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DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D.C. 20523

CAPITAL ASSISTANCE PAPER

Proposal and Recommendations
For the Review of the
Development Loan Committee

EL SALVADOR: EDUCATIONAL REFORM PROGRAM
INSTRUCTIONAL TELEVISION EXPANSION STAGE LOAN

AID-DLC/P-832

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June 16, 1969

MEMORANDUM FOR THE DEVELOPMENT LOAN COMMITTEE

SUBJECT: El Salvador: Educational Reform Program - Instructional
Television Expansion Stage Loan

Attached for your review are the recommendations for authorization of a loan in an amount not to exceed \$8,200,000 to the Government of El Salvador to assist in financing the United States dollar and local currency costs of equipment, material and services necessary for the conduct of the Borrower's Educational Reform Program.

This loan proposal is scheduled for consideration by the Development Loan Staff Committee at a meeting on Friday, June 20, 1969.

Rachel C. Rogers
Assistant Secretary
Development Loan Committee

Attachments:
Summary and Recommendations
Project Analysis
ANNEXES A-E

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EL SALVADOR

June 15, 1969

EDUCATIONAL REFORM PROGRAM - INSTRUCTIONAL TELEVISION
EXPANSION STAGE LOAN

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SUMMARY AND RECOMMENDATIONS

1. BORROWER: The Government of El Salvador (GOES). The Ministry of Education will be the responsible implementing agency for the project.
2. THE LOAN:
 - a. Amount: Not to exceed \$8,200,000, virtually all (92.9%) to be used for local currency procurement.
 - b. Terms: Repayment over a 40-year Term including a 10-year grace period on amortization of principal. Interest on disbursed balance will be at the rate of two percent per annum during the grace period and three percent per annum thereafter.
3. PURPOSE OF THE PROJECT: To assist in effecting an Expansion Stage, an integral part of the GOES Educational Reform Program including ITV, which will complete the revision of curricula for all public school grades 1-12, expand and upgrade teacher and supervisor training, provide and equip substantial additional nationwide Junior High (Plan Básico) and Primary (Primaria) school facilities. The Project will provide ITV to all public Plan Básico schools in the country and initiate ITV in Primary schools. It will also serve as a viable demonstration of the contribution of new technology to extend educational opportunities for possible adaptation by other Latin American countries.
4. HISTORY OF ACTIVITY: A. I. D. Loan Authorization 519-L-013, and USAID grants, have provided impetus for the Pilot and Full Transmission stages of the GOES five year Educational Reform Program including ITV.

Included in this first phase were grant funds and GOES funds for purchase of commodities and technical assistance which provided for: (1) curriculum revision, grades one through nine, (2) purchase and installation of TV studio and microwave equipment (3) creation of an ITV Division in the Ministry of Education, (4) selection and training of technical and supervisory personnel for studio production and classroom utilization of the ITV program, (5) preparation and transmission of ITV lessons to Seventh Grade Plan Básico, (6) preparation, publication and distribution of teachers

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guides and student workbooks keyed to the ITV program (7) in service retraining courses for teachers in the revised curriculum, modernized methodology, and in TV utilization, (8) remodeling of classrooms for TV reception, and (9) initiation of a program of Ministry reorganization and management improvement.

The initial grant/loan mix will carry the Reform program through the Pilot and Full Transmission Stage during which time: (1) ITV instruction will expand into the eighth and ninth grades, (2) curriculum revision will continue throughout all grades 1-9, (3) in-service retraining courses will continue to supply trained teachers for the expanded number of ITV classrooms, (4) a second studio will be constructed and become operative, (5) independent two-channel transmission facilities will be installed, (6) an instructional materials resource center will become operative, (7) technical assistance will continue in curriculum revision, teacher training and ITV, (8) USAID will continue to provide direct-hire administrative and supervisory direction of the program, and (9) progress toward Ministry reorganization will continue.

At the time of original agreement on the Educational Reform Program including ITV (Project Agreement, February 6, 1968) and at the time of the submission of the Proposal and Recommendations for the Review of the Development Loan Committee (June 19, 1968) the understanding was reached that to achieve full results of the total program, consideration of subsequent loans would be involved. This loan proposal, therefore, represents the logical evolution of the original planning.

The GOES submitted a formal application dated May 1969 for this loan assistance.

5. THE PROJECT: The Loan will help finance an Expansion Stage Project in the GOES Educational Reform Program including ITV by a program of qualitative improvement (curricula reform, textbooks and teaching materials, teacher training, appointment and supervision, and maintenance) throughout the primary, junior, and senior high school system. Construction, training and staffing goals include the constructing and equipping of 503 new Junior High (Plan Básico) and 1,422 new Primary classrooms, training of primary and secondary teachers in the

new curricula, methodology and technology, the extension of ITV to Primary schools, and the coordination with the IBRD senior level educational project by development of a diversified senior high curriculum.

6. PROJECT COSTS

Total costs of the Project will be apportioned as follows (in US\$ equivalents):

Total Project Costs	\$ 19,000,000
GOES Contribution	8,303,000
Salvadoran Private Sector	2,497,000
AID Loan	8,200,000

7. ADDITIONALITY

USAID/ES will exert its best efforts to maintain and implement a system with incentives to achieve U. S. export additionality (See discussion Section VI-B-6.

8. ALTERNATIVE SOURCES OF FINANCING. The Export-Import Bank and the IDB have not expressed an interest in considering this proposal. The Salvadoran Legislature, in May 1969, authorized negotiation of the \$4.9 IBRD loan for senior high school facilities and equipment. The IBRD has not expressed an interest in proffering additional assistance at this time to include the Junior High or Primary school system.

9. VIEWS OF THE MISSION: The USAID Mission to El Salvador strongly supports this high priority project which will contribute to the upgrading and enlargement of educational opportunities in El Salvador.

10. STATUTORY CRITERIA. All statutory criteria have been met.

11. ISSUES

There are no major issues.

12. RECOMMENDATION. Authorization of a loan to the Government of El Salvador in an amount not to exceed U. S. \$8, 200, 000 subject to the following terms and conditions:

a) Interest and Terms of Repayment:

The Borrower shall repay the loan to A. L. D. in United States dollars within forty (40) years including a grace period of not to exceed ten (10) years. The Borrower shall pay to A. L. D. in United States dollars on the disbursed balance of the loan interest of two percent (2%) per annum during the grace period and three percent (3%) per annum thereafter.

b) Other Terms and Conditions

- (1) All Borrower procurement of goods and services financed by the Project shall have their source and origin in the United States of America or member countries of the Central American Common Market.
- (2) United States dollars utilized under the loan to finance local costs shall be made available to the Borrower or its designee through the Special Letter of Credit procedures and shall be used only for procurement in the United States of America. Additionality incentives satisfactory to A. L. D. will be provided for.
- (3) Borrower shall in each year in the period from the date of the Loan Agreement until the last disbursement under the Loan discuss with A. L. D. its overall future financing needs to carry out its five-year Educational Reform Program including ITV, and any modifications thereof.
- (4) The loan shall be subject to such other terms and conditions as A. L. D. may deem advisable.

PROJECT COMMITTEE

Capital Development Officer (Chairman)	:Theodore T. Foley, USAID/ES
Program Officer	:Ronald A. Witherell, USAID/ES
Economist	:David W. Young, USAID/ES
General Engineer	:Joseph R. Marceny, USAID/ES
Chief Education Advisor	:Stanley D. Handleman, USAID/ES
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Drafted by: Foley/Dean/Marceny/Young

June 16, 1969

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EDUCATIONAL REFORM PROGRAM - INSTRUCTIONAL TELEVISION
EXPANSION STAGE LOAN

SECTION I - BACKGROUND

A. Salvadoran Public Educational System

The broad purposes and general objectives of public education in El Salvador are set forth in the 1962 Constitution. The major guide lines for education, as set forth by the Constitution, state that: 1) education will assure the rounded development of the individual; 2) education will be of universal opportunity, and free at the primary level in public schools; and 3) education will be democratic, with equal opportunity for the operation of private educational institutions subject however to the regulation and inspection by the State; the national Ministry of Education has full control over Public Education. The Minister is appointed by the President and is a member of the Cabinet.

Vertical structure public education in El Salvador is organized on levels and grades in the following manner: Pre-school, Primary, grade 1-6, and Secondary consisting of two cycles: First Cycle - Plan Básico - grades 7-9, and Second Cycle (Bachillerato) - grades 10-11. Secondary education presently comprises five years, but will be expanded to six years. In general the curriculum follows standard, universal patterns with common branches at the primary level and with emphasis on university preparation at the upper secondary level. Although some technical and vocational education programs are offered, underlying motivation continues to favor programs for the elite.

The total teaching staff presently comprises approximately 12,000, largely in the primary schools. Approximately 70.5% of the primary teachers are certified by virtue of graduation from a primary normal school. Accurate statistics are not available on the secondary teaching population since they tend to teach by the "hour" and many of them serve in several schools. Heretofore there has been no specialized training programs for teaching of the first cycle of Secondary with most teachers having emerged from the ranks of primary teachers. Second Cycle teachers have traditionally come from the ranks of university graduates.

Until initiation of the current Educational Reform Program the curriculum was weak and outmoded and the quality of teaching no better than "fair" with much of it "poor".

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The imperative need for public education in El Salvador is modernization. Curriculum needs revision and modernization. Teacher training needs updating. Methodology and materials must be related to present-day reality. Secondary programs are urgently in need of diversification. However, the GOES Reform Program has started to move the national system of public education in these directions .

B. A. L. D.'s Education Programs in El Salvador

Since 1962 A. L. D. has participated and contributed to the educational programs of the GOES through the following program:

- (1) Primary School Construction Grant of \$1, 500, 500 (ES-18), May 1962; together with a development loan of \$2, 400, 000 (AID Loan 519-L-003) September 1963, resulting in the construction of 2, 356 additional primary classrooms;
- (2) Assistance to the University of El Salvador, a \$205, 000 grant (ES-34), April 1967, to improve physical facilities and to create a Faculty of Science;
- (3) A grant of \$717, 948 (ES-23) February 27, 1963, which accomplished the construction and equipping of a normal school at San Andrés (Ciudad Normal Alberto Masferrer - now the site of ITV program and teacher training);
- (4) A regional textbook program which has supplied 1.4 million primary school textbooks; and
- (5) A grant of \$653, 000, Instructional Television (ES-51) February 1968, to lend technical assistance to the Educational Reform Plan and to introduce ITV as the central instrument for bringing about essential change in education. An additional \$400, 000 grant for this purpose is being provided in FY 1969.

Loan 013 (\$1.9 million) for continuation of the Educational Reform Plan including ITV was authorized in June 1968 and is now being negotiated. Its formal passage and ratification is expected shortly. It therefore should become operational soon and prior to the signing of this proposed expansion stage loan.

C. The GOES Educational Reform Program

1. The Five-Year Program 1968-1972

In July 1967 the GOES started to formulate an Educational Reform Program covering the years 1968-1972. The broad objectives, priority areas, and programs have been identified. Working groups and commissions have been appointed by the Minister of Education and the National Planning Council to develop plans for the implementation of these objectives and programs.

2. Broad Program Objectives

a. To increase efficiency of the educational system, to reduce waste and under-utilization of resources, and to reduce drop out and repeater rates.

b. To improve the quality of teaching at all levels.

c. To strengthen and extend secondary education and to offer a multi-disciplinary curriculum in order to prepare students for vocational, as well as university careers.

d. To extend education to more students at all levels and to produce more sixth grade graduates.

e. To revise and improve the curricula of grades 1-12 to a level which satisfies the educational needs of El Salvador.

f. To develop a nation-wide system of ITV for grades 1-12.

3. Priority Areas

The following priorities have been established:

a. Increase the Primary School retention rate.

b. Increase enrollments in Plan Básico.

c. Diversify the program, lengthen the school term and improve Bachillerato facilities.

d. Develop and modernize the curricula of the entire educational system.

- e. Improve in-service teacher training.
- f. Broaden and strengthen school supervision.
- g. Modernize classroom procedures.
- h. Reorganize the administration of the Ministry of Education.

4. Program Descriptions

a. Ministry Organization and Administration

Based on recommendations of Clapp and Mayne management consultants, the Ministry of Education has started on the following: establishment of two central bureaus - General Bureau of Formal Education and General Bureau of Administration; consolidation and streamlining of business procedures; creation of a personnel classification system; and improvements in property management.

b. Primary Education

The emphasis will be to reduce drop-out rates and to retain as many pupils as possible until they complete six years of primary school. To meet this problem the Ministry plans to: 1) increase the number of rural classrooms (the area where most drop-outs occur; 2) establish several types of primary schools such as: unitary schools (one room schools for small population groups), nuclear schools (consolidated schools serving more than one area for grades 4-5-6); and 3) double-shift three room rural schools which will provide opportunity for all six grades during the day. These new schools call for special teacher training as well as for curriculum improvement and revising former methods of student evaluation.

c. Plan Básico

Detailed plans for curriculum revision, ITV instruction, and teacher re-training courses are all now underway. (See Annex B, Exhibits 4 and 17).

d. Participation of Private Schools

The relationship of private and public education will be reviewed. It is recognized that in some areas of education private initiative gives an invaluable service to education, fully complementing the effort of the Ministry, therefore it is essential

to help these schools in their effort.

e. Training of Professors and Teachers

The plan is to retrain surplus, unemployed Primary level Normal School graduates for service as Plan Básico teachers. This program is now under way at Ciudad Normal Alberto Masferrer with approximately 250 enrolled in the first year. In addition, the plan includes using the Superior Normal School and the University to provide the teachers needed for the second cycle of secondary education (Diversified Bachillerato)

f. Training and Improvement of Supervisors

The plan includes upgrading the entire supervisory system through more careful selection of supervisors, increasing the number of supervisors and providing for modernized training. Success here will be a critical factor in the eventual fulfillment of the goals of the reform plan.

g. Bachillerato Reform (Grades 10-12)

Second cycle secondary education will be expanded to three years with diversification of course offerings leading to higher education and/or vocational opportunities as follows: science; literature; industrial, agricultural, and commercial studies; and fine arts. Later, additional specializations may be offered in textiles, foodstuff industries, fishing and navigation, and hotel management and tourism.

h. Coordination of national efforts for Higher Education

This includes plans for the coordination of planning and program efforts at the University and Superior Normal School levels, under the guidance of the newly designated national curriculum commission.

5. Physical Objectives of the Program (Revised)

In the analysis of the Capital Assistance Paper for A. I. D. Loan 519-L-013 the Project Committee expressed the opinion that the total physical objectives of the Educational Reform Program, as estimated in 1967-68 by the Ministry of Education and the National Planning Council (NPC), represented ideals which might prove unrealistic and overambitious for attainment within the time framework of the Program. Throughout the year the Program has been subject to an ongoing reappraisal, resulting in a revision of the original estimates to more realistic and substantially reduced physical goals.

a) Enrollment

The following GOES enrollment projections include both public and private school students (in thousands). See Annex B, Exhibits 8 and 9 for details.

GOES Enrollment Projections

	<u>CY67</u> <u>Actual</u>	<u>CY68</u> <u>Actual</u>	<u>CY69</u> <u>Actual</u>	<u>CY70</u> <u>Est.</u>	<u>CY71</u> <u>Est.</u>	<u>CY72</u> <u>Est.</u>
Primary	465.5	490.3	517.6	540.9	568.8	599.1
Plan Básico						
Public	18.2	19.9	23.2	23.2	25.5	28.1
Private	14.5	16.4	17.4	18.4	19.1	19.5
	<u>32.7</u>	<u>36.3</u>	<u>39.3</u>	<u>42.6</u>	<u>44.6</u>	<u>47.6</u>
Bachillerato	5.4	5.7	6.1	6.8	8.2	12.7

The above Primary enrollment projections were based upon a substantially greater number of new Primary classrooms than are contained in this Project. Not only is total population rising at the high rate of 3.6% per year, but that portion of the population represented by the 7-15 age group (the basic primary school age range) is increasing more rapidly than total population, as shown in Annex B, Exhibits 6 and 7. However, the Project Committee does not believe that an expansion of facilities beyond that contemplated by the Project is feasible at this time. The table below compares Primary enrollment projection based on this Project with GOES projections and relates them to projected school age population.

Potential Primary School Enrollments
(in thousands)

	A 7-15 age group (plus* 7.5%)	<u>GOES PROJECTIONS</u>		<u>Project Based Projections</u>	
		<u>Number</u>	<u>Percent of A</u>	<u>Number</u>	<u>Percent of A</u>
1968	798.5	490.3	61.4%	490.3	61.4%
1969	827.1	517.6	62.3	517.6	62.3
1970	857.6	540.9	63.1	524.7	61.2
1971	890.7	568.8	63.9	542.0	60.9
1972	928.0	599.1	64.6	560.0	60.4

The above indicates that in 1968 there were 308,200 potential Primary students who were completely "locked-out" of the Primary school system chiefly because of lack of facilities. Even at the hopeful GOES enrollment projection level, this total lockout from the Primary system would in 1972 have grown by 10.7% to 328,900 students. At the limited level which can be attained by this Expansion Stage Project, the total lockout will have grown by 19.4% to 368,000 students.

Despite the bleak outlook for totally resolving the Primary enrollment opportunities within this time span, encouraging qualitative achievements will have been built into the Primary system by the Expansion Stage Project. The Primary portion of the Expansion Stage Project is not merely an added appendage of construction and equipment. It is an integral part of the quality aspect of the overall Educational Reform Program. It will assure a greater number of better qualified sixth grade graduates to the Plan Básico system who will have been trained in the new curriculum with new teacher training and methodology.

Although Primary enrollment has been increasing steadily during recent years and the drop-out rate has declined since 1963, the percentage of school-age children in El Salvador who are completing Primary education is still very small.

*An intensive analysis of Primary Schools made in June 1967 by an in-house Mission team showed that 7.5% of Primary enrollment in El Salvador consists of students over age 15.

