

**U.S.-MEXICO PARTNERSHIP  
for  
MUNICIPAL DEVELOPMENT  
Extension Period (Phase II)**

**USAID FY2003 Performance Report  
October 1, 2002-September 31, 2003**

Prepared for  
USAID/Mexico

By

**INTERNATIONAL CITY/COUNTY MANAGEMENT ASSOCIATION  
Cooperative Agreement Award No. 523-A-00-97-00008-00**

**FY 2003 Performance Report: October 1, 2002 – September 30, 2003**  
**U.S.-Mexico Partnership for Municipal Development**  
**Cooperative Agreement No. 523-A-00-97-00008-00**

**Implemented by the**  
**International City/County Management Association**

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**OVERVIEW: DEVELOPMENT CHALLENGES AND ISSUES AFFECTING PERFORMANCE**

Mexico’s journey toward more open and democratic society has gone through high and low points. It started almost 20 years ago at the municipal government level with opposition parties winning local elections and experimenting with offering better governance. Democracy started slowly at first but eventually prospered, as did offers of better governance. Then expectations began to overrun the potential for continuing the pace of improvement, and the country had to face general disillusionment and a yearning for the “good old days.” Now the challenge is to achieve practical compromises among the many political factions so citizens can see tangible results from Mexico’s hard-won democracy.

As Mexico continues to make progress, not all sides will be satisfied with the pace. Also, the country will have find a balance between the political forces struggling to keep their traditional hold on power and the forces pushing for better services and for fundamental changes in how government does business. The going has been hard, but there is every reason to believe that the country will eventually find its way.

In this environment of progress toward a more open society, ICMA has established itself as a politically neutral and knowledgeable participant in the debate on such key issues as decentralization, transparency, and citizen involvement in government decision making. Through the U.S.–Mexico Partnership for Municipal Development (the Partnership), ICMA has provided key expertise in the precise areas where government is feeling the greatest pressure for improvement and where the capacity to respond is the weakest: basic government services. ICMA will continue to play a significant role in the national policy dialogue for some time to come, as the pressure remains high for the government to translate the country’s gains in democracy and openness into tangible improvements in the local quality of life.

ICMA's overarching strategy of focusing on the system of incentives and disincentives that guide government behavior has proven successful. This strategy has allowed significant steps to be taken toward introducing new incentives for good governance and meaningful citizen involvement. It has led to the launching of new mechanisms that enhance the public's ability to discern between good and bad local government performance, and it has guided ICMA to work effectively with the key national institutions that influence Mexican local government and control the decentralization process.

The major impediment ICMA encountered was the lack of continuity of key officials in the partner federal agencies. Another significant issue that affected the Partnership's performance was the delay and reduction of USAID funding. This caused ICMA to slow down its activities starting in late April 2003, since it was not clear when the funds would be obligated. The funds were finally obligated in late August, but they were almost 25 percent less than the amount stipulated in ICMA's cooperative agreement. The major impacts of this reduced funding were that ICMA could not fully follow through with its commitment to help INDETEC (Instituto para el Desarrollo Técnico de las Haciendas Públicas) complete the tools for its chief financial officer certification program and that ICMA could not publish a number of important documents. These included a write-up of the lessons learned from the conference, a report on the methodology for generating good practices with ASOFIS (the National Association of State Comptrollers), and the report on the fiscal decentralization studies.

## **SUMMARY OF ACTIVITIES**

Over the past two years, ICMA has focused on working with state and federal agencies that offered the capacity to introduce new incentives for good governance. From the long list of possible issues, ICMA chose to work on those that could have the greatest impact on how government functioned; namely, financial management, transparency, and public accountability.

ICMA's activities have been concentrated in six core areas:

1. Professionalism in Municipal Government
2. Fiscal Policy Reform
3. Comparative Performance Measurement
4. Transparency and Audits
5. Information Dissemination
6. Municipal Association Strengthening.

