



USAID Municipal Competitiveness Project

Final Report

September 22, 2010–May 27, 2015



Municipal Unit for Enterprise Development (EMPRE) officers participating in a financial services fair, held in San Salvador in November 2013. Image: RTI International

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USAID Municipal Competitiveness Project (MCP)

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Acronyms

ADEPRO	<i>Aplicación y Desarrollo de Servicios Profesionales, S.A. de C.V./Application and Development of Professional Services, S.A. de C.V.</i>
ADESMA	<i>Asociación de Desarrollo de la Mujer de Atiquizaya/Atiquizaya Women Development Association</i>
ALN	<i>Asociación de Municipios de los Nonualcos/Los Nonualcos Municipalities Association</i>
AMUVASAN	<i>Asociación de Municipios del Valle San Andrés/Valle San Andres Municipalities Association</i>
ASITECHI	<i>Asociación Intermunicipal Sierra Tecapa Chinameca/Sierra Tecapa Chinameca Intermunicipalities Association</i>
ASMOT	<i>Asociación de Mujeres de Santa María Ostuma/Santa María Ostuma Women Association</i>
BANDESAL	<i>Banco de Desarrollo de El Salvador/El Salvador Development Bank</i>
BDS	Business Development Services
CLN	Competitiveness Learning Network
CCP	Counterpart Contribution Plan
CVPP	Crime and Violence Prevention Project
DF4D	Domestic Finance for Development
EMPRE	<i>Unidad Municipal para el Desarrollo Empresarial/Municipal Unit for Enterprise Development</i>
EPCI	<i>Evaluación Participativa de Capacidades Institucionales/Participatory Local Organization Capacity Assessment</i>
ESEN	<i>Escuela Superior de Economía y Negocios/Superior School for Economy and Business</i>
FUNDE	<i>Fundación Nacional para el Desarrollo/National Foundation for Development</i>
FUNDES	<i>Fundación para el Desarrollo Sostenible/Foundation for Sustainable Development</i>
FUSAI	<i>Fundación Salvadoreña de Apoyo Integral/Salvadoran Foundation for Comprehensive Support</i>
FY	Fiscal Year
HR	Human Resources
IGWG	Integrated Gender Working Group
IBTCI	International Business & Technical Consultants, Inc.
ISP	Institutional Strengthening Plan
LAIP	<i>Ley de Acceso a la Información Pública/Access to Public Information Law</i>
LED	Local Economic Development
LOP	Life of Project
M&E	Monitoring and Evaluation
MCC	Municipal Competitiveness Committees
MCI	Municipal Competitiveness Index
MCP	Municipal Competitiveness Project
MINEC	<i>Ministerio de Economía/Ministry of Economy</i>
MREB	<i>Microregión El Bálsamo/El Balsamo Microregion</i>
NGO	Nongovernmental Organization

OSW	One-stop Window
POA	<i>Plan de Operación Annual/Annual Operation Plan</i>
PPD	Public-Private Dialogue
Q	Quarter
RTI	Research Triangle Institute International
SACDEL	<i>Sistema de Asesoría y Capacitación para el Desarrollo Local/Assistance and Training for Local Development System</i>
SIGA	<i>Sistema de información Gerencial Automatizado/Automated Management Information System</i>
SIMTRA	<i>Programa de Simplificación de Trámites para el Registro y Funcionamiento de Empresas a Nivel Municipal /Streamlining Procedures Program</i>
SME	Small & Medium Size Enterprise
UAIP	<i>Unidad de Acceso a la Información Pública/Access to Public Information Unit</i>
UCA	<i>Universidad Centroamericana José Simeón Cañas/Central American University Jose Simeon Cañas</i>
USAID	United States Agency for International Development
USG	US Government

Executive Summary

The United States Agency for International Development's (USAID's) Municipal Competitiveness Project (MCP) aimed to build business and employment opportunities in 50 municipalities. To achieve this objective, the MCP improved private sector-related municipal policies and practices, fostered and strengthened dialogue between the public and private sectors, and supported the municipalities and private sector to work together in developing economic initiatives to contribute to bettering citizens' living conditions.

The MCP covered a time span of 56 months, from September 2010 to May 2015. During its original period of performance (September 2010–March 2014), 50 municipalities were assisted. The project was extended to May 2015), during which time it concentrated its efforts in 20 municipalities.

The MCP was implemented by RTI International through subcontracts with five Salvadoran organizations: (1) *Fundación Nacional para el Desarrollo* (FUNDE), (2) *Sistema de Asesoría y Capacitación para el Desarrollo Local* (SACDEL), (3) *Aplicación y Desarrollo de Servicios Profesionales, S.A. de C.V.* (ADEPRO), (4) *Fundación para el Desarrollo Sostenible* (FUNDES), and (5) *Escuela Superior de Economía y Negocios* (ESEN).

The project sought to improve municipal management efficiency by eliminating the barriers that obstruct investment initiatives, generating immediate impact in reducing corruption and increasing business and job opportunities. For example, the *Programa de Simplificación de Trámites para el Registro y Funcionamiento de Empresas a Nivel Municipal* (SIMTRA) created agile processing of business licenses at the local level.

SIMTRA's principal solution was to develop one-stop windows (OSWs) where businesses could find a single point of contact for all their municipal requirements. Through SIMTRA, 50 OSWs were inaugurated in 38 municipalities. The OSWs allowed entrepreneurs to set up businesses, obtain licenses, and register new investments, which saved time and made it easier to legalize a company. Municipalities have managed to simplify processes and reduce time to register businesses by 95 percent, on average, thereby improving the business-enabling environment.

By the end of the project, MCP-supported improvements (detailed below) across municipalities led to a total of 3,952 business registrations, which in turn resulted in the creation of 11,841 new jobs; 49.5 percent of which were filled by women.

Fifty Municipal Competitiveness Committees (MCCs) were created to develop and follow up on the implementation of the MCP. MCCs are a public-private meeting space created through a Municipal Council Agreement where stakeholders from both sectors, through a public-private dialogue (PPD) process, are able to achieve mutual understanding and commitment to growth and development on a myriad of subjects to support economic development and local governance.

- The signing of transparency and competitiveness pacts set the stage for promoting diverse actions aimed at strengthening municipal transparency and increasing the citizens' trust in local governments. The MCP trained 50 information officers on the Access to Public Information Law (LAIP) and offered special technical assistance to 24 municipalities to design and create transparency portals that contained updated information required by LAIP.
- Municipality and MCC members were trained on several topics, including transparency and municipal competitiveness, management of the transparency website and portal, methodological design in preparing business plans, women as leaders and entrepreneurs in local economic development, progress and experience of the *Unidad Municipal para el Desarrollo Empresarial* (EMPRES), and coordination of EMPRES-business association tourism initiatives. A total of 6,826 people (3,460 women and 3,366 men) were trained over the life of the project. The MCP also built the institutional capacity of two key local partners: FUNDE and SACDEL. The ultimate goal was to strengthen their administrative, technical, and operational capacity to achieve their sustainability and be better prepared to promote competitiveness.
- The Municipal Competitiveness Index (MCI), which evaluates the business climate at the municipal level through individual surveys of business owners, managers, mayors, and municipal employees, was conducted. It focuses on economic aspects in which the municipality has some form of control and has become a tool used as a reference by local governments to build a favorable business climate. It was developed in 2009 (sponsored by USAID) to evaluate the business climate in 108 municipalities. Two additional MCI rounds were conducted under the MCP in coordination with ESEN in 2011 and 2013.
- The MCP sought to leverage resources from all project activities in order to achieve the maximum impact using available resources. This effort was bolstered by the 50 participating municipalities, which each provided counterpart contribution. Seven of the 50 municipalities submitted complete information and, together provided \$1.32 million as in-kind counterpart contribution; this surpassed the project's \$1 million target by 32 percent.
- Two important initiatives were created to intensively promote a dialogue between municipalities and the private sector around competitiveness. The first initiative was the creation of EMPRES in the municipalities and the second focused on promoting increased participation by women in economic activities.
- One of the greatest challenges of any country like El Salvador is to reach economic growth levels that can provide sustainable benefits to its population. Local governments are required to be politically willing to work with the private sector to strengthen municipal competitiveness. To help contribute to the sustainability of PPD processes, which were introduced by the MCP, the project prepared a document titled "Manual on Good Practices and Basic Techniques for Strengthening Public-Private Dialogue".
- Business associations are fundamental for stimulating local economies since they link the business sector to the municipalities and facilitate communication with the business

sector by helping to deal with common economic issues at the local level. A total of 16 business groups were assisted—(1) Business Women’s Associations, (2) Regional Entrepreneur Associations, and (3) Business Associations (at the local level) — and focused on the development of new businesses opportunities.

- The Domestic Finance for Development (DF4D) Grants Program was designed by the US Government (USG) to encourage developing countries to mobilize their own financial resources by reducing corruption, reforming tax systems, and improving the management of their expenditures. The MCP administered a US\$2 million grants program through the Concurso para Apoyar Iniciativas de Prevención de Crimen y Violencia (Competition to Support Crime and Violence Prevention Initiatives). The competition was designed to provide incentives to 20 of the 50 municipalities working with the MCP and three with the USAID-funded El Salvador Crime and Violence Prevention Project (CVPP) to improve local government revenue collection and engage municipal authorities to work with the private sector in implementing crime and violence prevention activities. Twenty-nine initiatives were selected to be implemented by 11 nongovernmental organizations (NGOs) in the 20 winning municipalities. They included components, such as constructing and equipping youth centers; entrepreneurship and vocational training; and working in the arts, theatre, dance, music, and sports. The design of the activities required the 20 municipalities to work with their local MCCs and/or Crime and Violence Prevention Committees to prepare crime and violence prevention initiatives for final evaluation by an award committee and USAID in accordance with the established criteria.

A crucial aspect of the project’s success is that municipalities were incentivized to compete for grant funds and the MCCs of the winning municipalities were involved in the selection of NGOs and final projects to be funded. In this instance, the awards were used for violence prevention projects but the same methodology can be used for incentives under any kind of project.

Participation of the MCC during the initial phase of a project was important, since it promoted the project ownership by the MCC members and provided its sustainability. During the extension period, the MCP completed the implementation of 14 additional EMPREs. The original six EMPREs, along with the new ones, advanced the establishment of links between the municipalities and business development service (BDS) providers that have generated services for 3,010 beneficiaries to date.

In addition, during the extension period, the MCP assisted the MCCs in 20 municipalities. The main activities undertaken were the strengthening of MCCs, technical assistance on transparency mechanisms, addition of new members into the MCCs, review of the Municipal Competitiveness Plans, development of the Annual Operational Plan for 2014 and 2015, and special assistance on specific economic development issues of each municipality.

As part of the MCP’s technical assistance to the MCCs, a comprehensive course entitled “MCCs Technical Capacities Strengthening” was developed in alliance with Universidad Centroamericana José Simeón Cañas of El Salvador. The complete course included sessions in

finance, project development, planning, municipal administration, organization, and PPD development.

I. Introduction

A. Background

The United States Agency for International Development's (USAID) El Salvador Municipal Competitiveness Project (MCP) was designed to improve competitiveness at the local level in municipalities through building the capacity of local governments to facilitate dialogue with the private sector. MCP initiatives supported economic development and promoted investment while integrating joint efforts to prevent violence.

The MCP featured four major components during its original period: (1) enhancing municipal effectiveness and efficiency, (2) the Municipal Competitiveness Index (MCI), (3) private sector and inter-jurisdictional engagement, and (4) Domestic Finance for Development (DF4D).

RTI International implemented the original MCP in collaboration with four Salvadoran organizations: (1) *Fundación Nacional para el Desarrollo* (FUNDE), (2) *Sistema de Asesoría y Capacitación para el Desarrollo Local* (SACDEL), (3) *Fundación para el Desarrollo Sostenible* (FUNDES), and (4) *Escuela Superior de Economía y Negocios* (ESEN).

Over the 42 months of the original project period (September 2010–March 2014), the MCP supplied technical assistance to 50 municipalities, established Municipal Competitiveness Committees (MCCs), developed and implemented participatory Municipal Competitiveness Plans, signed transparency pacts, and changed the view of municipal officials from a public service provision to encompass local economic development. As of March 2014, a total of 37 municipalities had opened 49 one-stop windows (OSWs), resulting in simplified procedures in registration, permitting, and licensing for facilitating business. Six municipalities had established Municipal Units for Enterprise Development (EMPRES) as a new model to serve the business community.

The project was extended to May 2015 to build on the successes of the original period and develop the capacity of local partners for sustainability beyond donor funding. The main objectives of the extension were to (1) improve effective and efficient local government administration by replicating the EMPRE model in 14 municipalities, (2) develop alliances between public and private sectors to continue improving the municipal business environment by strengthening the MCCs in 20 municipalities, and (3) developing local institutional capacity building by improving the institutional capacity of two local MCP subcontractors.

RTI implemented the MCP extension in collaboration with three Salvadoran organizations: FUNDE, SACDEL, and *Aplicación y Desarrollo de Servicios Profesionales, S.A. de C.V.* (ADEPRO).

During the extension period, the project focused on the creation of 14 EMPRES in Candelaria de la Frontera, Chalatenango, Ciudad Arce, Ciudad Barrios, Nahuizalco, San Martín, San Salvador, Santa Tecla, Santiago Nonualco, Sensuntepeque, Suchitoto, Tecoluca, Tonacatepeque, and Zacatecoluca. Additionally the MCP provided assistance and strengthened the six original EMPRES from Olocuilta, Atiquizaya, Panchimalco, Nueva Concepción, La Libertad, and Izalco.

The MCP has consolidated the benefits of public-private dialogue (PPD) and cooperation by setting up 50 MCCs and developing 50 Municipal Competitiveness Plans. The project supported efficient government administration by establishing 50 OSWs for businesses in 38 municipalities and 20 operational EMPREs directly assisting local entrepreneurs to achieve higher returns and create jobs. These interventions, in the mid- to long-term, will boost the ability and efforts of both the municipal governments and their private sectors to jointly and sustainably implement local economic governance and policies aimed at economic growth.

B. Overall Project Performance

The MCP achieved successful results during its period of performance (September 2010 to May 2015). **Section X** of this report shows the performance indicators for the project in detail by fiscal year, highlights the impact of the new components, and demonstrates how they contribute to the achievement of goals set in the extension period work plan.

As of March 2015, new firms and new jobs created reached 3,952 and 11,841, respectively, equivalent to 224 percent and 196 percent of project targets. This was achieved because of the sustainable work performed by the newly created OSWs for business service, which facilitated business registration procedures.

The 20 EMPREs also advanced the establishment of links between the municipalities and business development services (BDS) providers that have generated services for 3,010 beneficiaries during the life of the project, of whom over 70 percent were women entrepreneurs.

Table 1 shows the consolidated performance indicators for the project.

Table 1: Overall project performance (September 2010–May 2015)

Performance Indicator	Life of Project (LOP) Targets May 2015	Result Through May 2015	% Result LOP
1. Number of municipalities receiving U.S. Government (USG) assistance to improve their performance ⁽¹⁾	50	50 ⁽¹⁾	100%
2. Number of participants in trade and investment environment trainings ⁽²⁾	<u>3,940</u> 2,384 M 1,556 W	<u>6,062</u> 2,955 M 3,107 W	<u>154%</u> 124% M 200% W
3. Number of new firms registered in assisted municipalities ⁽³⁾	<u>1,765</u> 1,040 Est 725 Reg	<u>3,952</u> 3,895 Est 57 Reg	<u>224%</u> 375% Est 8% Reg
4. Number of new jobs created as a result of USG assistance ⁽⁴⁾	<u>6,050</u> 3,630 M 2,420 W	<u>11,841</u> 5,976 M 5,865 W	<u>196%</u> 165% M 242% W

Performance Indicator	Life of Project (LOP) Targets May 2015	Result Through May 2015	% Result LOP
4a. Jobs in New Firms	<u>6,050</u>	<u>11,565</u>	<u>191%</u>
	3,630 M	5,813 M	160% M
	2,420 W	5,752 W	238% W
4b. Jobs in Existing Firms	<u>0</u>	<u>276</u>	<u>ID***</u>
	0 M	163 M	ID*** M
	0 W	113 W	ID*** W
5. Number of municipal associations assisted and strengthened by MCP technical assistance	4	4	100%
6. Number of municipalities certified as business-friendly	25	19	76%
7. Number of MCI municipalities that have increased their competitiveness in providing services to businesses and investors as determined by the MCI ⁽⁵⁾	50	50	100%
8. MCI rounds implemented in 2011 and 2013	2	2	100%
9. Number of MCP-assisted municipalities that have simplified procedures in registration, permitting, and licensing for facilitating business ⁽⁶⁾	34	38	112%
10. Number of MCP/ (CVPP) assisted municipalities that are beneficiaries of the "Challenge Grant" Program (DF4D)	17	20	118%

(M) = men; (W) = women; (Est) = Established; (Reg) Registered

***indeterminate

⁽¹⁾ With the exception of Ilobasco, which was substituted by Santiago Nonualco in 2010, the project assisted the same 50 municipalities each year. During the extension period, the assistance focused on 20 of those 50 municipalities.

⁽²⁾ Additional training activities took place due to increased demand by the municipalities and the need to introduce new economic terms to partners.

⁽³⁾ Effectiveness of one stop windows model contributed to better methods for data collection. Therefore, the number of firms registered became more precise, increasing the achievements for this indicator.

⁽⁴⁾ This increased results depends directly of one stop windows effectiveness.

⁽⁵⁾ MCI results from 2009 and 2011 are not fully comparable with the 2013 due to expected improvements in the methodology throughout development of the Index. MCI 2013 becomes the baseline for future MCIs that will be constructed by ESEN.

⁽⁶⁾ Efficiency in implementation of one stop windows (SIMTRA model), contributed to additional demand for this service by other municipalities. Original contract was 15.

II. Project Start-Up

A. Municipality Selection Process for MCP

The MCP was executed in the 50 of the 262 municipalities in El Salvador that best complied with the selection criteria shown in *Table 2*.

