environments at the municipal level?	Relevance, effectiveness, efficiency	MCP components; quantitative data including MCI trend analysis in sampled municipalities	1. Key informant Interviews 2. Semi-Structured Group Interviews 3. Review/fact checking on MCP trends based on interviews 4. Review of plans, reports, publications	Key informant interviews and group discussions with implementing partners, mayors and other municipal representatives, local associations, chambers of commerce, local business owners	Key informant interviews, group discussion internal synthesis reports. Review of MCI collection instruments and synthesized data. Project progress; annual reports; other Project monitoring & evaluation materials; media reports; reports and data prepared by sampled municipalities	Based on analysis of narrative information collected through field work and documentation, highlighting key features, coding and categorization, logical analysis, examining MCP components
3	What factors including sustainability, involvement of the private sector into municipal activities, cost, and efficiency, made activities designed to promote competitiveness and enabling environments for businesses at the municipal level?	Relevance, sustainability, efficiency	Qualitative, Quantitative data relating to MCI trends, changes in patterns of municipal expenditures; quantitative measures of private sector involvement	1. Key informant Interviews 2. Semi-Structured Group Interviews 3. Review of internal write-ups 4. Review of plans, reports, publications	Key informant interviews and group discussions with implementing partners, mayors and other municipal representatives, particularly finance staff, local associations, chambers of commerce, local business owners	Key informant interviews, group discussion internal synthesis reports. Review of MCI collection instruments and synthesized data. Project progress; annual reports; other Project monitoring & evaluation materials; media reports; reports and data prepared by sampled municipalities	Attribution and casual linkages analysis of discrete intervention components; as feasible, statistical analysis of quantitative data; emphasis will be qualitative analysis of narrative information (documentation, highlighting key features, coding and categorization, logical analysis, examining relationships and displaying data with appropriate graphics).
4	Based on the results of the MCP, what are the recommendations for future activities to promote business enabling environments at the municipal level?	Relevance, sustainability, effectiveness	Qualitative	1. Key informant Interviews 2. Semi-Structured Group Interviews 3. Review of relevant trends with sampled municipalities 4. Review of plans, reports, publications	Key informant interviews and group discussions with implementing partners, mayors and other municipal representatives, local associations, chambers of commerce, local business owners	Primarily key informant interviews, group discussion internal synthesis reports, with reference to MCI and municipal level data on investment.	Direct attribution and casual linkages analysis; statistical analysis of quantitative data; qualitative analysis of narrative information
5	What are the recommendations for USAID and other stakeholders to promote future sustainability of the Municipal Competitiveness Committees (MCC)?	Relevance, sustainability, effectiveness	Primarily Qualitative with reference to relevant data on municipal competitiveness	1. Key informant Interviews (KII) 2. Semi-Structured Group Interviews 3. Review trends of findings 4. Review of plans, reports, publications, particularly those related to MCC	Key informant interviews and group discussions with members of MCC, local businesses and associations.	Primarily key informant interviews, group discussion internal synthesis reports with particular reference to good practices and barriers to implementation.	Key informant / group interviews with particular reference to MCC member responses as well as other interview data that describes good practices and/or barriers to implementation of MCC.
7	To what extent has the DF4D component promoted the participation of Municipal Competitiveness Committees in community crime prevention activities?	Sustainability, relevance, impact	Primarily qualitative with reference to crime problems at municipal level	1. Key informant Interviews (KII) 2. Semi-Structured Group Interviews 3. Review write-ups 4. Review of plans, reports, publications, particularly those related to DF4D	Key informant interviews and group discussions with members of MCC, police, and, as relevant, with community groups working in areas of crime prevention.	Primarily key informant interviews, group discussion internal synthesis reports with particular reference to crime trends and crime prevention activities.	Coding and highlighting relevant material internal synthesis reports. Analysis of crime trends and crime prevention activities, including those sponsored by the Project through DF4D and through other interventions.

8	Based on the DF4D initiative and other related MCP activities, what recommendations can be made to encourage municipalities to increase revenues?	Relevance, effectiveness, impact	Primarily Qualitative with reference to good practices in municipal revenue generation	<ol style="list-style-type: none"> <li>1. Key informant Interviews</li> <li>2. Semi-Structured Group Interviews on DF4D</li> <li>3. Review relevant economic policy literature</li> <li>4. Review comparative analysis of documents on relevant good practices in municipal taxation and revenue generation</li> </ol>	Key informant interviews and group discussions with implementing partners, mayors and other municipal representatives, particularly finance staff and other city management staff	Key informant interviews, group discussion internal synthesis reports. Academic and public policy research on municipal government and taxation or other revenue-generation. Municipal fiscal data.	Key informant interviews will be a valuable source of information, as well as the analysis of trends in revenue generation in sampled municipalities. Evaluators, particularly those with experience in municipal governance and macroeconomic and fiscal issues will also identify relevant research in good practices used in El Salvador and other relevant contexts.
9	What recommendations can be made to measure investment at the municipal level in the country?	Impact, effectiveness	Primarily Qualitative with reference to potential practices in collection of investment data at municipal or other sub-national level	<ol style="list-style-type: none"> <li>1. Key informant Interviews</li> <li>2. Semi-Structured Group Interviews</li> <li>3. Review MCI trends</li> <li>4. Review of plans, reports, publications, particularly those related to DF4D, and comparative (including from international sources) analysis of good practices in collection, management information systems (MIS) and dissemination of investment data</li> </ol>	Key informant interviews and group discussions with implementing partners, national-level entities (government; business associations; PROESA, etc.) with an interest in the promotion and measurement of investment; mayors and other municipal representatives, particularly finance staff and other city management staff, particularly those charged with data collection and management. This will also entail a review of any management information systems used by municipalities, and the sharing of information with higher administrative levels.	Key informant interviews and group discussions with implementing partners, mayors and other municipal representatives, particularly finance staff and other city management staff, particularly those charged with data collection and management. This will also entail a review of any management information systems used by municipalities, and the sharing of information with higher administrative levels.	Key informant and group interviews will be a source of information, as well as the analysis of methods used to measure investment in sampled municipalities. Evaluators will also identify relevant research in good practices related to measurement and sharing of investment data used in El Salvador and other relevant contexts.
10	To what extent can increased investment at the municipal level be attributed to MCP activities?	Impact, but difficult	Primarily qualitative with reference to MCI indices and sub-indices	<ol style="list-style-type: none"> <li>1. Key informant Interviews (KII)</li> <li>2. Semi-Structured Group Interviews</li> <li>3. Review investment trends, as available</li> <li>4. Review of plans, reports, publications, particularly those related to investment data</li> </ol>	Key informant interviews and group discussions with implementing partners, members of MCC, businesses, mayors and other municipal representatives, particularly finance staff and other city management staff, particularly those charged with data collection and management. This will also entail a review of any management information systems used by municipalities, and the sharing of information with higher administrative levels.	Although the evaluation team will use data relating to Project activities encouraging investment at the local level, and can use MCI data and investment data as substantiation, the question of attribution can only be determined after careful review of available data.	Key informant and group interviews; analysis of trends in revenue generation and investment; contextualizing MCP interventions within the context of other economic development initiatives impacting the sampled municipalities.
11	To what extent has the Project adopted a gender focus?	Effectiveness	Primarily qualitative with reference to quantitative data on employment and MCC participation	<ol style="list-style-type: none"> <li>1. Key informant</li> <li>2. Semi-Structured Group Interviews with women; women's association; and women-serving NGOs</li> <li>3. Review of plans, reports, publications, particularly those related to investment data</li> </ol>	Key informant interviews and group discussions with implementing partners (RTI; VVES), members of MCC, women businesses owners and entrepreneurs mayors and other municipal representatives.	Although the evaluation team will use data relating to Project activities encouraging investment at the local level, and can use MCI data and investment data as substantiation, the question of attribution can only be determined after careful review of available data.	Key informant and group interviews particularly with women, members of women's associations, and women-serving implementing partners (e.g. VVES)