The greatest lack of capacity is in the upper Primary grades, not in the first three grades (although they are crowded). The reduction of drop-out rates is directly related to an increase in the capacity of the upper grades. The National Planning Council concludes that most cases of promoted students not enrolling in the fourth grade and above are due to the absence of classrooms for the next grade in the schools in which the pupils have been enrolled or in schools at convenient distances. This is especially acute in the rural areas where a relatively high percentage of pupils who do not go to the next grade are pupils who have been promoted. The chief reason for their becoming dropouts is lack of availability of additional grades in their school or others which might be accessible.

Latest available data from the National Planning Council shows that in 1967 no more than 53.8% of the total Salvadoran Primary Schools offered over three grades of instruction, and only 36.5% provided instruction for all six grades.

Percentage of Schools According to the Grade : They Offered in 1967

Total	Grade 1	Grade 1-2	Grade 1-3	Grade 1-4	Grade 1-5	Grade 1-6
100.0%	3.2	23.4	19.6%	12.5%	4.8%	36.5%

The problem of providing facilities for the full six years of Primary instruction is most severe in the rural areas where 34% of the schools offer no more than the third grade. Students who do not ascend beyond third-grade level do not reach even the minimal level of functional literacy. Resources allocated for educating such students do not contribute to economic or social growth and are a waste to the national economy. In 1967, children lost by the repeater/dropout problem in only the first and second grades represented a wastage of \$3.6 million dollars, which was 16.2% of the entire 1967 national educational budget.

Steps to reduce wastage to an attainable minimum are being taken by the Expansion Stage Project in which all new Primary school construction will provide facilities to offer the full six grades. The provision of 374 Primary schools proposed in the Expansion Stage Project will increase by a significant 34.2% the number of Salvadoran schools offering the full six years of instruction, a sizeable attack on basic Primary school bottleneck problem.

The GOES' 1967-68 projections of Plan Básico enrollment used in evaluation of AID Loan 519-L-013 were based upon the optimistic anticipations of the number of students who would be receiving PB, made by the Ministry of Education and the National Planning Council. In late 1968 GOES revised its enrollment estimates of the entire PB system, public and private, without adequately evaluating the number of teachers who could be feasibly re-trained for new curricula and ITV, the feed-in potential of the sixth grade graduates, and the number of PB classrooms which realistically could be constructed within the Reform Program time span. The potential growth of the private PB schools was greatly overestimated. A considered and thorough analysis made by GOES in 1969 reduced the entire PB system's enrollment projections to what can now be considered by GOES and the Project Committee as reasonably realistic (See Annex B, Exhibit 9).

A direct comparison of revised PB enrollment projections against the theoretical input age group (13-19) is statistically deceptive. Calculating from studies of Primary enrollment, 30.4% of enrolled Primary students are actually in the 13-19 year age group. Thus, for percental comparisons of PB enrollment projections against population potential available to PB, those Primary Students in the 13-19 year ages must be deducted from the total 13-19 population to give a more accurate representation of the situation. A comparison of the revised PB enrollment projections with this segment of the population shows the following:

Plan Básico Enrollment Projections

	13-19 popula- tion less those enrolled in <u>Primary</u>	GOES 1969 Revised Projections <u>Public</u>	<u>Private</u>	<u>Total</u>	Percent PB Projections are of available 13-19 <u>population</u>
1968	329,700	19,900	16,400	36,300	11.0%
1969	338,700	21,900	17,400	39,900	11.8%
1970	348,400	23,200	18,400	42,600	12.2%
1971	356,200	25,500	19,100	44,600	12.5%
1972	363,800	28,100	19,500	47,600	13.1%
1973	372,300	30,900	19,900	50,800	13.6%

The above table indicates a modest increase against population potential of 2.6% during the time span of the Project. Nevertheless, the qualitative improvement will be impressive. In 1968 only 1,200 of the 19,900 public school PB students were receiving the new curricula from pre-trained teachers through the ITV Program - only 6% of the public PB school enrollment. By 1973 100% of the public PB student enrollment will be receiving this qualitative improvement. Thus a projected 61% of the total national PB enrollment will be benefitting from the Educational Reform Program in 1973. It is anticipated that an additional number of private PB schools will participate in the Educational Reform Program including ITV (on a fee basis to the Ministry of Education for ITV overhead, and supplying their own TV receivers) thus in effect reducing the Salvadoran ITV operational cost per student served.

b) Classrooms

Only reasonably reliable Ministry of Education statistics are available on existing classrooms. Primary school classroom construction in El Salvador virtually stopped after 1966, when the A. L. D. Loan 519-L-003 primary school construction project was completed. Primary classroom construction is expected to resume in 1970 as a result of the GOES/AID Expansion Stage Project, including community self-help construction. Plan Básico and Bachillerato construction will

increase, starting in 1970 (ready for service in 1971) aided by the GOES/IBRD higher education project and the GOES/AID Expansion Stage Project. Estimates of total classrooms in use are shown below:

	<u>Classrooms in Service</u>					
	CY67	CY68	CY69	CY70	CY71	CY72
Primary	8,757	8,757	8,757	8,757	9,009	9,279
Plan Básico	725	725	725	725	848	1,028
Bachillerato	N. A.	N. A.	N. A.	N. A.	plus-60	plus-120

Note: A considerable portion of the contemplated new school construction during this period will be to replace inadequate, obsolete, or rented facilities. Therefore, the net increase in number of classrooms projected in operation is not great. The following percentages show estimated new classroom construction which will result in a net addition to the system:

Primary - 60% (GOES/AID/Self-Help)

Plan Básico - 64% (GOES/AID and GOES/IBRD)

Bachillerato - 100% (GOES/IBRD)

c) Teachers

Projections of Primary teachers assume an increasing trend toward double teaching in existing and newly constructed three room schools so as to utilize these to offer all six grades. Projections of Plan Básico teachers are based on the additive input of new or newly trained Plan Básico teachers produced under the revised schedule for the San Andrés normal school's special PB teacher training program.

Teachers In Service

	CY67 actual	CY68 actual	CY69 actual	CY70 Est.	CY71 Est.	CY72 Est.
Primary	11,554	11,865	12,040	12,300	12,800	13,500
Plan Básico	467	545	625	875	1,100	1,445
Bachillerato	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.

Note: Precise data on the number of Bachillerato teachers is not available. Reason given is that Bachillerato teachers are hired on an hourly pay basis and many work only part time, many work part time on one school and part time in another, and some work full time in a single school. In implementation of its Reform Plan the Ministry of Education is working toward creation of a basically full-time career teacher cadre for its Bachillerato system.

6. Estimated Costs of Proposed Reform (Revised 1969)

(a) One Time costs 1968-1972

Revised projections indicate that new economic resources allocated to the Program will be provided 24.0% from GOES resources within the five-year time framework of the Program, 7.9% from grants, 43.0% from A. L. D. loans, 20.8% from an IBRD loan, and 4.3% from a Mexican loan.

If we include the economic transfer value of the private sector's one time contribution to the Project, the total resources dedicated to the Program will be 21.9% from GOES resources, 9.6% from the Salvadoran private sector, 7.3% from grants, 38.8 from A. L. D. loans, 18.9% from the IBRD loan, and 3.8% from a Mexican loan.

GOES⁸ debt servicing for the Program will be light, but the requirement for GOES⁸ budgetary resources will be substantial during the five-year period. GOES⁸ budgetary feasibility to meet this contribution is discussed in greater detail in Section VI - Financial and Economic Analysis.

An estimate of the total one-time new resource costs of the five-year Program is projected in Annex B, Exhibit 12 time phased in CY's by estimated years of external funding drawdowns and GOES resource contributions.

Summary of total estimated one time costs for the five-year period is shown below by source of funds on both bases; that of new resource costs, and that of total resources dedicated to the Program:

	Thousands of U. S. Dollars	New Resources Percent	Total Program Value Percent
All Grants (1)	\$ 1,855	7.9%	7.1%
AID Loan 013 (ITV Equipment)	1,900	8.1%	7.3%
AID Loan Expansion Stage	8,200	34.9%	31.5%
IBRD Superior Educ. Loan	4,900	20.8%	18.8%
Mexican Loan (Urban Primary)	1,000	4.3%	3.8%
GOES Contribution	<u>5,659.6</u>	<u>24.0%</u>	<u>21.9%</u>
	23,514.6	<u>100.0%</u>	
Private Sector Contributions	<u>2,497.3</u>		<u>9.6%</u>
	<u>\$26,011.9</u>		<u>100.0%</u>

Note (1): In addition to estimated A. L. D. grants of \$1,053,000 for ED/ITV, it is anticipated that (a) UNESCO will continue its grant TA at the rate of \$90,000 per year to assist the Ministry of Education, (b) the Japanese will contribute approximately \$30,000 of equipment and five years of relevant TA for the San Salvador trade school at \$14,400 per year, and (c) the United Kingdom will grant its authorized \$250,000 for construction and equipment of the Santa Tecla Technical school, plus \$30,000 of relevant technical services.

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(b) Ongoing Costs 1968-1972 (Revised 1969)

Ongoing, or recurrent costs of the entire Educational Reform Program will require an increase of \$8.1 million on the GOES' MinEd operational budget in 1972, compared to 1967. This is a 37.9% increase over 1967 levels. A comparison of the projected 1972 operating budget needs with actual 1967 figures is shown below by major budgetary category (in thousands of U. S. dollars):

	<u>CY 1967</u>	<u>CY 1972</u>	<u>Increase</u>
Ministry	\$ 1,518.	\$ 2,403.	58.3%
Primary Education	14,196.	18,794.	32.4
Secondary Education	1,459.	3,093.	112.0
Normal Schools	702.	750.	6.8
University	3,245.	4,400.	35.6
Miscellaneous	330.	144.	- 56.4
Total MinEd Admin. Budget	\$21,450.	\$29,584.	37.9%

As shown above, in the revised projections by far the greatest monetary increase is estimated for the primary system: a \$4,598 million increase. Of continued significance is the 112% increase in the funding requirements for the Secondary system, which has been the weakest link in the Salvadoran educational structure. The small increase reflected for normal schools represents a closing out of the low quality primary normal schools, a suspension of primary normal schooling for two years during the Program period to allow time to absorb the excess of primary school teachers in the country plus a substantial increase in the quantity of students and in the quality of superior normal schools, which causes the costs for superior normal schools to rise by 66% during the period.

A more detailed presentation of the projection of ongoing costs of the Program is shown in Annex B, Exhibit 13.

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(c) Additional Recurrent Costs of ITV

The GOES' additional recurrent costs caused by the ITV Project requirements will reach a reasonably economic cost per pupil level in 1973. During the Experimental and Full Transmission Stages the ITV add-on costs are necessarily high on a per pupil basis. This would be inevitable in any project of this nature where the number of pupils served by the system must start at a low level and progress by manageable increases, whose acceleration is governed by the time-phased ability to produce pre-trained ITV teachers and by the physical classroom facilities available.

As demonstrated in the following table, from base year CY 1969 to initiation of school year 1973, the additional recurrent costs of the ITV technology application to the educational system will be reduced by 93.7% per pupil.

Including the normal recurrent administrative cost per student, the total administrative costs per pupil receiving ITV will be reduced by 80.6%.

ITV Additional Recurrent Cost Effect Per Pupil Served

	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
GOES ITV Costs (000's)	589.0	676.1	1,207.9	1,074.6	1,074.6
Pupils Receiving ITV					
Plan Básico	1,200	4,032	12,670	23,950	30,900
Primary	--	--	--	--	4,000
TOTAL	1,200	4,032	12,670	23,950	34,900
Add'l ITV Operations Cost per Pupil	\$ 490.83	\$ 167.68	\$95.34	\$ 44.87	\$ 30.79
Percental Index	100.0	34.2	19.4	9.1	6.3
Normal Admin. Cost Per pupil Served	\$ 80.	\$ 80	\$ 80	\$ 80	\$ 74.94*
Total ITV plus Normal Admin. Cost Per pupil	570.83	\$247.68	\$175.34	\$124.87	\$110.79
Percental Index	100.0	43.4	30.7	21.9	19.4

* 1969-72 Costs based on PB only, 1973 based on weighted average of 88.5% PB and 11.5% Primary students served.

SECTION II. PRELIMINARY APPRAISAL OF EDUCATIONAL REFORM INCLUDING ITV EXPERIMENTAL AND FULL TRANSMISSION STAGES IN EL SALVADOR

A. Experimental Stage

The grant funded Experimental Stage has been in operation for a year. The progress has been on schedule and all major planning objectives have been achieved.

1. Eleven of the originally planned for twelve technical experts are in El Salvador under personal service contracts and are effectively engaged. (The Twelfth position was deferred, as not being a priority need).
2. Studio and micro-wave equipment was purchased and installed. The studio was inaugurated by President Sánchez on September 20, 1968, and regular transmission of ITV lessons, on a scheduled daily basis, commenced on February 17, 1969, as planned.
3. Curriculum revision and ITV lesson development for the seventh grade was completed by the end of November, 1968 so that advance taping of lessons could begin at that time for transmission in 1969 at the beginning of the new school year.
4. Curriculum revision for grades 1 through 9 is now underway with completion of grades one through six scheduled for June, 1969, and grades 8 and 9 by September, 1969.
5. Videotaping of lessons commenced at the end of November, 1968, and has continued on a regular basis since. When the school year opened in February 1969 backlogs of taped lessons of from 4 to 6 weeks, were available. This "lead" factor is being continued and a weekly production schedule of 19 lessons in 5 subject areas is being maintained.
6. An intensive retraining course for approximately 100 teachers was successfully conducted at San Andrés during November, December and January. These teachers staffed the initial ITV classrooms upon the opening of school in February 1969.
7. Thirty-two seventh grade (Primer Curso Plan Básico)

classrooms (28 public, 4 private) serving approximately 1,200 Seventh Grade students, were prepared for TV reception and sets were installed.

8. A supervisory staff for ITV classroom utilization has been trained and is now functioning with high efficiency: each supervisor spends one full day every two weeks in each school.

9. Teachers guides and student workbooks are being produced with each classroom supplied on schedule.

10. Training of host country technical, supervisory, and curriculum personnel has proceeded apace with the result that most key operations are now being handled by Salvadorans with commendable efficiency.

11. Under an AID/W research contract, the Academy for Educational Development/Stanford University Institute of Communications Research has initiated a system of program evaluation with strong indications that this vital work will be highly effective. Four non-TV classrooms comprise a "control" component for comparative testing purposes.

12. The judgement of the USAID is that progress-to-date has been very satisfactory and that both unusual progress and reasonable quality have been achieved thus far.

B. Full Transmission Stage

Under the \$1.9 million Full Transmission Stage loan 519-L-013 an Instructional Television Studio will be constructed and equipped at the San Andrés Normal School. Also a transmitter and the necessary transmitter towers and repeater stations will be installed, supplementary printing equipment procured and installed at the materials center, video tape supplied for taping lessons, and 550 TV receivers procured and installed.

Meanwhile, GOES will contribute ITV Operations costs of approximately \$910,000, special PB ITV teacher in-service training evaluated at \$662,500, buildings and equipment valued at \$145,000, and additional recurrent PB administration costs estimated at \$544,000.

At this writing (May 6, 1969) it is anticipated that the political problems which have long delayed Salvadoran

Legislative approval for signature of Loan 013 will be resolved before the end of FY 1969. The loan is expected to be fully operational considerably prior to the time when the proposed Expansion Stage loan will be ready for signature and this will be a pre-condition to signature of the proposed Expansion Stage loan.

SECTION III - THE PROJECT

The Project is a part of the Expansion Stage of the Educational Reform Program and was anticipated in the Capital Assistance Paper leading to AID Loan 519-L-013 (for TV facilities and technical assistance) as being essential to the ultimate success of Loan 013, and needed to achieve the desired results of the total Program. The Project will assist with the funding necessary to complete the activities and facilities required to achieve by 1973 the revised full Expansion Stage goals of the GOES in its Plan Básico portion of the Educational Reform Program, to upgrade Primary teacher and supervisor quality to introduce the new Primary curricula to make a massive attack on the national deficit of Primary school facilities offering all six grades to provide technical assistance needed to create six different Senior High School (Bachillerato) curricula for grade 10-12 (to complement the IBRD higher education loan), and to create a more comprehensive and reliable maintenance program for Salvadoran public schools.

A. Construction

1. Primary - New Classroom Facilities

The GOES estimated that it needs 2,900 new primary school classrooms by 1973 in order to provide facilities sufficient to keep pace with anticipated population growth and to enable a majority of the primary schools to offer all six primary grades. Of this total, 450 classrooms would be constructed by communities by self-help, at no cost to the Ministry of Education, leaving a financing need for 2450 new classrooms.

These needs would have required \$13.0 million in external financing and \$5.8 million in GOES contributions for one time costs, plus \$3.1 million in recurrent costs during the construction period of the project and a continuing additional \$3.0 million recurrent costs annually thereafter.

The Minister of Education and the National Planning Council reached the realistic conclusion that the one-time costs and recurrent costs of this huge increase in primary facilities would not be feasible within the time span 1968-1972 and accordingly has scaled this portion of its loan proposal down to \$5.3 million.

The Primary portion of the Expansion Stage Project has been scaled down to the provision of a total of 1,422 new primary classrooms; construction of 972 assisted by external loan funds, and 450 classrooms remaining to be provided by community self-help. This construction will serve a total of 94,560 primary students, of which 56,736 will be new inputs to the system. The balance will be students formerly using obsolete and/or inadequate facilities.

Even at this scaled-down level of the Primary portion of the Project, it is estimated that a substantial (18.9%) reduction will be attained in the administrative costs of producing a sixth grade graduate. The 1967 cohort pattern produced a sixth grade graduate at a total administrative cost equivalent to \$497.42. The projected 1973 cohort pattern will produce a sixth grade graduate at a total administrative cost estimated to be \$418.33.

2. Primary - Conversion of Existing Classrooms for TV

In accordance with the Educational Reform Program, the Project will in 1971 assist in converting 100 existing primary classrooms into classrooms suitable for TV reception for use in the school year beginning in January 1972. By that time primary teachers will have been trained in the new primary curricula and methodology as well as TV techniques.