Table 2: Selection criteria

CRITERION	POINTS
1. Be part of the 100 municipalities included in the original MCI in 2009 or be part of a geographical region or municipalities cluster tied to a municipality that participated in the MCI.	10 points
2. Willingness to lead a participative process to improve competitiveness with the participation of the private sector, government, and nongovernmental organizations (NGO).	10 points
3. Willingness to adopt measures that involve the local private sector through concrete actions such as improving transparency, modernizing financial administration and access to information, and improving regulatory framework and services to businesses.	15 points
4. Economic growth opportunities identified with the participation of the private sector.	15 points
5. A private sector interested in working with local government to develop actions to create businesses and jobs.	15 points
6. Assign personnel to work on a permanent basis on project activities and other resources like meeting space and transportation.	5 points
7. Municipal willingness to support and promote public-private dialogue incorporating business organizations and community associations in concentrated effort to local economic development.	10 points
8. Willingness to sign a Transparency and Competitiveness Agreement.	Compulsory
9. Willingness to participate in efforts geared towards its microregion's economic development or be part of municipalities association or economic cluster.	10 points
10. Be a municipality beneficiary of other projects that can strengthen MCP's investment.	10 points
TOTAL POINTS	100 POINTS

To promote the project and invite participants, an event was held on December 8, 2010, to inform potential municipalities about the scope of the project. Furthermore, RTI, FUNDES, FUNDE, and SACDEL visited municipalities (*Table 3*) to present the project's objectives, program activities, and municipal obligations under the MCP. Municipalities sent in applications to qualify for the project and a selection was made from the submitted applications.

Table 3: Municipalities visited to present the MCP

La Libertad	Santa Ana	Sonsonate	Ahuachapán
Colón	Chalchuapa	Acajutla	Ahuachapán
Ciudad Arce	Coatepeque	Caluco	Apaneca
Comasagua	El Congo	Juayúa	Atiquizaya
Huizucar	Metapán	Izalco	Concepción de Ataco
Jayaque	Santa Ana	Nahuilingo	Guaymango
Jicalapa	San Sebastián Salitrillo	Nahuizalco	Jujutla
Quezaltepeque	Texistepeque	Salcoatitán	San Francisco Menéndez
Sacacoyo		San Antonio del Monte	San Pedro Puxtla
San José Villanueva		San Julián	Tacuba
San Juan Opico		Santa Catarina Masahuat	
San Pablo Tacachico		Santa Isabel Ishuatán	
Talnique		Santo Domingo de Guzmán	
Teotepeque		Sonsonate	
Tepecoyo		Sonzacate	
Zaragoza			
San Vicente	Usulután	San Miguel	La Unión
Apastepeque	Alegría	Carolina	Anamorós
Guadalupe	Berlín	Chinameca	Bolívar
San Cayetano Istepeque	Jiquilisco	Chiriligua	Conchagua
San Esteban Catarina	Jucuapa	Ciudad Barrios	Intipucá
San Lorenzo	Jucuarán	El Tránsito	La Unión

San Sebastián	Puerto El Triunfo	Lolotique	Lislique
San Vicente	Santa Elena	Moncagua	Pasaquina
Santa Clara	Santiago de María	Nueva Guadalupe	San Alejo
Tecoluca	Tecapán	San Miguel	San José La Fuente
Tepetitán	Usulután	San Rafael Oriente	Santa Rosa de Lima
Verapaz			Yayantique
			Yucuaiquín
La Paz			Morazán
Cuyultitán	San Juan Talpa	San Rafael Obrajuelo	
El Rosario	San Luis La Herradura	Santa María Ostuma	Jocoro
Olocuilta	San Luis Talpa	Santiago Nonualco	
San Antonio Masahuat	San Pedro Masahuat	Tapalhuaca	
San Juan Nonualco	San Pedro Nonualco	Zacatecoluca	

Of the visited municipalities, 75 applied to be part of the MCP. They sent municipal agreements expressing their commitment to the project and its goals. 50 of these were selected for project implementation, 20 were assigned to SACDEL and 30 to FUNDE.

The MCP also sought to leverage resources in all activities contemplated and identified for the project in order to achieve the maximum impact with available resources. To achieve this, participating municipalities were required to co-invest with the MCP in order to be part of the project and move towards making benefits that would be sustainable in time.

The MCP consolidated the individual projections into a Counterpart Contribution Plan (CCP), following the Ministry of Finance/USAID counterpart contribution procedures, and discussed them with USAID and the participating municipalities. The total contribution for the 50 participating municipalities was projected at \$1 million. The counterpart expenses were collected, standardized, and consolidated from seven of the 50 municipalities participating in the MCP for the period between January 2011 and December 2013. This process verified the consistency of reported information from municipalities and ensured the figures were correct and consistent with the CCP. Excessive claims from municipalities for expenditures and expenses not related to the MCP goals were duly discarded.

Municipal reports were further revised for accuracy and consistency before consolidation into a summary report. Seven of the 50 municipalities submitted complete information and counterpart contribution reports, enough to surpass the target figure for municipal counterpart contribution

by 32 percent. The final counterpart contribution plan and report were submitted to USAID on March 25, 2015.

B. Awareness Process (Presentations to Municipal Councils, Public Employees, and Private Sector)

1. Presentations to Municipal Councils

The MCP team presented the project's scope and objectives to the 50 selected municipalities along with the work plan they were to follow. These presentations ratified all commitments made by the municipal authorities for their participation in the project, including the assignment of the personnel to be working on the project as the municipal counterparts.

2. Presentations to Municipal Employees

The MCP team made a presentation to municipal employees, with special emphasis on information, tax revenue, finance and cadastral officers. In addition, officers from areas, such as permits and licenses offices, that had direct contact with the private sector were included.

3. Presentations to the Private Sector and other Stakeholders

Mapping actors: One of the key activities performed during the start-up phase was the joint mapping of stakeholders in the municipalities. The private sector was thoroughly identified and divided into micro, small, medium, and big enterprises; entrepreneur associations were contacted; and emphasis was given to documenting the existence of women entrepreneur associations in each municipality. Economic NGOs and governmental institutions dedicated to economic development were also included.

Establishing the managing group: Once presentations to the private sector concluded, leaders were invited to be part of the first managing group—the MCC—in each municipality. The MCCs followed up on activities to develop the Municipal Competitiveness Plans. This was coordinated between the private sector and the municipality.

III. Highlights of Key Activities

A. Component 1: Enhancing Municipal Effectiveness and Efficiency

Under Component 1, the MCP sought to improve municipal management efficiency by eliminating the barriers that obstruct investment initiatives, generating immediate impact in reducing corruption and increasing business and job opportunities.

1. Administrative Process Simplification

The objective of the *Programa de Simplificación de Trámites para el Registro y Funcionamiento de Empresas a Nivel Municipal* (SIMTRA), under Component 1, was to create agile processing of business licenses at the local level. This in turn improved the municipality's business climate and competitiveness.

SIMTRA's principal solution was to develop OSWs where businesses could find a single point of contact for all their municipal requirements. In essence, the OSWs allowed entrepreneurs to set up businesses, obtain licenses, and register new investments, which saved time and made it easier to legalize a company.

SIMTRA has proven to be an important tool to help municipalities improve the efficiency of administrative procedures in processing business permits and generating a better business climate. By implementing SIMTRA, faster firm registration and facilitating job creation have been clearly enhanced.

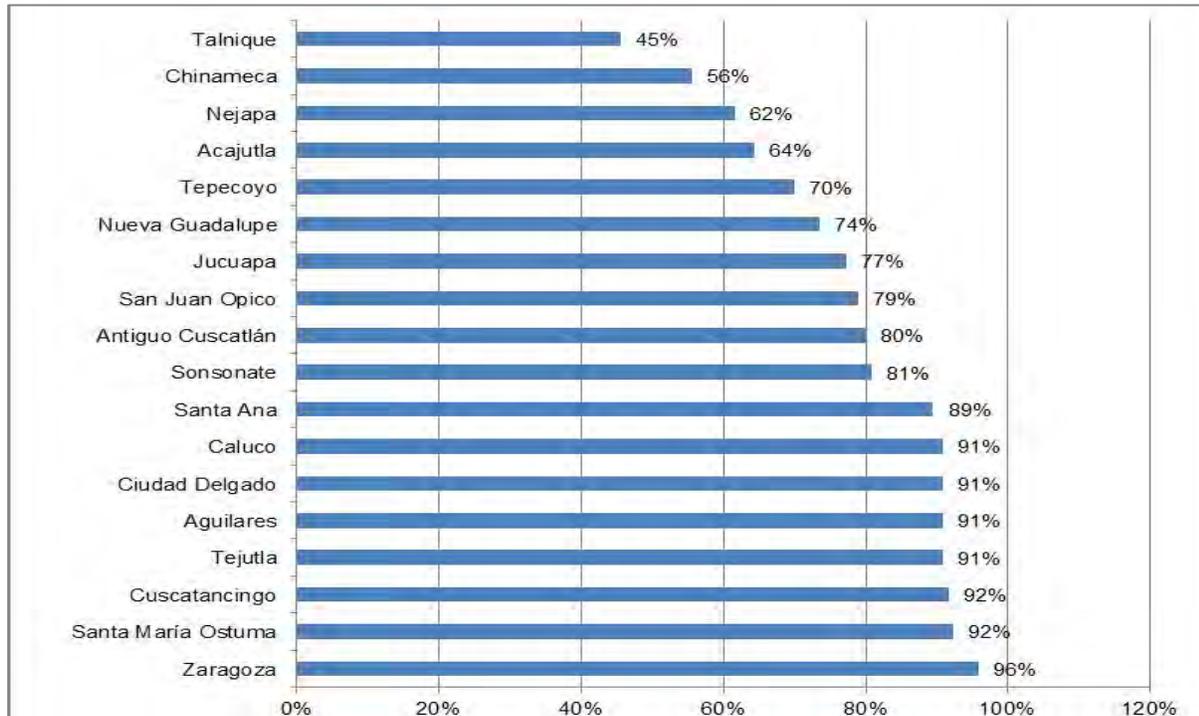
OSW services required active MCP assistance in terms of providing detailed work plans and close supervision to achieve the expected results. Equally important was the communication strategy that disseminated the new service and requirements from entrepreneurs. Finally, staff training for employees, and their potential backups, was essential to maintain efficient operations.

Through SIMTRA, 50 OSWs were inaugurated in 38 municipalities. Municipalities have managed to simplify processes and reduce time to register businesses by 95 percent, on average, thereby improving the business-enabling environment. Additionally, during quarter (Q) 1 of fiscal year (FY) 2015, the MCP conducted a diagnosis on the operation of and communications tools available to 19 of the 50 established OSWs.

The 18 municipalities with OSWs that were not included in the MCP's extension period were evaluated in March 2015 to test the model's sustainability beyond USAID's intervention. In general terms, all 18 municipalities have continued their implementation but have achieved different levels of completion. Zaragoza leads them with over 95 percent of the original recommendations implemented while Talnique lagged behind having implemented only 45% of the recommended simplified processes. A summary of the results of the evaluation can be seen in **Figure 1**. Twelve of the 18 municipalities are implementing at least 75% of the recommended

processes, five are implementing between 50 and 75%, and only one is implementing less than 50%.

Figure 1: Level of implementation of process simplification in selected municipalities



2. New Businesses and New Jobs

The MCP sought to improve municipal management efficiency by eliminating barriers that block investment plans, generate immediate benefits in reducing corruption, and increase economic activity. MCP-supported improvements across municipalities led to a total of 3,952 business registrations, which in turn have resulted in the creation of 11,841 new jobs; 49.5 percent for women.

3. Municipal Competitiveness Committees and Plans

Created through a Municipal Council Agreement, the MCC is a public-private meeting space where stakeholders from both sectors are able to achieve, through a PPD process, mutual understanding, commitment to growth, and development on a myriad of subjects to support economic development and local governance. This makes the MCC the first institutional platform for PPD within the municipalities.

The MCC was created with the purpose of developing and following up on the implementation of the Municipal Competitiveness Plan. The MCCs created by the MCP hold an average of two meetings a month.

A full analysis of the 50 MCCs created by the project was conducted in March 2015 with the purpose of determining their status at the end of the project's original period. Thirty-five MCCs

continued working normally and regularly after three years of MCP implementation. The analysis examined a municipality’s commitment to project goals. For ranking purposes, the criteria were equally weighted. The municipality was ranked “high level” when it complied with the following criteria:

- Public–private representative balanced structure
- Member turnover
- Well-defined organizational structure
- Meeting management
- Legally created MCC operation
- Explicit rules and regulation for MCC operation
- Clear communications strategy

It was determined that the MCCs most likely to fail were those that ranked low on “member turnover” and “clear communications strategy”.

Eighteen MCCs maintained a high level of commitment, 17 a medium level, and 15 a low level. Overall, 70% of the MCCs ranked between “medium” and “high”, (see *Table*) which is indicative of success and promises sustainability in the future.

Table 4: Commitment of Municipal Competitiveness Committees

#	FUNDE Municipality	Commitment		#	SACDEL Municipality	Commitment	
		Municipality	Private Sector			Municipality	Private Sector
1	Panchimalco	High	High	26	San Luis Talpa	Low	Low
2	San Salvador	High	High	27	Aguilares	Low	Low
3	Santa Cruz Michapa	High	High	28	Mejicanos	Low	Low
4	Jucuapa	High	High	29	Apopa	Low	Low
5	Alegría	High	High	30	Ciudad Delgado	Low	Low
6	Apastepeque	High	High	31	Atiquizaya	High	High
7	San Martín	High	High	32	Candelaria de la Frontera	High	High
8	Olocuilta	High	High	33	Ciudad Arce	High	High
9	Santa María Ostuma	High	High	34	Izalco	High	High
10	Zacatecoluca	High	High	35	Nahuizalco	High	High

#	FUNDE Municipality	Commitment		#	SACDEL Municipality	Commitment	
		Municipality	Private Sector			Municipality	Private Sector
11	Santiago Nonualco	High	High	36	Nueva Concepción	High	High
12	Sensuntepeque	High	Medium	37	Zaragoza	High	High
13	Suchitoto	Medium	High	38	Comasagua	High	Medium
14	Tejutla	High	Medium	39	El Paisnal	High	Medium
15	Chalatenango	Medium	High	40	La Libertad	High	Medium
16	Tonacatepeque	High	Medium	41	Santa Ana	Medium	High
17	Tecoluca	Medium	Medium	42	Santa Tecla	Medium	Medium
18	Chinameca	Medium	Medium	43	Tepecoyo	Medium	Medium
19	Ciudad Barrios	Medium	Medium	44	Caluco	Medium	Medium
20	Ayutuxtepeque	Medium	Medium	45	Sonsonate	Low	Medium
21	Santa Elena	Medium	Medium	46	Talnique	Medium	Low
22	San Bartolomé Perulapía	Low	Medium	47	San Juan Opico	Low	Low
23	Jiquilisco	Low	Low	48	Nejapa	Low	Low
24	Nueva Guadalupe	Medium	Low	49	Acajutla	Low	Low
25	Cuscatancingo	Low	Low	50	Antiguo Cuscatlán	Low	Low

Technical assistance from MCP was fundamental in revising the Municipal Competitiveness Plans in 40 municipalities¹. The revision allowed for the establishment of MCC's operating regulations and enhancement of the delegation of responsibilities among members, which has improved PPD and the ability to follow up on agreements. During the extension period, 20 Municipal Competitiveness Plans were revised and all operational plans for 2014 and 2015 were drafted and approved for implementation.

An evaluation of the 30 MCCs, which were not assisted during the extension period, revealed that only 10 (or 60%) of the municipalities had MCCs that meet on at least a monthly basis and keep working according to the Municipal Competitiveness Plan. Although the MCCs for a

¹ Note that by the time this revision took place at the end of the original period, 10 of the MCCs had ceased operation.

further six municipalities are no longer operational, they are still working to implement and follow up with their respective Municipal Competitiveness Plans.

The main reasons cited by the municipal staff for the lack of a MCC's activity included

- The municipal authorities did not keep track of the MCP because the staff who worked during the project resigned. Further, in some cases, the Municipal Councils were not willing to maintain the dialogue with the private sector.
- Some private sector representatives sought financing through the MCCs. Since they did not receive financial support, they left the MCC.
- Some private sector representatives did not attend the MCC meeting on a regular basis.

In most of the municipalities, interviewees mentioned the need for further technical assistance to re-launch the MCC and strengthen the MCP model.

4. Transparency and Competitiveness Pacts

The signing of transparency and competitiveness pacts set the stage for promoting diverse actions aimed at strengthening municipal transparency and increasing the citizens' trust in local governments.

The MCP trained 50 information officers on the Access to Public Information Law (LAIP) and offered special technical assistance to 24 municipalities to design and create transparency portals that contained updated information required by LAIP. The portals were technically well designed and are available on the municipalities' web pages. In addition, municipal officials were trained on LAIP, the use and administration of the municipal transparency portal, its structure, physical implementation process of the website, and specific online portal.

The MCP team advised the municipalities that they must work on updating and enhancing the information presented in these portals to maintain and improve the quality of information presented. Further, we noted that the municipalities should consider hiring new staff or allocating current staff to perform these duties.

FUNDE undertook further work on transparency during the extension period with DF4D grant funding from USAID. The results are described under Component 6.

The MCP held a Transparency in Public Administration Management Progress and Challenges forum on December 4, 2013, in San Salvador, which aimed to strengthen the transparency in municipal public management and generate trust among the citizens, private sector, and local government, which translates into a favorable investment climate and job creation in the municipalities. One hundred and sixty-five people participated, including mayors, council members, information access officials, entrepreneurs, media, and MCC members from the 50 MCP municipalities.

As of March 2015, 48 of the assisted municipalities had an Information Officer working full-time. This includes 28 of the 30 municipalities that were not assisted during the extension period of the MCP. The two non-working Access to Public Information Units (UAIP), were Ciudad

Delgado and Comasagua. Forty-six Information Officers were duly trained on relevant access to public information topics.