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  - July 2013e. Producto 2 Anexo 4 – *Documento de Presentación de Idea de Negocio Concurso Ideas de Negocios.*
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## ANNEX VII: SCHEDULE AND PERSONS INTERVIEWED

### Completed schedule

[Submitted simultaneously with work plan]

Nov 1, 2013: Teleconference with USAID

Where: USAID and remote

Description: Introductory meeting

Nov 7, 2013: Team leader (TL) arrives El Salvador

Nov 8, 2013: Internal Evaluation Team (ET) meetings

ET meeting at USAID

Nov 11, 2013: Presentations:

RTI project introduction

Review of evaluation questions and next steps.

Nov 12, 2013: ET meeting at USAID

Description: In-brief with Economic Growth (EG) team, Evaluation COR

Internal Evaluation Team (ET) meetings (next meetings, interviews, planning)

Nov 13, 2013: Interview: Sofía Hernández / FUNDE

Interview: Guillermo Ruiz - SACDEL

Nov 14, 2013: Interview: E. Galdámez, RTI / MCP Monitoring and Evaluation Consultant

Observation: USAID LAC Workshop on Gender

Nov 15, 2013: Internal Evaluation Team (ET) meetings

Description: Weekly planning and technical review session

Nov 16, 2013: Meeting with Peter Vaz, RTI

Description: In-brief with RTI home office staff on the purposes and processes of evaluation.

Nov 18, 2013: Interviews with FUNDE technical staff

Interviews with SACDEL technical staff

ET: meeting to review data collection instruments

Nov 19, 2013: Interview at ESEN with Dr. Carcach

Description: Review development, methodology, and findings of MCI from 2009-2011

Interview with Mayor, La Libertad

Description: Preliminary meeting with municipal leaders

Nov 20, 2013: Attendance: MCP Consultative Committee Meeting

Description: MCI presentation and ET brief presentation and initial contacts with steering committee members

Interview with Mayor, Olocuilta

Description: Preliminary meeting with municipal leaders

Nov 21, 2013: Attendance, Municipal Competitiveness Index (MCI) Presentation

Description: Launching and first public presentation of 2013 MCI presentation; initial contacts with select mayors and other local representatives.

Nov 22, 2013: Interview with Guillermo Galván, Subsecretary, Subsecretariat of Territorial Development and Lic. Mirna Romero

Description: Meeting with key members of the steering committee

Interview: Santa Tecla Mayor's Office with Lic. Carlos Palma, Interim Mayor and Licda. Nedda Zometa, Municipal Contact (*Referente*) for Competitiveness Committee

Description: Description: Preliminary meeting with municipal leaders

[Completed after submittal of work plan]

November 25: Visits to Ciudad Delgado and Panchimalco for interviews with Municipality representatives and private entrepreneurs. Meeting with Sandra Lorena Duarte at USAID.

November 26, visits to San Martin for interviews

November 27, visit to Olocuilta for interviews. Trip to San Miguel for visits to 4 Municipalities of the Eastern Region

November 28, visit to Chinameca and Jucuapa for interviews

November 29, visit to Ciudad Barrios and Alegría for interviews

December 2, visits to Santa Ana and Atiquizaya for interviews with Municipality representatives, MCC members and private entrepreneurs, and President of Chamber of Commerce Santa Ana

December 3, visits to Izalco and Chalatenango for interviews

December 4, visit to Suchitoto and Nueva Concepción for interviews

December 5, day to write, submit and upload write-ups of interviews

December 6, visit to Santa Tecla for interviews. Individual interview with Joaquín Dimas, MCC Coordinator-La Libertad

December 7, meeting of the Evaluation Team to start writing PPT presentation and draft of evaluation report

December 9, working on PPT for Stakeholder Meeting and draft report. Meeting via Skype with Beatriz Puerta and Oscar Quintanilla from FUNDES  
 December 10, Meeting at RTI  
 December 11, continue working on PPT for Stakeholder Meeting and draft report. Attendance to San Salvador Municipality Event, to interview MCC representatives  
 December 12, finalizing PPT for Stakeholders Meeting. Continue writing draft report  
 December 13, Stakeholders Meeting. Working on findings and comments get during the presentation  
 December 14, continue working on draft report and Validation Workshop to USAID representatives on Monday 16<sup>th</sup>  
 December 16, USAID validation workshop  
 December 17, meeting with Blanca Imelda de Magaña, MCP Gender Specialist  
 December 18, meeting with Voces Vitales representatives to speak about Gender  
 December 21, Team Leader departs to USA  
 December 23, 2013, submission of draft report to USAID  
 January 10, 2014, received comments on the draft from USAID and RTI  
 January 23, evaluation team submittal of final report to USAID  
 Sunday, January 26, Team Leader travel to El Salvador  
 Tuesday, January 28, Presentation of Final Report

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## Persons Interviewed

	Fecha de la visita	Municipio	Nombre del entrevistado	Sexo	Cargo	Organización/Institución
1	11-Nov	N/A	Aldo Miranda	m	Asesor	RTI
2	11-Nov	N/A	José Luis Trigueros	m	Director Proyecto	MCP/RTI
3	11-Nov	N/A	Ernesto Galdámez	m	Consultor a cargo M&E	MCP/RTI
4	11-Nov	N/A	Elcira de Viéytez	f	Especialista en Entorno de Negocios (SIMTRA)	MCP/RTI
5	11-Nov	N/A	Eunice de Zelaya	f	Especialista en Gobernabilidad Local	MCP/RTI
6	11-Nov	N/A	Blanca Imelda de Magaña	f	Especialista en Desarrollo de Negocios (Género)	MCP/RTI