3. Plan Básico - New Facilities

The Plan Básico element of the loan will provide 503 Plan Básico classrooms, which together with the PB classrooms provided by the GOES and by the IBRD higher education loan, will bring the number of daytime PB classrooms available for iTV up to 773, adequate to serve the 30,900 PB students projected for the start of the 1973 school year.

4. TV Facilities

No new TV production or transmission facilities are anticipated under the Expansion Stage Project. All such facilities for the Educational Reform Program will have been provided by the assistance of AID Loan 519-L-013. The loan will provide

610 TV receivers, which will, together with those acquired from grant funds and AID Loan 519-L-013, bring the total TV receivers available up to 1160. This will be sufficient for all public Plan Básico classrooms and the 100 experimental primary school classrooms.

B. Equipment and Textbooks

Equipment to be procured with loan funds will be necessary vehicles for; (a) mobile maintenance units to effect regular periodic inspections and to facilitate the making of minor repairs to public school facilities, (b) supervisory transportation, and (c) pickup and delivery of TV receivers at ITV reception schools. It is estimated that approximately twelve such vehicles will suffice and that they should be four-wheel drive panel trucks.

C. Technical Assistance

1. A. L. D. Technical Assistance

Under the initial grant/loan (013) mix, adequate funding was provided for Technical Assistance for the full five year period of the Educational Reform program (1968-1972) based upon planning needs envisaged at that time. Included were specialists in: curriculum revision (including a generalist, social studies, science, and mathematics); secondary teacher education; and ITV (including engineering, production, materials, utilization, film, and graphics). This program is in full operation and, to varying degrees, is planned for the full life of the project.

However, since the initial planning stages, a new element of the Educational Reform program has been introduced. A separate, though related, component has been added in the form of a GOES \$8.4 project for the construction of additional secondary school facilities. To support this added activity a \$4.9 million loan has been received from the IBRD. This loan, however, does not provide for essential Technical Assistance for secondary school curriculum revision grades 10-12. The Ministry of Education and USAID concur that this is a critical need. To construct new facilities without provisions for program improvement would be extremely short-sighted. Therefore, the obvious need for additional Technical Assistance is introduced as a component in the proposed Expansion Stage loan to round out the Educational Reform program and to assure totality of qualitative change.

Additional Technical Assistance to fulfill the above-indicated needs for calendar years 1971 and 1972, will total 12 man years, estimated at \$30,000 per year, for a total of \$360,000. Included under these provisions will be secondary curriculum specialists in: social studies, mathematics, physical and biological sciences, literature, pre-vocational and vocational education, business education, and the fine arts. Research and evaluation needs are also increased by this added program component by an estimated \$40,000. Therefore, under this proposed loan, a total of \$400,000 for Technical Assistance is included.

A revised Technical Assistance Staffing Pattern for the Educational Reform Development Program is shown in Annex B, Exhibit 4.

2. Other Technical Assistance.

In addition to the A. L. D. grant/loan funded technical assistance it is anticipated that during the 1968-1972 time span of the Educational Reform Program, UNESCO will contribute grant assistance to the Ministry of Education totalling \$450,000, the Japanese will contribute grants totalling \$102,000 for the San Salvador trade school, and the United Kingdom will contribute \$30,000 in technical assistance to the Santa Tecla Technical School.

SECTION IV. EVALUATION OF HUMAN RESOURCES

A. The El Salvadoran Public Education System

The Salvadoran Public Educational System was described in Section I-A of this paper. Its structural organization is presented in Annex B, Exhibit 11. A table of the organization of the Ministry of Education is presented in Annex B, Exhibit 2.

B. Primary and Plan Básico School Population

1. Primary

The total 1969 school age population of El Salvador (ages 6 - 19) is estimated at 1,142,500. (See Annex B, Exhibit 7) An estimated 517,600 children are enrolled in grades 1-6 in 1969; an equivalent of 67.3% of the 7-15 population of 769,400. Nevertheless, a 1967 USAID evaluation of Salvadoran primary schools revealed that in actual practice, 7.5% of primary registration is composed of students over 15 years of age. Therefore, a better estimate is that only 478,780 of the presently enrolled students, in primary schools are in the 7-15 age bracket, or 62.2% of the potential.

Although primary school enrollment has grown steadily during recent years (Annex B, Exhibit 8), and the drop-out rate has declined since 1963, the percentage of school-age children in El Salvador who are receiving primary education is still very small (Between 95% and 100% start school but only approximately 20% graduate from the 6th grade). This percentage is not expected to increase very much in the coming years unless primary school facilities are increased and curriculum and teacher training up-graded.

(a) Need for Primary Facilities:

At present, there are approximately 3,000 primary schools in El Salvador. Due to a lack of facilities, only about 1,000 of these give the full six-year curriculum. Nearly 60% of rural schools have only one classroom and most of these serve two or three grades. Promoted students are forced to drop out, since other schools giving the higher grades are not within a reasonable distance.

In 1967 61.5% of primary enrollment was in urban areas and 38.5% in rural areas. Over one-third of the pupils were in the first grade and more than half of the total number were in the first two grades.

Since most of the children of school age start school, the proportion of the school-age population enrolled in any single year can be significantly increased and held at higher levels only by providing additional facilities. Rural enrollment (and total enrollment) can continue to grow only if an effort is made to increase the capacity of rural schools.

Because of costs the need for classrooms will have to be met with a combination of building new classrooms and increasing the use of schools on double shifts. There is an obvious opportunity to increase greatly urban capacity by double shifting, with the possible exception of the capitol city of San Salvador. However, the possibilities in the more rural areas are sometimes limited because of the lesser density of population concentrations.

(b) Need For Up-Grading Curriculum and Teacher Training. Present primary curriculum is obsolete both for terminal primary education and for entry into Plan Básico or Bachillerato. A lack of meaningful modern curriculum contributes to the drop-out rate. Under present AID grants and AID Loan 519-L-013, technical assistance is being provided which will provide by 1971 a completely new curriculum for grades 1-6. Also, supervisors will be re-trained and teachers will receive in-service training in the new curriculum and methodology through TV lessons and seminars, directed by the newly trained supervisors.

2. Plan Básico

As indicated in Section I-A secondary education consists of a three year basic junior high school (Plan Básico) and a two year senior curriculum (Bachillerato) which is to be extended to three years as a result of curriculum revisions provided for by this Project.

In 1968 there were 36,300 students enrolled in Plan Básico schools in El Salvador. Of these, 54.8% or 19,900, were enrolled in 96 public schools and 45.2% or 16,400 were enrolled in private schools. The rate of growth of the public school system is expected to be greater than that of the private. By 1973 public schools are expected to account for 60.8% of the Plan Básico enrollment (30,900 students) and private schools for 39.2% (19,900 students) for a total enrollment of 50,800. (See Annex B, Exhibit 9 for actual and projected Plan Básico enrollments)

C. Present Status of El Salvador Public Education System

1. Curriculum

As indicated in prior reports, the general level of curriculum in El Salvador has been poor. It has been traditionally oriented, unrelated to realism and changing needs, and envisioned as a sacrosanct body of subject matter and knowledge, geared to a politico-socio-economic structure of the past. To change the educational curriculum to serve better the needs of youth and of the nation has been one of the educational imperatives for El Salvador.

This need has not gone entirely unrecognized in recent years and several abortive attempts have been made to revise curriculum. However, the efforts were generally misdirected and resulted in compounding the problems rather than alleviating them. For example, when it was realized that the majority of primary school children received three years or less of schooling an attempt was made to cram more "essentials" into the compressed years. Virtually no forward looking thinking or modernization has influenced curriculum patterns for more than a decade. The less said about the sorry state of curriculum, prior to this past year, the better.

The situation has brightened under the Five Year Educational Reform plan. As previously reported one of the major goals of the new movement is total curriculum reform. As an integral part of plans for ITV, and interwoven with revision of teacher education, the entire curriculum (grades one through twelve) is now under study and revision.

In the spring of 1969, the Minister appointed a steering committee to oversee this activity and to guide the action. This Committee is known as the Comisión de Planes y Programas and is composed of lay citizens, educators, and top Ministry personnel, with technical consultation by UNESCO. This commission has met weekly for over a year and has developed the broad guidelines to be followed in the curriculum revision. At the working level of the Ministry the Division of Technical Pedagogy has provided the staff for curriculum development. Teams of subject matter specialists, working for the most part in conjunction with U. S. subject matter technicians, have been steadily at work on this project for more than a year.

Working priorities were established as follows: (1) in order to provide initial ITV impact for the 7th grade the working group turned its attention to this program; broad subject matter outlines were developed and refined, the material was then developed into detailed units, and finally the materials were turned over to the specialists for translation into ITV lessons; (2) the second priority was given to developing and refining the primary school curriculum in broad outline (this is the present point of progress of the working groups); (3) following this, the 8th and 9th grade curricula will be developed including revision of parts of the new seventh grade curricula; and (4) there will be a complete revision of the bachillerato (high school) curriculum, for grades 10, 11, and 12. Plans have been made for additional technical assistance to aid in modernizing mathematics, the sciences, the humanities and languages. This latter program will also include provision for a more diversified, comprehensive type high school program, as well as for updating needs and programs in vocational education.

All actions and developments of the foregoing groups are submitted to the Commission for approval and compliance with their policy directives. Final approval and implementing decision, in each case, rests with the Minister of Education.

One other development is worthy of note. With reference to the primary school curriculum revision, coordination has now been effected between the Ministry working groups, including their U.S. technicians, and the curriculum and textbook writing staffs of the Regional Primary Textbook Program. From this development it is now anticipated the new Salvadoran primary curriculum will generally parallel the curriculum set forth in these textbook series, thus paving the way for greater utilization of these books in the public primary schools of El Salvador.

With reference to the current revision and development of the Plan Básico curriculum, it is significant to point out that textbooks have never been available for general use in these grades. However, in order to serve the need, every ITV lesson is accompanied by a detailed teachers guide, prepared in a standardized format, as well as by an individual student's workbook. These are supplied to each classroom in ample time in advance of each scheduled ITV program.

In this fashion, written materials are available for each lesson, for each subject. The guide provides specific directions and suggestions to the teacher. The workbook provides opportunity for individualized and directed study to each student and furnishes additional follow-up and enrichment material. These materials are being retained in loose leaf notebooks by each student. Thus a body of permanent materials is being built up and the lack of textbook materials being remedied.

In summary, against an extremely dismal and negative background of curricular history in the Salvadoran schools, important steps are now being taken for total improvement. The quality picture for the future is immeasurably brighter.

2. Teacher Training, Availability and Tenure

As previously reported, under the Education Reform Plan, the curriculum for teacher training is scheduled for complete revision and modernization. Work is now underway on this project at the Ciudad Normal Alberto Masferrer (San Andrés).

Due to an oversupply of primary normal school graduates (Ministry of Education estimate: 3000) training of primary school teachers has been suspended for a temporary period, pending revision of projections and studies of teacher needs. This planning will be largely dependent upon formulation and progress of programs for primary school construction.

Qualitatively there are presently approximately 12,000 primary school teachers of whom some 70.5% are considered Class A, having graduated from a primary normal school, signifying full certification. However, in view of the wide range of quality in many of the normal schools (including many private) throughout the country, this quality index is of little significance. Considered judgement holds the general level of primary school teaching as no better than "fair".

When programs of primary teacher training are resumed, entrance into primary teacher training will require graduation from the bachillerato (high School) and will be increased from two to three years. These new program will be based upon the new primary curriculum now under development and will be formulated along the lines of modernized methodology, now under development in the in-service training courses at San Andrés. Also, they will be directed towards a greater utilization of the ROCAP textbooks.

An estimated 467 teachers are presently employed in public Plan Básico schools (junior high) and approximately 200-260 in private plan básicos. Heretofore there has not been a separate program for the preparation of these teachers. They have received the same primary school preparation and thus have lacked the quality and subject specialization required for junior high school teaching.

Now this is undergoing change. For immediate impact on the ITV Plan Básico teaching, an annual program of one year of in-service retraining has been instituted and is now operative. During the 1969 school year 250 former primary teachers have been selected for the one year course now underway at San Andrés. The new program features the revised plan básico curriculum, modernized methodology, and ITV classroom utilization. Similar annual courses will be conducted during each of the next three years. Thus a supply of qualified and trained Plan Básico teachers will be built up.

No accurate data are available on the actual number of Bachillerato level teachers, due to the fact they are essentially on an "hourly" basis and the majority work a composite schedule of several hours weekly in a number of different schools. Neither are reliable statistics available on either the training or qualifications of these teachers since it is essentially a part-time concept and individuals from a wide variety of backgrounds and training are engaged in itinerant teaching. Under the Education Reform plan abroad improvements will be effected in the programs and requirements of the Superior Normal Schools; and closer articulation will be developed with the teacher preparation programs of the University.

Matters of teacher welfare, employment conditions, salaries, tenure, and protective benefits remain the subject of a continuing dispute between the Ministry of Education and the largest teachers union - ANDES. In February of 1968 the union effected a national teachers strike which lasted one month. It was terminated when it was agreed to submit the differences to arbitration. For the moment, at least, a truce was reached. A compromise "Teacher's Law" incorporating many of the requests and spelling out, in more explicit fashion, many of the details of employment, protection, salaries, benefits, promotion, etc. is currently being negotiated.

A continuing and urgent need in the realm of educational planning is for the development of a comprehensive plan for the resumption of national programs of teacher education.

Planning at the present time includes provisions for programs of extensive in-service training, through which a supply of qualified plan basico teachers will be prepared. This will be accomplished, as presented in other sections of this paper, by means of a nine-month, in-residence course at San Andres in which teachers of varying degrees of experience which will be given training in the new curriculum, modernized methodology and in ITV utilization.

As previously reported, the pre-service preparation of primary teachers has been indefinitely, although temporarily suspended; the programs of secondary teacher training in the Superior Normal schools are presently at a point of uncertain future and development; and there is no actual planning or coordination of University efforts in the preparation of secondary school teachers. As an important element in the full-scale implementation of the Education Reform program it will remain imperative that the over-all planning for the preparation and production of new teachers on all levels, be incorporated into a Ministry of Education master plan.

3. Planning

Under the new reorganization plan of the Ministry provision is made for a Planning Office for the collection of statistics, for the preparation of analyses and projections, and for cooperation with international organization. Experiences of the past year have demonstrated that these improvements are being effected and that a more efficient mechanism is in the process of development.

In addition, a key agency is the National Council for Planning and Economic Coordination which functions at the Presidential level. This group has been closely involved with the formulation of the Educational Reform plan, with the initiation of ITV, and with the development of USAID plans and proposals. It is staffed with competent and well trained personnel. We believe that the capacity of the GOES for long-range planning will continue to improve with the addition of the new Planning Office in the Ministry of Education.

SECTION V. PROJECT JUSTIFICATION

A. Present Education System

The annual budget for the Ministry of Education for operations and for capital expenditures in 1969 was \$25.8 million, representing 24.9% of the total national budget, or slightly more than 2.5% of the estimated Gross National Product. This also represents an increase of 6.4% over the education budget of the preceding year. Thus it may be seen that a substantial effort is being made and that an impressive proportion of national expenditures is going for education. However, despite this improvement even greater efforts will be needed in the future.

To essay an overall appraisal of the general state of education in El Salvador today is to commence with its major weaknesses and deficiencies and, then, to list its more hopeful elements and prospects.

Among the more serious deterrents to more favorable education are: (1) administration and control are overly centralized in the Ministry with very little delegation of authority. (2) internal governmental procedures and redtape make it extremely difficult to secure use of funds which have been budgeted, appropriated and approved; (3) people at the local level have very little voice in the conduct of public education, and, therefore, feel very little responsibility for its success or failure; (4) the wealthy, the politically and economically powerful families send their children to private schools, thus draining off the influence, the concern and the potential financial support that is needed by all sectors of public education; (5) the entire educational system is characterized by a woeful lack of internal communication; (6) elaborate policies with regard to testing, grouping and promotion are rigidly enforced with little concern for individual difference, for extremely divergent cultural and social influences, or for the validity and reliability of the tests employed; (7) salaries are too low to demand and enforce adequate teacher training, or to attract the best qualified teachers after training has been completed; (8) the shortages of physical facilities and personnel limit the enforcement of compulsory attendance laws; (9) the organization of the system tends to encourage favoritism in selection; (10) payment of salaries is an uncertain proposition because of internal delays and also because local groups (patronatos) are required to contribute a proportionate share of these salaries, with no means of enforcing this obligation; and (11) the supervisory system is primarily oriented toward regulatory/inspectoral functions rather than on assisting the teachers to do a better job.

On the other hand, and against this admittedly somber background, there are many signs of forward movement as has been pointed out in preceding sections of this paper. Among the pluses of today for the future prospects of public education in El Salvador can be listed these: (1) the public avowal and dedication of the present administration to the urgency of need and the priority of value for improving education; (2) the revitalization of the Ministry of Education; (3) a willingness to face realistically the many problems confronting education; (4) an effort to streamline and improve the operational management of the Ministry to correct many of the faults of the past; (5) efforts to increase the education budget and to raise teachers salaries; (6) efforts to raise the standards for admission in to and the quality of the programs of teacher education; (7) solicitation of financial support and technical assistance from foreign sources; (8) programs of school construction; (9) mounting the five year Educational Reform plan; (10) creation of a citizens curriculum committee; (11) introduction of ITV; (12) renewed support for the ROCAP primary textbook program; (13) emphasis on the Plan Básico program in an effort to extend the national level of educational completion to nine years; (14) recognition of the need to diversify the educational programs of the upper secondary school (bachillerato); and (15) efforts to raise the social and economic status of the teaching profession.

B. Status of Primary Education

As noted earlier in this paper, primary education in El Salvador still needs a great deal of expansion as well as improvement in the quality of instruction. Among its major shortcomings are insufficiency and inadequacy of classrooms, poorly trained teachers, obsolete curriculum, and lack of teaching materials.