The main reason for the lack of full compliance with the Information Officer functions, according to the municipal staff interviewed during the analysis, was the poor knowledge of LAIP by the heads of the different municipal units, who do not provide the required information. Further, interviewees cited the need for training and technical assistance for the municipal staff and the implementation of web portals in all municipalities.

5. Training for Capacity Building

During the original period, the MCP trained members from the municipalities and the MCCs on several topics, including transparency and municipal competitiveness, managing the transparency website and portal, methodological design in preparing business plans, women as leaders and entrepreneurs in local economic development, progress and experience of the EMPRES, and coordination of EMPRE-business association tourism initiatives.

One hundred and eighty-nine participants (117 from the public sector and 72 from private enterprises) from 47 municipalities, of whom 41% were women, successfully completed a diploma in Local Economic Development. The course provided them with tools to better plan and direct economic development and competitiveness actions at the local level.

Other key topics covered under the municipal employee capacity building were determination of the financial situation of municipal services, analysis of financial statements presented by private businesses, and determination of the municipal tax base.

Between September 2010 and March 2014, 5,298 people were trained (2,754 women and 2,544 men).

Capacity building was also conducted during the extension period and this is detailed in Components 5, 6, and 7.

B. Component 2: Municipal Competitiveness Index

The MCI evaluated the business climate at the municipal level through individual surveys of business owners and managers, mayors, and municipal employees. It focused on economic aspects in which the municipality had some form of control. The MCI became a tool used as a reference by local governments to build a favorable business climate.

The core methodology to implement the MCI was previously employed in Asia where it proved to be a valuable tool for promoting dialogue and a healthy competition in local private sector development. In 2009, RTI and ESEN adjusted the methodology to the context of El Salvador as part of the Promoting Economic Opportunities Program, also supported by USAID. The first MCI ranked 100 municipalities based on nine sub-indices.

The 2011 MCI was the second application of the methodology and allowed evaluation of the changes in comparison to 2009 in the 100 most populated municipalities of the country. In

addition to these 100 municipalities, the 2011 study included eight new municipalities which were part of the MCP.

The 2011 MCI used the same methodology applied for the 2009 MCI in order to be consistent and maintain statistical comparison between both measurements. Therefore, both a Business Owner Survey and a Municipal Official Survey were conducted. The Business Owner Survey was conducted in 4,632 business establishments. For the purposes of validating the answers concerning procedures, documents, taxes and time, the Municipal Official Survey interviewed officials of the 108 municipalities participating in the project.

The 2009 and 2011 MCI measurements rated several competitiveness levels among the municipalities. Among the 100 municipalities evaluated in the 2009 MCI, five reflected an “excellent” performance; 49 “high”; 41 “average”; and five “low”. Out of the 108 municipalities evaluated in the 2011 MCI, five were “excellent”; 50 were “high”; 46 were “average”; and seven were “low”.

The eight new municipalities that were included in the 2011 MCI showed “average” and “low” levels of competitiveness. The MCI team disseminated the MCI 2011 results to the key actors in each of the 14 departments of the country, including mayors and other local officials, business community members, and other interested organizations.

The 2013 MCI was the third application of this methodology in El Salvador. It evaluated the business climate in the same 108 municipalities as the 2011 MCI. The sub-indices measured in 2013 were reduced to eight and are described in *Table 5*.

The 2013 MCI results were calculated based on data collected from a sample of 8,818 business owners and local officials from the 108 municipalities. Six were classified as “excellent” with Atiquizaya obtaining the highest score; 16 were “high”; 64 were “average”; and 22 were “low”.

The plan was for the methodology of the MCI to improve over time. Due to this, the 2013 MCI cannot be compared to the 2009 and 2011 MCIs. However, the 2013 MCI is the baseline for future comparisons, since the general methodology is expected to stay the same.

It is expected that the MCI will also become a valuable instrument for business owners, unions, investors, and donors and will promote friendly competition among municipalities, which will contribute to improving economic performance in El Salvador.

Five hundred 2011 and 2013 MCI reports were distributed to selected academic institutions, including Universidad Centroamericana José Simeón Cañas (UCA), ESEN, and *Instituto Salvadoreño para el Desarrollo Municipal*, in order to disseminate the results and position the index as a tool for decision making.

Table 5: MCI 2013 sub-indices

Sub-index	Description
Transparency	Degree of openness to provide access to information
Municipal Services	Quality of services
Proactivity	Level of dynamism of municipal governments to attract investments and improve the business climate
Illegal Payments	Incidence on illegal payments to start a business
Public Safety	Impact of crime and delinquency on businesses and municipality's ability to prevent them
Time to Comply with Regulations	Frequency of inspections and number of regulations imposed to operate a business
Rates and Taxes	Rate of municipal taxes and fees
Entry Cost	Time, cost, and ease of registering and initiating a business

ESEN will continue to run the MCI every three years starting in 2016, assuring its sustainability. The municipalities and the MCCs consider the MCI a decision-making tool that improves the municipal business climate.

C. Component 3: Private Sector and Inter-jurisdictional Engagement

Two important initiatives intensively promoted a competitiveness dialogue between municipalities and the private sector. The first initiative was the creation of six EMPREs in La Libertad, Atiquizaya, Nueva Concepción, Olocuilta, Panchimalco, and Izalco as pilots for a future rollout. The second initiative focused on promoting more participation by women in economic activities. A total of 574 women were trained in the 50 MCP participating municipalities during the life of the original project.

During the extension period, the MCP team worked on consolidating the lessons learned during the implementation of the six original EMPREs and extending the success to 14 new municipalities, which were selected to replicate the experience. A further description of activities and results on the new EMPREs is explained under Component 5 of this document.

1. Public-Private Dialogue and Alliances

One of the greatest challenges of any country like El Salvador is to reach economic growth levels that can provide sustainable benefits to its population. Local governments are required to be politically willing to work with the private sector to strengthen municipal competitiveness. Both actors must jointly promote reforms that facilitate the removal of barriers that affect economic activity, the growth of businesses, and the attraction of new investments.

The MCP has prepared a document titled “Manual on Good Practices and Basic Techniques for Strengthening Public-Private Dialogue,” which is intended to contribute to the sustainability of PPD processes introduced by the MCP and to generate common and sustainable benefits. The manual presents good organizational, administrative, and operating practices to the MCCs that strengthen PPD and presents ways to adapt these practices to the experiences of each municipality. The final version was uploaded to the MCP and the Competitiveness Learning Network websites.

2. Municipal Associations/Micro regional Competitiveness Plans

The MCP has provided technical assistance to strengthen micro regions focusing on developing initiatives that will favor micro regional business associations (*Table 6*). The participating MCP micro regions were *Asociación Intermunicipal Sierra Tecapa Chinameca* (ASITECHI), *Asociación de Municipios de los Nonualcos* (ALN), *Asociación de Municipios del Valle San Andrés* (AMUVASAN), and *Micro region El Bálsamo* (MREB). In total, the four micro regions represent 37 municipalities.

The dialogue and action initiatives on economic development promoted by the micro regions received MCP support on projects such as tourism initiatives and youth access to employment during the original period. Special efforts were made to support the tourism development strategy in nine municipalities.

Table 6: Micro regional activities and achievements

Micro region		Strengthening Activities	Achievements
AMUVASAN	Five municipalities: Department of La Libertad Colón, Armenia, Sacacoyo, San Juan Opico, and Ciudad Arce	<ul style="list-style-type: none"> • AMUVASAN's Micro regional Competitiveness Committee's operating manual was developed and approved. • Service assistance providers and possible allies were visited to promote economic development in the region. • Coordinated with Dr. José Matías Delgado University to support the reorganization of the Quezaltepeque Market activity • Support was given for the development of AMUVASAN's website to strengthen its potential to support municipalities of the micro region and to advance in the area of transparency. • Actions were initiated to eliminate graffiti along the Santa Ana highway. 	<ul style="list-style-type: none"> • Micro regional competitiveness plans developed and committee formed. • Website developed. www.amuvasan.org.
MREB	Four municipalities: Department of La Libertad Jayaque, Sacacoyo, Talnique, and Tepecoyo	<ul style="list-style-type: none"> • Two Regional Tourism Fairs were held in Jayaque and Sacacoyo. • Equipment was delivered to support the work of the tourism sector (e.g., canopies, demonstration tables, and chairs) • Two career guidance days were held, replacing Employment Fairs, because the municipalities did not have sufficient response from companies for the fairs. One hundred and thirty young people (59 of which were women) participated during the two guidance days. 	<ul style="list-style-type: none"> • Micro regional competitiveness plans developed and committee formed. • The MREB is growing increasingly autonomous. It is developing its work plan and making important efforts to increase economic growth.
ASITECHI	12 municipalities: Department of Usulután Alegría, Berlín, California, El Triunfo, Estanzuelas, Jucuapa, Mercedes Umaña, Nueva Granda, Santa Elena, and Santiago de María, Department of San Miguel Chinameca and Nueva Guadalupe	<ul style="list-style-type: none"> • The committee has worked in coordination with Universidad de Oriente (UNIVO) in support of ASITECHI regarding: (1) historic cultural heritage for Nueva Guadalupe, Chinameca, Jucuapa, and Santiago de María y Alegría and (2) mapping and characterizing the production of Sierra Tecapa municipalities. • ASITECHI Tourism Promotion Fair was held; over 200 tourists visited the fair 	<ul style="list-style-type: none"> • Micro regional competitiveness plans developed and committee formed. • Competitiveness committees have been established in the municipalities of El Triunfo and Estanzuelas

Micro region		Strengthening Activities	Achievements
ALN	16 municipalities: Department of La Paz Cuyulitán, El Rosario, Olocuilta, San Antonio Masahuat, San Juan Nonualco, San Juan Talpa, San Luis Talpa, San Pedro Masahuat, San Pedro Nonualco, San Rafael Obrajuelo, Santa María Ostuma, Santiago Nonualco, Tapalhuaca, Zacatecoluca, and San Luis la Herradura Department of San Vicente Tecoluca	<ul style="list-style-type: none"> • Technical assistance to producers of five municipalities to compete for <i>Ministerio de Economía's</i> (MINEC) non-refundable funds. • Support the development of the roundtable for fruit producers at Los Nonualcos. • Participation in the second evaluation of tourist sites, a contest promoted by ALN 	<ul style="list-style-type: none"> • Micro regional competitiveness plans and micro regional development strategy generated.

3. EMPRES

During the original period, six EMPRES were created in the municipalities of Atiquizaya, Izalco, La Libertad, Nueva Concepción, Olocuilta, and Panchimalco. Activities performed by these units included technical assistance, trainings and links to access financial services, and business development services providers. All of these activities incorporated the MCP gender approach described in the Gender Considerations section of this report.

The EMPRE is a municipal tool developed by the MCP with the mission to support local business people to request, manage, and access business development services to assist local businesses grow their productive managerial and commercial capacities. The EMPRE also helps identify new business and investment opportunities for local entrepreneurs and coordinates the activities of municipal areas related to the local private sector.

The EMPRE manager is part of the MCC and acts as its technical secretary following up on agreements and the implementation of the Municipal Competitiveness Plan.

EMPRE successes include working on establishing alliances with academic and NGO institutions to promote local development. Izalco, for instance, created an alliance with Universidad Dr. Jose Matías Delgado to jointly develop a tourism strategy and Atiquizaya associated with *Asociación de Desarrollo de la Mujer de Atiquizaya* (ADESMA) to support women entrepreneurs in developing viable business plans.

The experience gained during the implementation of the six original EMPRES facilitated the implementation in 14 selected municipalities assisted and equipped to establish an EMPRE. The results for this initiative are expanded on under Component 5.

4. Business Ideas Challenge

The aim of the Business Ideas Challenge (formerly called the Business Plan Challenge) was to challenge aspiring business owners and those excited by the new venture startup process and expanding businesses, to “take their ideas from concept to market.”

The MCP awarded *Fundación Salvadoreña de Apoyo Integral* (FUSAI) a subcontract to execute the Challenge. FUSAI conducted four workshops on Developing Criteria for the Business Ideas Challenge. Fifty-nine representatives (21 women and 38 men) from 32 MCP municipalities participated in the workshops.

The MCP launched the Business Ideas Challenge at a public event attended by 160 people including mayors, municipal council members, members of MCCs, and the private sector; 34 of the 42 participating MCP municipalities were represented. As a result, 476 completed applications were received and 418 (239 from women and 179 from men) of these applications passed initial screenings. The next phase of the program included workshops on guidance for the refinement and presentation of business ideas; 338 people (191 women and 147 men) participated in these workshops.

By the deadline, the MCP received 246 business idea proposals which were validated and evaluated. It held an award ceremony in San Salvador on October 31, 2013, for the 40 winners of the challenge. Twenty-two women and 18 men had winning business ideas, 24 of which corresponded to new business ideas and 16 to expansion proposals.

The winners of the competition (**Table 7**) received technical assistance from the MCP for the development of their business plan, which were finalized by December 2013. The MCP held an event in December 2013 to link the winners of the competition with entrepreneurial and financial service providers in order to move the initiatives forward.

The Business Ideas Challenge has fostered joint involvement of local governments and the private sector in promoting local development initiatives.

Table 7: Business Ideas Challenge winners

PARTICIPANT'S NAME	MUNICIPALITY	IDEA SUMMARY	NEW IDEA	EXPANSION IDEA
Adalicia Merlos	Nueva Concepción	Traditional sweets		X
Alexander Portillo	Nueva Concepción	Instant pulverized sesame seed drink	X	
Ana Marcela Montalvo Vega	Comasagua	Restaurant specializing in Tilapia with a recreational center	X	
Ana Maribel Hernández	Ayutuxtepeque	Chocolate and horchata mix powder drink		X
Brenda Cruz	Nahuizalco	Tour Operator	X	
Carlos Alberto Fuentes	Ciudad Barrios	Ecotourism center		X
Carmen Marlene Rivas	Ciudad Barrios	Traditional scented candles	X	
Carolina Vladimir Portillo	Jiquilisco	Restaurant		X
Celina Hernández	Nueva Concepción	Massage center		X
Claudia Aguilar	Nueva Concepción	Seed-based handicrafts	X	
Claudia María Lara Laines	San Salvador	Gluten free foods		X
Cristina Guadalupe Monterrosa	Apastepeque	Silkscreen	X	

PARTICIPANT'S NAME	MUNICIPALITY	IDEA SUMMARY	NEW IDEA	EXPANSION IDEA
Delfina Elizabeth de Campos	Santa aria Ostuma	Pineappple-based products		X
Edwin Ernesto Trinidad	Ciudad Delgado	Spices, pickled vegetables, dressings, and sauces		X
Edwin Campos	Sonsonate	Egg farm	X	
Elías García	Atiquizaya	Mayan handicrafts		X
Fátima Lazo	Sonsonate	Event planners	X	
Fátima Lourdes Cruz	Panchimalco	Anauasti and cloth accessories		X
Feliciano Girón	Nueva Concepción	Rice plantation	X	
Francisco A. Álvarez Echeverría	San Salvador	Recycled glass handicrafts	X	
Francisco Segura	Atiquizaya	Electrical, masonry, and carpentry services	X	
Gloria Elba Mejía de Piche	La Libertad	Restaurant	X	
Henry Adonay González	Jiquilisco	Silkscreen		X
Herbert Fernández	Mejicanos	Apple iOS and Android applications	X	
Isabel Mendoza	Sensuntepeque	Tour operator	X	
Jaime Eduardo Escobar Salmerón	San Salvador	Autistic children daycare and kindergarten		X
Joaquín Hernández	Nueva Concepción	Tour operator	X	
Jorge Quijada	Nueva Concepción	Guava industrialization	X	
Juan Carlos Aguilar	Sensuntepeque	Organic fruits and vegetables		X
Katherine Tatiana Ortiz	Ciudad Barrios	Recycled material handicraft accessories	X	
Kelvin Solís	Atiquizaya	Traditional ice cream	X	
María Majico	Atiquizaya	Special chocolate and flours	X	
Maximiliano Najarro	El Paisnal	Honey derived products		X
Mery Erazo	Atiquizaya	Handicrafts	X	
Ricardo Hernández	Cuscatancingo	Controlled Canamo growth and industrialization		X
Ronald de la Cruz	San Martín	Renewable energy market development		X
Sandra Alvarado	Atiquizaya	Recycled material handicrafts		X
Sofía Colocho	Santa Ana	Sweet wine products	X	
Teresa Guadalupe Romero	Ciudad Barrios	Dry cleaning and laundry services	X	
Zonia Estela Escobar	Ciudad Barrios	Dairy products	X	

5. Building Business Associations

Business associations are fundamental for stimulating local economies. On the one hand, they link the business sector to the municipalities, and on the other hand, they facilitate communication with the business sector by helping to deal with common economic issues at the local level.

During the original project period, a total of 16 business groups were assisted, focusing on the development of new businesses opportunities. These associations can be divided into three different groups: (1) Business Women’s Associations, (2) Regional Entrepreneur Associations, and (3) Business Associations (at the local level). *Table 8* lists the business associations and assistance provided by the MCP.