These activities have been aimed at bolstering the current decentralization process in Mexico. ICMA's activities have responded to USAID's Strategic Objective of "more democratic processes achieved in key government institutions" and its corresponding intermediate result of "more effective local governance." The goal is to strengthen democracy by building the capacity of state and local governments to more effectively deliver services, and encourage the use of transparent processes that promote citizen involvement and confidence in local governance.

ICMA activities involved:

- Developing tools for human resource management
- Defining the options available for framing the discussion on fiscal decentralization
- Assisting the federal government to streamline the loan application process for municipalities and identifying what technical assistance they need to improve their performance
- Developing indicators for comparative performance measurement
- Designing methodologies for improving government transparency and assisting state auditors to provide incentives for their government institutions to perform well
- Providing institutional strengthening assistance to the municipal associations
- Disseminating information through publications and a conference.

### **INPUTS, OUTPUTS, AND ACTIVITIES**

Since ICMA's contract will end in the first quarter of FY 2004, there is nothing to report regarding the program plans. The activities for the last quarter of the cooperative agreement are concentrated on closeout issues.

### **PRINCIPAL CONTRACTORS, GRANTEEES, AGENCIES, OR PARTNERS**

<b>Partner</b>	<b>Project</b>
INDETEC	Certification of Municipal Officials
	Fiscal Decentralization
INAFED	Development of Technical Norms for Labor Competency
	Professionalism Forum
	Federal agency programs
BANOBRAS	Loan programs selection tool
Office of the State Auditor of Campeche	Tools to classify good performance to assist the audit process
CESEM	CIMTRA - Transparency Measurement
Vertebra	CIMTRA - Transparency Measurement
Alianza Cívica	CIMTRA - Transparency Measurement
Localis	CIMTRA - Transparency Measurement
COPARMEX	CIMTRA - Transparency Measurement
ACCEDDE	Citizen Advisory Board
	Open and Participatory Budget Process
CODESIN	Impact of good service in economic development and establishment of indicators to promote good government services
	Citizen Advisory Board
AMMAC	Performance Measurement Consortium
	Good Practices Dissemination and Conference
	Technical assistance to strengthen the institutional capacity of the municipal associations

	Technical assistance to promote collaboration among municipal associations
Municipalities of Cuquio and Monterrey	Open and Participatory Budget Process
SECODAM	Publication of materials that define transparency standards
	Publication of materials on internal auditors
AALMAC	Good Practices Dissemination and Conference
	Technical assistance to strengthen the institutional capacity of the municipal associations
	Technical assistance to promote collaboration among municipal associations
FENAMM	Good Practices Dissemination and Conference
	Technical assistance to strengthen the institutional capacity of the municipal associations
	Technical assistance to promote collaboration among municipal associations
ASOFIS	Publication of materials to promote good management practices

<b>Sub-grantees</b>	<b>Project</b>
ACCEDDE	Operational support for the citizen advisory boards in two municipalities
CESEM	Support as technical secretariat for the CIMTRA
Alianza Cívica	Support for the model for measuring transparency in municipalities

## **OTHER DONOR PROGRAMS**

There were no direct activities in which other donors participated, besides the partner institutions that provided in-kind contributions.

## **PERFORMANCE AND RESULTS**

ICMA completed a number of activities in the six core areas. The description of these activities includes a summary of outputs/deliverables and performance indicators, along with their results.

### **1. Professionalism in Municipal Government**

The activities in this area have involved developing incentives for the recruitment and retention of qualified key personnel.

#### ***Certification Program for Municipal Chief Financial Officers***

One of ICMA's major activities has been to assist INDETEC to design and implement the certification program for municipal chief financial officers. This program uses a phased process that develops candidates for a career in government administration instead of using the traditional approach of issuing certificates to everybody who has taken the required courses. The program was met with widespread interest immediately upon startup, garnering the support of

more than 20 Mexican organizations from the public, private, and academic sectors, which agreed to serve on the program's Advisory Board.

