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Dear Tim,

I am writing to inform you of the steps we have taken to formalize the organization (staff and expand the board) and the progress to date. Over the course of the past two months, Funides has worked to develop the organizational structure required in order to meet the goals proposed in the work-plan as well as the process by which we aspire to formally staff the organization.

In terms of **staffing the organization**, we have made progress with the following:

1. **Resume Database** – we began collecting resumes over the past few months, with over 40 on file.
2. **Selection Criteria** – we established the criteria for evaluating candidates during an interview (the form is attached on a separate document).
3. **Interviewing Committee** – an interview committee was formed, which provides independent scores, composite scores and a hurdle score on the standard Selection Criteria for FUNIDES personnel. The size of the FUNIDES Interviewing Committee and the composition varies according to the level of the position for which a candidate is applying. All candidates are provided a response within a few weeks after being interviewed.
4. **Interviews** - to date, over 20 interviews have been held with potential candidates. Several qualified candidates have been identified. No offer has been extended as of yet, except for consulting-based assignments.
5. **Finding candidates** - for positions within the DEPPA (Studies Division), we have relied on contacts at the central bank to pass along resumes as well as sought recommendations through former consultants.
6. **Defining Salary Ranges** – we have relied on a series of benchmarks and empirical analysis in order to define salary ranges, these include:
 - i. FUSADES salary ranges,
 - ii. INCAE salaries (based on former staff),
 - iii. Salary ranges provided by an executive search firm "Selección Empresarial"
 - iv. Independent research with salary ranges at the central bank
 - v. Current salaries for the candidates we've interviewed.

We are currently developing our human resources manual with support from CCAA.

We have yet to openly advertise our openings, formally extend an offer or form a relationship with an employee search firm. We intend to do this if and once we obtain approval of our work plan.

In terms of **expanding the board**, we have done the following:

1. Held two board meetings to pre-select candidates for expanding the board.
2. Coordinated independent votes by each board member in order to select candidates.
3. Added five new candidates, which have already accepted to become board members, these include:
 - i. Tono Baltodano
 - ii. Gilberto Perezalonso
 - iii. Carlos Muñiz
 - iv. Ernesto Fernandez
 - v. Manny Rosales (CCAA)
4. We are in the process of formally inviting the following candidates to the board.
 - i. Humberto Belli (Academia)
 - ii. Erwin Kruger (COSEP)
 - iii. Carlos Pellas (Private Sector)
 - iv. Alonso Chamorro (INDE)
 - v. Juan Carlos Pereira (Pro-Nicaragua / NGO)
 - vi. Jaime Montealegre (Private Sector)
 - vii. Alberto Chamorro (Private Sector)
 - viii. Niels Ketelhohn (Academia)
 - ix. Miguel Zavala (Private Sector)

Additional candidates are being considered for invitation in order to reach our target of 20 active members.
5. We held a meeting with our lawyer in order to look into the option of dissolving the current board and/or allowing members to remove themselves from active participation in the board.

We are also pleased to announce that FUNIDES has moved into its permanent offices, which are located at the Discover Business Center (Second Floor), across from the Club Terraza. We look forward to your feedback/response.

Regards,



Javier Arguello
Executive Director
FUNIDES