Also as previously noted, major steps have been taken in recent years to correct and alleviate some of these shortages, such as: (1) the Primary School construction program, cited in Section I - B - 2; (2) current on-going curriculum revision, cited in Section IV - C - 1; (3) planning for the revision and improvement of primary school teachers, cited in Section IV - C-2; (4) continued expansion of the ROCAP primary textbook program, cited in Section I - B-5; and (5) Plans for primary teacher in-service training, via ITV, scheduled to commence in 1971.

The proposal for additional primary school construction, contained in this Loan Request, coupled with the foregoing, ongoing

programs and developments, present continued upward development in the status of primary education. However, it must be pointed out again that in view of the high birth rate in El Salvador, the problem of keeping pace with expanding primary school population will continue to tax major resources of the country if the maintenance of reasonable quantitative and qualitative standards is to be realized.

C. Status of Plan Básico Education

As has been evident throughout the presentations in this Loan Paper, as well as in the previous IDB Loan, priority emphasis is focused on immediate impact of the quality up-grading of the Plan Básico segment of public education.

ITV is now currently operating, on a pilot basis, in the 7th grade. Plans include universal ITV coverage of all Plan Básico classrooms by 1972; estimated to reach some 50,000 students. Total curriculum revision is now underway, with the new materials now being used in the first ITV program. A program for the annual retraining of all Plan Básico teachers has been developed and is in operation. It is planned that by 1972 the total staff will have received retraining in the new revised curriculum, in modernized technology, and in classroom utilization of ITV.

Thus, from a one-time virtually ignored segment of Salvadoran public education, Plan Básico is the recipient of the first total forward thrust. When this phase of the program is completed, it will be the first completely revised and modernized segment of the total educational sector.

D. Status of Bachillerato Education

Under the Educational Reform, gradual modernization of the Bachillerato program will be effected. This, however, is not one of the early priorities of the program and will come at a later stage. However, at the present time, Bachillerato curriculum is included in the total curriculum activity now underway. It is the nature of curriculum revision that the best must be conceived in the continuum of grades one through twelve to allow essential and logical subject matter development from grade to grade and to provide requisite internal articulation of the sequential steps in learning. It is within this setting that present work is being accomplished.

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The Ministry has already formulated plans for raising Bachillerato programs from two years to three. Also, under the Reform Plan, diversification of the program will eventually be forthcoming. From this development will come increased educational and vocational opportunities for the youth of El Salvador, more realistically geared to the emerging social and economic needs of the country, and with diminished reliance on the traditional white collar, elitist, University-oriented programs.

Furthermore, included in the future planning are provisions for improving the quality of secondary school teaching, through improvements in the programs of the Superior Normal Schools, as well as provisions for involving the University in a more realistic approach to national needs.

Under a separate IBRD loan, funds will be available to the construction of 17 new upper secondary schools (High Schools). Under provisions of this Loan proposal Plan Básico adjuncts will be attached to these schools, thus the effect of six year secondary schools will be realized.

Also under this Loan proposal is provision for U.S. technical assistance in the development of these new schools; curriculum, programs, staff training, and materials development. It is quite probable that this program eventually will lead to the development of Comprehensive High Schools, an innovation to which a number of other Latin American countries are turning.

E. Benefits of the Goals of this Project

This loan will consist of two elements; one element in the amount of \$2.4 million is to complete fully the activities and facilities need to achieve by 1973 the full Expansion Stage goals of the GOES in its Plan Básico (Junior High School) Educational Reform Program; the second element, in the amount of \$5.8 million is to upgrade Primaria (Primary School System) teacher and supervisor quality, to introduce the new Primaria curriculum, initiate ITV in Primaria, and to make a massive attack on the national deficit of Primaria school facilities.

The first element of the loan will provide 524 new Plan Básico classrooms, supply an adequate number of TV receivers for the operation of ITV in all public Plan Básico classrooms not previously covered by the Pilot/Full Transmission Stage Grant/Loan,

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and, through technical assistance under the Loan, create six different Senior High School (bachillerato) curricula for grades 10-12. Completion of the first element of the Project will bring the total number of students receiving the new curricula by TV in Plan Básico public schools up to approximately 30,000.

The second element of the Loan will provide 1,422 new Primaria classrooms and convert and equip 100 existing primaria classrooms for ITV reception. It will train teachers and introduce new curriculum to all primary schools in the country, add additional facilities for 56,736 new Primaria students and replace inadequate facilities for another 37,824 Primary students.

Expanded programs of educational opportunity and quality are essential for and contribute to economic and social development. By providing opportunity for nine years of public education, as against the generally prevailing system of six years, the number of 9th grade graduates will greatly increase. The increase will contribute to lifting the national level of education and will provide a greater supply of people for skilled and semi-skilled labor training; it will provide for a greater flow into upper secondary education, will increase the supply of potential university students and open up the need for greater diversification in the programs of vocational education. In addition, in due time, it will contribute toward raising the general educational level of the electorate.

F. Priority of Project

The President of El Salvador has stated to the Ambassador of the United States and to the USAID Director that Educational Reform is the number one priority of his government. The GOES and USAID assign the highest priority to this project.

This loan proposal is part of an overall education reform program and not a separate "new project". Preceding sections of the Loan proposal have described the "continuing" aspects of this total program and have made clear that this proposed loan is for the purpose of enabling the Ministry of Education to continue with its Educational Reform plan and to provide for the necessary expansion in ITV.

SECTION VI - FINANCIAL AND ECONOMIC ANALYSIS

A. Financial Analysis

The Educational Reform Program including ITV 1968-72 (as revised 1969) is reviewed in Sections I-V and their Annexes. It is the opinion of the Project Committee that the Experimental, Full Transmission, and Expansion Stages which comprise the revised program are viable projects within the planned time frame.

1. Total Project Requirements

The total investment envisioned for Expansion Stage construction, plus relevant Technical Assistance and GOES and Private Sector contributions is equivalent to \$19.0 million, as detailed in Annex B, Exhibit 15.

The AID loan of \$3.2 million represents 43.2% of the total Expansion Stage investment, GOES resources 43.7%, and Salvadoran private sector contribution the remaining 13.1%. Because of the nature of this stage of the Educational Reform Program (i. e. construction) virtually all AID funds (92.9%) are destined for local currency procurement. Based upon our experience with the Primary School Construction AID Loan 519-L-003, completed in 1967, an inputed U. S. dollar component of 5-8% (\$380,000 to \$610,000) could be assigned to the local currency portion of the loan. Total Expansion Stage requirements are summarized as follows:

(in thousands of U. S. \$ equivalents)

Financed By:	U. S. Dollar		Local Currency		TOTAL	
	Cost	%	Cost	%	Cost	%
AID Loan	582.1	7.1	7,617.9	92.9	8,200	43.2
GOES Resources	-	-	8,303.1	100.0	8,303.1	43.7
El Salvador Private Sector	-	-	2,497.3	100.0	2,497.3	13.1
	582.1	3.1	18,418.3	96.9	19,000.4	100.0

AID capital assistance used for acquisition of equipment will be 100% for U. S. dollar procurement. All of the Technical services provided by the loan will be for U. S. procurement of services except for approximately \$64, 080 (about 0. 8% of the loan) for local costs of U. S. contracted technicians and minimum locally contracted secretarial backstopping.

2. 1967-1972 Total GOES ER/ITV Project Requirements (Revised 1969)

The contribution of the GOES allocated to the Expansion Stage Project represents the difference between the GOES^a commitment to the ITV Program made as a part of the AID Loan 519-L-013 Project and the total 1969 revised requirements of the 1967-1972 ITV Program.

(in thousands of U. S. \$ equivalents)

	GOES Contribution to AID Loan <u>519-L-013 Project</u>	GOES contribution to Exp. Stage <u>Project</u>	<u>TOTAL</u>
ITV Operations	910. 0	1, 337. 4	2, 247. 4
Spl. PB/ITV Teacher Training	662. 5	509. 1	1, 171. 6
Spl. P/ITV Teacher Training	-	225. 6	225. 6
TV Bldgs. & Equipm ^{nt}	145. 0	40. 0	185. 0
	<u>1, 717. 5</u>	<u>2, 112. 1</u>	<u>3, 829. 6</u>

3. Technical Services

The technical services to be provided under the loan are for 12 man-years of U. S. curriculum specialists services estimated at \$360, 000, plus an estimated \$40, 000 for the independent evaluation services of a U. S. firm. These technical services will create the previously described superior high school curriculum to complement the IBRD higher education loan.

It is anticipated that economies in equipment procurement under AID Loan 519-L-013 will permit an allocation of \$470, 000 from that loan for Technical Assistance, instead of the originally estimated \$300, 000. This \$470, 000, plus the grant funded technical assistance, will provide TA needed for curriculum revision grades 1-9 and for ITV. A request for modification of the

original AID Loan 519-L-013 authorization to permit more than \$300,000 to be allocated to TA will be made to the CAEC at the appropriate time.

Total technical services provided for the 1968-1972 Educational Reform Program from AID grants, AID Loan 519-L-013, and AID Expansion Stage loan will be distributed as follows (in thousands of U. S. dollars):

To establish and utilize ITV	\$ 330.	20.0%
To upgrade Teacher and supervisor training	540.	33.1%
To upgrade Primary and Plan Básico Education	360.	22.1%
To upgrade Superior High School Education	400.	24.8%
	<u>\$1,630</u>	<u>100.0%</u>

4. Borrower's Recurrent and One-Time Cost Burden

Annex B, Exhibit 13 shows the Ministry of Education's 1969 revised projection of ongoing (recurrent) costs of education in El Salvador. The projections are based upon the increases required by the projected additional pupil input, increases in teacher salaries, administrative expenses, the ITV program, and normal school operations, as well as MinEd's other activities. The National Planning Council and the UNESCO education advisor to the Ministry, as well as the Project Committee, consider these projections realistic and reasonable.

The Project Committee has analyzed these projections with special emphasis on determination of whether it is reasonable to presume that the future education budgets are realistic and feasible.

Over the past six years the Salvadoran administrative (recurrent cost) and capital budget assigned to education has increased cumulatively by 8.7% per year. To attain the GOES projected administrative budget for recurrent costs plus the needed GOES capital input of one-time costs for the overall Educational Reform Program, a cumulative (recurrent plus capital cost) budgetary increase of 5.3% per year would be required through 1972.

The Project Committee believes it reasonable to conclude that GOES will allocate a 5.3% or better cumulative increase to its educational budgets in 1970-1972 to provide for the successful implementation of the Educational Reform Program - the expressed number one priority of the present Salvadoran government.

5. The Borrower

The Borrower will be the Government of El Salvador acting through its implementing agency, the Ministry of Education. Borrower's contributions will be made from GOES budgetary resources.

6. Timing of Proposed AID/GOES Inputs

Inputs to the Expansion Stage Project (in addition to those already committed in connection with AID Loan 519-L-013) are anticipated to be as follows:

(in thousands of U. S. dollar equivalents)

	<u>A. I. D.</u>	<u>GOES</u>	<u>SALV. PRIV. SECTOR</u>	<u>TOTAL</u>
CY 1970	2,240.2	1,043.7	541.4	3,825.3
CY 1971	2,788.0	3,175.3	900.7	6,864.0
CY 1972	<u>3,171.8</u>	<u>4,084.1</u>	<u>1,055.2</u>	<u>8,311.1</u>
	8,200.0	8,303.1	2,497.3	19,000.4

7. Availability of Alternative Sources of Funds

Neither Eximbank nor IDB have expressed an interest in the Educational Reform Program including ITV project. IBRD has authorized a \$4.9 million loan to improve the senior high school program and also provide 149 PB classrooms. These PB classrooms will be suitable for and included in the utilization of the AID loan financed ITV facilities.

Free World Technical assistance grants are providing approximately; UNESCO Technical services, \$90,000 per year; Japanese technical services for five years to the San Salvador Trade School valued at about \$72,000, plus a total of about \$30,000

8. The prospects for repayment of the loan are excellent. The Government of El Salvador will undertake the obligation and assume the foreign exchange risk. (See Annex C for information on GOES foreign debt and net foreign exchange reserves).

B. Economic Analysis

1. Present Status of the Salvadoran Economy

El Salvador currently is experiencing a period of reduced economic activity. Growth in 1968 is estimated at 4%, approximately equal to 1967, and with prospects about the same for 1969. This is far below the 1961-1966 average of 8%. Several factors have been and may continue to be responsible for this stagnation: (a) export earnings, while increasing by almost 10% in 1967, rose by only about 2.5% in 1968; (b) industrial production has begun to slow as the constraint of limited demand in the CACM is reached; and (c) public investment, principally owing to a reduction in the foreign loan inflow, fell in 1967 by some 27% and is expected to have been further reduced in 1968, although complete data are not yet available.

At the same time as economic growth has slowed, population growth has maintained its high rate of increase, estimated at 3.6% a year. This has virtually eliminated any improvement in the per capita income of the country, which presently equals about \$284. Complicating the issue is the fact that almost 50% of the population is under age 15. There is little prospect that the population growth rate will be reduced significantly in the near future despite an active family planning program.

2. Economic Impact of Project

The quantification of returns to educational investment is difficult and conjectural at best. However, on the basis of USAID projections, the medium and long-term economic benefits on a "present value" basis should substantially exceed the costs of the undertaking by a very satisfactory margin.

While the percentage of the school age population to be accommodated under the improved system will show no gain because of the high rate of population increase, in absolute terms the "throughput" of primary pupils will be increased by 34.2% per year and Plan Basico (Junior High) pupils "throughput" will be increased by 30% per year when the system becomes fully operational in 1973 and thereafter. This is estimated to result in an annual increase of 5,900 in the skilled and 20,000 in the semi-skilled labor force. Taking wage differentials in these categories as \$1,440 for skilled, \$960 for semi-skilled, and \$480 for unskilled, economic productivity would be increased by \$15,264,000 annually as a direct result of the project.

Also to be imputed to the project investment is the salvage of approximately \$1,200,000 annually to the present system from dropouts and "lockouts" which occur before functional literacy is achieved, and which are expected to be substantially reduced by the improvements to be financed.

This totals \$16,464,000 per year following 1973, as offset to the capital costs (including TA, project administrative costs, ITV operations, and teacher training as assigned to the project) of \$19.0 million and incremental recurring costs attributed to the project of approximately \$8.1 million annually thereafter. This would obviously result in a very high benefit-cost ratio (and internal rate of return) even over the relatively short-run.

3. Debt Repayment Capacity of El Salvador.

The prospects for repayment of the loan are excellent. The Government of El Salvador will undertake the obligation and assume the foreign exchange risk. The debt burden of the GOES is low compared to its CACM associates and other Latin American countries of similar economic conditions, and there would seem to be room for expansion. For further details see Annex C.

4. Impact on U. S. Economy

The loan will not have an adverse effect on the U. S. economy due to competition with U. S. enterprise. The direct procurement of an estimated \$582,100 in U. S. goods and services, plus a potential additional \$120,000 in maintenance engineering services will make a contribution to the U. S. economy over the project disbursement term, and also an amount of from \$380,000 to \$610,000 of local off-the-shelf procurement of goods of U. S. source/origin, as well as continuing replacement costs thereafter, will make a contribution to the U. S. economy over a longer term. U. S. government excess property will be procured in lieu of new items wherever possible.

All local currency for expenditures financed under the loan will be generated through the Special Letter of Credit procedures, thus attributing directly to U. S. exports to El Salvador. The Loan will assist in creating a larger potential of human resources in El Salvador having greater productivity and contributing to the economic growth of the country. Since the U. S. is El Salvador's major supplier (\$14.5 million favorable balance in the full year 1967 and \$14.2 in only the first 6 months of 1968), the U. S. economy will benefit by an increase in the total amount of U. S. goods and services sold to the Salvadoran economy.

Although the Salvadoran trade and payments system is a relatively free one, USAID/ES will extend its best efforts to maintain and implement a system with incentives to achieve additionality of U. S. exports.

5. Justification of Loan Terms

The Project Committee is of the opinion that the terms recommended are reasonable for this non-revenue producing educational project.

6. Additionality

In a virtually free economy such as El Salvador, it is most difficult to identify meaningful actions which could create U.S. additionality. Additionality secured in fulfillment of conditions precedent to disbursement of A.I.D. Loan 519-L-012 were as follows:

"The undersigned officers of the Banco Central de Reserva de El Salvador,

"C E R T I F Y

"that on pages numbers 321/322 of the Sixteenth Book of Minutes of the Board of Directors, point number XVI of the minutes of the meeting No. JD/7/68, which took place on Tuesday, February 6, 1968, is found to be registered and it says literally:

"XVI For the purpose of making the mechanisms of exchange control more flexible in connection with those imports necessary for the economic development of the country, the

Board of Directors resolved to supplement the Rules for the Authorization of Orders for the Import of Merchandise, established in Section I of point XVI, of meeting No. JD-48/67, of September 19, 1967, with the following:

'5. - The Department of Exchange Control - may authorize merchandise orders destined for use in agricultural, cattle breeding and industrial production, originating in countries with whom El Salvador's trade balance has been favorable during the last fiscal exercise; or from countries whose financial, public or private institutions, grant countries the State, or its dependencies, municipalities, official autonomous institutions, or public autonomous institutions loans with a repayment period of no less than 20 years for economic and social development purposes; or from countries with whom El Salvador has integration or economic treaties; and providing that the terms of payment of the orders do not exceed the periods of time established hereafter, beginning on the date the merchandise is received at the customshouse, as follows: a) orders for the merchandise and equipment (with the exception of vehicles) which payment must be made within 18 months; and b) orders for raw material and intermediate goods, which payment must be made within one year.'

"IN WITNESS WHEREOF, this certification is signed in San Salvador on the 11th day of September one thousand nine hundred and sixty eight."

The additionality accruing to the U.S. benefits all U.S. exporters and is not limited to the value of a single loan. It is anticipated that a re-affirmation of the above additionality will be the most reasonably attainable document which can be secured from GOES in fulfillment of conditions of this loan.

SECTION VII - ENGINEERING ANALYSIS

A. General Description of the Construction Portion of the Project.

Included in the loan project is the construction of 224 Primary schools totalling 972 classrooms and 91 Plan Básico schools totalling 503 classrooms. These schools will be constructed throughout all of the departments (provinces) of El Salvador. The schools will each have toilets, administrative space and necessary utilities.