<b>Outputs/Deliverables</b>	<b>Results</b>
Accreditation phase of municipal chief financial officers fully implemented	The accreditation phase started on August 22, 2003, with the first module of the training program for the accreditation phase.
Certification program established for municipal financial officers	The program was formally launched with the formation of the Advisory Board and the naming of the Technical Committee members on February 27, 2003.

<b>Indicators</b>	<b>Benchmark</b>	<b>Results</b>
Number of applicants to the chief financial officer certification program	200 for the first group and an additional 300 for the second group in 2003	3 groups of 50 people started the training for accreditation
Number of financial officers accredited from the first group of applicants	150	None yet, since the program has not reached that stage

### ***Technical Norms for Labor Competency***

Also in the area of professionalism, ICMA helped the Instituto Nacional para el Federalismo y Desarrollo Municipal (INAFED) develop four Technical Norms for Labor Competency.

<b>Outputs/Deliverables</b>	<b>Results</b>
Technical Norms for Labor Competency for municipal officer performance developed and officially published	As planned, four norms were developed and extensively reviewed; however, INAFED decided to postpone their publication until it is defined how they are going to be used within a more comprehensive professionalization program.

<b>Indicator</b>	<b>Benchmark</b>	<b>Results</b>
Number of Technical Norms for Labor Competency officially published	Four (for financial officers, economic development officers, municipal clerks, and public works officers)	All four norms were fully developed

The effort to develop the norms required considerable resources, since the draft norms were reviewed more than once. This happened because the organization in charge of the development methodology, CONOCER, had no previous experience in the public sector. Additionally, INAFED and CONOCER never formally agreed on how the norms would be used. ICMA pushed for a second review of the norms because the finished draft contained too many deficiencies.

***Diagnostic of Organizational Structure***

As a complement to ICMA’s work on professionalization, ICMA helped INAFED develop a diagnostic of the organizational structure of a group of municipalities in the state of Morelos.

<b>Outputs/Deliverables</b>	<b>Results</b>
The ICMA-sponsored participation of U.S. and Mexican experts in debates on human resource management systems, including the option of civil service for local government.	ICMA supported a pilot program for the state of Morelos that identified an organizational structure diagnostic and the main tasks for four municipalities. This information will be used to help new elected authorities improve their human resource management practices in Morelos and elsewhere in Mexico.

The work in Morelos concluded with ICMA recommending to the outgoing mayors that they create citizen advisory boards to help ensure continuity of the reform measures they initiate. The recommendation included the adoption of a CAFIM-like (see below) model municipal regulation that sets up a citizen advisory board together with its operating guide.

**2. Fiscal Policy Reform**

***Proposals for Fiscal Decentralization***

Fiscal reform and decentralization has been at the forefront of the political debate in Mexico for several years. Most of the discussion was based on a traditional view of the issues and centered on the best use of the “traditional” tools for distributing federal revenue until ICMA joined forces with INDETEC to inject new proposals into this debate. ICMA contracted with DevTech to help develop these proposals and clearly define the relationships in the current system of federal revenue sharing. The effort resulted in three separate studies aimed at providing new information and defining the key variables for the analysis of the tax collection and revenue sharing systems. The studies were discussed twice with state and federal fiscal officials to get their comments and feedback. The first discussion of the studies took place when the project was 60 percent complete; the second discussion took place when the studies could be presented as final drafts.

<b>Outputs/Deliverables</b>	<b>Results</b>
A general diagnostic of the fiscal decentralization process	DevTech developed the diagnostic after discussion with INDETEC staff and analysis of the notes from more than two years of meetings of Mexico's National Fiscal Coordination System.
Workshops with stakeholders to discuss alternatives and technical studies needed to define technical proposals for fiscal decentralization	Two workshops were conducted with state and federal officials to discuss the analyses developed to support the discussion on alternatives for fiscal decentralization (see table below).
Technical proposals for fiscal decentralization policy change and implementation	Three studies were developed to introduce alternative ways to analyze the impact of fiscal decentralization.
Publication of the proposal and supporting technical studies	The three studies will be published, although the document may be available only in electronic format.