Table 8: Business associations created or strengthened by the MCP

Name of the Association (Region or Municipality)	Members			Nonprofit Trade Associations	Sectorial-Benefits and Profitability for the Members	MCP Assistance in Business Association
	Total	Men	Women			
Two Business Women’s Associations						
1) Women's Association of Atiquizaya	24	-	24		X	Strengthening. De facto existence. By-laws publication is pending.
2) Women's Association of Santa María Ostuma	36	-	36		X	Strengthening. Registered with the municipality
Two regional entrepreneur associations						
1) Business Owners' Association of the El Bálsamo Micro Region (four municipalities)	25	13	12		X	Creating. Organization of four tourism development associations at the local level.
2) Business Owners' Association of the Sierra Tecapa - Chinameca Micro Region (12 municipalities)	16	9	7		X	Creating. Started with two municipalities; the remaining 10 will join later.
12 business associations (at the local level)						
1) Tourism Development Association of Panchimalco	38	14	24		X	Restructuring and Strengthening
2) Economic and Commercial Development Association of Ciudad Arce	20	4	16	x		Creating. Requested by MCC.
3) Tourism Development Committee of Apastepeque (will change to Coop. Assoc.)	16	10	6		X	Creating. Requested by MCC.
4) Tourism Development Committee of Olocuilta (will change to Tourism Consortium)	16	10	6		X	Creating. Requested by MCC.
5) Business Owners and Traders	7	6	1	x		Restructuring and Strengthening

Name of the Association (Region or Municipality)	Members			Nonprofit Trade Associations	Sectorial-Benefits and Profitability for the Members	MCP Assistance in Business Association
	Total	Men	Women			
Association of Chalatenango						
6) Business Development Association of Atiquizaya	12	10	2	x		Creating
7) La Libertad (name pending)	9	2	7	x		Creating. Requested by MCC.
8) Business Development Association of Sensuntepeque	19	11	8	x		Reactivating and Strengthening. Requested by municipality.
9) Shoemaker Cooperative - Marketing Association of Candelaria de la Frontera	12	12	-		X	Creating. Requested by MCC.
10) Miscellaneous Traders Association of Nueva Concepción	15	5	10	x		Restructuring and Strengthening. Requested by MCC
11) Latin American Micro and Small and Medium Enterprise Association Santa Tecla	20	6	14	x		Creating. Requested by MCC
12) Business Owners and Professionals Association of Zacatecoluca	10	7	3	x		Creating. Requested by MCC
16 Business Associations	295	119	176	8	8	
	100%	40%	60%			

The Business Women's Associations consist of 60 female members from two municipalities: Atiquizaya and Santa María Ostuma. They were strengthened to generate a profit for their members.

The Regional Entrepreneur Associations have 41 members, 19 of whom are women, from the El Balsamo micro region and the Sierra Tecapa-Chinameca micro region.

The Local Business Associations group is comprised of 194 members. It is the largest sector and group both for both profit and nonprofit oriented organizations.

6. Regional Tourism Fairs

The MCP held regional fairs as a mechanism for linking employment supply and demand opportunities while emphasizing youth employment. Three fairs were organized under the program: two in Jayaque and Sacacoyo by MREB and a third in Alegria by ASITECHI.

The MREB region is comprised of four municipalities and 51 entrepreneurs. The ASITECHI region consists of 12 municipalities and 47 entrepreneurs. Both have tourist traffic of 600 to 700 persons per week.

7. Tourism Development Strategy

Under the Tourism Development Strategy, implemented during the project's original period, the MCP tried to reinforce the dynamics of PPD and the MCCs with tourism as a sector that could provide clear economic results in the short term.

Nine municipalities received support in promoting activities aimed at boosting tourism. The MCP has facilitated cohesion among different entrepreneurs, raising expectations that could be translated into more public and private investment. The tourism and cultural offering in each municipality includes tourism circuits such as the "Historic Artisanal Tour of Izalco City", visits to coffee farms in Berlin, the development of tourist guides in La Libertad, and sightseeing tours in Comasagua and Panchimalco.

The MCP held a core event for presenting the achievements in San Salvador on December 17, 2013, with the participation of more than 240 people, including representatives of the MCP municipalities, government agencies responsible for tourism and local development, and other El Salvador-based international organizations. A video with a summary of the main activities and achievements of the technical assistance was prepared, including images of the participating municipalities and activities in progress as well as testimonials from MCP beneficiaries. During the event, a panel discussion was held on the importance of tourism development for local growth.

The development of the city trademarks (see below) for the municipalities of Caluco, Comasagua, Nahuizalco, and Zaragoza was fundamental for tourism promotion and the creation of a recognizable image by tourists for each project. The promotional strategy included a video promoting tourism, the design of sightseeing tours, and the creation of promotional materials.

Public events were held in each municipality with the participation of local authorities, tourism entrepreneurs, and representatives of the MCC. USAID representatives also participated in the event at Comasagua.



City trademarks developed for tourism promotion.

The MCC of La Libertad implemented the website www.golalibertad.com which contains information about 80 establishments, including restaurants, hotels, and other tourist services, organized by location on the eight beaches of the department. Further, a tourist map was designed for distribution, especially in strategic beach lodging locations where surfing attracts international tourism. This strategy is expected to become a benchmark of local tourism support and, therefore, economic growth.

D. Component 4: Domestic Finance for Development

The Domestic Finance for Development (DF4D) Grants Program was designed by the USG to encourage developing countries to mobilize their own financial resources by reducing corruption, reforming tax systems, and improving the management of their expenditures.

USAID issued a US\$2 million contract amendment to the MCP on May 31, 2012, providing additional funds from the DF4D Grants Program to implement a crime and violence prevention project, which consisted of assisting municipalities in the following areas:

Public Safety: To reduce the impact of crime on business owners and municipalities and better equip them exercise a role in crime prevention. Assistance could be implemented to help municipal work to decrease crime and increase municipal expenditure on public safety. This should be closely coordinated with USAID’s democracy project and take into consideration that the Agency can only work on prevention.

Rates and taxes: To reduce municipal fees and taxes on business, but simultaneously be more efficient, assistance could include promotion of new incentives for tax payments and tax revenues standardized by municipal services.

The MCP administered this grants program through the *Concurso para Apoyar Iniciativas de Prevención de Crimen y Violencia* (Competition to Support Crime and Violence Prevention Initiatives).

The competition was designed to provide incentives to the 50 municipalities working with the MCP and three with the USAID-funded El Salvador CVPP to improve local government revenue collection and engage municipal authorities to work with the private sector in implementing crime and violence prevention activities.

Forty-five municipalities provided applications and financial statements with detailed income and expenses for the closing of June and December 2011 and June, October, and December 2012, which were evaluated on improvements in tax revenue generation and municipal services.

Twenty-eight municipalities that improved their revenue collection and management during the period of July–December 2012 were shortlisted to participate in the second phase of the competition and, therefore, were motivated to submit applications with the proposed initiatives.

The design of the activities required municipalities to work with their local MCCs and/or Crime and Violence Prevention Committees to prepare proposals for crime and violence prevention initiatives to be presented for final evaluation. They were evaluated by an award committee and USAID according to established criteria (*Table 9*).

Table 9. Selection criteria to receive the grants award

No.	Qualification criteria
1	Improvement of the financial situation of the municipality between July and December 2012, compared to the period between July and December 2011
2	Percentage of direct cost recovery for solid waste collection, final disposal, and street lighting
3	Rating in the 2011 MCI compared with the 2009 MCI
4	Feasibility, consistency, and innovation of the municipal crime and violence prevention initiative to reduce the violence and crime indexes in the municipality
5	Feasibility, consistency, and innovation of the initiative to encourage economic growth and job creation
6	Percentage of youth population in the municipality according to the census
7	Implementation of new initiatives that could have impact on the fiscal situation or reduce the crime and violence rates in the municipality in the midterm (> 6 months)

The winning municipalities received grants that were to be invested in municipal-level crime and violence prevention activities. On February 14, 2013, the 20 winning municipalities were announced at an event presided by US Ambassador Mary Carmen Aponte with the participation of Mr. Mark Feierstein, USAID Associate Administrator.

The implementation model was based on the participation of NGOs to carry out the initiatives designed by the municipalities. The MCP prequalified 27 of the 39 NGOs that completed expressions of interest and presented proposals for approval to the MCCs and the municipal authorities.

Twenty-nine initiatives were selected to be implemented by 11 NGOs in the 20 winning municipalities and were submitted to USAID for final approval on May 10, 2013. They included

components, such as constructing and equipping youth centers; entrepreneurship and vocational training; and working in the arts, theatre, dance, music, and sports.

Capacity building and vocational training for youth was considered an important factor for personal development and crime and violence prevention. In total, 4,772 youth (2,120 boys and 2,652 girls) were trained in diverse disciplines, ranging from technical to artistic, as a means of moving youth away from violence.

A crucial aspect of the project’s success is that municipalities were incentivized to compete for grant funds and the MCCs of the winning municipalities were involved in the selection of NGOs and final projects to be funded. In this instance, the awards were used for violence prevention projects, but the same methodology can be used for incentives under any kind of project.

The MCP successfully finalized the crime and violence prevention initiatives and disbursed grants to implement the 29 projects in 20 municipalities (*Table 10*).

Table 10: DF4D initiatives

Project	Quantity
Construction/Equipment of Training Centers	11
Vocational training	10
Youth Entrepreneurship initiatives	4
Recreational and sport facilities initiatives	4

Twenty-two of the 29 projects were completed by December 2013 and the remaining seven by March 2014. These projects became a comprehensive part of the development strategies that support economic growth in the municipalities.

The 29 initiatives included the following outcomes:

- 11 training centers built
- 13 training centers remodeled and equipped
- 16 capacity building and vocational training activities, focusing on developing working skills and peace culture
- 4 recreational and sport facilities initiatives
- 6 activities to promote entrepreneurship among youth and adults
- 1 activity aimed at developing and recovering spaces for leisure and sports

In addition to the above accomplishments, inaugurations of sport facilities in Tecoluca and Apastepeque and vocational training centers in Nahuizalco, Izalco, and El Paisnal, have all had a positive impact on the lives of young people in the surrounding areas. It is estimated that during

FY2014, these centers and sports facilities trained 1,293 youth; 689 of them were women. A complete report on the DF4D model was submitted to USAID in March 2015.

E. Component 5: Improving Effective and Efficient Municipal Government Administration in 14 Municipalities

1. Create, Equip, and Reinforce EMPREs

Component 5, implemented during the project's extension period, was a continuation of the work started under Component 3. During this period, the MCP established and operationalized 14 additional EMPREs. The original six EMPREs along with the new ones also advanced the establishment of links between the municipalities and BDS providers with 122 formal agreements that have generated services for 3,010 beneficiaries to date. A summary of the work done by the 20 EMPREs during the MCP is shown in *Tables 11* and *12*.

Table 11: Project performance of original EMPREs

#	Municipality	Confirmation of Priority Sector	Updated and Expanded on Local Business Demand	Demand/Supply Matrix Updated	Information Events with BDS Providers for Local Businesses	BDS Provider Links*	BDS/Small and Medium Enterprise (SME) Linkages**
1	La Libertad	Tourism	Yes	Yes	Yes	7	128
2	Nueva Concepción	Dairy & Rice	Yes	Yes	Yes	6	527
3	Izalco	Tourism	Yes	Yes	Yes	7	112
4	Atiquizaya	Agro, Commerce, & Tourism	Yes	Yes	Yes	5	94
5	Panchimalco	Tourism/Young Entrepreneurs	Yes	Yes	Yes	7	147
6	Olocuilta	Peripheral Services to Puposodromo	Yes	Yes	Yes	6	31

*Link refers to the first contact between the EMPRE and the business service provider, no service has been rendered at this time.

**Linkage refers to an effective service provided, such as technical assistance, training, or financial service.

Table 12: Project performance of new EMPREs

#	Municipality	EMPRE Creation Municipal Agreement	Economic Sector Established	Supply/Demand Matrix Completed	BDS Provider Links*	BDS/SME Linkages**	Letter from Mayor Accepting EMPRE Creation
1	San Salvador	Yes	Yes	Yes	3	58	Yes
2	San Martín	Yes	Yes	Yes	4	170	Yes
3	Zacatecoluca	Yes	Yes	Yes	5	192	Yes
4	Santa Tecla	Yes	Yes	Yes	13	468	Yes
5	Ciudad Arce	Yes	Yes	Yes	5	308	Yes
6	Chalatenango	Yes	Yes	Yes	11	196	Yes
7	Sensuntepeque	Yes	Yes	Yes	5	108	Yes
8	Ciudad Barrios	Yes	Yes	Yes	7	0	Yes
9	Tecoluca	Yes	Yes	Yes	3	13	Yes
10	Santiago Nonualco	Yes	Yes	Yes	4	63	Yes
11	Candelaria de la Frontera	Yes	Yes	Yes	9	177	Yes
12	Nahuizalco	Yes	Yes	Yes	6	75	Yes
13	Tonacatepeque	Yes	Yes	Yes	8	143	Yes
14	Suchitoto	Yes	Yes	Yes	1	0	Yes

*Link refers to the first contact between the EMPRE and the business service provider, no service has been rendered at this time.

**Linkage refers to an effective service provided, such as technical assistance, training, or financial service.

The MCP obtained all 14 letters of satisfaction and acceptance from the mayors, effectively concluding MCP's direct intervention with the new EMPREs for the extension period.

The MCP also equipped the 14 new EMPREs with laptops, printers, Microsoft Office licenses, cameras, and projectors. Office space and standard office furniture was provided by the municipalities. This helped the EMPREs establish themselves as reputable units within their municipalities and enhance their credibility to BDS providers and local entrepreneurs.

The new EMPRE managers, along with their six original counterparts, have been assigned as Technical Secretaries of their respective MCCs and have participated in all activities and capacity building workshops offered to the MCCs.

2. Establish Simplified Procedures to Improve Municipal Service

The establishment of the OSW to simplify procedures and improve service in the municipality of Suchitoto was completed in December 2014.

The methodology used was based on the joint construction of more efficient work models anchoring the activities of site visits, extensive interviews, document verification, workshops, capacity building, and conferences. RTI's consultant made 36 site visits over a three-month period to complete the implementation of the methodology in the municipality. As expected, the final outcome was the establishment of Suchitoto's OSW where local businesses and entrepreneurs are offered a single point of contact for all their municipal services, including business formalization, permits, business registry, and general economic information.

The improved procedures that will be managed by the Suchitoto OSW staff are:

- Land use change
- Municipal tax clearance
- Business categorization
- Alcoholic beverages license renewal
- Business operation license
- Business operation license renewal
- Business closure
- Light posts and towers permits
- Banners, billboards, and other outside advertising permits
- Sale and exhibition of merchandise

The main changes implemented included municipal processes and municipal requirements to establish and formalize businesses. The simplification of the municipal process consisted of the actions detailed below.

Processes

- Implementing a single format for all processes, including consulting, requirement presentation, payments, and resolution communication.
- Issuance of municipal tax clearance in Current Accounts Department (with the endorsement of the Municipal Treasury).
- Inspections by Urban Control Department after processes finalization.
- Delegation of mayor's signing powers for the authorization of permits to change the use of land and billboards.
- A definition of maximum time to issue Municipal Council Agreements (licenses and permits).

Requirements

All requirements for first-time alcohol license and business categorization were eliminated, including

- Medical examinations for food handling
- Copy of the Ministry of Agriculture's registry
- Photocopy of financial statements
- Location map
- Area distribution map
- Original physical resolution and a copy of Use of Land document (verification will be done internally).

All administrative formats and communications material were developed for Suchitoto's OSW, including forms, banners, brochures, and a suggestion box.

The objective of the OSW operation is to achieve a positive impact in the private sector's dealings with the municipality. The reduction and simplification of municipal processes allow for a more efficient system and a better relationship between the private sector and municipal authorities. This simplification has also resulted in the reduction of 53 percent of the steps required to formalize a business, 68 percent of the days needed for this purpose, and 26 percent of the amount of visits required by an entrepreneur to obtain all permits and licenses.

The OSW was launched at an event chaired by the Mayor of Suchitoto on December 5, 2014. MCC members, municipal staff, local businesspersons, and RTI's staff and consultant attended the opening event. This completed the MCP's work with SIMTRA started under Component 1. The intervention has resulted in 50 OSWs in 38 municipalities.

3. Promote Coordination among Municipalities

On November 18, 2014, an EMPRE exchange of experiences workshop was organized by the MCP with participation of the 20 EMPRE managers.

The EMPRE managers of La Libertad, Nueva Concepción, Olocuilta, Izalco, Atiquizaya, and Panchimalco shared lessons learned and challenges faced in establishing their offices, such as lack of equipment, office space, and trained personnel; non-exclusive staff performing non-related duties; budget constraints; and political bias. There were several recommendations proposed to overcome these challenges, such as weekly and monthly planning of activities with close support from the municipal authorities, improving communication channels with the private sector, and supporting the creation of productive links through the MCC. They also formed a closed social media group comprised only of EMPREs for the exchange of ideas, business leads, and development opportunities.

This forum has been incorporated into the Competitiveness Learning Network (CLN) developed by the MCP with ESEN.

4. Technical Assistance in Transparency Improvement and Municipal Tax Revenue.

Two grants² were signed in December 2014 with FUNDE and SACDEL. FUNDE's grant, "Technical Assistance for Strengthening the Access to Public Information Units (UAIP)" and SACDEL's grant, "Technical Assistance in Municipal Tax Revenue" each consisted of six activities that were implemented over a 6-week period.

Technical Assistance for Strengthening the Access to Public Information Units (UAIP)

Since project inception, the 50 MCP participating municipalities have each established MCCs comprised of representatives from the public and private sectors; developed and implemented Municipal Competitiveness Plans; signed transparency and municipal competitiveness pacts; and

² These grants were financed with surplus funds from the DF4D initiative.

changed their focus from public service provision to encompass local economic development (LED).

In spite of these successes, the MCP encountered challenges in the implementation of UAIPs that were addressed during the extension with the 20 municipalities that were given technical assistance. These challenges included resistance to or removal of the Public Information Officers, resistance from some municipal governments to publish sensitive data, such as municipal salaries, a lack of support and communication from municipal governments towards information officers, and a limited resource allocation from some municipalities for the implementation of the UAIP and for an adequate use of the municipal website.

The technical assistance from FUNDE was provided between November 28, 2014, and February 16, 2015, and directed to Public Information Officers, municipal employees and web and municipal transparency portals administrators from Chalatenango, Atiquizaya, Candelaria de la Frontera, Ciudad Arce, Izalco, Nueva Concepción, Nahuizalco, Olocuilta, Panchimalco, La Libertad, Sensuntepeque, San Martín, San Salvador, Santa Tecla, Santiago Nonualco, Suchitoto, Tonacatepeque, Tecoluca, and Zacatecoluca. The mayor from Ciudad Barrios declined to participate in these activities due to the time needed for his reelection campaign.