The total cost of the construction and engineering supervision (not including land, GOES administration costs, and furnishings) is estimated at \$9,042,400. It is proposed that the GOES will contribute \$2,237,000 (24.8%) and that \$6,804,400 (75.2%) will be provided by A. I. D. It is anticipated that there will be no direct dollar costs for the construction and that the engineering supervision dollar costs could amount to \$120,000.

B. Engineering Plan

1. Technical Feasibility

The School Buildings Planning Division of the Ministry of Education have designed both basic Primary and Plan Básico school plans, which will be the basis for the final design of each school. These basic plans are included in Exhibit 7 of Annex D. The Primary school design incorporates A. I. D. recommended improvements in the design used for the construction of the A. I. D. financed Primary School program in El Salvador (AID Loan 519-L-003. The Plan Básico design is new, but incorporates the same spatial requirements, materials and type of construction used in the improved Primary school design. The type of construction to be used has proven inexpensive, efficient and fully satisfactory to the long-term needs of El Salvador.

Cost estimates for each of the types of schools were prepared by the School Buildings Planning Division of the Ministry of Education and are included in Annex D. These estimates do not include the cost of equipping the schools, land, and GOES administration costs. The cost of land acquisition or land value has been considered in this loan paper as a Private Sector contribution in addition to the total GOES project contribution shown in the Project Cost

Summary in Annex B. A comparison of the construction cost estimates with unit prices used on past A. L. D. loans, the present American High School construction, (AID Loan No. 519-L-011) and present unit prices used in the Salvadoran building construction industry indicates that the cost estimates are reasonable. Therefore, it is determined that the requirements of Section 611(a) (1) of the FAA have been met.

Overall project contingencies and estimates of inflation of construction costs are not included in the cost estimates in Annex D or in the Project Cost Summary of Annex B. All cost projections are in constant 1969 dollar equivalents. Increases in project costs due to unforeseen difficulties and inflation will be included in the loan agreement as the financial responsibility of the borrower.

2. Engineering Plan for Implementation of the Project

It is proposed that an Architectural-Engineering firm satisfactory to A. L. D. be contracted by the GOES to finalize the plans, specifications and bid documents, to advertise the project construction for competitive bidding and to supervise the project construction. The construction period has been estimated at 36 months. The A/E firm will be U. S., CACM or a joint venture of US/CACM firms.

The construction will be done by qualified construction contractors who will participate in competitive bidding in accordance with AID regulations. The schools will be bid for and constructed in groups of schools located in geographical proximity. The advertising of school groups for bidding will be done on a staged basis in accordance with site selections made and priorities set by the Ministry of Education and approved by A. L. D. Based upon USAID's prior experience in school and health post/unit construction, it is not anticipated that any of the Invitation for Bids will include enough work to attract other than Central American construction firms.

Nevertheless, insofar as feasible, alternative methods of bidding will be considered in order to obtain the lowest possible unit costs on optimal magnitudes of competitive bids. Such methods would include consideration of larger bid packages which would contain a large enough number of groups of schools to be potentially attractive to U.S. firms, with bidders having the option of bidding one, several, or all of the groups tendered. Notices of all proposed construction will be advertised in the U.S. Commerce Business Daily in accordance with normal A.I.D. procedures.

C. Maintenance

School maintenance in El Salvador is the responsibility of the Construction and Maintenance Division of the Ministry of Education. This Division of the Ministry has declined in importance and effectiveness in the three years following the school construction financed by A. L. D. loan No. 519-L-003 with a resulting diminished capability to perform adequate maintenance of existing schools. The Ministry of Education plans to provide this Division with sufficient resources to perform proper maintenance of existing schools and the schools to be constructed under this project.

The loan agreement will require that a maintenance program or plan be prepared by the GOES in form and substance satisfactory to A. L. D.

No letters of commitments to finance construction will be opened after one year counted from the date of the first letter of commitment under the loan unless by that time such maintenance program or plan has been prepared by the GOES and accepted by A. L. D.

SECTION VIII - CONDITIONS AND COVENANTS

In addition to the usual covenants and conditions, the Project Committee recommends that the Loan Agreement contain the following:

- A. All goods and services financed by the loan for the Project shall have their source and origin in the United States of America or the Central American Common Market Countries. Shipping financed under the loan shall be procured from the United States and marine insurance financed under the loan shall be placed with a company authorized to do marine insurance business in any State of the United States.
- B. Prior to the first disbursement or the issuance of a commitment document under the Loan, Borrower shall furnish A. L. D., in form and substance satisfactory to A. L. D., a schedule of its planned contributions to the Project during calendar years 1970, 1971 and 1972. Borrower shall accompany that schedule with evidence satisfactory to A. L. D. that it will provide the contributions called for by the schedule.
- C. The Borrower shall, in each year in the period from the date of the Loan Agreement until the last disbursement under the Loan, discuss with A. L. D. its overall future financing needs to carry out its five-year Educational Reform Program including IIV, and any modifications thereof.
- D. Prior to and as a condition to the disbursement of Loan funds to finance any particular construction program, Borrower shall, in form and substance satisfactory to A. L. D., furnish USAID:
 1. Evidence that all necessary rights to the land have been obtained.
 2. Final engineering designs and specifications for the specific school and

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3. An executed contract with a construction firm satisfactory to A. I. D. or in exceptional cases approved in advance by A. I. D. an agreement with a Borrower agency.
- E. Prior to and as a condition precedent to the opening of further Letters of Commitment to finance construction after one year subsequent to the date of opening the first Letter of Commitment hereunder, Borrower shall in form and substance satisfactory to A. I. D. furnish USAID a maintenance program or plan for all schools financed under A. I. D. assisted educational programs in El Salvador.
- F. Borrower shall covenant to carry out the maintenance program and program of quality improvements agreed upon with A. I. D. for the Project, and to satisfactorily maintain, supply, and staff the schools in El Salvador financed by A. I. D. under previous programs.
- G. Borrower shall, for the purpose of identifying areas for intensive study and any slowly developing bottlenecks in the Educational Reform Program, at the end of each six month period from the date of the Loan Agreement until the last disbursement under the Loan, discuss the qualitative and administrative aspects of the Educational Reform Program with A. I. D., through representatives of its National Planning Council and its Ministry of Education. Such discussions will include, but not be limited to, (1) analysis of the past and future six months budgetary needs of the Program; (2) analysis of the administrative implementation mechanism of the Program and the adequacy of its staffing; (3) program monitoring and the communication of general basic information and overall conclusions important for decision-making to key leaders in the CORE and the identification and evaluation of new problems which may have arisen; (4) measurement of information received by the administrators and planners of the Program relative to the effects of the Program elements of the Program such as curriculum changes, teacher training, instructional materials, new technologies, expanded physical facilities, etc. on enrollment trends, dropout, repeater and promotion rates; learning achievements; and costs of various learning achievement levels with varying mixes of technical and financial inputs into the education system; (5) the degree of specific statistical capability achieved to provide even more refined statistical indicators on the Program for use of

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GOES officials and leaders, (6) a revised programming of the release of GOES and A.I.D. funds for the next six months period.

In order to shorten the gap between program progress and implementation and top level GOES MinEd managerial support, it is anticipated that negotiations between USAID and GOES in which these needs will be projected and clarified will result in a definition of specific GOES needs to strengthen certain key positions in its organizational structure including the following aspects: (1) cost effectiveness and projections, (2) systems planning, (3) coordination among relevant GOES Ministries and national planning goals, (4) strengthening of Ministry of Education recruitment to fill top level managerial slots, and (5) strengthening of the function of management monitoring of the implementation of plans, budgets and major operations in general.

This would be implemented through participation of short-term U.S. consultants, GOES participant training, and in-country training, thus tending to fulfill the requirements of the periodic reviews.

It is anticipated that should these needs occur, and with GOES concurrence, not to exceed \$100,000 of loan funds would be diverted and programmed for this purpose. Such action would be accomplished by means of an action memorandum to the CAEC requesting an appropriate amendment to the Loan Agreement.

SECTION IX - IMPLEMENTATION PLAN

A. Project Execution

1. Execution Plan

Major execution steps are described in items A-3 through B-1 below. The Loan Agreement and Basic Implementation Letter No. 1 will state the conditions which must be fulfilled by Borrower prior to disbursements.

USAID/El Salvador will ensure that conditions precedent and the covenants contained in the Loan Agreement are in fact followed. USAID personnel will make periodic inspections of the Project, assisted by contract and AID/W personnel, as required.

At such intervals as A. I. D. may require, an audited annual report of the Project will be made by a satisfactory GOES Agency. Monthly, quarterly, and annual progress reports will be required of the Borrower in form and substance acceptable to A. I. D., as A. I. D. may require.

2. Primary Responsibility for Action

The Ministry of Education, as implementing agency for the Government of El Salvador, has the primary responsibility for implementation of the loan. The primary responsibility for fulfilling A. I. D. 's implementation function rests with USAID/El Salvador.

3. USAID Monitoring Responsibilities

Monitoring responsibilities for the El Salvador Educational Reform Project including ITV will be the responsibility of the USAID Chief Education Advisor and his Deputy. They will work in close cooperation with the U. S. contract experts who will be responsible for the teacher training curriculum and ITV aspects of the Project, and with U. S. firms contracted to evaluate the Program. In addition, the USAID Chief Education Advisor will work closely with representatives of the Ministry of Education and the National Planning Council of El Salvador specifically appointed for this Project.

The technical assistance experts funded under this loan will be primarily responsible for the creation of a diversified Bachillerato (Senior High School) curriculum and for the training

of Salvadoran counterparts. The U. S. Curriculum advisors will work with the Ministry Curriculum Commission in the reorganization of the Bachillerato curricula in Sciences, Letters, Industrial Arts, Commerce, and Fine Arts. A Bachillerato curriculum in Farming will be developed by the Ministry assisted through a contract with the University of California financed either by the Ministry out of GOES resources, or out of the IBRD higher education loan.

4. Technical Assistance

The technical assistance and evaluation experts will be contracted by A. L. D. either by personal services or firm contracts, with the concurrence of the GOES in each case.

B, Implementation Procedures

1. Target Dates:

Assuming that the Agreement is signed by December 1969 the following schedule of implementation appears realistic:

FY-69

June 1968 Agreement Authorized by AID/W

FY-70

July 1969 Draft Loan Agreement and IL No. 1 Submitted to GOES.

Aug. 1969 Ministries of Education, Justice and Finance, and National Planning Council review drafts.

Nov. 1969 Salvadoran Legislature authorized execution of agreement.

Dec. 1969 Loan Agreement Signed.

Jan. 1970 Agreement ratified by Salvadoran Legislature.

Apr. 1970 Conditions Precedent to Disbursement fulfilled.

Apr. 1970 Commitments begin and first disbursement is made.

FY-71

July 1970 First construction authorized.

Dec. 1970 U. S. \$1.0 million committed

FY-72

Dec. 1971 An additional \$3.2 committed.

FY-73

Dec. 1972 U. S. \$8.2 million fully committed.

2. Disbursement Procedures

United States dollars utilized under the loan for procurement of U. S. source/origin equipment and services shall be made available through the standard Letter of Commitment procedures.

United States dollars utilized under the loan to finance local costs shall be furnished to the Borrower or its designee through the Special Letter of Credit procedures and shall be used only for procurement in the United States. Additionality satisfactory to A. L. D. will be required.

Local currency utilized under the loan shall be limited to local costs for school construction and equipment, supervisory engineering, installation of TV receivers, and local costs for the services of U. S. technicians.

To obtain local currency for these disbursements, the Ministry of Education (or A. L. D. as its designated agent for this purpose) will request Special Letters of Credit from U. S. banks in favor of the Central Reserve Bank of El Salvador. The Central Reserve Bank of El Salvador will, upon credit to its account in a U. S. bank, disburse an equivalent amount of Salvadoran colones to the Ministry of Education or to the USAID/ES Controller or JAS Disbursement officer (if A. L. D. is designated procurement agent for all or part of the procurement).

Certification for consulting engineering services will be made by the Ministry of Education and the USAID/ES General Engineer prior to payment.

Certification for construction and equipment costs will be made by the Ministry of Education, the consulting engineering firm, and the USAID/ES General Engineer prior to payment.

Certification for replacement textbook publishing and other education costs will be made by the Ministry of Education and the USAID/ES Chief Education Advisor or his Deputy.

3. Procurement Procedures

Standard A. L. D. rules of procurement will apply. All items to be procured will be scheduled by the end of FY-1973.

4. Tranche-Revision Procedures

The loan will be disbursed in six semi-annual tranches following joint reviews of progress and problems by representatives of the Ministry of Education, the National Planning Council, and USAID. There may be participation from representatives of UNESCO, AID/W, and specialized consultants if deemed necessary and desirable.

Each review will examine progress made toward targets established during the prior review; will identify bottleneck shortfalls and divergence from targets; will seek to identify factors contributing to problems which have arisen; will evaluate the effect of the series of actions undertaken to date in the reform Program; will seek to refine successively statistics planning projections, and line of action, and will readjust the allocation of financial and human resource inputs into the education system in accordance with the refined evaluations, plans and targets resulting from each such review.

The review mechanism will be utilized as a developmental tool to strengthen the capability of the chief managers and planners of the education system to follow the progress of the reform, to evaluate results, and to plan new improvements. The strengthening of this capacity will probably require the expansion of competent staff members within the Ministry of Education and the National Planning Council. Efforts will be made to have such persons covered by normal Salvadoran budgets and/or USAID grant funds. However, since this area is of such importance to the creation of a strong management and planning capability within the education system, provisions will be made to allow the use of loan funds to support this activity in the event that normal GOES budgets or USAID grants are unavailable for this purpose.

As a further means to strengthen the management planning and evaluating function, the USAID will seek to arrange specialized participant training for the estimated two to four persons who would be working in this area in the Ministry and the Planning Council.

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EL SALVADOR - EDUCATION

CHECKLIST OF STATUTORY CRITERIA

(Alliance for Progress)

In the right-hand margin, for each item write answer, or, as appropriate, a summary of required discussion. As necessary, reference the section(s) of the Capital Assistance Paper, or other clearly identified and available document, in which the matter is further discussed. This form may be made a part of the Capital Assistance Paper.

The following abbreviations are used:

FAA - Foreign Assistance Act of 1961, as amended by the Foreign Assistance Act of 1968.

App. - Foreign Assistance and Related Agencies Appropriations Act, 1969.

COUNTRY PERFORMANCE

Progress Towards Country Goals

1. FAA §.208; §.251(b).

A. Describe extent to which country is:

(1) Making appropriate efforts to increase food production and improve means for food storage and distribution.

1.A.(1) El Salvador is making appropriate efforts through its Supervised Agriculture Credit, Livestock Improvement Agencies, Agricultural Price Stabilization Institute, and the Agrarian Reform Program implemented through its Rural Colonization Institute.

(2) Creating a favorable climate for foreign and domestic private enterprise and investment.

1.A.(2) El Salvador is creating such climate by 1. common market efforts, 2. investment protection laws, 3. investment guarantees, 4. free exchange, 5. tax incentives to new industries.

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(3) Increasing the public's role in the developmental process.

1.A.(3) The public's role in the developmental process in El Salvador is increasing through the Savings and Loan Associations, Rural Credit Cooperatives, the Demographic Society, private industrial development bank, and other private institutions.

(4) (a) Allocating available budgetary resources to development.

1.A.(4)(a) - El Salvador is allocating substantial budgetary resources to development.

(b) Diverting such resources for unnecessary military expenditure (See also Item No. 18.) and intervention in affairs of other free and independent nations. (See also Item No. 17.

1.A.(4)(b) - El Salvador is not diverting such resources for unnecessary military expenditures and is not intervening in other Free Countries' affairs.

(5) Willing to contribute funds to the project or program.

1.A.(5). GOES and Salvadoran private funds to the project, totalling over \$11 million dollars.

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(6) Making economic, social, and political reforms such as tax collection improvements and changes in land tenure arrangements, and making progress toward respect for the rule of law, freedom of expression and of the press, and recognizing the importance of individual freedom, initiative, and private enterprise.

1. A. (6) El Salvador is making efforts to accomplish these reforms. Progress is being made in recognition of the importance of individual freedom, initiative, and private enterprise, and freedom of expression of the press exists.

(7) Adhering to the principles of the Act of Bogotá and Charter of Punta del Este.

1. A. (7) El Salvador is adhering to the principles of the Act of Bogotá and Charter of Punta del Este.

(8) Attempting to repatriate capital invested in other countries by its own citizens.

1. A. (8)- El Salvador has consistently followed policies that encourage the repatriation of capital invested in other countries by its citizens.

(9) Otherwise responding to the vital economic, political, and social concerns of its people, and demonstrating a clear determination to take effective self-help measures.

1. A. (9) El Salvador is responding to these concerns and demonstrating a clear determination to take effective self-help measures as shown by its recent increase in real property taxes, and contributions from its own resources toward agricultural and educational reform, and other development projects.

B. Are above factors taken into account in the furnishing of the subject assistance?

1. B. -The above factors have been taken into account in the furnishing of subject assistance.

Treatment of U.S. Citizens

2. FAA §.620(c). *If assistance is to government, is the government liable as debtor or unconditional guarantor on any debt to a U.S. citizen for goods or services furnished or ordered where (a) such citizen has exhausted available legal remedies and (b) debt is not denied or contested by such government?*

2. According to the best information available, no such indebtedness is owed to U. S. citizens.
3. FAA §.620(e)(1). *If assistance is to a government, has it (including government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing-ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obligations toward such citizens or entities?*

3. El Salvador has not taken any of the actions proscribed herein.
4. App. §.106. *If country attempts to create distinctions because of their race or religion among Americans in granting personal or commercial access or other rights otherwise available to U.S. citizens generally, what steps (will be) (have been) taken during loan negotiations to influence elimination of such distinctions?*

4. It appears to be reasonably certain that GOES will not attempt to create distinctions because of their race or religion among Americans in granting personal or commercial access or other rights otherwise available to U. S. citizens generally. GOES does not now so discriminate.