7	11-Nov	N/A	Fanny Medina de García	f	Gerente de Subvenciones (DF4D)	MCP/RTI
8	11-Nov	N/A	María Teresa Dávila	f	Especialista en Comunicaciones	MCP/RTI
9	13-Nov	N/A	Sofía Hernández	f	Coordinadora MCP	FUNDE
10	13-Nov	N/A	Guillermo Ruiz	m	Coordinador MCP	SACDEL
11	13-Nov	N/A	Roberto Samayoa	m	Director Ejecutivo	SACDEL
12	14-Nov	N/A	Ernesto Galdámez	m	Oficial M&E MCP	MCP/RTI
13	18-Nov	N/A	Eduardo Benítez	m	Técnico	FUNDE
14	18-Nov	N/A	Flora Blandón de Grajeda	f	Técnica	FUNDE
15	18-Nov	N/A	Manuel Alexander Silis	m	Técnico	FUNDE
16	18-Nov	N/A	Oscar Cardona	m	Técnico	FUNDE
17	18-Nov	N/A	Sofía Hernández	f	Coordinadora MCP	FUNDE
18	18-Nov	N/A	Any Castellanos	f	Técnica	FUNDE
19	18-Nov	N/A	Marta Merino	f	Técnica	FUNDE
20	18-Nov	N/A	Elsy Sánchez	f	Técnico	SACDEL
21	18-Nov	N/A	Elmer García	m	Técnico	SACDEL
22	18-Nov	N/A	Alejandro Jacobo	m	Técnico	SACDEL
23	18-Nov	N/A	María Elena Caballero	f	Técnica	SACDEL
24	18-Nov	N/A	Guillermo Ruiz	m	Coordinador MCP	SACDEL
25	19-Nov	La Libertad	José Dolores Ramos	m	Concejal	Alcaldía Mpal. La Libertad
26	19-Nov	La Libertad	Marlene de Arucha	f	Jefa de la UATM	Alcaldía Mpal. La Libertad
27	19-Nov	N/A	Carlos A. Carcach	m	Director Cto. Políticas Públicas	Escuela Superior de Economía y Negocios (ESEN)
28	20-Nov	Olocuilta	Rolando Antonio Ruiz Zavaleta	m	Coordinador UDEL	Alcaldía Mpal. Olocuilta
29	20-Nov	Olocuilta	Gilberto Antonio Toloza Méndez	m	Síndico Municipal	Alcaldía Mpal. Olocuilta

30	20-Nov	Olocuilta	Marvin Ulises Rodríguez	m	Alcalde	Alcaldía Mpal. Olocuilta
31	22-Nov	Santa Tecla	Flor de María Cornejo	f	Jefa	Alcaldía Mpal. Santa Tecla
32	22-Nov	Santa Tecla	Carlos Palma	m	Alcalde en funciones	Alcaldía Mpal. Santa Tecla
33	25-Nov	Panchimalco	Edwin Geovani Méndez Deodanes	m	Encargado del EMPRE	Alcaldía Mpal. Panchimalco
34	25-Nov	Panchimalco	Doris Elizabeth Chirino Berríos	f	Encargada	Alcaldía Mpal. Panchimalco
35	25-Nov	Panchimalco	Daniel Elías Campos	m		Alcaldía Mpal. Panchimalco
36	25-Nov	Panchimalco	Deysi Lariza Orellana Miranda	f	Concejal	Alcaldía Mpal. Panchimalco
37	25-Nov	Panchimalco	Liliana de Guillén	f	Encargada Gestión y Cooperación Proyectos	Alcaldía Mpal. Panchimalco
38	25-Nov	Panchimalco	Dora María Bran	f	Propietaria Típicos Doris	Mercadito Mpal. Panchimalco
39	25-Nov	Panchimalco	María Teresa Barillas	f		
40	25-Nov	Panchimalco	Julia G. Rodríguez	f	Tesorera	Alcaldía Mpal. Panchimalco
41	25-Nov	Panchimalco	Fátima Cruz	f	Proietaria	Modas y Arte Merci
42	25-Nov	Panchimalco	Karen Rodriguez	f	Coordinador del Proyecto	Asociación Centro de Capacitación de la Democracia (CECADE)
43	25-Nov	Panchimalco	Amedh Guardado	f	Técnico Psicólogo	Asociación Centro de Capacitación de la Democracia (CECADE)
44	25-Nov	Panchimalco	Laura Sandra Arroyo	f	Joven aprendiz	Asociación Centro de Capacitación de la Democracia (CECADE)
45	25-Nov	Panchimalco	José Ovidio	f	Joven aprendiz	Asociación Centro de Capacitación de la Democracia (CECADE)
46	25-Nov	Ciudad Delgado	Armando Arturo Funes Romero	m	Técnico Municipal	Alcaldía Mpal. Ciudad Delgado
47	25-Nov	Ciudad Delgado	Salvador Vásquez	m	Gerencia Financiera	Alcaldía Mpal. Ciudad Delgado
48	25-Nov	Ciudad Delgado	Dora Alicia Alas de Menjívar	f	Propietaria	Auto Parts
49	25-	Ciudad	José Mario Menjívar	m	Propietario	Auto Parts

	Nov	Delgado				
50	26-Nov	San Martín	Ervin Nelson Marroquín R.	m	Asesor Técnico Particip. Ciudadana	Alcadía Mpal. San Martín
51	26-Nov	San Martín	Amparo Concepción Cedillos	f	Responsable de EMPRE	Alcadía Mpal. San Martín
52	26-Nov	San Martín	Víctor Manuel Rivera Reyes	m	Alcalde	Alcadía Mpal. San Martín
53	26-Nov	San Martín	Teresa Coreas	f	Agricultor	
54	26-Nov	San Martín	Ana Gloria Parada	f	Concejala	Alcadía Mpal. San Martín
55	26-Nov	San Martín	José Cristo Martínez Rivera	m	Concejal	Alcadía Mpal. San Martín
56	26-Nov	San Martín	Jorge Ernesto Mercado González	m	Propietario Gerente	Vet. Y Agroservicio San Martín
57	26-Nov	San Martín	Ronald Edwin De La Cruz	m	Propietario Gerente Comercial	E&C Soluciones, S.A. de C.V.
58	26-Nov	San Martín	Janeth de Calles	f	Propietaria	VIP Beauty Center
59	26-Nov	San Martín	Sonia Esperanza Aguiluz de López	f	Proietaria	Negocio
60	27-Nov	Olocuilta	Edgar E. Meléndez	m	Técnico EMPRE	Alcaldía Mpal. Olocuilta
61	27-Nov	Olocuilta	Oscar Pérez	m	Propietario Director Ejecutivo	ACAPAMOL
62	27-Nov	Olocuilta	Claudia Ramírez	f	Comerciante	
63	27-Nov	Olocuilta	Ana Julia Barrera	f		Pupusería El Manguito
64	27-Nov	Olocuilta	Rubidia Escobar	f		Pupusería El Manguito
65	27-Nov	Olocuilta	Rosa Medrano	f	Directiva	Salón P. Buena Vista
66	27-Nov	Olocuilta	Roberto Antonio Ruiz	m	Coordinador UDEL	Alcaldía Mpal. Olocuilta
67	28-Nov	Chinameca	Rosa María Reyes	f	Proyección Social	Alcaldía Mpal. Chinameca
68	28-Nov	Chinameca	Héctor Garay	m	Comunicaciones	Alcaldía Mpal. Chinameca
69	28-Nov	Chinameca	Nelly Quintanilla	f		Negocio de Artesanías
70	28-Nov	Chinameca	Alfonso Josué Moraga	m	Registrador de Familia	Alcaldía Mpal. Chinameca
71	28-Nov	Jucuapa	Carlos Stanley Alfaro	m	Tesorero	Negocio propio
72	28-Nov	Jucuapa	Nora Araujo de Trejo	f	Concejala	Alcaldía Mpal. Jucuapa