The final results from the MCP's intervention were:

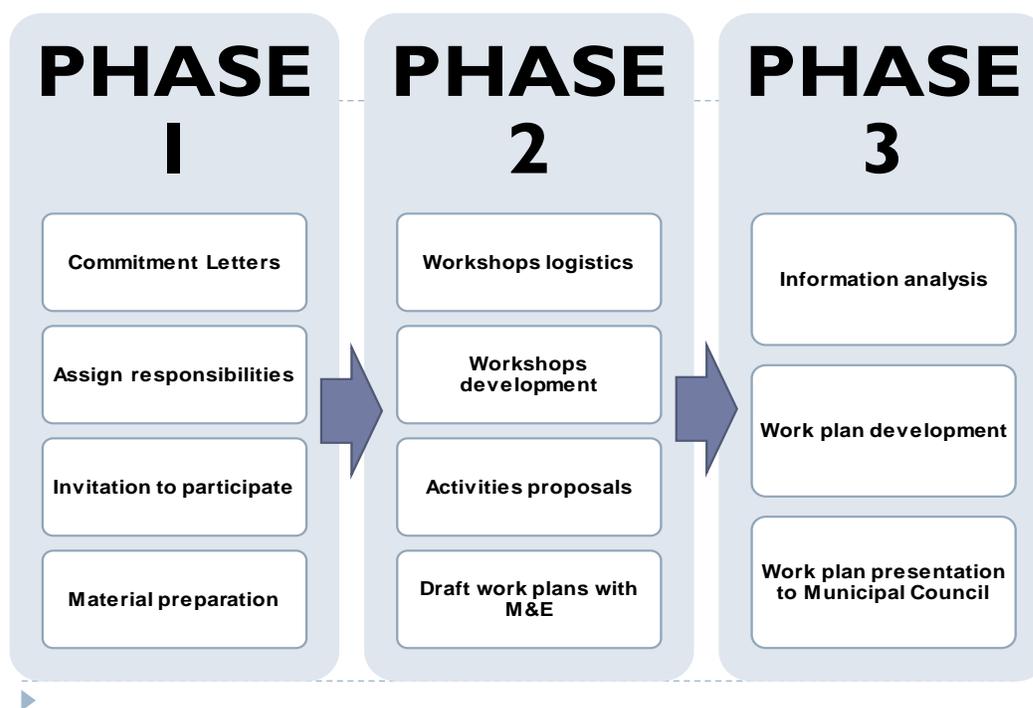
- 19 Municipal Councils committed to transparency and access to public information. The Councils have all signed letters of commitments confirming the transparency pacts signed by the municipalities at the beginning of the MCP in 2010.
- 19 Public Information Officers trained on how to improve access to public information at the municipal level.
- 19 UAIPs strengthened and operating.
- 301 municipal employees, of whom 49 percent were women, trained on transparency and citizen access to public information.
- 19 letters from the MCCs addressed to the municipal authorities requesting full compliance with transparency pacts and mechanisms.
- Municipal websites or transparency portals updated and online. Suchitoto's website was developed and put online.
- Competitiveness networks developed during the original period strengthened.

Technical Assistance in Municipal Tax Revenue

The main objectives of this grant were to increase awareness and train municipal representatives, MCCs and the private sector on the Tax Administration Law, and to identify areas of improvements and goals to become a financially sound municipality.

The technical assistance was provided in three phases (*Figure 2*).

Figure 2: Implementation phases



Phase 1: The implementation methodologies were designed along with the instruments with which all capacity building activities were to be conducted. Among these was the development of a series of case studies that aided the MCP in evaluating municipal financial performance, a proposal of measures to be implemented, and how to follow up on and monitor the municipal financial improvement plan.

All 20 municipalities that committed to this capacity building were visited during this phase and further participation commitments were obtained so as to ensure that the municipal employees selected to be trained under this grant were given the time off from work to attend the trainings. Two workshops were imparted to three different groups of municipalities divided by geographical regions.

Phase 2: Workshops were conducted by a group of financial specialists accompanied by the consultants responsible for their methodological design. Contact was also made with other municipal employees to attend the planned activities.

The following selected topics for each workshop were defined according to the needs of each of the 20 participating municipalities:

Workshop 1: Strengths, weaknesses, opportunities and threats (SWOT) analysis of the municipal financial situation.

Workshop 2: Financial indicators analysis and improved strategic planning.

Of the 92 people who began the coursework, 86 participants completed both workshops. The distribution can be seen in *Table 13*.

Table 13: Total participants in municipal revenue workshops

WORKSHOP	TOTAL PARTICIPANTS						TOTAL Participants
	MEN			WOMEN			
	Public	Private	Total Men	Public	Private	Total Women	
1. SWOT analysis of the municipal financial situation	54	0	54	38	0	38	92
2. Financial indicators analysis and improved strategic planning	51	0	51	35	0	35	86
TOTALS	51	0	51	35	0	35	86

Phase 3: Each of the responsible technicians from the municipalities, with the information obtained in the workshops, developed an improvement plan that was shared and approved by the workshop participants. Furthermore, the plan and workshop results were presented to the municipal councils following the schedule presented in *Table 14*.

Table 14: Municipal tax revenue final results presentations

Department	Selected Municipalities	Date of Presentation to the Municipal Councils
GROUP 1		
Ahuachapán	Atiquizaya	February 10, 2015
Santa Ana	Candelaria de la Frontera	February 13, 2015
Chalatenango	Chalatenango	Pending ³
La Libertad	Ciudad Arce	February 10, 2015
Sonsonate	Izalco	Pending*
Chalatenango	Nueva Concepción	February 11, 2015
Sonsonate	Nahuizalco	February 13, 2015
GROUP 2		
La Libertad	La Libertad	February 13, 2015
San Salvador	Panchimalco	February 11, 2015

³ Due to the political campaign ahead of the March 1, 2015 local government elections, the two municipalities marked as still pending did not schedule a final presentation.

Department	Selected Municipalities	Date of Presentation to the Municipal Councils
San Salvador	San Martín	February 19, 2015
San Salvador	San Salvador	February 11, 2015
La Libertad	Santa Tecla	February 9, 2015
Cuscatlán	Suchitoto	February 13, 2015
San Salvador	Tonacatepeque	February 10, 2015
GROUP 3		
San Miguel	Ciudad Barrios	February 16, 2015
La Paz	Olocuilta	February 13, 2015
La Paz	Santiago Nonualco	February 12, 2015
Cabañas	Sensuntepeque	February 16, 2015
San Vicente	Tecoluca	February 12, 2015
La Paz	Zacatecoluca	February 13, 2015

F. Component 6: Developing Alliances between Public and Private Sector Organizations to Continue Improving the Municipal Business Environment

1. Technical Assistance and Training for Strengthening MCCs

Component 6's work was an extension of the work started under Component 1 with the MCCs. The main activities undertaken were the strengthening of MCCs, technical assistance on transparency mechanisms, the addition of new members into the MCCs, review of the Municipal Competitiveness Plans, development of the Annual Operational Plan for 2014 and 2015, and special assistance on specific economic development issues of each municipality. A complete summary of the activities can be found in *Table 15*.

Table 15: Public-private dialogue activities and accomplishments

#	Municipality	MCC Strengthened	Technical Assistance for MCC Strengthening	Technical Assistance for Transparency Mechanisms	New Members into MCC	Special Technical Assistance Subject Identification	Annual Operational Plan 2014 Completed	Annual Operational Plan 2015 Completed
1	San Salvador	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	San Martín	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Zacatecoluca	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Santa Tecla	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5	Ciudad Arce	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Chalatenango	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7	Sensuntepeque	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8	Ciudad Barrios	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Tecoluca	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10	Santiago Nonualco	Yes	Yes	Yes	Yes	Yes	Yes	Yes
11	Candelaria de la Frontera	Yes	Yes	Yes	Yes	Yes	Yes	Yes
12	Nahuizalco	Yes	Yes	Yes	Yes	Yes	Yes	Yes
13	Tonacatepeque	Yes	Yes	Yes	Yes	Yes	Yes	Yes
14	Suchitoto	Yes	Yes	Yes	Yes	Yes	Yes	Yes
15	La Libertad	Yes	Yes	Yes	Yes	Yes	Yes	Yes
16	Nueva Concepción	Yes	Yes	Yes	Yes	Yes	Yes	Yes
17	Izalco	Yes	Yes	Yes	Yes	Yes	Yes	Yes
18	Atiquizaya	Yes	Yes	Yes	Yes	Yes	Yes	Yes
19	Panchimalco	Yes	Yes	Yes	Yes	Yes	Yes	Yes
20	Olocuilta	Yes	Yes	Yes	Yes	Yes	Yes	Yes

As part of the MCP’s technical assistance to the MCCs, a comprehensive course entitled “MCCs Technical Capacities Strengthening” was developed in alliance with Universidad Centroamericana José Simeón Cañas of El Salvador. This course began in Q1 FY2015 with seven of the nine course sessions conducted during the period. Two additional sessions, including a graduation ceremony, were completed in Q2 FY2015. The complete course included sessions in finance, project development, planning, municipal administration, organization, and PPD development. Members of all 20 MCCs attended these sessions, which included five participants from each MCC.

To complement these capacity building efforts, additional assistance was given to municipal employees to obtain supplementary financial resources through special contributions,

management of the taxpayer base, instruments of the *Ley de Adquisiciones y Contrataciones de la Administración Pública*/Public Administration Law for Acquisitions and Contracts, the Public-Private Partnerships Law, and the use of information technology to communicate on municipal administration. A total of 80 municipal employees were trained; 38 percent were women.

Additionally, 20 Municipal Competitiveness Plans were revised in collaboration with MCCs and MCP subcontractors. This activity also included the development of Annual Operational Plans (POAs) for 2014 and 2015. The 20 POAs for 2014 and 2015 were completed and approved by the MCCs.

Areas of improvement were identified and direct assistance was given to the MCCs to implement economic development initiatives. These initiatives included, among others, developing a city trademark for Nahuizalco, Santiago, Nonualco, and Ciudad Barrios and preparing a feasibility study for the establishment of a plant to produce frozen rice flour pupusas for export in Olocuilta.

G. Component 7: Developing Local Institutional Capacity Building

This component was focused on building the institutional capacity of two key local partners, SACDEL and FUNDE. RTI's capacity building approach is based on the principle that local partners are not recipients, but rather engaged actors who partake in the capacity strengthening process from the design and implementation stages to the end point of evaluation.

The ultimate goal was to strengthen the technical and operational capacity of both SACDEL and FUNDE as local organizations. The training built the capacity of each organization on financial and human resource management, strategic planning, USAID regulations, and selected technical areas.

A qualified consultant was hired for this component and began work on October 1, 2014. One of her first tasks was to become acquainted with the staff in order to understand the unique context of each organization. Thereafter, she embarked on an in-depth capacity building process of FUNDE and SACDEL facilitating guidance to both partners to formally establish a capacity baseline, develop institutional strengthening plans (ISPs), provide training and targeted technical assistance in core areas, and conduct a final assessment.

FUNDE and SACDEL conducted self-assessments from October 1 to 14, 2014 using the *Evaluación Participativa de Capacidades Institucionales*/Participatory Local Organization Capacity Assessment (EPCI) methodology.

EPCI is a comprehensive organizational assessment tool, custom designed by RTI, which facilitates examination of core areas that impact performance. The findings regarding these areas provide a holistic overview of the organization's strengths and weaknesses. The areas are:

- Governance
- Management Practices
- Human Resources (HR)

- Program Development
- Collaboration and Networking
- Technical Development

The initial self-assessment resulted in the identification of the organizational areas that needed to be strengthened through the MCP and involved specific work groups and ad-hoc managerial coordination from FUNDE and SACDEL. The process included a workshop on consolidation and self-evaluation and a plan for organizational strengthening on October 13 and 14, 2014. Participants were executive staff members in charge of planning, programming, and projects from both the administrative and financial sectors.

The participatory evaluation included the following activities:

- briefing from MCP staff,
- introductory sessions,
- self-evaluation by subcontractors,
- Institutional Strengthening Plan Workshop and initial data collection, and
- technical assistance and training.

The objective was the implementation of eight training workshops, each of them developing one or two key organizational functions and training at least 10 of the relevant staff from each organization.

During the initial evaluation workshop, a consolidated list of topics was agreed upon with FUNDE and SACDEL (*Table 16*).

Table 16: Local institution capacity building

Topics
Financial Management and Administration
Human Resources Management
USAID Procurement and Regulations
Resources Development and Sustainability
Program and Project Management
Operational and Strategic Planning
Monitoring and Evaluation Practice
Organizational Marketing and Communications

In addition, Gender Integration and a Final Self-Assessment were also included in the course curriculum delivered to subcontractors FUNDE and SACDEL.

The workshops and their content are shown in *Table 17*.

Table 17: Workshops and contents

Topic	Contents
Financial Management and Administration	<ul style="list-style-type: none"> • Types of USAID grants and financial definitions • Manual of Finance Procedures • Budget, preparation, approval, and monitoring tools • Internal controls and financial procedures • Financial documentation: payment vouchers, invoices, receipts, purchase orders, approvals, and accounting information systems • Cost sharing • Financial reports • Audit • Program and project budget monitoring • Cash flow and banks • Manual of administrative procedures • Travel policy • Fixed assets control and inventories • Vehicle procurement, use, and safety policy • Financial performance key indicators • Publications and communications • Administrative performance key indicators
Human Resources Management	<ul style="list-style-type: none"> • HR policy manual • Job descriptions and Job profiles • Recruitment and staff retention procedures • Compensation policies and salary scale • Performance evaluation policy • Staffing Plan • Sexual harassment prevention and management policy • Conflict prevention and management policy • Non-discrimination policy based on sex, race, disability, and religion • Alcohol and drug-free workplace policy • HR manager job description and profile • Volunteer job description and profile • Time control procedure • Policy on HIV at the workplace • HR performance key indicators
USAID Procurement and Regulations I	<ul style="list-style-type: none"> • Purchasing policies and procedures • Documents and formats: quotes and formats, purchase order, price comparison tables, vendor selection matrix, contract form, and approvals • Service purchasing: consultants, contractors, and purchase orders • Contracts, forms of payment and payment request forms • USAID 1420 Biodata form
USAID Procurement and Regulations II	<ul style="list-style-type: none"> • Roles and responsibilities of the Procurement Manager • Procurement principles • Procurement process planning • USAID procurement regulations • Main steps for the procurement process • Documents that should contain your procurement file • Procurement according to financing mechanisms • Procurement of restricted products ADS 312 (eligibility of products) • ADS 310 nationality and source requirements on procurement of goods and services financed by USAID restricted countries • 22 CFR 200 regulations and USAID guidelines (ADS - processes internal guide) • 2 CFR 200 new super circular • Cost-sharing • Types of agreements and donations

Topic	Contents
	<ul style="list-style-type: none"> • Property disposition • Fixed amount award • Standard donation agreements (Standard Grant)
Resources Development and Sustainability	<ul style="list-style-type: none"> • Preparation of proposals • Budget proposals • Resources management and sustainability strategy and plan • Available information on USAID services purchasing • Brand use policy • Communication and marketing • Resources development and sustainability key performance indicators
Program and Project Management I	<ul style="list-style-type: none"> • Technical reports and executive summary • Project financial management and budget • Project implementation • Monitoring and evaluation (M&E) <ul style="list-style-type: none"> - conceptual framework, definitions, goals and objectives - table of results - indicators - monitoring and evaluation plan - human resources and M&E, HR M&E Training - tools and guidelines - data collection process, data analysis and reports - execution monitoring - evaluation <ul style="list-style-type: none"> • evaluation of strategic plans • annual operating plan evaluation in the organization, areas/departments • annual participatory evaluations • project and program evaluation • analysis of results based on indicators • lessons learned • best practices - Data quality control assurance and supervision - Special studies and research, baselines - Information products and results dissemination • Success stories: preparation and use • Knowledge management
Program and Project Management II	<ul style="list-style-type: none"> • USAID project management processes • Pre and post award stages • Program starting • Policies and management systems with emphasis on the work plan • Implementation of a regulatory compliance program • Requirements and benefits of the reports.
Operating and Strategic Planning	<ul style="list-style-type: none"> • Annual operating plan preparation • Monitoring and evaluation practical workshop
Monitoring and Evaluation Practice	<ul style="list-style-type: none"> • Development of a strategic plan • Guide to develop an M&E plan • Development of an M&E plan
Organizational Marketing and Communications	<ul style="list-style-type: none"> • Communications strategy • Marketing strategy • Communication and marketing plans • Social media • Registered trademark policy
Gender Integration	<ul style="list-style-type: none"> • Sex vs. gender • Gender roles and identities in El Salvador • Gender Analysis Framework - Case Study and Matrix 1 • Gender Analysis and Application – Case Study and Matrix 2

Topic	Contents
	<ul style="list-style-type: none"> The Gender Integration Continuum Integrating Gender throughout the Program Cycle

Both organizations showed great interest in the training program. It was conducted in two rounds, November 25–December 16, 2014, and January 16–February 17, 2015. Staff actively participated in each session. 46 staff members from both organizations were trained, 63 percent were women and 37% were men. 31 FUNDE staff members participated in the training program, 68 percent were women and 32% were men. 15 SACDEL staff members participated, 53 percent were women and 47 percent were men.

Net staff attendance in the training program is shown in *Table 18*. Total individuals trained were less, since several staff attended more than one training session.

Table 18: Net staff participation disaggregated by sex

Topic	Participants								
	Total	Men	Women	FUNDE			SACDEL		
				Total	Men	Women	Total	Men	Women
Staff trained	46	17	29	31	10	21	15	7	8
Percentage	100%	37%	63%	67%	32%	68%	33%	47%	53%

Total staff attendance by topic is shown in *Table 19a* and *Table 19b*.