<b>Indicator</b>	<b>Benchmark</b>	<b>Results</b>
Technical proposals for fiscal decentralization developed by stakeholders	Yes/No	Yes
Number of state institutions participating in the development of technical proposals	TBD	See table below

<b>Participants</b>	<b>First Workshop (INDETEC)</b>	<b>Second Workshop (MEXICO CITY)</b>
Non-fiscal-related federal officials		5
Academic institutions		11
Congressmen and senators (and assistants)		3
Fiscal officials (federal, Mexico City ward, and state)	4 <sup>a</sup>	37 <sup>b</sup>
Municipal officials		2
Local congressmen		3
INDETEC	13	10
ICMA and USAID	3	7
Speakers		7 <sup>c</sup>

Investigators	3	3
Other		1 <sup>d</sup>
<b>TOTAL</b>	<b>23</b>	<b>89</b>

Notes:

- a. Participants were state fiscal officials from three states.
- b. There were 17 federal and 20 state officials from 12 states, including the Mexico City ward.
- c. Three State Finance Secretaries assisted as speakers.
- d. The other participant in the second workshop was from the press.

The feedback on the final draft studies was very positive. Despite concerns about the opinions some of the state financial officials would have of the results, their comments were all complimentary of the approach taken in the studies. Even some researchers expressed their approval of the approach. Perhaps the only strong comments came from an official representing the Education Ministry, who questioned the data underlying one of the studies. It was explained that the researchers worked with the only information that was available. When the official was asked to provide detailed information to complement the study, she backed off.

It is very unlikely that ICMA will be able to print the report on the studies due to reduced program funding. Nevertheless, ICMA and INDETEC will make the document available electronically.

In the fiscal decentralization discussion, a common comment is that municipalities are not taking full advantage of the property taxes they are responsible for collecting. ICMA supported INDETEC in its efforts to address the issue of property tax appraisal and collection, and present alternative sources for local revenue. ICMA supported INDETEC's efforts to hold the first two seminars on Alternative Funding Sources for Municipalities (2002 and 2003). ICMA also supported INDETEC's bid for Mexico to host the 2004 Annual Conference of the International Property Tax Association.

### ***Capital Financing***

One important incentive for municipalities to improve their performance is cheaper and easier access to capital financing from the federal government. With this objective in mind, ICMA worked with the Mexican Development Bank, BANOBRAS (Banco Nacional de Obras Públicas), to develop a system for classifying the financial health and institutional capacity of its client local and state governments. The new tool allows BANOBRAS to streamline the application and selection process, while also identifying the technical assistance that local governments need in order to improve. Due to two changes in the Bank's leadership, the testing and application of the tool was halted. The Bank's staff, who worked with ICMA in the development of the tool, has been briefed on what they need to do to perform the test and apply the tool.

<b>Outputs/Deliverables</b>	<b>Results</b>
Development of methodology for classifying municipalities to serve as the basis for defining the technical assistance packages provided by BANOBRAS	A methodology that resulted in a tool was fully developed. The tool consists of nine indicators, and a set of conditions for each indicator that helps identify the level of institutional development.

<b>Indicator</b>	<b>Benchmark</b>	<b>Results</b>
Number of loan programs as a share of the total administered by BANOBRAS servicing municipalities that use the methodology	66%	The tool has not been applied since it still needs to be tested.

***Coordination Framework***

INAFED started an initiative, called “Desde lo Local,” to develop a framework for coordinating the activities of the federal agencies that regulate or offer grant funds to local governments or have programs that directly impact municipal governments. For this initiative ICMA helped INAFED develop a tool that could serve as the framework for coordinating the efforts of federal agencies working in the local government sector. The tool is a self-diagnostic of local conditions that analyzes four areas using 39 indicators. “Desde lo Local” lasted for two years and underwent a number of strategy changes made by INAFED. The initiative also widened its circle of participants to include the University of Nuevo Leon (UANL). The final draft was completed under the authorship of UANL and accepted by INAFED in mid-2003. ICMA’s view is that the tool needs further refining through extensive field testing.