73	28-Nov	Jucuapa	Estela Rivas	f	Presidenta	Negocio propio
74	28-Nov	Jucuapa	René Guillermo López	m		Negocio propio
75	28-Nov	Jucuapa	Manuel de Jesús Granados	m	Comerciante	
76	28-Nov	Jucuapa	Juan Alexander Claros	m	Concejel	Alcaldía Mpal. Jucuapa
77	28-Nov	Jucuapa	Yesenia Reyes	f	Secretaria Admón.	ASITECHI
78	29-Nov	Alegría	René Sánchez	m	Alcalde	Alcaldía Mpal. Alegría
79	29-Nov	Alegría	Dalia Martínez Rivas	f	Coordinadora Unidad de la Mujer	Alcaldía Mpal. Alegría
80	29-Nov	Alegría	Paula Guadalupe Portillo de Castro	f	Presidenta	ADESCOMUCC
81	29-Nov	Alegría	Ana Margarita Castro	f	Presidenta	ADESCOMUCC
82	29-Nov	Alegría	Flora Sandra Chicas	f	Presidenta	ADESCOMUCC
83	29-Nov	Ciudad Barrios	Violeta Trejo	f	Unidad Jurídica	Alcaldía Mpal. Ciudad Barrios
84	29-Nov	Ciudad Barrios	Pascual Mauricio Martínez G.	m	Catastro	Alcaldía Mpal. Ciudad Barrios
85	29-Nov	Ciudad Barrios	German Mauricio Argueta	m	Cuentas Corrientes	Alcaldía Mpal. Ciudad Barrios
86	29-Nov	Ciudad Barrios	Fidel Alexander Sorto	m	Jefe UATM	Alcaldía Mpal. Ciudad Barrios
87	2-Dec	Santa Ana	Sofía Mariana Rafaela García Colocho	f	Propietaria	
88	2-Dec	Santa Ana	José Ramón Francia Bolaños	m	Gerente General	Imprenta Francia
89	2-Dec	Santa Ana	Sigfredo Armando Figueroa S.	m	Propietario consultor	Global Consulting SV
90	2-Dec	Santa Ana	Víctor Armando Linares Nolasco	m	Presidente	Cámara de Comercio Santa Ana
91	2-Dec	Santa Ana	Maximino Alfredo Cabrera	m	Representante Legal	Cabrera Consultores
92	2-Dec	Santa Ana	Juana del Socorro Ladino Solito	f	Jurídico Gerencia General	Alcaldía Mpal. Santa Ana
93	2-Dec	Santa Ana	Krissia Iliana Elizondo Fajardo	f	Asistente Gerencia General	Alcaldía Mpal. Santa Ana
94	2-Dec	Santa Ana	Juan Francisco Castillo Mejía	m	Gerente General	Alcaldía Mpal. Santa Ana
95	2-Dec	Santa Ana	Ileana Ochoa	f	Coordinadora de Proyecto	COMTEC

96	2-Dec	Santa Ana	Manuel Valencia	m	Coordinador de Proyecto	COMTEC
97	2-Dec	Santa Ana	Wilfredo Mátal Santamaría	m	Coordinador PAE	Alcaldía Mpal. Santa Ana
98	2-Dec	Santa Ana	Laura Guevara	f	Funcionaria PAE	Alcaldía Mpal. Santa Ana
99	2-Dec	Atiquizaya	Edgar Burgos	m	Gerente DOT	Alcaldía Mpal. Atiquizaya
100	2-Dec	Atiquizaya	Gladis Esmeralda Silvas García	f	Encargada EMPRE	Alcaldía Mpal. Atiquizaya
101	2-Dec	Atiquizaya	Ana Luisa Rodríguez de González	f	Alcaldesa	Alcaldía Mpal. Atiquizaya
102	2-Dec	Atiquizaya	Mery Eglendia Erazo Mirón	f	Artesana presidenta	ASCOMM de R.L.
103	2-Dec	Atiquizaya	Elías Rafael García	m	Artesano	Artesanía Maya
104	2-Dec	Atiquizaya	David N. Luna	m	Presidente	Caja de Crédito Atiquizaya
105	2-Dec	Atiquizaya	Hugo Arteaga	m	Ingeniero residente	FUNDASAL
106	2-Dec	Atiquizaya	Henry Leonel Perdomo Escobar	m	Propietario	Super "Tilita"
107	3-Dec	Izalco	Melvin Antonio Cornejo López	m	Encargado del EMPRE	Alcaldía Mpal. Izalco
108	3-Dec	Izalco	Ernesto Calderón B.	m	Dpto. Com.	Alcaldía Mpal. Izalco
109	3-Dec	Izalco	Marvin Alexander Ramírez Cruz	m	Jefe UACI	Alcaldía Mpal. Izalco
110	3-Dec	Izalco	Abel López Leiva	m	Secretario Municipal	Alcaldía Mpal. Izalco
111	3-Dec	Izalco	Concepción M. Argueta	f	Propietaria	Negocio propio
112	3-Dec	Izalco	Tito Adolfo Rodríguez	m	Jefe UATM	Alcaldía Mpal. Izalco
113	3-Dec	Izalco	Carlos Toledo	m	Concejel	Alcaldía Mpal. Izalco
114	3-Dec	Izalco	José A. Guevara Cisneros	m	Alcalde	Alcaldía Mpal. Izalco
115	3-Dec	Izalco	Roberto C. Hidalgo	m	Concejel	Alcaldía Mpal. Izalco
116	3-Dec	Izalco	Claudia Castaneda	f	Concejala	Alcaldía Mpal. Izalco
117	3-Dec	Izalco	Tomás Edgardo Meneses	m	Unidad Ambiental	Alcaldía Mpal. Izalco
118	3-Dec	Izalco	Gerber Gutiérrez	m	Regidor	Alcaldía Mpal. Izalco