Table 19a: Staff participation disaggregated by sex, first round

Topic	Participants							
	Total	FUNDE			SACDEL			
		Total	Men	Women	Total	Men	Women	
Financial Management and Administration	8	6	1	5	2	1	1	
Human Resources Management	14	8	2	6	6	2	4	
USAID Procurement and Regulations I	14	5	1	4	9	3	6	
Resources Development and Sustainability	23	12	6	6	11	5	6	
Program and Project Management I	15	7	2	5	8	4	4	
Operating and Strategic Planning	8	8	3	5	0	0	0	
Total	82	46	15	31	36	15	21	

Table 19b: Staff participation disaggregated by sex, second round

Topic	Participants						
	Total	FUNDE			SACDEL		
		Total	Men	Women	Total	Men	Women
Program and Project Management II	10	10	3	7	0	0	0
Organizational Marketing and Communications	14	8	1	7	6	2	4
Monitoring and Evaluation Practice	13	7	3	4	6	3	3
Gender Integration	11	7	2	5	4	2	2
USAID Procurement and Regulations II	6	3	1	2	3	1	2
Final Self-assessment	17	13	2	11	4	2	2
Total	71	48	12	36	23	10	13

1. Gender Integration Workshop

In February 2015, RTI's gender specialist facilitated a two-day workshop focused on gender analysis and integration as part of the capacity building program within MCP. Participants in the training included technical specialists and administrative specialists from FUNDE and SACDEL. The workshop focused on achieving the following objectives:

1. To raise awareness of the importance and relevance of gender in improving program results
2. To understand the USAID requirements on gender analysis and integration in USAID programming
3. To understand how to integrate gender into the activities for economic development projects.

The workshop oriented participants to the issues involved with gender analysis and integration, including defining key terms, exploring their own biases and stereotypes, and discussing the current situation in El Salvador. Participants were able to understand the importance of integrating gender in various donor agendas and the implications for their country's development.

The workshop also focused on USAID's Gender Equality and Female Empowerment Policy and the ways in which USAID is prioritizing gender within its own policies and practices. Participants were introduced to USAID's expectations of its contractors with regard to proposal development, implementation, and monitoring and evaluation. USAID's gender-specific indicators and the relevant sections of the Automated Directives System (ADS) were shared.

The participants were exposed to one framework to complete a gender analysis for a project. Over the course of the workshop, they worked in small groups to complete the major steps in a gender analysis with a walk-through of the five domains framework. Utilizing a case study, they were able to develop the analysis and present their findings. On the second day, participants were grouped by organization. With these new teams, they worked through a real world exercise using a current or future project that they are implementing to complete the steps of a gender analysis.

The final component of the workshop focused on strategies to integrate gender activities into a project. The facilitator introduced the Gender Continuum, developed by the Integrated Gender Working Group (IGWG), which is a tool for evaluating the type of gender integration activities in a project from a gender-blind perspective to a transformative gender approach. Participants had a robust discussion of how they viewed example projects and their treatment of gender integration in real cases. The gender specialist provided some next steps for the organizations to consider how they might prepare themselves internally to be a forward-thinking organization on the topic of gender.

2. USAID Procurement and Regulations

The workshop provided basic training on USAID regulations for Acquisitions and Assistance based on the 22CFR226 and FAR in how to apply regulations as a prime beneficiary of direct funding of USAID. They were also exposed to ADS 303 and appendices, as well as introduction to government procurement based on 22CFR228.

Facilitators and the audience discussed all changes of Super Circular 2CFR200 (that includes the 700 supplement for USAID), ADS 303, and modifications that came into effect on December 26, 2014.

3. Organizational Capacity Final Self-Assessment

On February 12, 2015, the MCP concluded its capacity building assistance to FUNDE and SACDEL. A major focus of the project extension was building their capacity to be more effective organizations to sustain MCP activities.

Over four months, the MCP trained both FUNDE and SACDEL in ten core areas that they identified during the baseline assessment as critical to their organizational growth. The MCP conducted the final organizational assessments with the support of the expert local consultant and RTI's Capacity Building Advisor. The final assessments allowed FUNDE and SACDEL to reflect upon their improved capacity and performance since the commencement of trainings, as well as revise their ISP in order to prioritize organizational goals in light of new ideas or awareness gained from trainings. These ISPs will provide FUNDE and SACDEL with a roadmap for strengthening key areas after MCP has ended and enable them to more successfully grow and sustain themselves.

The final assessments revealed that capacity scores improved marginally for FUNDE, as was expected during such a short time. In the case of SACDEL, improvements were also marginal; the institutional score remained at the "Basic" level (*Tables 20a* and *20b*). However, trainings

introduced both organizations to new ideas and practices that are already creating important shifts, as illustrated through their robust ISPs (*Tables 21a* and *21b*).

Table 20a: FUNDE EPCI scores

Organizational Function	FUNDE	
	Initial	Final
I. Mission, Vision, Values	Moderate 3.6	Moderate 3.8
II. Governance	Moderate 3.5	Moderate 3.5
III. Management & Implementation	Moderate 3.3	Moderate 3.6
A) Strategy	Moderate 3.6	Moderate 3.9
B) Leadership & Internal Collaboration	Moderate 3.1	Moderate 3.5
C) Learning & Innovation	Basic 2.8	Moderate 3.4
D) Project Implementation / Service Delivery	Moderate 3.5	Moderate 3.6
IV. Human Resources	Moderate 3.5	Moderate 3.7
V. Financial & Administrative Management	Moderate 3.7	Moderate 3.8
VI. Collaboration & Networking	Moderate 3.2	Moderate 3.5
VII. Fundraising & Sustainability	Basic 2.8	Moderate 2.9
Institutional Average	Moderate 3.4	Moderate 3.5

Table 20b: SACDEL EPCI scores⁴

Organizational Function	SACDEL	
	Initial	Final
I. Mission, Vision, Values	Basic	Moderate
II. Governance	Moderate	Moderate
III. Management & Implementation	Moderate	Moderate
A) Strategy	Nascent	Basic
B) Leadership & Internal Collaboration	Moderate	Moderate
C) Learning & Innovation	Basic	Basic
D) Project Implementation/Service Delivery	Moderate	Moderate
IV. Human Resources	Nascent	Basic
V. Financial & Administrative Management	Moderate	Moderate
VI. Collaboration & Networking	Basic	Basic
VII. Fundraising & Sustainability	Basic	Basic
Institutional Average	Basic	Basic

Table 21a: FUNDE ISP

FUNDE Actions to be Implemented as Proposed in ISP	
Mission, Vision, and Values	Greater dissemination of the vision, mission, and values of the organization
	Greater emphasis on mission, vision, and value statements in organizational management
Governance	Greater involvement of board in resource mobilization, fund management, and sustainability of the organization
	Board to issue communications guidelines
Strategy	Improved linkages of the annual plans to the strategic plans
	Creation of a communications strategy that markets the organization to be included within the new strategic plan
	Improved linkages of strategic planning goals to fundraising targets and annual budgets

⁴ SACDEL did not use the numerical method to determine the EPCI score. They made a qualitative analysis to obtain the scores shown on table.

FUNDE Actions to be Implemented as Proposed in ISP	
Leadership & Internal Collaboration	Creation of a succession plan for the Executive Director and other senior managers within the organization
	Increased cohesion of senior leadership team and areas coordinators
Learning & Innovation	Improved M&E systems in order to better measure the impact of projects
	Improved training and systematized use of <i>Sistema de Información Gerencial Automatizado</i> (SIGA) as a knowledge management system
	Creation of an organizational M&E plan with some shared indicators across projects
Project Implementation & Service Delivery	Improved M&E on projects
Human Resources	Development of a training plan for current staff and induction plan for new staff
	Development of a conflict of interest policy
	Development of an HIV policy
	Development of a gender policy
	Development of a non-discrimination policy
	Revisions to HR manual in order to improve policies and procedures
	Hire a HR Manager
	Standardize job descriptions for staff
	Develop Standard Operating Plan
	Standardize salary scales
Financial & Administrative Management	Revise the finance manual by consolidating policies and procedures
	Ensure utilization of SIGA system for procurement
Collaboration & Networking	Analyze participation in current networks to examine value add and if there are additional networks that should be included
	Link communications with M&E in order to effectively communicate results
	Develop a communications and networking strategy
Fundraising & Sustainability	Develop a fundraising/resource mobilization strategy with clear targets
	Improve coordination for responding to donor proposals, including review of proposal opportunities

FUNDE Actions to be Implemented as Proposed in ISP	
	Develop an indirect rate with an approved Negotiated Indirect Cost Rate Agreement (NICRA) <i>or</i> improve allocation of shared costs
	Improve negotiation skills with donors

Table 21b: SACDEL ISP

SACDEL Actions to be Implemented as Proposed in ISP	
Mission, Vision, Values	Review mission, vision and values statements to ensure that they align with priorities to be outlined in the upcoming Strategic Plan.
	Increase visibility of the mission statement in offices.
Governance	Increase Board involvement in advocacy and networking of the organization so as to improve the organization's profile.
Strategy	Develop the Strategic Plan and incorporate a communications and marketing strategy within this plan.
Learning & Innovation	Develop an organizational M&E plan.
	Identify means to share lessons learned.
Project Implementation & Service Delivery	Improve communication skills of personnel.
	Standardize operating procedures.
Human Resources	Standardize job descriptions.
	Develop a training plan for staff.
	Develop a Code of Ethics
	Develop a sexual harassment policy
	Develop a salary structure for staff and a performance evaluation system
Collaboration & Networking	Develop a communications and marketing strategy
	Develop project communications tool
	Redesign the website as part of the communications and marketing strategy
Fundraising & Sustainability	Incorporate a Resource and Sustainability Plan into the Strategic Plan

These actions are fundamental for long-term organizational changes that will enable growth. Both organizations will now approach their strategic planning in a different manner and intend to create communications and marketing plans as well as M&E plans.

FUNDE and SACDEL have identified several activities in their ISPs where they will need customized technical assistance, including: (1) creating or revising strategic plans; (2) developing communications and marketing plans; (3) developing or improving M&E plans and systems; (4) creating an indirect rate and/or system for allocating shared costs; (5) enhancing proposal development; and (6) improving staff salary structures and performance evaluation processes.

H. Communications and Events Activities

A communications action plan was developed to support MCP objectives and expected results. The plan was aimed essentially at providing project-related information to various audiences and to make visible the efforts carried out to improve the economic conditions of the municipalities. The plan was effective, consistent, informative, participatory, and innovative.

Events and workshops developed by the MCP were coordinated and organized as were those that it collaborated and supervised with subcontractors and other organizations. There were more than 120 events, including swearing in of MCCs, PPD, and transparency forums, OSW inaugurations, MCI 2011 and 2013 results dissemination, DF4D launch and inaugurations of projects, special recognitions for municipalities, and MCP closure events.

Two MCP brochures and eight newsletters were produced. Also note pads and pens were designed and produced as MCP promotional materials to be used in the events and activities.

A list of important activities can be summarized as follows:

- Conducted and participated in the search, selection, and hiring of a communications agency to support the MCP.
- Website, Facebook fan page, and YouTube channel were developed and updated during the project's life.
- A dissemination plan was developed and implemented for the launching of MCI 2013 results. It included the production of a logo and images for the subindices. Also visits and interviews were made available to the media.
- Five success stories and three fact sheets were produced.
- The events calendar was developed and updated weekly.
- A gender video and tourism video were produced and disseminated. In addition, USAID supported the production of an MCP video.
- An EMPRE logo was developed to be used in brochures, banners, business cards, and other formal documents in 20 municipalities.

The MCP communications management team provided ongoing support to the implementation team to ensure compliance regarding the proper use of branding in materials published by subcontractors and project beneficiaries.

During the extension period, the communications specialist was responsible for updating training information on TraiNet.

From the start of the MCP website in April 2013 through March 28, 2015, closing date of the website, it had 5,343 visits and 27,040 page views; the MCP Facebook Page, from March 2013 through March 28, 2015 closing date of the page, had 63,054 page view and 1,590 “likes”; and the MCP YouTube Channel, from April 2013 to April 29, 2015, had 6,522 views and 33,218 minutes of videos watched.

I. Gender Considerations

The MCP completed a Gender Assessment Analysis in January 2011. It examined the different experiences between men and women business owners and constraints to economic opportunities in their local economies, the status of men and women in municipal government, and identified opportunities for helping to move to a more equitable balance between genders.

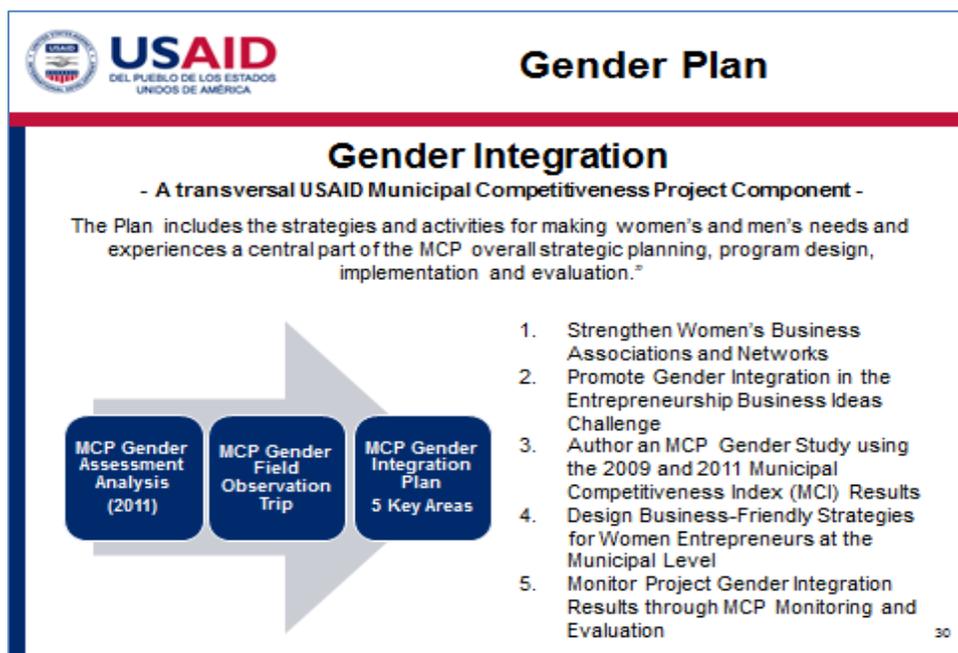
The analysis concluded that there are significant gender differences in access to resources and opportunities in private sector activities. In this context, it provided recommendations to address gender integration, including the establishment of a baseline assessment of business ownership and participation in municipal decision making in each municipality, and the development of a Gender Action Plan for the project to systematically address gender integration during its implementation.

In April 2012, RTI’s Home Office Gender Specialist and the MCP team conducted a rapid field assessment of the economic realities and challenges of women entrepreneurs, assessed how the local business climate affected gender at the municipal level, and developed a Gender Action Plan for the MCP. The team met with municipal offices, local women’s producer groups, and public and private organizations, which provided support to women entrepreneurs’ development.

The main findings and conclusions of the field assessment, similar to the Gender Assessment findings, indicated that Salvadoran women entrepreneurs faced greater disadvantages compared to their male counterparts in diversification of economic opportunities and activities; growing businesses; balancing household responsibilities with focus on their business; associativity with business networks and other entrepreneurs; access to training and support services; and growing their confidence levels and leadership.

Based on these analyses, the MCP chose to focus primarily on addressing the constraints and barriers women entrepreneurs face through a Gender Action Plan in five key areas, as shown in *Figure 3*.

Figure 3: Gender action plan



The MCP made great progress in providing training to 574 women entrepreneurs in leadership, confidence, and business planning topics; diagnosing the needs of diverse local and regional women's business associations and selecting two specific associations—ADESMA and *Asociación de Mujeres de Santa María Ostuma* (ASMOT)—to receive tailored technical assistance in associativity support; securing high levels of participation from women entrepreneurs in the Business Ideas Challenge resulting in over 50 percent of the winners being female; analyzing the MCI 2009 and 2011 data for gender patterns in business growth and formalization and conducting field interviews to profile case studies of Salvadorian women micro-entrepreneurs; implementing business-friendly strategies for women entrepreneurs at the municipal level; including women representatives in the PPD MCCs; and producing a video profiling stories and economic activities of women producer groups in MCP municipalities.

EMPRES played an important role in providing support to women entrepreneurs by sharing information and providing linkages to business development service providers. For instance, the EMPRES manager in Chalatenango facilitated a meeting between the municipality and BANDESAL to promote the *Banca Mujer* program.

In addition, M&E has continued to track participation by sex in order to check whether gender perspectives are considered. All M&E indicators continue to show improvement in participation by the project's women beneficiaries as they reach levels of accomplishment similar or equal to men. Jobs created in the municipalities assisted by the project have gone to women in almost 50 percent of the cases.

Furthermore, during the extension period, more than 70 percent of the entrepreneurs assisted by the 20 EMPRES were women. This further proves a distinct advancement in economic

opportunities for women in the country and attests to the fact that well over half of the SME entrepreneurs in the country are women.

The MCP also delivered a gender integration training workshop on February 5 and 6, 2015, to FUNDE and SACDEL on the topics of design of gender integration methodology in economic development projects and compliance with USAID requirements on gender analysis and integration in USAID programming.

The Gender Analysis and Integration Workshop focused on building an awareness of the importance and relevance of gender in improving program results, developing an understanding of USAID requirements for programming, and providing practical methods to integrate gender into economic development project activities. Participants found the case study methodology that was used as the basis for much of the workshop highly engaging and RTI would recommend this type of participatory training in the future. Armed with new tools and frameworks for gender analysis and integration, the 11 participants (7 females) from FUNDE and SACDEL were equipped to improve the quality of their proposals and projects in addressing issues of gender and inclusivity for USAID, other donors, and the private sector. Recommended actions as follow-up for these organizations include conducting internal gender audits to determine organizational culture around gender issues and ways to prepare the organization as a gender-aware entity; and researching opportunities for gender work to assess the future funding potential of investments in gender training for staff and/or identifying consultants.