<b>Outputs/Deliverables</b>	<b>Results</b>
Development of tools/criteria for classifying municipal development levels	ICMA provided feedback to INAFED in how to further refine the tool that was developed jointly.

**3. Comparative Performance Measurement**

ICMA continued to provide direct assistance to the Association of Mexican Municipalities (AMMAC) to strengthen its Performance Measurement Consortium. AMMAC’s Performance Measurement Consortium is now being supported entirely by the Consortium members’ fees. Due to political changes, some municipalities will leave the Consortium and new ones will join it every year. The data collection and indicators value report process is close to being fully established; however, AMMAC’s staff and the municipal representatives in the Consortium will need to apply themselves to maintain the quality and integration of the data processing (collection, reporting, and analysis).

<b>Outputs/Deliverables</b>	<b>Results</b>
An indicator set that measures performance of key municipal management areas	The indicator set was completed with 50 indicators covering nine areas.
User manual on the application of the indicator set	A manual was developed and is being used by the Consortium members.
Indicator data sets and benchmarks from groups of municipalities participating in the consortium	The Consortium was able to present results for 2001; in addition, it was possible to assess some indicators for two or three previous years. The indicators for 2002 were assessed but have not been released yet.

<b>Indicator</b>	<b>Benchmark</b>	<b>Results</b>
Number of additional municipalities actively participating in the Consortium and providing information for the indicator data set.	5	The number of municipalities in the Consortium grew to 21 from 16 in the previous year, achieving the goal set for the year.

**4. Transparency and Audits**

ICMA worked intensively on mechanisms to improve the culture of transparency in Mexican government. ICMA assisted in the development of a tool, named the CIMTRA (Citizens for Transparent Municipalities), for civil society to measure transparency and recommend best practices for transparency.

In addition, ICMA helped establish and continues to work with the consortium of NGOs that developed the CIMTRA. As a result, COPARMEX, the national umbrella organization of 52 local businessperson centers, joined the program and started promoting the CIMTRA. So far the CIMTRA has been applied in 18 municipalities and 2 wards in Mexico City. CIMTRA training has been held in nine states, and for at least one municipality the CIMTRA has been applied twice.

<b>Outputs/Deliverables</b>	<b>Results</b>
Validated measurement tool to assess the level of transparency in a municipality	The CIMTRA tool has been fully applied. The tool has been applied in at least one municipality twice, which shows the tool's potential to help NGOs provide objective feedback to the municipalities in the area of transparency.

<b>Indicator</b>	<b>Benchmark</b>	<b>Results</b>
Number of organizations applying the transparency measurement tool	20	10
Number of municipalities whose level of transparency has been assessed	25	20

The impact of the CIMTRA fell short of ICMA’s expectations due to the prevailing belief of many of its promoters that they had to have permission from the mayors to apply it. It is better if the mayor and the council support the CIMTRA, but it is not a necessary condition. Nevertheless, in several instances application of the CIMTRA was delayed for fear of upsetting the authorities. Fortunately, ICMA is now seeing cases where local NGOs are applying the CIMTRA without seeking the prior consent of the mayor, and the mayor is accepting the CIMTRA’s results anyway.

The CIMTRA program will require some financial support to keep it going because training, quality control, and some promotional effort will be needed. As the CIMTRA is applied to more municipalities and the results are disseminated, the demand for the CIMTRA will grow over the long term, creating a client base to support it.

***Incentives for Financial Performance***

Officials in Mexican municipalities enjoy few incentives for good performance. For example, official financial audits performed by the state congress do not offer any incentives to municipalities that perform better. These audits usually consist of reviewing the accounting records and backup material, as well as making basic evaluations of completed infrastructure projects. For the accounting audits, some states ask all their municipalities, regardless of size and complexity of operations, to send all the original records as backup to the accounting and financial statement reports.