119	3-Dec	Izalco	Yesenia E. Urbina	f	Concejal	Alcaldía Mpal. Izalco/Unidad de Salud Izalco
120	3-Dec	Izalco	Hans Alberto Mancía M.	m	Miembro	C.D.T.
121	3-Dec	Izalco	Carlos Alberto Hernández Alfaro	m	Jefe Proyección Social	Alcaldía Mpal. Izalco
122	3-Dec	Izalco	Rutilia Margot Álvarez Hernández	f	Facilitadora	RTI/MCP
123	3-Dec	Izalco	Carlos Neftalí Rosa	m	Trabajador Social	FUNDASAL
124	3-Dec	Chalatenango	Alba Nubia Coreas Portillo	f	Gerente DEL	Alcaldía Mpal. Chalatenango
125	3-Dec	Chalatenango	Braulio Erasmo Mena	m	Propietario	Auto Repuestos Mena
126	3-Dec	Chalatenango	Manuel Guardado	m	Propietario	Ferretería San Diego
127	3-Dec	Chalatenango	Edgardo A. Alvarado	m	Gerente General	Alcaldía Mpal. Chalatenango
128	3-Dec	Chalatenango	Rocío Rauda	f	Encargada Registro de Empresas	Alcaldía Mpal. Chalatenango
129	3-Dec	Chalatenango	Carlos Renderos	m	Jefe UATM	Alcaldía Mpal. Chalatenango
130	4-Dec	Nueva Concepción	Grecia M. Peña	f	Delegada EMPRE	Alcaldía Mpal. Nueva Concepción
131	4-Dec	Nueva Concepción	Amanda Elizabeth Portillo de Figueroa	f	Ciudadanía	
132	4-Dec	Nueva Concepción	Fernando Quant Lyng	m	Iglesia Jerusalén/Comité Cultura de Paz	Pastor/Coordinador adjunto
133	4-Dec	Nueva Concepción	Luis Vicente Portillo	m	Socio	Asociación de Ganaderos
134	4-Dec	Nueva Concepción	Juan Pablo Escobar	m	Gerente General	Alcaldía Mpal. Nueva Concepción
135	4-Dec	Nueva Concepción	José Edwin Peña	m	Jefe UATM	Alcaldía Mpal. Nueva Concepción
136	4-Dec	Nueva Concepción	Ramón Morán	m		
137	4-Dec	Nueva Concepción	Félix Manuel Portillo Menjívar	m	Alcalde	Alcaldía Mpal. Nueva Concepción
138	4-Dec	Nueva Concepción	Guadalupe Soto	f	Artesana	Artesanías El Mayab
139	4-Dec	Nueva Concepción	Claudia Esmeralda Aguilar	f	Artesana	Artesanías El Mayab
140	4-Dec	Nueva Concepción	Luis Mauricio Hernández	f	Gerente	ARAN
141	4-Dec	Suchitoto	José Antonio Gómez	m	Director	Unidad Plan Maestro/Alcaldía

						Mpal. Suchitoto
142	4-Dec	Suchitoto	Ana María Menjívar	f	Presidenta	Concertación de Mujeres de Suchitoto
143	4-Dec	Suchitoto	Patricia Segovia	f	Directora Proyecto Escuelas Cultura	Centro Arte para la Paz (CAP)
144	4-Dec	Suchitoto	Peggy O'Neill	f	Proyecto Escuelas Cultura	Centro Arte para la Paz (CAP)
145	6-Dec	Santa Tecla	Ricardo Monterroza	m	Coordinador	
146	6-Dec	Santa Tecla	Braulio René Najarro	m	Desarrollo Económico Local	
147	6-Dec	Santa Tecla	María J. Montiel	f	Secretaria	ALAMPYMES
148	6-Dec	Santa Tecla	Ana Dolores Quintanilla	f	Presidenta	ALAMPYMES
149	6-Dec	Santa Tecla	Lisette de Orantes	f	Gerente Planificación	Desarrollos Veranda, S.A. de C.V.
150	6-Dec	Santa Tecla	Karla Girón	f	Asistente	
151	6-Dec	Santa Tecla	Nedda R. Zometa	f	Gerente Desarrollo Humano	Alcaldía Mpal. Santa Tecla
152	6-Dec	Santa Tecla	Flor de María Cornejo	f	Jefa Santa Tecla Activa	Alcaldía Mpal. Santa Tecla
153	6-Dec	La Libertad	Joaquín Roberto Dimas	m	Propietario	DIMHERSA, S.A. de C.V.
154	9-Dec	N/A	Beatriz Hueso	f	Coordinadora	FUNDES

	<b>Date of visit</b>	<b>Municipality</b>	<b>Interviewee name</b>	<b>Sex</b>	<b>Title</b>	<b>Organization /Institutionn</b>
1	11-Nov	N/A	Aldo Miranda	m	Advisor	RTI
2	11-Nov	N/A	José Luis Trigueros	m	Project manager	MCP/RTI
3	11-Nov	N/A	Ernesto Galdámez	m	Consultant for M & E	MCP/RTI
4	11-Nov	N/A	Elcira de Viéytez	f	Business environment specialist (SIMTRA)	MCP/RTI
5	11-Nov	N/A	Eunice de Zelaya	f	Local governance specialist	MCP/RTI
6	11-Nov	N/A	Blanca Imelda de Magaña	f	Business development specialist (gender)	MCP/RTI
7	11-Nov	N/A	Fanny Medina de García	f	Grants manager (DF4D)	MCP/RTI
8	11-Nov	N/A	María Teresa Dávila	f	Communications specialist	MCP/RTI
9	13-Nov	N/A	Sofía Hernández	f	MCP coordinator	FUNDE
10	13-Nov	N/A	Guillermo Ruiz	m	MCP coordinator	SACDEL
11	13-Nov	N/A	Roberto Samayoa	m	Executive director	SACDEL
12	14-Nov	N/A	Ernesto Galdámez	m	M & e officer mcp	MCP/RTI
13	18-Nov	N/A	Eduardo Benítez	m	Technician	FUNDE
14	18-Nov	N/A	Flora Blandón de Grajeda	f	Technician	FUNDE
15	18-Nov	N/A	Manuel Alexander Silis	m	Technician	FUNDE
16	18-Nov	N/A	Oscar Cardona	m	Technician	FUNDE
17	18-Nov	N/A	Sofía Hernández	f	MCP coordinator	FUNDE
18	18-Nov	N/A	Any Castellanos	f	Technician	FUNDE
19	18-Nov	N/A	Marta Merino	f	Technician	FUNDE
20	18-Nov	N/A	Elsy Sánchez	f	Technician	SACDEL

21	18-Nov	N/A	Elmer García	m	Technician	SACDEL
22	18-Nov	N/A	Alejandro Jacobo	m	Technician	SACDEL
23	18-Nov	N/A	María Elena Caballero	f	Technician	SACDEL
24	18-Nov	N/A	Guillermo Ruiz	m	MCP coordinator	SACDEL
25	19-Nov	La Libertad	José Dolores Ramos	m	Councilor	Municip. of La Libertad
26	19-Nov	La Libertad	Marlene de Arucha	f	Chief UATM	Municip. of La Libertad
27	19-Nov	N/A	Carlos A. Carcach	m	Director, public policy	Municip. of Olocuilta
28	20-Nov	Olocuilta	Rolando Antonio Ruiz Zavaleta	m	UDEL coordinator	Municip. of Olocuilta
29	20-Nov	Olocuilta	Gilberto Antonio Toloza Méndez	m	Municipal trustee	Municip. of Olocuilta
30	20-Nov	Olocuilta	Marvin Ulises Rodríguez	m	Mayor	Municip. of Santa Tecla
31	22-Nov	Santa Tecla	Flor de María Cornejo	f	Chief	Municip. of Santa Tecla
32	22-Nov	Santa Tecla	Carlos Palma	m	Acting mayor	Municip. of Panchimalco
33	25-Nov	Panchimalco	Edwin Geovani Méndez Deodanes	m	Manager EMPRE	Municip. of Panchimalco
34	25-Nov	Panchimalco	Doris Elizabeth Chirino Berríos	f	In charge of accounts	Municip. of Panchimalco
35	25-Nov	Panchimalco	Daniel Elías Campos	m		Municip. of Panchimalco
36	25-Nov	Panchimalco	Deysi Lariza Orellana Miranda	f	Councilor	Municip. of Panchimalco
37	25-Nov	Panchimalco	Liliana de Guillén	f	Responsible Management and Cooperation Projects	Mercadito Panchimalco
38	25-Nov	Panchimalco	Dora María Bran	f	Typical proprietary doris	
39	25-Nov	Panchimalco	María Teresa Barillas	f		Municip. of Panchimalco
40	25-Nov	Panchimalco	Julia G. Rodríguez	f	Treasurer	Merci Fashion and Art
41	25-Nov	Panchimalco	Fátima Cruz	f	Owner	Association Training Center of Democracy (CECADE )
42	25-Nov	Panchimalco	Karen Rodriguez	f	Project coordinator	Association Training Center of Democracy (CECADE )