IV. Competitiveness Learning Network

The MCP developed specialized training and technical assistance programs to improve municipal competitiveness. It also supported the expansion of the productive sectors through training and technical assistance for the development of entrepreneurial skills and labor force, business associations, strengthening of businesswomen's networks, investment promotion, products and jobs fairs, and the development of a business ideas challenge.

RTI initiated the process of building the CLN by uploading documents, such as success stories, Municipal Competitiveness Plans, transparency pacts, and MCI documents on the project's website.

The MCP continued to focus its CLN-related efforts on developing interactivity mechanisms, raising awareness about the network, and identifying and consolidating alliances for CLN sustainability with potential stakeholders, such as universities. It made every effort to ensure that one of these actors took on the responsibility for CLN administration and upkeep.

In response to the need for support in developing and implementing the CLN, the MCP signed an agreement with ESEN to develop and host it and coordinate its content.

ESEN designed, developed, and implemented a website where EMPREs, MCC members, UAIP officials and staff from authorized institutions may find and share competitiveness-related documents, information, participate in discussion forums and collaborate among themselves. The website hosts libraries of competitiveness-related documents, uploaded only by a platform administrator from ESEN. Documents issued under the MCP have also been uploaded to the library and are available to the public.

It also has a blog where information will be posted and links to other competitiveness-related web pages.

The web addresses to access the CLN are <http://redaprendizaje.net/> or <http://www.redaprendizaje.net/>

V. Issues and Weaknesses Encountered

Like most projects, MCP experienced some issues that needed additional guidance to rectify. These issues mainly arose from the May 26, 2013, performance audit report titled “Audit of USAID El Salvador’s Municipal Competitiveness Project”. First, performance indicators did not measure the project’s promotion of investment and trade. The audit recommended that the Mission attempt to develop a performance indicator that measured whether the MCP was making progress in promoting investment and trade. The MCP worked with the Mission and government officials to develop the indicator, but since no options existed, the audit determined that final action had been taken on this recommendation.

Second, performance data did not measure economic growth and employment accurately since the performance data did not identify jobs and businesses created as a direct result of the project. The audit recommended that new firms and new jobs be differentiated from those that had been operating informally. The MCP team explained that it did not differentiate between firms that had previously existed in the informal sector because of the possibility of people being reluctant to self-report for fear of paying penalties or back taxes. The audit team acknowledged that this was a valid concern, but felt that in order to more accurately measure project effectiveness it was necessary to differentiate new firms and jobs from those that were newly registered, but had been operating informally. Taking this recommendation into account, the MCP team amended its M&E plan and started reporting on the modified indicators beginning with the Quarterly Report for April to June 2013. All data are now correctly reported and the audit recommendation has been successfully closed.

Other issues encountered during project implementation included:

- In smaller municipalities the main limitation for more ambitious development plans was the lack of medium and large businesses at the local level. Most of the businesses present in municipalities like Tecoluca and Tonacatepeque were subsistence-level micro enterprises, 90 percent of them in the commerce and basic services industries. These businesses generated low economic impact and hardly any jobs beyond immediate family members.
- Security issues, especially with gangs, limited entrepreneurial development in some municipalities and delays in implementation of the DF4D grant in at least one municipality.
- Local development strategies were hindered by some key actors’ short-term mentality. For instance, when a change of the political party in power occurred in one of the municipalities, the MCC disbanded due to disagreements in political ideology between the mayor and the MCC. Furthermore, when a change of personnel in the municipality occurred, projects and implementations slowed down considerably as a period of adaptation and capacitation had to be considered until new employees could take ownership of the work being developed by the MCP. It took the project several months to

reestablish the MCC as the new EMPRE manager was being trained to take over the role of the Technical Secretary.

VI. Lessons Learned

A summary of lessons learned for different components of the MCP is presented below.

DF4D

- The competition methodology for the allocation of grants to municipalities proved to be an excellent vehicle for implementing the project. Overall the methodology
 - Generated interest and commitment from municipalities. Further, municipalities were strengthened in their financial management capacity and recovery of due taxes and rate amounts.
 - Promoted cooperation between the public and private sectors to work together for a common goal.
 - Provided the MCCs with the opportunity to participate in the design of initiatives and the selection of implementing NGOs.
- The time for project implementation had to be carefully determined since the competition methodology required municipalities to carry out activities in order to be considered for the second phase of the project. For the DF4D component, it was found that even though the time allotted to design and implement the initiatives was short and implementers were faced with time constraints, they still achieved good results.
- A project of this complexity requires a dedicated team for administrative issues and field supervision. Since the bulk of the grant money was reserved for direct grants to municipalities, the MCP was only able to hire a grants manager and some consultants to implement and supervise this component. This created problems in dealing with municipalities and grantees, which resulted in delays.

MCC

- Generating trust among public and private actors was a challenge and took longer than anticipated. Working together to develop joint projects was a major undertaking in municipalities where municipal authorities were not keen on the private sector.
- For the PPD to be effective, it was necessary for the mayors, municipal council, and operational personnel to have the right motivation to work with the private sector. On the other hand, the private sector has to see beyond the basic services the municipality provides and take on the mentality that helping the municipality helps it to develop and obtain more business.

EMPRE

- Depending on the size and complexity of the municipality where the EMPRE is being established, the personnel hired must have a certain professional background that equips

them to deal with bigger companies, i.e., the EMPRE manager must have several years of professional experience and a college degree to be able to engage with business owners and managers and understand their shortcomings and particular needs. Also important for big cities is an established network of contacts that can aid the position in its development and service to be provided. This ensures that the EMPRE can rapidly assist businesses in attending to their different needs. Of all the EMPREs, San Salvador's was the only one that fit this profile.

- When dealing with small municipalities, the capacity of the personnel was not always optimal. Further, getting the message of the benefits of the EMPRE across was challenging at times. Developing micro regional or regional EMPREs could help strengthen these units.

SIMTRA

- There were some municipalities where the OSWs were relegated to the background and had little communication to let end users know they existed and the services they provided. Thus, there is a need to ensure that proper communication strategies are developed when an OSW is created.
- Some OSWs mixed services for businesses with services for citizens, such as issuing birth, death, and wedding certificates, which created confusion and delays. It is essential that the OSW only focuses on business services to avoid this.

Capacity Building

- With regard to gender training, obtaining substantial background on the participants' gender experience is necessary in order to tailor materials to their needs. Through MCP's capacity building consultant, the RTI gender specialist was able to assess the level of knowledge on the topics covered before designing the workshop.
- The use of real-world examples and case studies when possible is optimal. The participants of the microfinance project case study, which was used as the basis for much of the gender workshop, were highly engaged because of their ability to relate to real-world examples. In the evaluation, many noted working with the case study as the part they most enjoyed from the two-day workshop.
- Time for follow-up after the capacity building needs to be allotted. There should be a plan for a check-in six months later to monitor learning and the implementation of organizational changes and recommendations.
- The training/workshop should have been conducted at least one year earlier and have had sufficient time to help participants go through an assessment of their internal controls and their operating manuals. A one-year time frame can be considered sufficient time for strengthening a local organization. A longer duration for capacity building will enable greater participation and the provision of more intensive support.
- Building local capacity complements technical work and, therefore, should not compete with it. Due to time constraints and the obligations of FUNDE and SACDEL, in most

cases, RTI was only able to organize one-day trainings. Many participants expressed a desire for longer trainings, despite their heavy schedules and workloads. Trainings should be at least two to three days in duration in order to sufficiently address topics in depth.

- It took longer than anticipated to get buy-in from FUNDE and SACDEL to agree to the capacity building component. Subcontractors should be informed of the methodology and consulted at the proposal stage in order to ensure buy-in and establish a spirit of mutual collaboration.
- To reach the next level of development, customized technical assistance is required. Trainings have helped to form a platform of growth, but tailored assistance in helping to develop strategies and plans will help both organizations to advance to an even greater extent in the long term.

VII. Success Stories

During the life of the project, the MCP produced several success stories. These were a testament to the work done by RTI over the last four and a half years and displayed the impact the project created in the lives of its beneficiaries. The following are a few of the more notable stories highlighted during the project:

- **Association for Business Improvement.** The MCP conducted workshops on how to create and strengthen business associations for local economic development, which benefitted 249 local entrepreneurs (100 women and 149 men) and representatives from 50 municipalities. One of the most common demands for assistance within Municipal Competitiveness Plans, developed in a participatory manner by local public and private sectors, involved training for business associations.

Through the business association workshops delivered by the Chamber of Commerce and Industry of El Salvador, the MCP provided technical assistance to dozens of entrepreneurs in the creation of cooperative associations. Training topics included starting a business, quality control, legal status, and access to credit. Training topics shed light on the benefits of business associations in achieving production and trade goals in local and national markets.

- **Over 5,000 youth benefited.** Due to its good ability to manage its resources, the municipality of Apastepeque was one of 20 winners of the DF4D Initiative, funded by the US Government and implemented by the MCP. The municipality received an in-kind grant of \$100,000 to build a soccer in Cantón San Felipe, Apastepeque, in the Department of San Vicente, which was the scene of renewed hope for its residents.
- **Bridging Divides to Strengthen Local Institutions in Izalco.** MCP provided technical assistance to strengthen El Salvador's municipal governments in order to stimulate local economic growth. In Izalco, local officials initially were reluctant to participate in the MCP. However, the project engaged them in team-building and awareness-raising activities to improve their understanding of its competitiveness model. During these discussions, the MCP demonstrated how it could assist the local government to strengthen its economy and business climate, thereby creating business and job opportunities and contributing to sustainable economic growth in the municipality. As a result, the public and private sectors set aside their traditional differences to support initiatives to increase municipal competitiveness, thus benefitting the municipality as a whole. Izalco's adoption of the MCP's competitiveness model represents a complete turnaround in management models for all key stakeholders in the municipality.
- **Strengthening Economic Development in Chalatenango through Public-Private Dialogue.** The MCC serves as a work group and forum for public-private policy dialogue on local development and brings together the municipal government and private sector. By creating a space for PPD, the committee engenders cooperation, coordination, and a spirit of competitive partnership to enhance the municipality's investment climate. By

involving local stakeholders in decision making to build consensus, the MCC ensured buy-in from all parties and fortified a partnership that places local citizens at the forefront of this change. Through this new participatory approach, fostered by the MCP, stakeholders worked together to develop productive solutions to local problems that will have a positive and lasting impact in improving local governance and promoting economic development in Chalatenango.

VIII. Priority Areas Identified for Future Work

USAID/El Salvador contracted the firm International Business & Technical Consultants, Inc. (IBTCI), from November 2013 to January 2014, to conduct an independent performance evaluation of the MCP and its program components. The evaluation commended the project and, as explained in more detail below, made concrete recommendations for actions for improvement going forward. The MCP team implemented a number of these recommendations during the extension period, but there are a few recommendations that were not implemented due to lack of funding. These have been identified as priority areas for future work.

The IBTCI Evaluation Report stated, “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.” It is important to structure and record information and knowledge by carrying out an in-depth MCP systematization and disseminate it to a wide audience. RTI proposed such a systematization of experiences in its proposal for the extension, but was requested to remove it due to lack of funding.

Under the evaluation report’s recommendations on knowledge production, management, and dissemination, the evaluators recommended specific actions on gender and MCI. In regard to gender, the recommendation was to build on gender initiatives of implementing partners by following up with the cohort of women that attended workshops and providing training and follow-up support in establishing productive businesses to a new cohort of women entrepreneurs. Due to lack of funding, this was not possible during the extension period.

With regard to the MCI, the evaluation report recommended a multi-methods study on the relation of results from a sample of MCP municipalities to the MCI. RTI proposed such a study during the proposal, but was requested to remove it from the proposal for the extension.

The program evaluators were asked to address if investment at the municipal level could be attributed to MCP activities in the future. Since municipalities do not have the ability to measure levels of investment, the team was unable to answer the question and recommended that USAID invest sufficient funds for this purpose. Since the extension period was only 10 months, RTI proposed investing a relatively small amount of money to conduct an initial study to measure local investment, but was requested by USAID to remove it from the proposal for the extension period.

IX. Conclusions and Recommendations

Some conclusions and recommendations for the different components of the MCP project are outlined below.

DF4D

Conclusions

- A complete model for project implementation was created. This included competition for grants by municipalities, rewards to the best proposals from them strengthening of MCCs, encouraging the public and private sectors to work together, and designing projects to resolve local needs, such as crime and violence. MCP left a roadmap to follow when designing development projects at the local level.
- Impact achievement requires time after project completion. Therefore, monitoring and evaluation efforts must be conducted for a reasonable period after the project is completed.

Recommendations

- The grants manager must conduct a comprehensive due diligence of the grantees to ensure they comply with project requirements, are financially sound, and have the proper capacity to implement the project. This is of utmost importance when infrastructure building is part of the project since infrastructure requires technical and risk mitigation studies.
- It is advisable to conduct a thorough planning process to better estimate the project's timeline for implementation, as well as avoid problems and lack of quality results.
- There must be sufficient funds reserved for the grants manager to properly staff the project and ensure full compliance with requirements. The team must work together with grantees to determine and meet project needs in a timely manner.
- The Competition Award Committee must seek professional support to evaluate the feasibility, technical requirements of the initiatives, and the municipalities' capabilities to support and maintain them. In the case of violence prevention programs, it is necessary for support to be provided by experienced staff on the topic.
- When dealing with construction projects, it is advisable to hire independent construction specialists to review technical and financial proposals and supervise compliance with building standards and risk mitigation.
- Prior to project design and implementation, the Grants Administrator must conduct integration workshops for the MCCs and municipal authorities to ensure the proper identification of the local current conditions and problems, as well as the most suitable solutions.
- MCCs and municipal authorities must engage in the selection of the grantee to increase their management skills and to obtain the latter's commitment to deliver high quality results.

- Participation of the MCC during the initial phase of a project is important since it promotes project ownership by MCC members and provides sustainability.
- MCCs must develop sustainability plans at project inception to define a schedule of long-term initiatives with community participation.
- Municipal authorities must participate in reviewing the design and cost of the project in order to ensure the delivery of the expected product and improve the degree of transparency of the process.
- Grantees must be duly trained to manage the financing of the project, according to donor and grant administrator regulations.
- The MCC must assign the responsibility of supervising the project to one of its members to ensure that the project is developed according to specifications. The municipalities must also participate in its supervision during the life of project, which needs to include project implementation and financial execution.
- The design of a proper indicators framework would be a valuable tool to measure the project's impact.

MCC

Conclusions

- Although the process took time, most municipalities had no problem recruiting the private sector to participate. However, the municipality must follow through in developing and implementing the projects suggested by the MCC to make sure the trust generated is not compromised.

Recommendations

- Although the MCC may be functioning properly, this does not mean that its projects are having the desired impact on the local economy. The MCC must keep track of the impact its projects create whether through an elaborate M&E program or basic OSW monitoring.
- The MCC should follow the PPD manual developed by the MCP. This will aid it in developing strong, sustainable projects for its municipality.

EMPRE

Conclusions

- The EMPRE has proven to be a successful development tool for economic growth at the local level. The impact it has created has generated a flow of financial investment, job creation and capacity building for SME entrepreneurs that would otherwise be unavailable to them.

Recommendations

- Design and edit a manual with the EMPRE methodology using the lessons learned from the implementation of the first 20 units in El Salvador. The MCP has a first draft using the lessons learned from the first six EMPREs created.

- Implement a rollout of the EMPRE methodology in other municipalities and other countries in the region.

SIMTRA

Recommendations

- OSWs that included citizen processes in their scope of work did not function as well as those that were only directed to business processes. It is recommended that OSWs focus only on business processes.
- The personnel to be appointed as OSW staff should be directly involved from the beginning in its building process in order to understand its concept, procedures and operational expected results. This will help to provide a good quality service to the entrepreneurs.
- It is highly recommended that there is institutionalized coordination between the OSW, the MCC, and the EMPRE to optimize service to the end user.

Capacity Building

Recommendations

- Identify staff to receive more training on gender analysis and integration and assign them projects with gender components in order to gain experience. Alternatively, identify consultants that can provide similar services in project design, implementation, and evaluation.
- For FUNDE, revise, disseminate to staff, and adopt the practices included within the internal gender policy to grow an inclusive and gender-aware organizational culture. For SACDEL, develop a gender policy to be reviewed and adopted by the organization. A plan for monitoring and evaluating the implementation of these gender policies should be developed in order to operationalize it.
- Research funding opportunities that the organization could capture and grow its funding in gender-focused work if additional resources were allocated to this topic.
- Although the administrative and accounting personnel from FUNDE and SACDEL were present at the training in which they learned how to apply the regulations when they are prime recipients of acquisitions or assistance with US federal funds, it was clear that administrative personnel had already received some training and they took advantage of the content of the workshops. The directors of both local organizations should attend the workshops. They are the ones that hold the decision-making power and responsibility in their organizations.
- Local organizations such as FUNDE and SACDEL should conduct assessments of their internal policies/processes, as well as a review of their internal policies and operating manuals so they can have a clear picture of what needs to be strengthened, modified, or changed in order to have robust internal controls, segregate functions, and prepare adequate scope of works for their personnel that will allow them to qualify or respond to a USAID request for proposal as local partners.

- Facilitate the development/revision of strategic plans that link goals to organizational budgets and fundraising targets. Both organizations will soon be developing new strategic plans and those that tie goals to fundraising goals and budgets will be essential in helping them to achieve targets.
- Create communications and marketing plans in order to better brand the organization and communicate to stakeholders.
- Develop M&E plans and improve M&E systems in order to better understand the impact of programs, make informed management decisions, and market success.
- Customize support in enhancing proposal development which includes the review of opportunities to pursue based on cost, creating effective proposal teams, and learning from unsuccessful proposals.

X. Project Performance Compared to M&E Objectives

A. Overall MCP Performance

The MCP has achieved successful results during its period of performance (September 2010 to March 2015). *Table 22* shows the overall performance indicators for the project in detail by fiscal year, highlighting the impact of the new components and how they contribute to the achievement of goals set in the work plan.