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5. FAA §.620(o); Fishermen's Protective Act. §.5. *If country has seized, or imposed any penalty or sanction against, any U.S. fishing vessel on account of its fishing activities in international waters,*
5. According to the best information available, no seizure of U. S. fishing vessels or imposition of sanctions or penalties against them have been made by El Salvador.
- a. *has any deduction required by Fishermen's Protective Act been made?*
- 5.a. N.A.
- b. *has complete denial of assistance been considered by A.I.D. Administrator?*
- 5.b. N.A.

Relations with U.S. Government and Other Nations

6. FAA §.620(d). *If assistance is for any productive enterprise which will compete in the U.S. with U.S. enterprise, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan?*
6. Assistance planned under this loan is for infrastructure and not for a productive enterprise which could compete with U. S. enterprise
7. FAA §.620(j). *Has the country permitted, or failed to take adequate measures to prevent, the damage or destruction by mob action, of U.S. property?*
7. Such actions have not been permitted and adequate measures have been taken to prevent them.

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8. FAA §.620(l). *If the country has failed to institute the investment guaranty program for the specific risks of expropriation, in convertibility or confiscation, has the A.I.D. administration within the past year considered denying assistance to such government for this reason?*
 9. FAA §.620(q). *Is the government of the recipient country in default on interest or principal of any A.I.D. loan to the country?*
 10. FAA §.620(t). *Has the country severed diplomatic relations with U.S.? If so, have they been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption?*
 11. FAA §.620(u). *What is the payment status of the country's U.N. obligations? If the country is in arrears, were such arrearage taken into account by the A.I.D. Administrator in determining the current A.I.D. Operating Year Budget?*
 12. FAA §.620(a); App. 8.107(a) and (b). *Does recipient country furnish assistance to Cuba, sell strategic material to Cuba, or permit ships or aircraft under its flag to carry cargoes to or from Cuba.*
7. A bilateral agreement between the United States and El Salvador, relating to the guaranty of private investments, was signed at San Salvador January 20, 1960, and entered into force April 8, 1960.
 9. El Salvador is not in default of any principal or interest on any loan made to it under the Act.
 10. El Salvador has consistently maintained diplomatic relations with the United States..
 11. El Salvador is not known to be delinquent on any of its U. N. obligations.
 12. According to the best information available, El Salvador complies fully with these prohibitions against trade with or assisting Cuba and with permitting ships or aircraft under its registry to carry proscribed items to Cuba.

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13. FAA §.620(b). *If assistance is to a government, has Secretary of State determined that it is not controlled by the international Communist movement.*
13. The Secretary of State has determined that El Salvador is not controlled by the Communist movement.
14. FAA §.620(f), App. §.109. *Does recipient country have a communist government*
14. El Salvador does not have a communist government.
15. FAA §.620(i). *Is recipient country in any way involved in (a) subversion of, or military aggression against, the U.S. or any country receiving U.S. assistance, or (b) the planning of such subversion or aggression.*
15. El Salvador is not in any way so involved.
16. FAA §.620(n); App. 107(b) and 116. *Does recipient country furnish goods to North Viet-Nam or permit ships or aircraft under its flag to carry cargoes to or from North Viet-Nam?*
16. According to the best information available, no El Salvador ships or aircraft traffic with North Vietnam.

Military Expenditures

17. FAA §.620(s). *What percentage of country budget is for military expenditures? How much of foreign exchange resources spent on military equipment? Is U.S. P.L. 480 or development assistance used for military purposes? Are country's resources devoted to unnecessary military expenditures to a degree which materially interferes with*
17. GOES'1969 military budget represents an estimated 7.9% of its national budget or 0.9% of GNP. Foreign exchange resources of approximately US\$200,000 are anticipated to be spent in 1969 on U. S. equipment and spare parts. No U. S. PL480 funds are used in El Salvador for military purposes. The GOES is not devoting to military purposes a percentage of its resources which materially interferes with its development.

its development? (Consideration of these points to be coordinated with PPC/MAS.)

- 18. FAA §.620(v). App. §.119. How much spent by country during current U.S. fiscal year for sophisticated military equipment purchased since January 1, 1968? Has corresponding amount been deducted from current OYB, or is the weapons purchase determined by the President to be important to U.S. national security? (Responses to these questions to be coordinated with PPC/MAS.)

18. COZS has not purchased and does not intend to purchase sophisticated military equipment.

CONDITIONS OF THE LOAN

General Soundness

- 19. FAA §.201(d). Information and conclusion on reasonableness and legality (under laws of country and U.S.) of lending and relending terms of the loan.

19. Loan terms are consistent with United States and El Salvador laws. The lending and relending terms are considered reasonable in comparison with other sources of financing available.

- 20. FAA §.251(b)(2); §.251(e). Information and conclusion on activity's economic and technical soundness. If loan is not made pursuant to a multilateral plan, and the amount of the loan exceeds \$100,000, has country submitted to A.I.D. an application for such funds together with assurances to indicate that funds will be used in an economically and technically sound manner.

20. The activity is considered to be economically and technically sound. An application has been prepared and submitted to A.I.D. with the information and assurances that the funds will be used in an economically and technically sound manner.

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21. PAA § 261(b). Information and conclusion on capacity of the country to repay the loan, including reasonableness of repayment prospects.
21. It appears to be reasonably certain that El Salvador will be willing to, and has excellent prospects of being able to repay the loan.
22. PAA § 811(a)(1). Prior to signing of loan will there be (a) engineering, financial, and other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?
22. A reasonably firm estimate of the cost to the United States has been prepared, along with satisfactory financial plans. A final engineering study shall be completed prior to execution of the Loan Agreement.
23. PAA § 811(a)(2). If further legislative action is required in this recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purposes of loan?
23. No legislative action will be required for accomplishment of the purposes of the loan. Normal legislative approval of the loan agreement will be required.
24. PAA § 812(a). If loan is for capital assistance, and all U.S. assistance to project not exceeds \$1 million, has Mission Director certified the country's capability effectively to maintain and utilize the project?
24. The Mission Director has certified this compliance.
25. PAA § 851(b). Information and conclusion on availability of financing from other free-world sources, including private sources within the United States and conditions.
25. Other Free World sources of financing are not interested in financing this project at satisfactory terms and conditions.

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Loan's Relationship to Achievement
of Country and Regional Goals

26. FAA §.207; §.251(a). Extent to which assistance reflects appropriate emphasis on; (a) encouraging development of democratic economic, political, and social institutions; (b) self-help in meeting the country's food needs; (c) improving availability of trained manpower in the country; (d) programs designed to meet the country's health needs, or (e) other important areas of economic, political, and social development, including industry; free labor unions, cooperatives, and voluntary agencies; transportation and communication; planning and public administration; urban development; and modernization of existing laws.
- 26(a). The assistance will contribute towards these developments by providing better opportunities for education of the people of the country.
- 26(b). This loan will have little direct effect on meeting the country's food needs.
- 26(c). The assistance will improve this availability by better education for more people.
- 26(d). This loan will have little direct effect on meeting the country's health needs.
- 26(e). The assistance will contribute toward achievement of the country and regional goals to develop private industry by developing more technically educated public school graduates.
27. FAA §.209. Is project susceptible of execution as part of regional project? If so why is project not so executed?
27. The project is not susceptible of execution as a part of regional project.
28. FAA §.251(b)(3). Information and conclusion on activity's relationship to, and consistency with, other development activities, and its contribution to realizable long-range objectives.
28. The activity is consistent with the objectives of Goal III of the Country Assistance Program--Instructional Television. By development of new curricula, strengthening teacher training and supervision, and using ITV as a tool for accelerating PB teacher training, it will contribute to realizable long-range objectives of educational improvement.

AID 1240-2 (1-69)

29. FAA §.251(d)(7). *Information and conclusion on whether or not the activity to be financed will contribute to the achievement of self-sustaining growth.*
29. The project will make a substantial contribution to self-sustained growth through its technical and financial assistance to industrial growth and development in El Salvador.
30. FAA §.281(a). *Describe extent to which the loan will contribute to the objective of assuring maximum participation in the task of economic development on the part of the people of the country, through the encouragement of democratic, private, and local governmental institutions.*
30. The activity has a basic relationship to eventual development and encouragement of democratic private and local governmental institutions, and will represent a strong contribution to the objective of assuring maximum participation by the people in the economic development of El Salvador.
31. FAA §.281(b). *Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civic education and training in skills required for effective participation in governmental and political processes essential to self-government.*
31. The program supports and encourages these needs, desires, and capacities, and is supportive of civic education. The loan directly will increase civic education and training of the people.

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32. FAA §.601(a). *Information and conclusions whether loan will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture, and commerce; and (f) strengthen free labor unions.*
32. The loan will make a definite and substantial contribution to improve technical efficiency of industry, agriculture, and commerce through its upgrading of the quality of education in El Salvador.
33. FAA §.619. *If assistance is for newly independent country; is it furnished through multilateral organizations or plans to the maximum extent appropriate?*
33. El Salvador is not a newly independent country.
34. FAA §.251(h). *Information and conclusion on whether the activity is consistent with the findings and recommendations of the Inter-American Committee for the Alliance for Progress in its annual review of national development activities.*
34. An Inter-American Committee on the Alliance for Progress sub-committee review of El Salvador's efforts, held in Washington in December 1968, said El Salvador's efforts in the field of planning hold promise for continued future development of the country. Education is generally held to be one of the basic ingredients for development in Latin America.
35. FAA §.251(g). *Information and conclusion on use of loan to assist in promoting the cooperative movement in Latin America.*
35. This loan is not directly related to the development of cooperatives.

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30. FAA §.209; §.251(b)(8).
Information and conclusion whether assistance will encourage regional development programs, and contribute to the economic and political integration of Latin America.

Loan's Effect on U.S. and A.I.i Program

37. FAA §.251(b)(4); §.102.
Information and conclusion on possible effects of loan on U.S. economy, with special reference to areas of substantial labor surplus, and extent to which U.S. commodities and assistance are furnished in a manner consistent with improving the U.S. balance of payments position.

38. FAA §.601(b). *Information and conclusion on how the loan will encourage U.S. private trade and investment abroad and how it will encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).*

36. Through GOES' development of new curricula and ITV instruction of teachers and students, this project will provide substantial ITV educational potential demonstration for use by other CACM countries.

37. The loan will have no adverse effect on the U.S. economy. The project does not include development of production capacity but facilities for development of education.

38. Productivity resulting from greater number of better educated manpower in the El Salvador economy will create a demand for additional U.S. imports and encourage the use of private trade channels and the services of U.S. private enterprise.

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39. FAA §.601(d). *If a capital project, are engineering and professional services of U.S. firms and their affiliates used to the maximum extent consistent with the national interest?*
39. Approximately \$400,000 of the loan will be used to procure engineering and professional services of U.S. firms.
40. FAA §.602. *Information and conclusion whether U.S. small business will participate equitably in the furnishing of goods and services finance by the loan.*
40. A. I. D. 's regulations regarding commodity procurement will be followed.
41. FAA §.620(h). *Will the loan promote or assist the foreign aid projects or activities of the Communist-Bloc countries?*
41. This Section will be complied with. The loan agreement will preclude such use of this assistance.
42. FAA §.621. *If technical assistance is financed by the loan, information and conclusion whether such assistance will be furnished to the fullest extent practicable as goods and professional and other services from private enterprise on a contract basis. If the facilities of other Federal agencies will be utilized, information and conclusion on whether they are particularly suitable, are not competitive with private enterprise, and can be made available without undue interference with domestic programs.*
42. It is expected that all technical assistance will be contracted from U.S. private individuals and firms.

AID 1240-2 (1-69)

43. FAA §.252(a). Total amount of money under loan, which is going directly to private enterprise, is going to intermediate credit institutions or other borrowers for use by private enterprise, is being used to finance imports from private sources, or is otherwise being used to finance procurements from private sources.

43. All loan funds will be used to import goods and services from private U. S. and to procure goods and services from private sources in the Central American Common Market countries.

Loan's Compliance with Specific Requirements

44. FAA §.201(d). Is interest rate of loan at least 2% per annum during grace period and at least 3% per annum thereafter?

44. Yes.

45. FAA §.608(a). Information on measures to be taken to utilize U.S. Government excess personal property in lieu of the procurement of new items.

45. The loan agreement will require consideration of such utilization.

46. FAA §.604(a); App. §.108. Will all commodity procurement financed under the loan be from U.S. except as otherwise determined by the President?

46. Equipment financed under the loan shall have its source and origin in and be procured from the U. S. ; materials and services financed under the loan shall have their source and origin in and be procured from the U. S. or CACM countries.

AID 1240-2 (1-69)

47. FAA §.604(b). *What provision is made to prevent financing commodity procurement in bulk at prices higher than adjusted U.S. market price?*
47. No bulk commodity purchases are contemplated.
48. FAA §.604(d). *If the host country discriminates against U.S. marine insurance companies, will loan agreement require that marine insurance be placed in the U.S. on commodities financed by the loan?*
48. GOES will comply. The loan agreement will so provide.
49. FAA §.604(e). *If off-shore procurement of agricultural commodity or product is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity?*
49. No such procurement will be made under this loan.
50. FAA §.611(b); App. §.101. *If loan finances water or water-related land resource construction project or program, is there a benefit-cost computation made, insofar as practicable, in accordance with the procedures set forth in the Memorandum of the President dated May 15, 1962?*
50. This project is not a water or water-related land resource construction project.
51. FAA §.611(c). *If contracts for construction are to be financed, what provision will be made that they be let on a competitive basis to maximum extent practicable?*
51. All construction contracts financed under the loan will be let on a competitive basis to maximum extent practicable.

AID 1240-2 (1-69)

52. FAA §.620(g). What provision is there against use of subject assistance to compensate owners for expropriated or nationalized property?
52. No loan funds will be used for these purposes. The loan agreement will preclude such use of loan funds.
53. FAA §.612(b); §.636(h). Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized to meet the cost of contractual and other services.
53. GOES will contribute substantially all of the local costs of the project. There are no U.S. owned foreign currencies available for the project.
54. App. §.104. Will any loan funds be used to pay pensions, etc., for military personnel?
54. No such payments will be made under this loan.
55. App. §.111. Compliance with requirements for security clearance of U.S. citizen contract personnel.
55. To the extent that they may be applicable, these requirements will be met.

AID 1240-2 (1-69)

56. *App. §.112. If loan is for capital project, is there provision for A.I.D. approval of all contractors and contract terms?*
56. All contractors and the terms of the contracts will be approved by USAID.
57. *App. §.114. Will any loan funds be used to pay U.N. assessments?*
57. The loan agreement will preclude such use of funds.
58. *App. §.115. Compliance with regulations on employment of U.S. and local personnel for funds obligated after April 30, 1964 (Regulation 7).*
58. The loan agreement will reflect this requirement.
59. *FAA §.636(i). Will any loan funds be used to finance purchase, long-term lease, or exchange of motor vehicle manufactured outside the United States, or any guaranty of such a transaction?*
59. Loan funds will not be used to finance non-U. S. manufactured motor vehicles. The loan agreement will preclude such use of loan funds.
60. *App. §.401. Will any loan funds be used for publicity or propaganda purposes within U.S. not authorized by the Congress?*
60. Loan funds will not be used for publicity or propaganda purposes within the United States.

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61. FAA §.620(k). *If construction of productive enterprise, will aggregate value of assistance to be furnished by U.S. exceed \$100 million?*

61. **Aggregate value of assistance to be furnished by United States will not exceed \$100 million.**

UNCLASSIFIED

ANNEX A, Page 20 of 20
Exhibit 2, Page 1 of 1

CERTIFICATION PURSUANT TO SECTION 611(e) OF THE
FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED.

I, L. Paul Oechsli, the principal officer of the Agency for International Development in El Salvador, having taken into account, among other things, the maintenance and utilization of projects in El Salvador previously financed or assisted by the United States, do hereby certify that in my judgment El Salvador has both the financial capability and the human resources capability to effectively maintain and utilize the capital assistance project, "Educational Reform Program including ITV - Expansion Stage"

Discussion in the capital assistance paper, and brought out in audit reports, clearly has demonstrated the capability of El Salvador and the Borrower effectively to maintain and utilize the project. El Salvador has shown reasonable effectiveness in maintaining and utilizing projects previously financed or assisted by the United States.



L. Paul Oechsli, Director
US AID/El Salvador

UNCLASSIFIED

Walter Beneke Medina, Minister of Education June 16, 1969

Appointed Minister of Education upon President Sanchez' assumption of the Presidency in July 1967. Minister Beneke is a well known Salvadoran author and former diplomat. In the latter capacity he served as Minister and then Ambassador to Japan from 1960-65. He was born May 31, 1930 in San Salvador.

Minister Beneke has been an extremely dynamic and active Minister of Education. He has initiated a complete reform of the Salvadoran educational system which includes the use of instructional TV and has placed considerable emphasis on cultural activities during his period in office. He has represented El Salvador in a number of international conferences, including the 1958 Second General Conference of the International Atomic Energy Agency. He speaks Spanish, French, German, English and Japanese.

EDUCATION: University of Madrid, Spain, 1947-51, Getulio Vargas Foundation, Rio de Janeiro, 1951-54.