43	25-Nov	Panchimalco	Amedh Guardado	f	Technician psychologist	Association Training Center of Democracy (CECADE )
44	25-Nov	Panchimalco	Laura Sandra Arroyo	f	Young apprentice	Association Training Center of Democracy (CECADE )
45	25-Nov	Panchimalco	José Ovidio	f	Young apprentice	Municip. of Ciudad Delgado
46	25-Nov	Ciudad Delgado	Armando Arturo Funes Romero	m	Municipal technician	Municip. of CiudadDelgado
47	25-Nov	Ciudad Delgado	Salvador Vásquez	m	Financial management	Auto Parts
48	25-Nov	Ciudad Delgado	Dora Alicia Alas de Menjívar	f	Proprietress	Auto Parts
49	25-Nov	Ciudad Delgado	José Mario Menjívar	m	Owner	Municip. of San Martín
50	26-Nov	San Martín	Ervin Nelson Marroquín R.	m	Advisory Technician / Citizen Participant	Municip. of San Martín
51	26-Nov	San Martín	Amparo Concepción Cedillos	f	EMPRESA	Municip. of San Martín
52	26-Nov	San Martín	Víctor Manuel Rivera Reyes	m	Mayor	
53	26-Nov	San Martín	Teresa Coreas	f	Farmer	Municip. of San Martín
54	26-Nov	San Martín	Ana Gloria Parada	f	Councillor	Municip. of San Martín
55	26-Nov	San Martín	José Cristo Martínez Rivera	m	Councilor	Agroservices San Martín
56	26-Nov	San Martín	Jorge Ernesto Mercado González	m	Owner Manager	E & C Solutions, Inc. C.V.
57	26-Nov	San Martín	Ronald Edwin De La Cruz	m	Owner commercial manager	VIP Beauty Center
58	26-Nov	San Martín	Janeth de Calles	f	Proprietress	
59	26-Nov	San Martín	Sonia Esperanza Aguiluz de López	f	Owner	Municip. of Olocuilta
60	27-Nov	Olocuilta	Edgar E. Meléndez	m	Technician EMPRESA	ACAPAMOL
61	27-Nov	Olocuilta	Oscar Pérez	m	Owner CEO	
62	27-Nov	Olocuilta	Claudia Ramírez	f	Merchant	Pupusería El Manguito
63	27-Nov	Olocuilta	Ana Julia Barrera	f		Pupusería El Manguito
64	27-Nov	Olocuilta	Rubidia Escobar	f		Buena Vista Salon
65	27-Nov	Olocuilta	Rosa Medrano	f	Directive	Municip. of Olocuilta

	Nov					
66	27-Nov	Olocuilta	Roberto Antonio Ruiz	m	UDEL coordinator	Municip. of Chinameca
67	28-Nov	Chinameca	Rosa María Reyes	f	Social projection	Municip. of Chinameca
68	28-Nov	Chinameca	Héctor Garay	m	Communications	Business of Crafts
69	28-Nov	Chinameca	Nelly Quintanilla	f		Municip. of Chinameca
70	28-Nov	Chinameca	Alfonso Josué Moraga	m	Family recorder	Own business
71	28-Nov	Jucuapa	Carlos Stanley Alfaro	m	Treasurer	Municip. of Jucuapa
72	28-Nov	Jucuapa	Nora Araujo de Trejo	f	Councillor	Own business
73	28-Nov	Jucuapa	Estela Rivas	f	Chairwoman	Own business
74	28-Nov	Jucuapa	René Guillermo López	m		
75	28-Nov	Jucuapa	Manuel de Jesús Granados	m	Merchant	Municip. of Jucuapa
76	28-Nov	Jucuapa	Juan Alexander Claros	m	Councilor	ASITECHI
77	28-Nov	Jucuapa	Yesenia Reyes	f	Secretary admin.	Municip. of Alegria
78	29-Nov	Alegria	René Sánchez	m	Mayor	Municip. of Alegria
79	29-Nov	Alegria	Dalia Martínez Rivas	f	Coordinating Unit for Women	Municip. of La Libertad
80	29-Nov	Alegria	Paula Guadalupe Portillo de Castro	f	Chairwoman	ADESCOMUCC
81	29-Nov	Alegria	Ana Margarita Castro	f	Chairwoman	ADESCOMUCC
82	29-Nov	Alegria	Flora Sandra Chicas	f	Chairwoman	ADESCOMUCC
83	29-Nov	Ciudad Barrios	Violeta Trejo	f	Legal unit	Municip. of Ciudad Barrios
84	29-Nov	Ciudad Barrios	Pascual Mauricio Martínez G.	m	Cadastre	Municip. of Ciudad Barrios
85	29-Nov	Ciudad Barrios	German Mauricio Argueta	m	Current accounts	Municip. of Ciudad Barrios
86	29-Nov	Ciudad Barrios	Fidel Alexander Sorto	m	Chief UATM	Municip. of Ciudad Barrios
87	2-Dec	Santa Ana	Sofía Mariana Rafaela García Colucho	f	Proprietress	
88	2-	Santa Ana	José Ramón Francia	m	General manager	Francia Printing