Table 22: Overall project performance (September 2010–March 2015) by fiscal year

Performance Indicator	FY 2011		FY 2012		FY 2013		FY 2014		FY 2015		LOP Targets March 2015	Result Through March 2015	% Result Life of Project
	Target	Result	Target	Result	Target	Result	Target	Result	Target	Result			
1. Number of municipalities receiving US Government (USG) assistance to improve their performance ⁽¹⁾	50	50	50	50	50	50	50	50	20	20	50	50	100%
2. Number of participants in trade and investment environment trainings ⁽²⁾	<u>200</u>	<u>595</u>	<u>200</u>	<u>1,863</u>	<u>1,000</u>	<u>2,329</u>	<u>2,200</u>	<u>680</u>	<u>340</u>	<u>595</u>	<u>3,940</u>	<u>6,062</u>	<u>154%</u>
	120 M	326 M	100 M	1,100 M	600 M	929 M	1,360 M	267 M	204 M	333 M	2,384 M	2,955 M	124% M
	80 W	269 W	100 W	763 W	400 W	1,400 W	840 W	413 W	136 W	262 W	1,556 W	3,107 W	200% W
3. Number of new firms registered in assisted municipalities ⁽³⁾	<u>25</u>	<u>0</u>	<u>25</u>	<u>1,089</u>	<u>450</u>	<u>1,095</u>	<u>950</u>	<u>1,110</u>	<u>315</u>	<u>658</u>	<u>1,765</u>	<u>3,952</u>	<u>224%</u>
	25 Est	0 Est	25 Est	1,089 Est	300 Est	1,095 Est	375 Est	1,066 Est	315 Est	645 Est	1,040 Est	3,895 Est	375% Est
	0 Reg	0 Reg	0 Reg	0 Reg	150 Reg	0 Reg	575 Reg	44 Reg	0 Reg	13 Reg	725 Reg	57 Reg	8% Reg
4. Number of new jobs created as a result of USG assistance ⁽⁴⁾	<u>50</u>	<u>0</u>	<u>500</u>	<u>936</u>	<u>2,614</u>	<u>3,936</u>	<u>1,836</u>	<u>5,273</u>	<u>1,050</u>	<u>1,696</u>	<u>6,050</u>	<u>11,841</u>	<u>196%</u>
	25 M	0 M	250 M	536 M	1,800 M	1,987 M	925 M	2,630 M	630 M	823 M	3,630 M	5,976 M	165% M
	25 W	0 W	250 W	400 W	814 W	1,949 W	911 W	2,643 W	420 W	873 W	2,420 W	5,865 W	242% W

Performance Indicator	FY 2011		FY 2012		FY 2013		FY 2014		FY 2015		LOP Targets March 2015	Result Through March 2015	% Result Life of Project
	Target	Result	Target	Result	Target	Result	Target	Result	Target	Result			
4a. Jobs in New Firms	<u>50</u>	<u>0</u>	<u>500</u>	<u>936</u>	<u>2,614</u>	<u>3,936</u>	<u>1,836</u>	<u>5,041</u>	<u>1,050</u>	<u>1,652</u>	<u>6,050</u>	<u>11,565</u>	<u>191%</u>
	25 M	0 M	250 M	536 M	1,800 M	1,987 M	925 M	2,492 M	630 M	798 M	3,630 M	5,813 M	160% M
	25 W	0 W	250 W	400 W	814 W	1,949 W	911 W	2,549 W	420 W	854 W	2,420 W	5,752 W	238% W
4b. Jobs in Existing Firms	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>232</u>	<u>0</u>	<u>44</u>	<u>0</u>	<u>276</u>	<u>ID***</u>
	0 M	0 M	0 M	0 M	0 M	0 M	0 M	138 M	0 M	25 M	0 M	163 M	ID***
	0 W	0 W	0 W	0 W	0 W	0 W	0 W	94 W	0 W	19 W	0 W	113 W	ID***
5. Number of municipal associations assisted and strengthened by MCP technical assistance	0	0	2	2	2	2	0	0	0	0	4	4	100%
6. Number of municipalities certified as business-friendly	0	0	0	0	25	19	0	0	0	0	25	19	76%
7. Number of MCI municipalities that have increased their competitiveness in providing services to businesses and investors as determined by the MCI ⁽⁵⁾	0	0	0	0	50	50	0	0	0	0	50	50	100%
8. MCI rounds implemented in 2011 and 2013	1	1	0	0	1	1	0	0	0	0	2	2	100%
9. Number of MCP-assisted municipalities that have simplified procedures in registration, permitting, and licensing for facilitating business ⁽⁶⁾	0	0	8	7	23	3	2	27	1	1	34	38	112%

Performance Indicator	FY 2011		FY 2012		FY 2013		FY 2014		FY 2015		LOP Targets March 2015	Result Through March 2015	% Result Life of Project
	Target	Result											
10. Number of MCP/ (CVPP) assisted municipalities that are beneficiaries of the "Challenge Grant" Program (DF4D)	0	0	0	0	17	20	0	0	0	0	17	20	118%

(M) = men; (W) = women; (Est) = Established; (Reg) Registered

⁽¹⁾ With the exception of Ilobasco, which was substituted by Santiago Nonualco in 2010, the project assisted the same 50 municipalities each year. During the extension period, the assistance focused on 20 of those 50 municipalities.

⁽²⁾ Additional training activities took place due to increased demand on the part of the municipalities and the need to include the new economic terms evenly among partners.

⁽³⁾ Effectiveness of the one stop windows model contributed to better methods for data collection. Therefore, the number of firms registered became more precise, increasing the achievements for this indicator

⁽⁴⁾ This increased results depends directly of one stop windows effectiveness.

⁽⁵⁾ MCI results from 2009 and 2011 are not fully comparable with the 2013 due to expected improvements in the methodology throughout development of the Index. MCI 2013 becomes the baseline for future MCIs that will be constructed by ESEN.

⁽⁶⁾ Efficiency in implementation of one stop windows (SIMTRA model), contributed to additional demand for this service by other municipalities. Original contract was 15.

B. Overall MCP Extension Period Performance

The MCP extension period's work continued the original period's work in 20 municipalities. Work during the extension focused on providing tools and equipment to the new EMPREs and strengthening the six originally established EMPREs. All EMPRE officials completed their training, while additional activities aimed at strengthening MCC members were developed.

The results achieved for the extension period are detailed in *Table 23a and Table 23b*.

Table 23a: Overall project performance (June 2014–March 2015) by quarter

Performance Indicator	Quarterly Activity (Jul–Sep. 2014)		Quarterly Activity (Oct–Dec. 2014)		Quarterly Activity (Jan–Mar. 2015)		LOP Targets Extension Period	Result Through Extension Period	% Result Extension Period	LOP Targets March 28, 2015	Result Through March 28, 2015	% Result Life of Project
	Target	Result	Target	Result	Target	Result						
1. Number of municipalities receiving U.S. Government (USG) assistance to improve their performance ⁽¹⁾	20	20	20	20	0	0	20	20	100%	50	50 ⁽¹⁾	100%

Performance Indicator	Quarterly Activity (Jul–Sep. 2014)		Quarterly Activity (Oct–Dec. 2014)		Quarterly Activity (Jan–Mar. 2015)		LOP Targets Extension Period	Result Through Extension Period	% Result Extension Period	LOP Targets March 28, 2015	Result Through March 28, 2015	% Result Life of Project
	Target	Result	Target	Result	Target	Result						
2. Number of participants in trade and investment environment trainings ⁽²⁾	<u>60</u>	<u>169</u>	<u>280</u>	<u>148</u>	<u>60</u>	<u>447</u>	<u>400</u>	<u>764</u>	191%	<u>3,940</u>	<u>6,062</u>	<u>154%</u>
	36 M	78 M	168 M	95 M	36 M	238 M	240 M	411 M	171% M	2,384 M	2,955 M	124% M
	24 W	91 W	112 W	53W	24 W	209 W	160 W	353 W	221% W	1,556 W	3,107 W	200% W
3. Number of new firms registered in assisted municipalities ⁽³⁾	<u>0</u>	<u>0</u>	<u>0</u>	<u>425</u>	<u>315</u>	<u>233</u>	<u>315</u>	<u>658</u>	<u>209%</u>	<u>1,765</u>	<u>3,952</u>	<u>224%</u>
	0 Est	0 Est	0 Est	412 Est	315 Est	233 Est	315 Est	645 Est	205% Est	1,040 Est	3,895 Est	375% Est
	0 Reg	0 Reg	0 Reg	13 Reg	0 Reg	0 Reg	0 Reg	13 Reg	ID***	725 Reg	57 Reg	8% Reg
4. Number of new jobs created as a result of USG assistance ⁽⁴⁾	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,158</u>	<u>1,050</u>	<u>538</u>	<u>1,050</u>	<u>1,696</u>	<u>162%</u>	<u>6,050</u>	<u>11,841</u>	<u>196%</u>
	0 M	0 M	0 M	558 M	630 M	265 M	630 M	823 M	131% M	3,630 M	5,976 M	165% M
	0 W	0 W	0 W	600 W	420 W	273 W	420 W	873 W	208% W	2,420 W	5,865 W	242% W
4a. Jobs in New Firms	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,114</u>	<u>1,050</u>	<u>538</u>	<u>1,050</u>	<u>1,652</u>	<u>157%</u>	<u>6,050</u>	<u>11,565</u>	<u>191%</u>
	0 M	0 M	0 M	533 M	630 M	265 M	630 M	798 M	127% M	3,630 M	5,813 M	160% M
	0 W	0 W	0 W	581 W	420 W	273 W	420 W	854 W	203% W	2,420 W	5,752 W	238% W
4b. Jobs in Existing Firms	<u>0</u>	<u>0</u>	<u>0</u>	<u>44</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>44</u>	<u>ID***</u>	<u>0</u>	<u>276</u>	<u>ID***</u>
	0 M	0 M	0 M	25 M	0 M	0 M	0 M	25 M	ID***	0 M	163 M	ID***
	0 W	0 W	0 W	19 W	0 W	0 W	0 W	19 W	ID***	0 W	113 W	ID***
5. Number of municipal associations assisted and strengthened by MCP technical assistance	0	0	0	0	0	0	0	0	0%	4	4	100%
6. Number of municipalities certified as business-friendly	0	0	0	0	0	0	0	0	0%	25	19	76%
7. Number of MCI municipalities that have increased their competitiveness in providing services to businesses and investors	0	0	0	0	0	0	0	0	0%	50	50	100%

Performance Indicator	Quarterly Activity (Jul–Sep. 2014)		Quarterly Activity (Oct–Dec. 2014)		Quarterly Activity (Jan–Mar. 2015)		LOP Targets Extension Period	Result Through Extension Period	% Result Extension Period	LOP Targets March 28, 2015	Result Through March 28, 2015	% Result Life of Project
	Target	Result	Target	Result	Target	Result						
as determined by the MCI ⁽⁵⁾												
8. MCI rounds implemented in 2011 and 2013	0	0	0	0	0	0	0	0	0%	2	2	100%
9. Number of MCP-assisted municipalities that have simplified procedures in registration, permitting, and licensing for facilitating business ⁽⁶⁾	0	0	1	1	0	0	1	1	100%	34	38	112%
10. Number of MCP/ (CVPP) assisted municipalities that are beneficiaries of the “Challenge Grant” Program (DF4D)	0	0	0	0	0	0	0	0	0%	17	20	118%

(M) = men; (W) = women; (Est) = Established; (Reg) Registered

⁽¹⁾ With the exception of Ilobasco, which was substituted by Santiago Nonualco in 2010, the project assisted the same 50 municipalities each year. During the extension period, the assistance will focus on 20 of those 50 municipalities

⁽²⁾ Additional training activities took place due to increased demand on the part of the municipalities and the need to include the new economic terms even among partners

⁽³⁾ Effectiveness of one stop windows model contributed to better methods for data collection, therefore, the number of firms registered became more precise, increasing the achievements for this indicator

⁽⁴⁾ This increased results depends directly of one stop windows effectiveness

⁽⁵⁾ MCI results from 2009 and 2011 are not fully comparable with the 2013 due to expected improvements in the methodology throughout development of the Index. MCI 2013 becomes the baseline for future MCIs that will be constructed by ESEN

⁽⁶⁾ Efficiency in implementation of one stop windows (SIMTRA model), contributed to additional demand for this service by other municipalities. Original contract was 15.

Table 23b: Overall project performance (June 2014–March 2015) by quarter

Performance Indicator	Quarterly Activity (Jul–Sept 2014)		Quarterly Activity (Oct–Dec 2014)		Quarterly Activity (Jan–Mar 2015)		Extension Period Activity (June 2014–Mar 2015)		% Results Extension Period
	Targets	Results	Targets	Results	Targets	Results	Targets through March 28, 2015	Results through March 28, 2015	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
1.1.4 Number of MCP-assisted municipalities that have simplified administrative procedures in business registration, permitting, and licensing [†]	0	0	1	1	0	0	1	1	100%
1.1.7 Number of new firms registered in assisted municipalities [*]	<u>0</u>	<u>0</u>	<u>0</u>	<u>425</u>	<u>315</u>	<u>233</u>	<u>315</u>	<u>658</u>	<u>209%</u>
a. Newly established (est.) and registered firms **	0 Est	0 Est	0 Est	412 Est	315 Est	233 Est	315 Est	645 Est	205% Est
b. Newly registered (reg.) existing firms **	0 Reg	0 Reg	0 Reg	13 Reg	0 Reg	0 Reg	0 Reg	13 Reg	ID***
1.1.8 Number of new jobs created as a result of USG assistance [*]	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,158</u>	<u>1,050</u>	<u>538</u>	<u>1,050</u>	<u>1,696</u>	<u>162%</u>
	0 M	0 M	0 M	558 M	630 M	265 M	630 M	823 M	131% M
	0 W	0 W	0 W	600 W	420 W	273 W	420 W	873 W	208% W
a. New jobs associated with 1.1.7.a **	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,114</u>	<u>1,050</u>	<u>538</u>	<u>1,050</u>	<u>1,652</u>	<u>157%</u>
	0 M	0 M	0 M	533 M	630 M	265 M	630 M	798 M	127% M
	0 W	0 W	0 W	581 W	420 W	273 W	420 W	854 W	203% W
b. New jobs associated with 1.1.7.b **	<u>0</u>	<u>0</u>	<u>0</u>	<u>44</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>44</u>	ID***
	0 M	0 M	0 M	25 M	0 M	0 M	0 M	25 M	ID***
	0 W	0 W	0 W	19 W	0 W	0 W	0 W	19 W	ID***
6.1 Number of municipalities with EMPRE units established and strengthened [†]	6	14	14	6	0	0	20	20	100%
6.2 Number of links with service providers established	0	34	20	64	36	24	56	122	218%
6.3 Number of municipal officials trained in information, financial, administrative, and technical areas [§]	<u>60</u>	<u>68</u>	<u>80</u>	<u>99</u>	<u>0</u>	<u>387</u>	<u>140</u>	<u>554</u>	<u>396%</u>
	36 M	30 M	48 M	60 M	0 M	205 M	84 M	295 M	351% M
	24 W	38 W	32 W	39 W	0 W	182 W	56 W	259 W	463% W

Performance Indicator	Quarterly Activity (Jul–Sept 2014)		Quarterly Activity (Oct–Dec 2014)		Quarterly Activity (Jan–Mar 2015)		Extension Period Activity (June 2014–Mar 2015)		% Results Extension Period
	Targets	Results	Targets	Results	Targets	Results	Targets through March 28, 2015	Results through March 28, 2015	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
6.4 Number of linkages for assistance to business from services providers realized [Ⓢ]	0	263	140	1,859	350	888	490	3,010	614%
7.1 Number of municipalities with competitiveness committees strengthened	0	0	20	20	0	0	20	20	100%
7.2 Number of MCC members, industry groups, government officials, and other stakeholders trained on activities related to increasing public-private dialogue and participatory local economic development [§]	<u>0</u>	<u>101</u>	<u>200</u>	<u>49</u>	<u>0</u>	<u>60</u>	<u>200</u>	<u>210</u>	<u>105%</u>
	0 M	48 M	120 M	35 M	0 M	33 M	120 M	116 M	97% M
	0 W	53 W	80 W	14 W	0 W	27 W	80 W	94 W	118% W
7.3 Number of municipal competitiveness plans revised to reflect the progress and needs of the municipalities	0	0	20	7	0	13	20	20	100%
8.1 Number of local subcontractors with increased capacity to manage donor funds [†]	0	0	0	0	2	2	2	2	100%
8.2 Ranking of Local Organizational Capacity Assessment by one category	0	0	0	0	2	1	2	1	50%
8.3 Number of employees from the two local organizations trained on technical, organizational, financial, and/or management/administrative areas of work	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20</u>	<u>46</u>	<u>20</u>	<u>46</u>	<u>230%</u>
	0 M	0 M	0 M	0 M	12 M	17 M	12 M	17 M	142% M
	0 W	0 W	0 W	0 W	8 W	29 W	8 W	29 W	363% W

(M) = men; (W) = women; (Est) = Established; (Reg) Registered

[†] Original period indicator

** Targets were not defined in a quarterly basis. Determined for the extension period

*** Indeterminate

[†] The target was 14 municipalities with new EMPREs established and six municipalities with EMPREs (already created) strengthened.

[§] Indicators 6.3 and 7.2 are part of the Performance Indicator "Number of participants in trade and investment environment trainings". Life of project (LOP) target was 3,940 trained (2,364 Men and 1,576 Women). MCP Main Performance Indicator Summary Table, Indicator 2.

[†] Two subcontractors moving up to moderate or high level in ranking *Evaluación Participativa de Capacidades Institucionales* (EPCI).

[Ⓢ] Link refers to the first contact between the EMPRE and the business service provider, no service has been rendered at this time. Linkage refers to an effective service provided such as technical assistance, training or financial service, etc.

Annex A: MCP Intervention GIS Maps

Maps attached in separate PDF.