To better assess financial performance, ICMA worked with the State Auditor of Campeche to implement a system that in time will be able to provide incentives to municipalities that perform better and have strong institutional processes. The Campeche program started with the development of a set of ten financial indicators to quickly assess the financial health of each municipality. Later, nine additional indicators were added to measure the level of performance of the municipalities in other areas. Once the indicators were developed and tested for two years, a legislative bill was drafted to use the indicators as a basis for recognizing municipalities that perform better. In early summer, the bill was passed. The recognition program is now being implemented by the State Auditor and the state universities, which are creating a technical committee that will function as the independent decision-making body for the recognition program.

The Campeche program has been selected by the Ford Foundation-CIDE Municipal Award Program to receive the first-ever special recognition of a state that promotes good municipal practices.

Outputs/Deliverables	Results
Criteria/indicators to measure and classify financial health, general performance, and management practices	A set of 19 indicators was created to measure the level of performance of a municipality. Ten indicators assess the financial health of the municipality; the other nine measure performance in several other areas. A state law was enacted to use the indicators to recognize good performance among the state’s municipalities.

**Citizen Involvement**

Government cannot achieve transparency and accountability alone; citizens must also participate in the effort. ICMA worked with several municipalities to develop a mechanism for citizen involvement in government issues. As a result of these efforts, the CAFIM (Citizen Advisory Board for Municipal Institutional Strengthening) model was developed. The CAFIM model was first tested in three municipalities in Sinaloa and two in Jalisco. In the last year, two of those CAFIMs were formally adopted: the Solid Waste Committee in Culiacan, Sinaloa, and the Water Department Committee in Zapotlanejo, Jalisco. In both cases, the CAFIMs and their operating guidelines were created by municipal council resolutions.

Outputs/Deliverables	Results
Operating guidelines/manual for CAFIMs	A standard council resolution for the formation and operation of the CAFIM was refined and passed by two municipal councils.

Indicator	Benchmark	Results
Number of municipalities with operational Citizen Advisory Boards	4	2

The number of municipalities that adopted CAFIMs fell short of the target. Some municipalities that were part of the project could not create the boards, due primarily to the limited political will of the mayor or negative pressure from several council members who disliked the idea of “opening the municipalities to people who can give away information.” ICMA’s work with one municipality (Navolatos, Sinaloa) resulted in the creation of a municipal program to teach citizens about the municipal government. The program, “Academia Ciudadana,” is based on what some U.S. cities have been doing to teach citizens how city governments operate. The program exposes citizens to the details of city operations and challenges. Cities that have participated in the ICMA program, like Chandler and Yuma, Arizona, have similar programs that served as models for the Navolatos program.

## ***Financial Management and Budgeting***

Financial management has been a sore issue for Mexican municipalities. On one hand, they complain about not having enough resources, while on the other hand, the citizens and other levels of government frequently report what may be poor management or mismanagement of resources. To resolve this issue, ICMA collaborated with the three municipal associations in publishing an easy-to-follow guide for developing an open and participatory budget process. Likewise, ICMA provided a grant to ACCEDDE to develop, based on its work with the municipality of Cuquio, Jalisco, a booklet on the operation of the finance department. ACCEDDE was able to complete a rough draft but had to stop work on it due to funding delays. Later, when ICMA received less funding than expected, it was decided that it was not possible to continue with the ACCEDDE work.

<b>Outputs/Deliverables</b>	<b>Results</b>
Manual on an open and participatory budget process	A booklet was published on ten steps for setting up a budget process cycle, including steps for sharing the proposed budget with the citizens for their comments. The booklet was published in conjunction with the three municipal associations.
Booklet on the functions of municipal finance departments	A rough draft was prepared by ACCEDDE, a sub-grantee. However, ACCEDDE was unable to complete the work due to a shortfall in program funding.

## **5. Information Dissemination**

This area has been essential for ICMA in the last year of the cooperative agreement. Information dissemination has presented the opportunity to share the experience of several years of promoting changes in the municipalities' operations, as well as the establishment of incentives for good governance in local government.