CAREER: Ministry of Economy, 1951;
Diplomatic Service, Germany, 1955-57
Diplomatic Service, Austria, 1958
Diplomatic Service, Japan, Consul General, 1959;
Diplomatic Service, Minister, Japan, 1960-63;
Diplomatic Service, Japan, Ambassador, 1963-65 (also accredited as Ambassador to China and Korea);
returned to private life, 1965-67
Minister of Education, 1967 to present

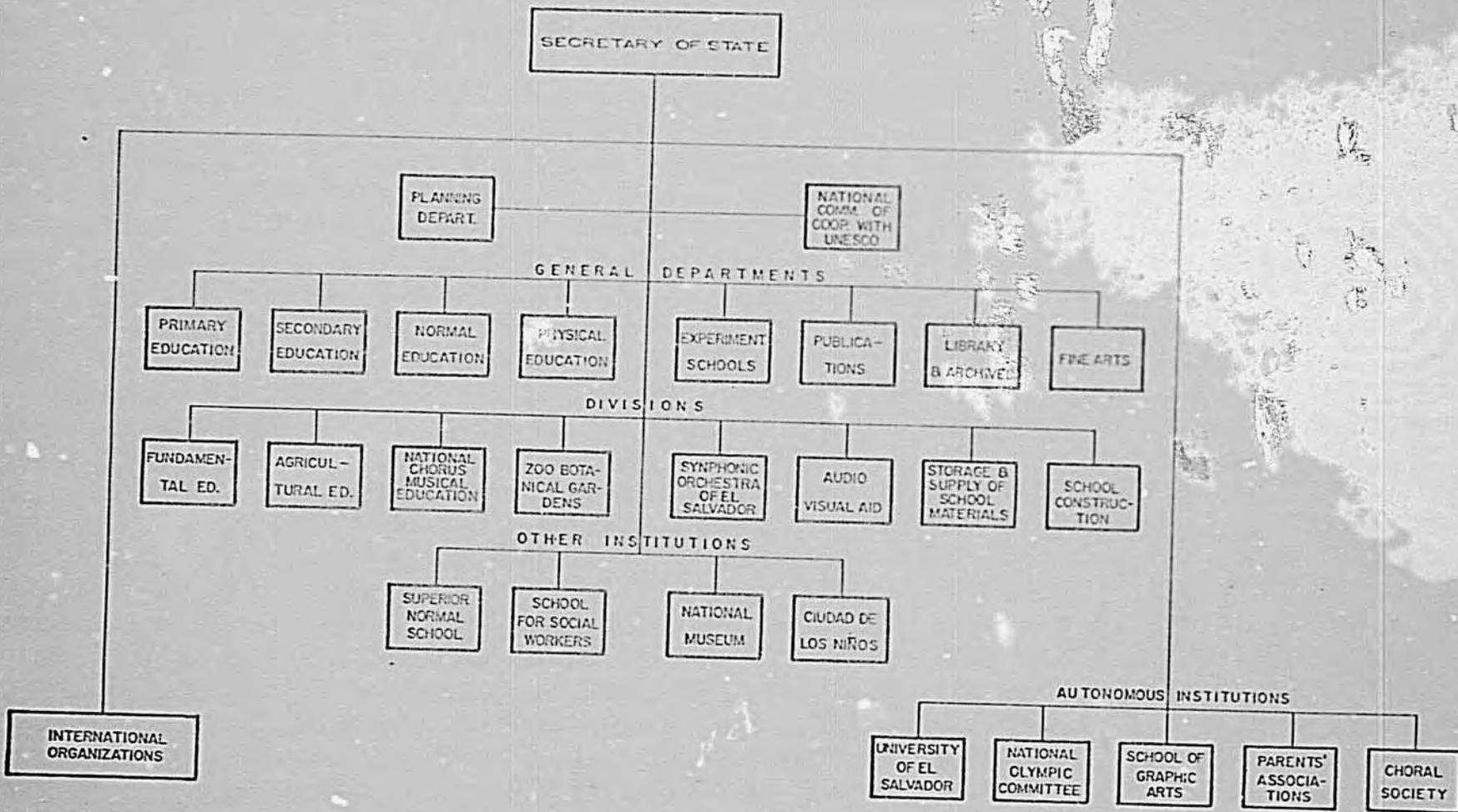
Roman Mayorga, Chief, Department of Program and Social Sector Development, National Planning Council (CONAPLAN)

Born in San Salvador in 1942, Ing. Mayorga obtained a B. S. in Electrical Engineering from Massachusetts Institute of Technology and has since studied economics in the same institution. He is also: President, National Committee for Educational Television; Director, National Housing Finance Agency; and Professor of Economics at Simon Cañas University. He is married and speaks English.

Irma Lanzas de Chavez Velasco, Director, Educational
Television Department,
Ministry of Education

Born in El Salvador, Dr. Chavez Velasco is a graduate of the
University of Bologna, Italy. She has also done post-graduate
study in Spain and Germany. She has been Director of the ITV
program since its inception and is married to Dr. Walter Chavez
Velasco, the editor of a local newspaper, El Mundo.

CHART OF THE MINISTRY OF EDUCATION 1967



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Exhibit 1, Page 1 of 1

CHART OF THE MINISTRY OF EDUCATION 1969.

SECRETARY OF STATE
SUB-SECRETARY

PLANNING & COOP
WITH INTERNATIO-
NAL ORGANIZATIONS

LEGAL ADVISOR

STUDENT
WELFARE

SCHOOL CONST.
PLANNING COMM.

ADMINISTRATIVE
ASSISTANT

FACULTY
WELFARE

PUBLIC
RELATIONS

ADMINISTRATION

GENERAL ED.
DEPARTMENT

INSTRUCTIONAL
TV. DEPARTM.

CULTURAL
EVENTS

LIBRARY
& ARCHIVES

DANCE EDUCATION
SYMPHONIC
ORCHESTRA
OF EL SALVADOR
CHORAL SOCIETY
PUBLICATIONS
NATIONAL MUSEUM
ZOO BOTANICAL
GARDENS

UNIVERSITY
OF EL SALVADOR

NATIONAL OLIMPIC
- COMMITTEE

FINANCES

PERSONNEL

GENERAL
SERVICES

MAINT. &
CONSTRUCTION

ENGINEERING

PROCUREMENT

STORAGE

DIVISION OF
PRIMARY ED.

DIVISION OF
SECONDARY ED.

DIVISION OF
TECHPEDAGSSER

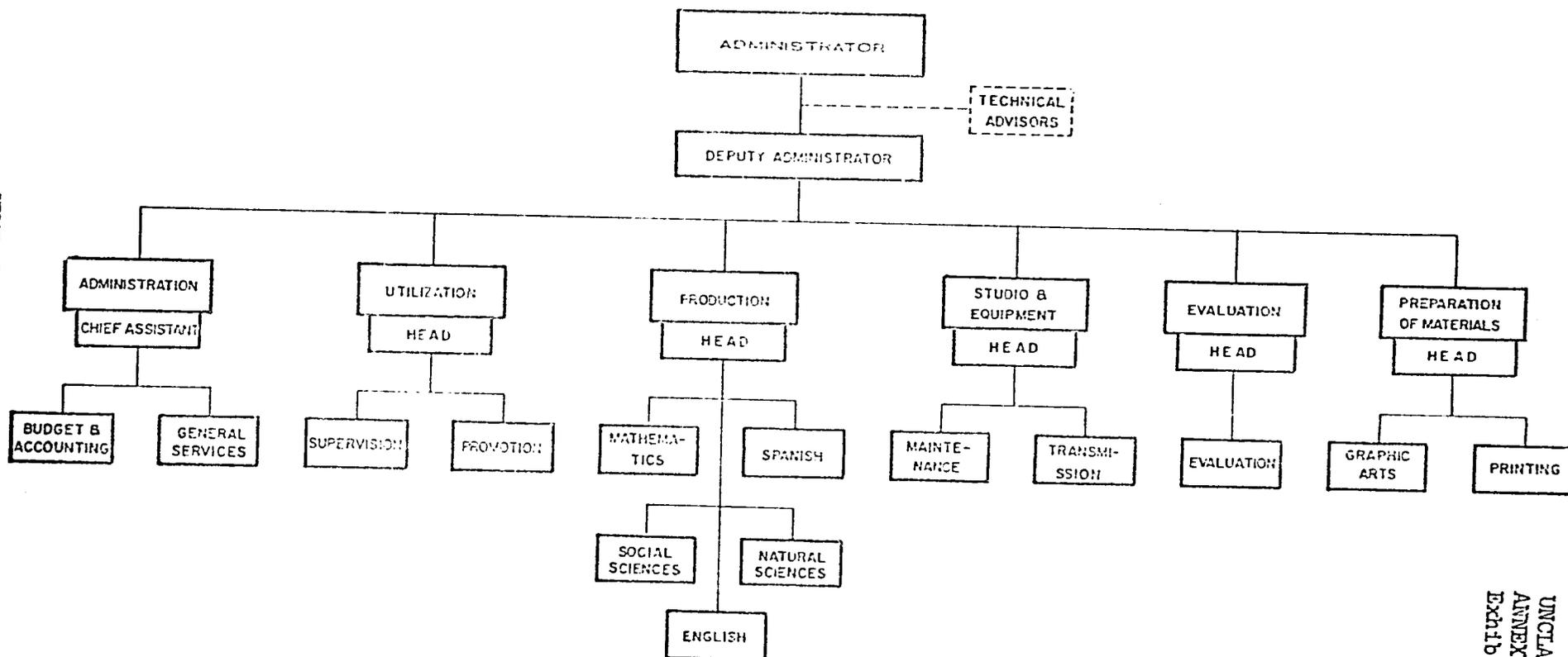
PHYSICAL EDUC.

UNCLASSIFIED

UNCLASSIFIED
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Exhibit 2, Page 1 of 1

ORGANIZATION OF THE INSTRUCTIONAL TV DEPARTMENT

1969



UNCLASSIFIED

UNCLASSIFIED
ANNEX B, Page 5 of 24
Exhibit 3, Page 1 of 1

TECHNICAL ASSISTANCE STAFFING PATTERN - EDUCATIONAL DEVELOPMENT PROGRAM
(Revised April 1969)

A. EDUCATIONAL REFORM PROGRAM INCLUDING ITV - PRIMARY AND PLAN BASICO

	<u>FY-68</u>	<u>FY-69</u>	<u>FY-70</u>	<u>FY-71</u>	<u>FY-72</u>	<u>Total</u>
Curriculum Generalist	1	-	-	-	-	1
Teacher Education Specialist	1	1	1	-	-	3
ITV Utilization Supervisor	1	1	1	1	1	5
ITV Production Supervisor	1	1	1	1	-	4
ITV Materials Supervisor	1	1	1	1	1	5
ITV Studio Engineer	1	1	1	1	-	4
ITV Graphics Specialist	1	1	-	-	-	2
ITV Film Specialist	-	1	-	-	-	1
ITV Classroom Utilization Specialist	-	1	1	1	1	4
Curriculum Specialist: Social Studies	1	1	1	-	-	3
Curriculum Specialist: Mathematics	1	1	1	-	-	3
Curriculum Specialist: General Science	1	1	1	-	-	3
Curriculum Specialist: Pre-Vocational	-	1	1	-	-	2
Total Man Years	10	12	10	6	3	41

B. EDUCATIONAL REFORM PROGRAM INCLUDING ITV - DIVERSIFIED SENIOR HIGH SCHOOL

	<u>CY-72</u>	<u>CY-72</u>	<u>Total</u>
Curriculum Specialist: Social Studies	1	-	1
Curriculum Specialist: Mathematics	2	-	2
Curriculum Specialist: General Science	1	1	2
Curriculum Specialist: Literature	1	-	1
Curriculum Specialist: Pre-Vocational and Vocational	1	1	2
Curriculum Specialist: Commercial	1	1	2
Curriculum Specialist: Fine Arts	1	1	2
	8	4	12

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COST OF PRESENT EDUCATIONAL SYSTEM IN
EL SALVADOR OPERATING COSTS (REVISED)
(in thousands of U.S. Dollars)

	<u>CY 1963</u>	<u>CY1964</u>	<u>CY1965</u>	<u>CY1966</u>	<u>CY1967</u>	<u>CY1968</u>	<u>CY1969</u>
MINISTRY OF EDUCATION							
All MinEd Administrative Costs	1,142	1,070	1,478	1,505	1,518	2,344	2,001
PRIMARY EDUCATION	10,953	11,918	12,218	13,200	14,196	14,546	15,850
SECONDARY EDUCATION							
Plan Básico and Bachillerato	1,038	1,105	1,133	1,196	1,257	1,323	2,347
Technical and Vocational	116	125	155	145	144	140	165
Commercial	57	55	57	58	58	55	66
	<u>1,211</u>	<u>1,285</u>	<u>1,345</u>	<u>1,399</u>	<u>1,459</u>	<u>1,518</u>	<u>2,579</u>
NORMAL SCHOOLS							
Primary Normal Schools	445	443	410	458	431	87	
Superior Normal Schools	154	150	167	218	271	425	369
	<u>599</u>	<u>593</u>	<u>577</u>	<u>676</u>	<u>702</u>	<u>512</u>	<u>369</u>
UNIVERSITY	1,273	1,525	2,295	2,605	3,245	3,980	3,980
MISCELLANEOUS							
Social Services School	53	54	54	51	50	52	53
Subsidies to Private Schools	213	93	93	100	289	211	95
	<u>266</u>	<u>147</u>	<u>147</u>	<u>211</u>	<u>339</u>	<u>263</u>	<u>148</u>
TOTAL MINED EDUCATIONAL BUDGET	15,444	16,539	17,970	19,626	21,450	23,163	24,937
add-MinED Cultural Activities	402	389	407	417	404	486	494
add-Ed.Budget Other Ministries	721	971	1,053	936	954	414	585
TOTAL EDUCATION OPERATIONAL COSTS							
EL SALVADOR	16,567	17,890	19,430	21,029	22,818	24,063	26,016
Percentage MinEd Ed. Costs to GOES Gen.							
Funds Operating Nat. Budget	21.4%	24.2%	24.5%	24.6%	27.0%	27.3%	27.5%
Percentage ES Ed. Operational Costs to							
GOES Nat. Budget	23.0%	26.1%	26.5%	26.3%	28.8%	28.4%	28.7%

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	<u>CY1963</u>	<u>CY1964</u>	<u>CY1965</u>	<u>CY1966</u>	<u>CY1967</u>	<u>CY1968</u>	<u>CY1969</u>
Total MinEd Educational Operating Budget	15,444	16,539	17,970	19,626	21,450	23,163	24,937
Total MinEd Capital Budget	351	-	-	2,745	2,727	1,073	840
	<u>15,795</u>	<u>17,738</u>	<u>21,289</u>	<u>22,371</u>	<u>24,177</u>	<u>24,236</u>	<u>25,777</u>
MinEd Operating plus Capital Budget as percentage of GOES National Budget	21.2%	21.7%	22.3%	22.4%	25.5%	25.8%	24.9%
All Publicly Financed Education in E. S. as percentage of Total GOES National Budget.	22.7%	23.3%	23.8%	22.8%	27.0%	26.8%	25.9%

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ANNEX B, Page 9 of 24
Exhibit 6, Page 1 of 1EL SALVADOR: POPULATION PROJECTIONS, 1961-1976
Total Population by Selected Age Groups

	<u>1961</u>	<u>1966</u>	<u>1971</u>	<u>1976</u>
Total:	2, 566, 107	3, 011, 372	3, 577, 513	4, 283, 433
Age Groups:				
0 - 4	471, 626	577, 491	692, 519	840, 577
5 - 9	383, 938	444, 761	552, 274	666, 796
10 - 14	309, 418	373, 061	435, 212	541, 909
15 - 19	247, 296	301, 866	366, 056	428, 020
20 - 24	2240, 414	241, 494	296, 606	360, 632
25 - 29	184, 393	214, 725	236, 961	291, 931
30 - 34	155, 520	178, 731	209, 834	232, 355
35 - 39	136, 874	149, 457	173, 482	204, 485
40 - 44	110, 762	130, 145	143, 853	167, 752
45 - 49	89, 656	104, 082	124, 029	137, 834
50 - 54	75, 043	83, 104	97, 978	117, 450
55 - 59	54, 697	68, 393	77, 003	91, 364
60 - 64	44, 329	48, 731	62, 064	70, 356
65 - 69	32, 864	38, 349	42, 964	55, 073
70 and over	49, 272	56, 932	66, 678	76, 899

Source: Salvadoran National Planning Council, Document DT/673
dated September 11, 1968.

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EL SALVADOR: POPULATION ESTIMATION OF SCHOOL AGE 1967-1976
BY AGE

AGE	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976
6	96.4	101.1	106.1	111.3	115.6	120.3	125.0	129.6	134.1	138.8
7	91.9	96.1	100.7	105.5	110.3	115.1	119.2	124.0	128.6	133.0
8	88.1	91.6	95.8	100.3	105.0	110.0	114.7	118.1	123.0	127.6
9	84.7	87.6	91.2	95.5	100.0	104.8	109.6	114.2	117.1	122.3
10	81.8	84.2	87.2	90.8	95.1	99.7	104.6	109.3	113.7	116.3
11	79.4	81.4	84.5	88.7	90.4	94.8	99.4	104.4	109.0	113.3
12	77.1	79.1	81.5	83.4	86.1	90.0	94.5	99.1	104.2	108.8
7-12	503.0	520.0	539.0	562.2	586.9	614.4	642.0	669.1	695.6	721.3
13	74.8	76.8	78.9	80.8	83.0	85.8	89.7	94.2	98.8	103.8
14	71.8	74.5	76.5	78.6	80.5	82.8	85.6	89.3	93.9	98.5
15	68.6	71.5	74.2	76.2	78.2	80.3	82.5	85.3	88.9	93.7
13-15	215.2	222.8	229.6	235.6	241.7	248.9	257.8	268.8	281.6	296.0
16	65.6	68.4	71.2	73.9	76.0	78.0	80.0	82.3	85.1	88.8
17	62.9	65.4	68.2	70.9	73.5	75.8	77.7	79.8	82.0	84.8
18	60.2	62.7	65.2	68.0	70.7	73.3	75.5	77.5	79.5	81.7
19	57.4	59.9	62.4	65.0	67.8	70.5	73.1	75.3	77.2	79.4
16-19	246.1	256.4	267.0	277.8	288.0	297.6	306.3	314.9	323.8	334.7
Total	1,060.7	1,100.3	1,142.5	1,186.9	1,232.2	1,281.2	1,331.1	1,382.4	1,435.1	1,490.8
(7-15)	(718.2)	(742.8)	(769.4)	(797.8)	(828.6)	(863.3)	(899.8)	(937.9)	(977.2)	(1,017.3)

SOURCE: Salvadoran National Planning Council, Document DT/623 dated September 11, 1968

PRIMARY SCHOOL ENROLLMENTS - GRADES 1 THROUGH 6

	Primary School Total	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6
1964 Actual	356.9	132.2	75.4	54.0	41.0	30.6	23.6
1965 Actual	380.0	141.5	78.6	57.8	43.4	33.3	25.5
1966 Actual	412.4	152.6	86.3	62.7	47.5	35.5	28.0
1967 Actual	465.5	160.5	100.2	70.2	54.4	39.8	31.5
1968 Actual	490.3	166.7	105.0	78.9	59.2	45.4	35.1
1969 Est.	517.6	166.8	111.1	84.2	66.3	49.3	39.9
1970 Est.	540.9	164.6	115.2	90.2	72.5	55.3	43.1
1971 Est.	568.8	161.9	118.5	97.0	80.4	61.9	49.1
1972 Est.	599.1	158.4	122.9	104.9	88.0	69.4	55.5

Source: Salvadoran National Planning Council 1968.