	Dec		Bolaños			
89	2-Dec	Santa Ana	Sigfredo Armando Figueroa S.	m	Owner consultant	SV Global Consulting
90	2-Dec	Santa Ana	Víctor Armando Linares Nolasco	m	President	Santa Ana Chamber of Commerce
91	2-Dec	Santa Ana	Maximino Alfredo Cabrera	m	Legal representative	Cabrera Consultants
92	2-Dec	Santa Ana	Juana del Socorro Ladino Solito	f	Legal general management	Santa Ana Municip.
93	2-Dec	Santa Ana	Krissia Iliana Elizondo Fajardo	f	Assistant general manager	Santa Ana Municip.
94	2-Dec	Santa Ana	Juan Francisco Castillo Mejía	m	General manager	Santa Ana Municip.
95	2-Dec	Santa Ana	Ileana Ochoa	f	Project coordinator	COMTEC
96	2-Dec	Santa Ana	Manuel Valencia	m	Project coordinator	COMTEC
97	2-Dec	Santa Ana	Wilfredo Mátal Santamaría	m	PAE coordinator	Santa Ana Municip.
98	2-Dec	Santa Ana	Laura Guevara	f	PAE Officer	Santa Ana Municip.
99	2-Dec	Atiquizaya	Edgar Burgos	m	DOT manager	Municip. of Atiquizaya
100	2-Dec	Atiquizaya	Gladis Esmeralda Silvas García	f	EMPRE	Municip. of Atiquizaya
101	2-Dec	Atiquizaya	Ana Luisa Rodríguez de González	f	Mayor	Municip. of Atiquizaya
102	2-Dec	Atiquizaya	Mery Eglendia Erazo Mirón	f	Artisan president	ASCOMM
103	2-Dec	Atiquizaya	Elías Rafael García	m	Craftsman	Arts Maya
104	2-Dec	Atiquizaya	David N. Luna	m	President	Credit Bank of Atiquizaya
105	2-Dec	Atiquizaya	Hugo Arteaga	m	Resident Engineer	FUNDASAL
106	2-Dec	Atiquizaya	Henry Leonel Perdomo Escobar	m	Owner	Super " Tilita "
107	3-Dec	Izalco	Melvin Antonio Cornejo López	m	Manager / EMPRE	Municip. of Izalco
108	3-Dec	Izalco	Ernesto Calderón B.	m	Dept. Com.	Municip. of Izalco
109	3-Dec	Izalco	Marvin Alexander Ramírez Cruz	m	Chief UACI	Municip. of Izalco
110	3-Dec	Izalco	Abel López Leiva	m	City clerk	Municip. of Izalco
111	3-Dec	Izalco	Concepción M. Argueta	f	Proprietress	Business Owner

112	3-Dec	Izalco	Tito Adolfo Rodríguez	m	Chief UATM	Municip. of Izalco
113	3-Dec	Izalco	Carlos Toledo	m	Councilor	Municip. of Izalco
114	3-Dec	Izalco	José A. Guevara Cisneros	m	Mayor	Municip. of Izalco
115	3-Dec	Izalco	Roberto C. Hidalgo	m	Councilor	Municip. of Izalco
116	3-Dec	Izalco	Claudia Castaneda	f	Councillor	Municip. of Izalco
117	3-Dec	Izalco	Tomás Edgardo Meneses	m	Environmental unit	Municip. of Izalco
118	3-Dec	Izalco	Gerber Gutiérrez	m	Governing	Municip. of Izalco
119	3-Dec	Izalco	Yesenia E. Urbina	f	Councilor	Municip. of Izalco / Health Unit Izalco
120	3-Dec	Izalco	Hans Alberto Mancía M.	m	Member	C.D.T.
121	3-Dec	Izalco	Carlos Alberto Hernández Alfaro	m	Chief social projection	Municip. of Izalco
122	3-Dec	Izalco	Rutilia Margot Álvarez Hernández	f	Facilitator	RTI / MCP
123	3-Dec	Izalco	Carlos Neftalí Rosa	m	Social worker	FUNDASAL
124	3-Dec	Chalatenango	Alba Nubia Coreas Portillo	f	Manager DEL	Municip. of Chalatenango
125	3-Dec	Chalatenango	Braulio Erasmo Mena	m	Owner	Mena Auto Parts
126	3-Dec	Chalatenango	Manuel Guardado	m	Owner	San Diego Hardware
127	3-Dec	Chalatenango	Edgardo A. Alvarado	m	General manager	Municip. of Chalatenango
128	3-Dec	Chalatenango	Rocío Rauda	f	Business registration officer	Municip. of Chalatenango
129	3-Dec	Chalatenango	Carlos Renderos	m	Chief UATM	Municip. of Chalatenango
130	4-Dec	Nueva Concepción	Grecia M. Peña	f	Delegate EMPRE	Municip. of New Conception
131	4-Dec	Nueva Concepción	Amanda Elizabeth Portillo de Figueroa	f	Citizenship	
132	4-Dec	Nueva Concepción	Fernando Quant Lyng	m	Jerusalem Church / Culture of Peace Committee	Pastor / Co-coordinator
133	4-Dec	Nueva Concepción	Luis Vicente Portillo	m	Partner	Cattlemen's Association
134	4-Dec	Nueva Concepción	Juan Pablo Escobar	m	General manager	Municip. of New Conception

135	4-Dec	Nueva Concepción	José Edwin Peña	m	Chief UATM	Municip. of New Concepcion
136	4-Dec	Nueva Concepción	Ramón Morán	m		
137	4-Dec	Nueva Concepción	Félix Manuel Portillo Menjívar	m	Mayor	Municip. of New Concepcion
138	4-Dec	Nueva Concepción	Guadalupe Soto	f	Craftsperson	The Mayab Crafts
139	4-Dec	Nueva Concepción	Claudia Esmeralda Aguilar	f	Craftsperson	The Mayab Crafts
140	4-Dec	Nueva Concepción	Luis Mauricio Hernández	f	Manager	ARAN
141	4-Dec	Suchitoto	José Antonio Gómez	m	Director	Master Plan / Municip. of Suchitoto Unit
142	4-Dec	Suchitoto	Ana María Menjívar	f	Chairwoman	Coalition of Women in Suchitoto
143	4-Dec	Suchitoto	Patricia Segovia	f	Project director, school culture	Art Center for Peace (CAP )
144	4-Dec	Suchitoto	Peggy O'Neill	f	Schools Culture Project	Art Center for Peace (CAP )
145	6-Dec	Santa Tecla	Ricardo Monterroza	m	Coordinator	
146	6-Dec	Santa Tecla	Braulio René Najarro	m	Local economic development	
147	6-Dec	Santa Tecla	María J. Montiel	f	Secretary	ALAMPYMES
148	6-Dec	Santa Tecla	Ana Dolores Quintanilla	f	Chairwoman	ALAMPYMES
149	6-Dec	Santa Tecla	Lissette de Orantes	f	Planning manager	Veranda Development, SA de C.V.
150	6-Dec	Santa Tecla	Karla Girón	f	Assistant	
151	6-Dec	Santa Tecla	Nedda R. Zometa	f	Human development manager	Municip. of Santa Tecla
152	6-Dec	Santa Tecla	Flor de María Cornejo	f	Active head santa tecla	Municip. of Santa Tecla
153	6-Dec	La Libertad	Joaquín Roberto Dimas	m	Owner	DIMHERSA, S.A. de C.V.
154	9-Dec	N/A	Beatriz Hueso	f	Coordinator	FUNDES

## ANNEX VIII: DISCLOSURE OF ANY CONFLICTS OF INTEREST

<b>Name</b>	Michael J. Midling, PhD
<b>Title</b>	Consultant
<b>Organization</b>	International Business & Technical Consultants, Inc.
<b>Evaluation Position?</b>	X Team Leader      Team member
<b>Evaluation Award Number</b> <i>(contract or other instrument)</i>	Purchase Order AID-519-O-14-0001
<b>USAID Project(s) Evaluated</b> <i>(Include project name(s), implementer name(s) and award number(s), if applicable)</i>	USAID Municipal Competitiveness Project Contract EPP-I-00-04-00037-00
<b>I have real or potential conflicts of interest to disclose.</b>	Yes      No X
<b>If yes answered above, I disclose the following facts:</b> <i>Real or potential conflicts of interest may include, but are not limited to:</i> Close family member who is an employee of the USAID operating unit managing the project(s) being evaluated or the implementing organization(s) whose project(s) are being evaluated. Financial interest that is direct, or is significant though indirect, in the implementing organization(s) whose projects are being evaluated or in the outcome of the evaluation. Current or previous direct or significant though indirect experience with the project(s) being evaluated, including involvement in the project design or previous iterations of the project. Current or previous work experience or seeking employment with the USAID operating unit managing the evaluation or the implementing organization(s) whose project(s) are being evaluated. Current or previous work experience with an organization that may be seen as an industry competitor with the implementing organization(s) whose project(s) are being evaluated. Preconceived ideas toward individuals, groups, organizations, or objectives of the particular projects and organizations being evaluated that could bias the evaluation.	