To share its experience, ICMA published two booklets: "Ten Steps for Preparing and Implementing a Municipal Government Budget" ("Diez Pasos para Elaborar y Operar un Presupuesto") and "Reflections on and Practices of Good Government" (Reflexiones y Prácticas de Buen Gobierno). The former was produced in partnership with COPARMEX, the national umbrella organization of 52 local businessperson centers. The Good Government booklet is a summary of ICMA's messages presented during the last five years to municipal officials, the business community, academics, and NGOs in Mexico.

Due to funding limitations, ICMA will not be able to print other publications on government comptrollers as well as mechanisms for chief financial officers to address audit recommendations so that they become good practices. ICMA also wanted to print several other publications such as:

- A case study of a group of citizens in Ciudad Juarez, Chihuahua, that are successfully demanding that the appointees of elected officials meet some basic criteria depending on the position
- A study of the status of the municipal and state debt in the north of Mexico (INDETEC)
- A case study of the public-private partnership to promote economic development in Sinaloa (CODESIN)
- The manual on the state of Campeche’s indicators
- A sequel to the Municipal Transparency booklet with the Secretaría de la Función Pública (SFP).

All these publications are or will be available through the Internet site that ICMA has set up for the program ([www.alianza-mexusa.org](http://www.alianza-mexusa.org)).

As a further mechanism for disseminating information, ICMA shared its experience in Mexico at the conference organized jointly with the three municipal associations. More than 200 people representing 32 municipalities, federal agencies, universities, and NGOs from 17 Mexican states participated in the conference. There were additional participants from Peru and the United States. The conference used a different program format from the traditional conference in Mexico: ICMA staff presented case studies, summarizing them to make the presentation more succinct. ICMA members from six U.S. cities also shared their experiences as part of the program. The feedback on the conference’s content and format was very positive.

<b>Outputs/Deliverables</b>	<b>Results</b>
Easy-to-read publications on best practices in transparency and auditing at the local level	Two publications were prepared, but due to reduced funding they may not be printed. The booklet “Government Comptroller’s Office ... More Effective Operation” was a joint effort with the SFP. The “Ten Steps for Generating Good Practices in the Management of Municipal Finances” was a joint effort with ASOFIS, the national association of state and federal auditors. A sequel to the Municipal Transparency Booklet with SFP may be developed before ICMA’s cooperative agreement ends.
Publication(s) on good local government practices in Mexico	A booklet, “Reflections on and Practices of Good Government,” was developed and published in partnership with COPARMEX. More than 10,000 copies were distributed through the businessperson centers affiliated with COPARMEX.

Exit conference attended by municipal stakeholders	A successful two-and-a-half day conference was held in August with more than 200 participants. The conference was attended by municipal, state, and federal officials; academics; NGO representatives; and newly elected municipal mayors and council members.
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## 6. Municipal Association Strengthening

ICMA has been working with all three municipal associations since their creation. In all cases, ICMA has continuously recommended to the associations that they strengthen their institutional capacity. To provide more accurate and focused support in this area, ICMA made available to the associations its Association Institutional Development Index to assist them in identifying areas where ICMA technical assistance could be most helpful. Each association used the Index to define two areas, and ICMA staff provided technical assistance in those areas based on ICMA's own experience as an association. As a result of the interaction with ICMA staff, each association defined a set of tasks to be performed and reviewed in a later visit by ICMA staff. Unfortunately, only AMMAC was able to complete its self-imposed tasks, and the second visit by ICMA staff was canceled due to budget constraints.

Outputs/Deliverables	Results
Areas for improvement using a self-assessment tool	All three municipal associations were able to define two areas of improvement using ICMA's self-assessment tool.
Direct technical assistance to the associations in selected areas identified for improvement	ICMA provided direct technical assistance to the associations in the areas they defined.

Indicator	Benchmark	Results
Number of management/administrative areas addressed by technical assistance	4	Six areas were addressed (two for each association).

### *Joint Projects of the Associations*

The political division along party lines of the three associations has traditionally been an issue. However, in the last year, the associations have successfully worked together on a number of issues. Their first joint project that did not involve other levels of government was the conference organized with ICMA.

