



PRESS RELEASE

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EL SALVADOR MUNICIPAL COMPETITIVENESS RANKING LAUNCHED

SAN SALVADOR- The U.S. Agency for International Development (USAID), through its Promoting Economic Opportunities Program, launched on February 19 the project entitled, "Municipal Competitiveness Ranking," which will be implemented by RTI International in alliance with the Superior School of Economy and Business (ESEN).

This research will allow to measure how competitive municipalities are and how favorable is the climate for investors and businesses. Also, the ranking will help mayors to increase awareness of the importance of creating a favorable climate for the private sector and to promote a healthy competition among municipalities to improve local policies that foster development.

The ranking will include 10 main indicators that will determine municipalities' climate for improving local economic growth. The following issues will be assessed: entry costs for new businesses; transparency and access to information; crime and security costs; mayors' leadership, among others. As part of the methodology, the ranking tool will measure time to complete processes, percentage of municipal tax rates and customer service.

The six-month study will be conducted by a multidisciplinary team of specialists from ESEN and RTI. A total of 4,000 surveys will be distributed to entrepreneurs and sales people identified under the Economic Census of the Ministry of Economy in the top 100 most densely populated municipalities.

After presenting the results next June, three workshops will be performed in different areas of the country with the participation of representatives of business associations and local authorities to exchange experiences and to contribute to the management improvement.

Enterprises and business associations will be able to use the study results to ask for improvement in local policies and procedures. Also, the central government, the local governments and international donors will use the ranking results to identify best practices among municipalities, reduce obstacles for private sector development at the national level and support the decentralization of investments.

ESEN is a local partner with technical capacity to support the use of the tool and the experience to follow up this initiative in a sustainable manner.

USAID has supported the creation of a similar ranking in Vietnam, at provincial level. After achieving a successful experience, USAID is supporting El Salvador to develop this ranking tool, which makes the country the first one in the Central American region to develop it, this will have a cost of \$382,000.

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