I certify (1) that I have completed this disclosure form fully and to the best of my ability and (2) that I will update this disclosure form promptly if relevant circumstances change. If I gain access to proprietary information of other companies, then I agree to protect their information from unauthorized use or disclosure for as long as it remains proprietary and refrain from using the information for any purpose other than that for which it was furnished.

<b>Signature</b>	Michael Digitally signed by Michael Midling DN: cn=Michael Midling, o, ou, email=mmidling@ibtc.com, c=US
<b>Date</b>	Midling Date: 2014.01.20 20:48:46 -08'00'

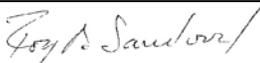
<b>Name</b>	Francisco Molina
<b>Title</b>	Consultant
<b>Organization</b>	International Business & Technical Consultants, Inc.
<b>Evaluation Position?</b>	<input type="checkbox"/> Team Leader <input type="checkbox"/> * Team member
<b>Evaluation Award Number</b> <i>(contract or other instrument)</i>	Purchase Order AID-519-O-14-00001
<b>USAID Project(s) Evaluated</b> <i>(Include project name(s), implementer name(s) and award number(s), if applicable)</i>	USAID Municipal Competitiveness Project Contract EPP-I-00-04-00037-00
<b>I have real or potential conflicts of interest to disclose.</b>	<input type="checkbox"/> Yes <input type="checkbox"/> * No
<b>If yes answered above, I disclose the following facts:</b> <i>Real or potential conflicts of interest may include, but are not limited to:</i> <i>Close family member who is an employee of the USAID operating unit managing the project(s) being evaluated or the implementing organization(s) whose project(s) are being evaluated.</i> <i>Financial interest that is direct, or is significant though indirect, in the implementing organization(s) whose projects are being evaluated or in the outcome of the evaluation.</i> <i>Current or previous direct or significant though indirect experience with the project(s) being evaluated, including involvement in the project design or previous iterations of the project.</i> <i>Current or previous work experience or seeking employment with the USAID operating unit managing the evaluation or the implementing organization(s) whose project(s) are being evaluated.</i> <i>Current or previous work experience with an organization that may be seen as an industry competitor with the implementing organization(s) whose project(s) are being evaluated.</i> <i>Preconceived ideas toward individuals, groups, organizations, or objectives of the particular projects and organizations being evaluated that could bias the evaluation.</i>	

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<b>Signature</b>	
<b>Date</b>	January/21/2014

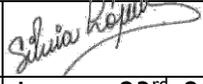
<b>Name</b>	Roy Sandoval
<b>Title</b>	Consultant
<b>Organization</b>	International Business & Technical Consultants, Inc.
<b>Evaluation Position?</b>	<input type="checkbox"/> Team Leader <input checked="" type="checkbox"/> Team member
<b>Evaluation Award Number</b> <i>(contract or other instrument)</i>	Purchase Order AID-519-O-14-00001
<b>USAID Project(s) Evaluated</b> <i>(Include project name(s), implementer name(s) and award number(s), if applicable)</i>	USAID Municipal Competitiveness Project Contract EPP-I-00-04-00037-00
<b>I have real or potential conflicts of interest to disclose.</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>If yes answered above, I disclose the following facts:</b> <i>Real or potential conflicts of interest may include, but are not limited to:</i> <i>Close family member who is an employee of the USAID operating unit managing the project(s) being evaluated or the implementing organization(s) whose project(s) are being evaluated.</i> <i>Financial interest that is direct, or is significant though indirect, in the implementing organization(s) whose projects are being evaluated or in the outcome of the evaluation.</i> <i>Current or previous direct or significant though indirect experience with the project(s) being evaluated, including involvement in the project design or previous iterations of the project.</i> <i>Current or previous work experience or seeking employment with the USAID operating unit managing the evaluation or the implementing organization(s) whose project(s) are being evaluated.</i> <i>Current or previous work experience with an organization that may be seen as an industry competitor with the implementing organization(s) whose project(s) are being evaluated.</i> <i>Preconceived ideas toward individuals, groups, organizations, or objectives of the particular projects and organizations being evaluated that could bias the evaluation.</i>	

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<b>Signature</b>	
<b>Date</b>	November 2, 2013

<b>Name</b>	Silvia del Carmen López Tull
<b>Title</b>	Consultant
<b>Organization</b>	International Business & Technical Consultants, Inc.
<b>Evaluation Position?</b>	<input type="checkbox"/> Team Leader <input checked="" type="checkbox"/> Team member
<b>Evaluation Award Number</b> <i>(contract or other instrument)</i>	Purchase Order AID-519-O-14-00001
<b>USAID Project(s) Evaluated</b> <i>(Include project name(s), implementer name(s) and award number(s), if applicable)</i>	USAID Municipal Competitiveness Project Contract EPP-I-00-04-00037-00
<b>I have real or potential conflicts of interest to disclose.</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>If yes answered above, I disclose the following facts:</b> <i>Real or potential conflicts of interest may include, but are not limited to:</i> <i>Close family member who is an employee of the USAID operating unit managing the project(s) being evaluated or the implementing organization(s) whose project(s) are being evaluated.</i> <i>Financial interest that is direct, or is significant though indirect, in the implementing organization(s) whose projects are being evaluated or in the outcome of the evaluation.</i> <i>Current or previous direct or significant though indirect experience with the project(s) being evaluated, including involvement in the project design or previous iterations of the project.</i> <i>Current or previous work experience or seeking employment with the USAID operating unit managing the evaluation or the implementing organization(s) whose project(s) are being evaluated.</i> <i>Current or previous work experience with an organization that may be seen as an industry competitor with the implementing organization(s) whose project(s) are being evaluated.</i> <i>Preconceived ideas toward individuals, groups, organizations, or objectives of the particular projects and organizations being evaluated that could bias the evaluation.</i>	

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<b>Signature</b>	
<b>Date</b>	January 23 <sup>rd</sup> , 2014

U.S. Agency for International Development  
U.S. Embassy  
Blvd. Santa Elena  
Antiguo Cuscatlan, La Libertad  
El Salvador  
Central America