Outputs/Deliverables	Results
Co-sponsored event with Conference of Municipalities	The conference was organized by the three municipal associations, the network of municipal government researchers (IGLOM), Colegio de Jalisco, and ICMA.

## **SUCCESS STORIES**

ICMA will submit to the Mission, using the USAID format, the following success stories before the end of the cooperative agreement:

- Campeche: Performance Matters, an official recognition program for good governance.
- CIMTRA: Citizens for Transparent Municipalities
- INDETEC: Analysis of Alternatives for Fiscal Decentralization Discussions
- Navolatos: The Citizen Academy, teaching citizens about municipal government
- AMMAC-SINDES: Comparative Performance Measurement to promote good practices
- INDETEC: Multi-phase Certification of Chief Financial Officers.

## **CLOSEOUT**

After seven years of working in Mexico to promote better governance at the municipal government level, ICMA can look back and see that its work has yielded significant progress. During this time, ICMA has been able to work with all the actors, including political parties, to effect changes and influence how those changes are implemented. Since the first exchange activities, ICMA's matching of U.S. cities with Mexican municipalities has resulted in long-lasting institutional and personal relationships. Likewise, ICMA's work with agencies that impact the operations of Mexican municipalities has made it possible to effect legislative changes, as well as establish new practices that have improved the level of transparency of many municipal governments.

The most significant results of ICMA's program are:

- The creation of a certification program for municipal chief financial officers.
- Several technical exchanges that have resulted in ongoing relationships between U.S. cities and Mexican municipalities. These include the adaptation of U.S. cities' practices, like the Citizen Academy in Navolatos, or commercial exchanges and subsequent technical visits between Taos, New Mexico, and Xalisco, Nayarit.
- A state law that created the Recognition Program for Good Government in Campeche. This program has been awarded a special recognition by the Ford Foundation-CIDE National Municipal Award program.
- The CIMTRA program, developed with a consortium of 10 NGOs that in turn have applied it in more than 20 local governments throughout Mexico.
- Three studies that have helped frame the national debate on fiscal decentralization.
- Guidance to AMMAC in establishing a financially self-sufficient program for publishing comparative benchmarks for local government performance.
- Feedback on the discussion of civil service at the municipal government level.
- Opportunities for the business community, through CODESIN and COPARMEX, to learn more about how the local government can and should operate.

- The successful adaptation of practices that increase transparency, promoted in a booklet that has been widely accepted by municipal governments (“14 Actions for Municipal Transparency”).
- A change in the approach of BANOBRAS from a “one size fits all” method to the consideration of several products to account for not only the differences in type and size between municipalities, but also for different levels of institutional capacity.
- Several guides to promote good government practices in general management, resource management, transparency, and citizen participation.

## LIST OF ACRONYMS

AALMAC	Asociación de Autoridades Locales de México
ACCEDDE	Asociación Ciudadana por la Educación
AMMAC	Association of Mexican Municipalities
ASOFIS	National Association of State Comptrollers
BANOBRAS	Banco Nacional de Obras Públicas
CAFIM	Citizen Advisory Board for Municipal Institutional Strengthening
CESEM	Centro de Servicios Municipales Heriberto Jara
CIDE	Centro de Investigación y Docencia Económico
CIMTRA	Citizens for Transparent Municipalities
CODESIN	Consejo de Desarrollo Económico de Sinaloa
CONOCER	Consejo de Normalización y Certificación de Competencia Laboral
COPARMEX	Confederación Patronal Mexicana
FENAMM	Federación Nacional de Municipios de México
ICMA	International City/County Management Association
IGLOM	Network of municipal government researchers
INAFED	Instituto Nacional para el Federalismo y Desarrollo Municipal
INDETEC	Instituto para el Desarrollo Técnico de las Haciendas Públicas
NGO	Nongovernmental organization
SECODAM	Secretaría de Contraloría y Desarrollo Administrativo
SFP	Secretaría de la Función Pública (formerly SECODAM)
SINDES	Program for comparative performance measurement
UANL	University of Nuevo Leon