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PLAN BASICO ENROLIMENTS - GRADES SEVEN THROUGH NINE
(Daytime Enrollment in Thousands)

	TOTAL				PUBLIC			PRIVATE				
	Grade 7	Grade 8	Grade 9	GRAND TOTAL	Grade 7	Grade 8	Grade 9	Total Public	Grade 7	Grade 8	Grade 9	Total Privat
1964 Actual	10.7	8.2	6.4	24.3	6.2	4.7	3.6	14.5	4.5	3.5	2.8	10.9
1965 Actual	11.4	9.8	7.2	27.9	6.6	5.3	4.1	16.0	4.8	4.5	3.1	11.9
1966 Actual	12.4	9.7	8.1	30.1	7.4	5.6	4.7	17.7	5.0	4.1	3.4	12.4
1967 Actual	13.8	10.3	8.6	32.7	7.7	5.8	4.7	18.2	6.1	4.5	3.9	14.5
1968 Actual	15.3	11.9	9.0	36.3	8.1	6.6	5.2	19.9	7.2	5.3	3.8	16.4
1969 Est.	17.5	12.7	9.7	39.3	9.7	6.9	5.3	21.9	7.5	5.6	4.3	17.4
1970 Est.	18.7	13.4	10.5	42.6	10.5	7.1	5.6	23.2	7.8	6.0	4.6	18.4
1971 Est.	19.1	14.7	10.8	44.6	11.3	8.3	5.9	25.5	7.8	6.4	4.9	19.1
1972 Est.	19.1	15.8	12.7	47.6	11.4	9.3	7.4	28.1	7.7	6.5	5.3	19.5
1973 Est.	21.2	16.0	13.6	50.8	13.1	9.6	8.2	30.9	8.1	6.4	5.4	19.9

Revised 4/16 per 4/15 conference with Dr. Bruno Steiglitz, UNESCO
Education advisor to Ministry of Education.

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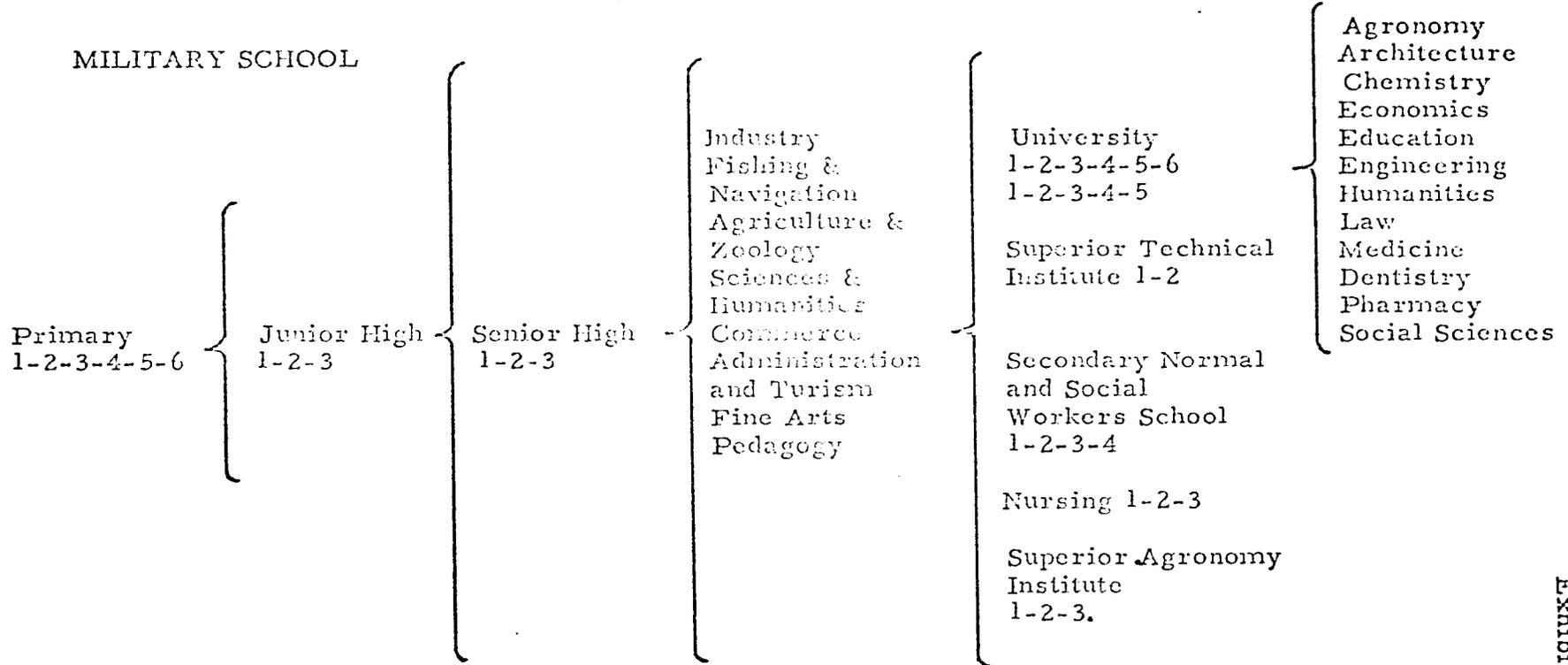
1973 RELEASE UNDER E.O. 14176

RELATIONSHIP BETWEEN TOTAL PRIMARY SCHOOL AGE
 POPULATION PROMOTIONS FROM 6TH GRADE AND ENTRANCE
 TO 7TH GRADE BY YEARS 1967-1972 (Public and Private Sectors)
 (In thousands)

<u>Year</u>	<u>PROMOTIONS</u>		<u>Matriculated 7th Grade</u>	
	<u>6th grade</u>	<u>% of Total Primary Enrollment</u>	<u>Number</u>	<u>% of previous year 6th grade graduates</u>
1967 Act.	31.5	6.9	13.8	43.8
1968 Act.	35.1	7.2	15.3	43.6
1969 Est.	39.9	7.7	17.5	43.9
1970 Est.	43.1	8.0	18.7	43.4
1971 Est.	49.1	8.6	19.1	38.9
1972 Est.	55.5	9.3	19.1	34.4

NOTE: Fall off of percentages in last column is due to drastically decreasing rate of growth in private sector Plan Básico schools. See projections ANNEX B page 10.

EDUCATIONAL STRUCTURE IN EL SALVADOR
AFTER 1970



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ONE TIME COSTS
EL SALVADOR 5-YEAR EDUCATIONAL REFORM PROJECT INCLUDING ITV
(REVISED 1969)
(in thousands of U.S. dollars)

	CY68		CY69		CY70		CY71		CY72		TOTAL	
	External	GOES	External	GOES	External	GOES	External	GOES	External	GOES	External	GOES
A. GRANT FUNDED												
1. AID ER/ITV	653.0	-	400.0	-	--	--	--	--	--	-	1,053.0	-
2. UNESCO	90.0	-	90.0	-	90.0	--	90.0	--	90.0	-	450.0	-
3. JAPAN	14.4	-	14.4	-	14.4	--	14.4	--	14.4	-	72.0	-
4. UNITED KINGDOM	-	-	140.0	-	140.0	--	--	--	--	-	280.0	-
Total Grants	757.4	-	644.4	-	244.4	--	104.4	--	104.4	-	1,855.0	-
B. LOAN ASSISTED												
1. <u>ITV Project</u>												
(a) Construction	-	21.8	-	60.0	-	--	--	--	--	-	-	81.6
(b) Equipment	-	34.2	-	20.0	-	10.0	--	10.0	--	10.0	-	84.2
(c) Receivers	-	-	28.2	-	70.9	--	104.6	--	64.5	-	268.2	-
(d) Special Teacher Training	-	31.1	-	264.0	-	237.6	--	589.9	--	274.6	-	1,397.2
(e) Technical Services	-	-	-	-	50.0	--	500.0	--	320.0	-	870.0	-
(f) Textbooks	-	-	-	-	-	97.5	--	48.1	--	58.0	-	203.6
Total ITV	-	87.1	28.2	344.0	120.9	345.1	604.6	648.0	384.5	342.6	1,138.2	1,766.6
2. <u>Const. Projects</u>												
(a) Primary AID	-	-	-	-	1,563.0	700.5	1,524.4	767.3	2,223.7	1,007.4	5,311.1	2,475.2
(b) Plan Básico AID	-	-	-	-	678.9	260.1	937.7	388.3	745.5	308.0	2,362.1	956.4
IBRD	-	-	-	-	661.1	123.4	954.9	178.2	869.9	162.9	2,485.9	464.5
(c) Bachillerato IBRD	-	-	-	-	800.0	400.0	800.0	400.0	814.1	485.5	2,414.1	1,285.5
(d) Urban Primary (Mexico)	-	-	-	-	1,000.0	--	--	--	--	-	1,000.0	-
Total Const.	-	-	-	-	4,703.0	1,484.0	4,217.0	1,733.8	4,653.2	1,963.8	13,573.2	5,181.6
Total Loan Assistance	-	-	-	-	4,823.9	1,829.1	4,821.6	2,381.8	5,037.7	2,306.4	14,711.4	6,948.2
Total One-Time Costs	757.4	87.1	672.6	344.0	5,068.3	1,829.1	4,926.0	2,381.8	5,142.1	2,306.4	16,566.4	6,948.2
	<u>844.5</u>		<u>1,016.6</u>		<u>6,897.4</u>		<u>7,307.8</u>		<u>7,448.5</u>		<u>23,514.6</u>	

(Note: Private Sector land contribution values not included in above)

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EDUCATIONAL REFORM PROGRAM - INCLUDING ITV
 1969 REVISED PROJECTION OF ONGOING (RECURRENT) COSTS OF
 EDUCATION IN EL SALVADOR (in thousands of U. S. dollars)

	<u>CY1967</u>	<u>CY1968</u>	<u>CY1969</u>	<u>CY1970</u>	<u>CY1971</u>	<u>CY1972</u>
Ministry of Education (All MinEd Admin. Costs)	1,518	2,344	2,001	2,183	2,578	2,403
Primary Education	14,196	14,546	15,860	16,699	17,703	18,794
Secondary Education						
Plan Básico & Bachillerato	1,257	1,323	2,347	2,181	2,635	2,843
Technical & Vocational	144	140	166	175	175	180
Commercial	58	5	66	70	70	70
	<u>1,459</u>	<u>1,468</u>	<u>2,579</u>	<u>2,326</u>	<u>2,875</u>	<u>3,093</u>
Normal Schools						
Primary Normal Schools	431	377	42	290	300	300
Superior Normal Schools	271	425	550	400	425	400
	<u>702</u>	<u>802</u>	<u>592</u>	<u>690</u>	<u>725</u>	<u>700</u>
University	2,245	3,466	2,750	3,000	3,200	3,400
Miscellaneous						
Social Services School	50	50	50	50	50	50
Subsidies to Private Schools	260	260	260	260	260	260
	<u>310</u>	<u>310</u>	<u>310</u>	<u>310</u>	<u>310</u>	<u>310</u>
Total MinED Education	<u>21,130</u>	<u>21,130</u>	<u>21,130</u>	<u>21,130</u>	<u>21,130</u>	<u>21,130</u>
add MinEd Cultural Activities	16,570	16,570	16,570	16,570	16,570	16,570
add Educ. Budget of Other Ministries	600	600	600	600	600	600
Total Education Costs of El Salvador	<u>38,300</u>	<u>38,300</u>	<u>38,300</u>	<u>38,300</u>	<u>38,300</u>	<u>38,300</u>

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EL SALVADOR
 REVISED (1969) ADDITIONAL COSTS OF EDUCATIONAL REFORM PROGRAM
 INCLUDING ITV 1968-1972 AS AGAINST 1967 GOES COSTS

(in thousands of US dollars)

	<u>CY1968</u>	<u>CY1969</u>	<u>CY1970</u>	<u>CY1971</u>	<u>CY1972</u>	<u>TOTAL</u>
<u>ONE TIME COSTS</u>						
Grants	757.4	644.4	244.4	104.4	104.4	1,885.0
Loans	--	28.2	4,713.9	6,772.7	4,975.7	16,490.5
GOES Resources	<u>87.1</u>	<u>344.0</u>	<u>1,829.1</u>	<u>2,381.8</u>	<u>2,306.4</u>	<u>6,948.2</u>
TOTAL	844.5	1,016.6	6,787.4	9,258.9	7,386.5	25,293.9
<u>ONGOING COSTS</u>						
MinEd Education	1,713.0	3,487.0	4,667.0	6,680.0	8,134.0	24,681.0
MinEd Cultural	82.0	90.0	96.0	96.0	96.0	460.0
Other Ministries	<u>(550.0)</u>	<u>(379.0)</u>	<u>(364.0)</u>	<u>(364.0)</u>	<u>(364.0)</u>	<u>2,021.0</u>
TOTAL	1,245.0	3,198.0	4,399.0	6,412.0	7,866.0	23,120.0
GRAND TOTAL OF PROGRAM	2,089.5	4,214.6	11,186.4	15,670.9	15,252.5	48,413.9

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SUMMARY OF EL SALVADOR EDUCATIONAL REFORM PROGRAM
COSTS INCLUDING ITV
EXPANSION STAGE PROJECT 1970-1972

	<u>Junior High</u> <u>Portion</u>	<u>Primary</u> <u>Portion</u>	<u>TOTAL</u> <u>Expansion</u> <u>Stage</u>
<u>AID LOAN</u>			
Const. & Equip of 503 Jr. High Clsrms.	2,231.8	-	2,231.8
Const & Equip of 972 Prim. Clsrms.	-	5,058.0	5,058.0
Conversion of 100 Prim. Clsrms. for TV	-	70.0	70.0
Sup. Eng. for Const., Equip & Conversions	80.3	183.1	263.4
TV Receivers (610) installed	132.1	-	132.1
Other Equipment	50.0	-	50.0
TA to Create New Senior High Curricula	400.0	-	400.0
<u>TOTAL AID LOAN</u>	<u>2,894.2</u>	<u>5,311.1</u>	<u>8,205.3</u>
<u>SALVADORAN CONTRIBUTION</u>			
<u>PUBLIC SECTOR - GOES</u>			
Const & Equip of 503 Jr High Clsrms.	956.4	-	956.4
Const & Equip of 972 Prim. Clsrms.	-	1,553.8	1,553.8
Conversion of 100 Prim. Clsrms. for TV	-	30.0	30.0
Misc Ed Const. Administration Costs	305.0	687.8	993.4
Reprinting of Primary Textbooks	--	203.6	203.6
<u>TOTAL GOES Const. Project</u>	<u>1,262.0</u>	<u>2,475.2</u>	<u>3,737.2</u>
ITV Operations	1,227.4	110.0	1,337.4
ITV Special Jr High Teacher Training	509.1	-	509.1
ITV Special Primary Teacher Training	--	225.6	225.6
ITV Buildings & Equipment	40.0	-	40.0
<u>TOTAL GOES ITV Costs</u>	<u>1,776.5</u>	<u>335.6</u>	<u>2,112.1</u>
Add'l Jr. High Admin. Costs 1970-72	820.8	-	820.8
Add'l Primary Admin. Costs 1970-72	-	1,633.0	1,633.0
<u>Total GOES Add'l Admin. Costs</u>	<u>820.8</u>	<u>1,633.0</u>	<u>2,453.8</u>
<u>TOTAL GOES CONTRIBUTION</u>	<u>3,859.3</u>	<u>4,443.8</u>	<u>8,303.1</u>
<u>PRIVATE SECTOR - COMMUNITY SELF-HELP</u>			
Const & Equip 450 Primary Classrooms	-	810.0	810.0
Land Value - 450 Self-Help Classrooms	-	234.0	234.0
Land Value - GOES Jr. High & Prim Clsrms.	287.5	1,115.8	1,403.3
<u>TOTAL PRIVATE SECTOR CONTRIBUTION</u>	<u>287.5</u>	<u>2,209.8</u>	<u>2,497.3</u>
<u>TOTAL SALVADORAN CONTRIBUTION</u>	<u>4,146.8</u>	<u>6,653.6</u>	<u>10,800.4</u>
<u>TOTAL VALUE OF EXPANSION STAGE PROJECT</u>	<u>7,041.0</u>	<u>11,964.7</u>	<u>19,005.7</u>

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PRIMARY SCHOOL UTILIZATION		TEACHERS' TRAINING	PRODUCTION & EVALUATION	PHYSICAL PLANT AND EQUIPMENT
1 9	Jan 1st SE- MES- TER June			Completion of feasibility studies for expansion of Primary facilities. Application to AID for assistance in above.
6 9	July 2nd SE- MES- TER Dec.	Training and selection course for primary school production personnel (Nov-Dec.)		Obtention of legislative approval to execute anticipated AID loan for Expansion Stage.
1 9	Jan 1st SE- MES- TER June	Study of population centers for selection of 100 receiving centers.	Recording of first 3 months of classes for utilization teachers (including complementary materials for teachers)	Start construction of: 1. 50 self-help schools 2. 65 AID assisted schools Contract for printing of 512, 200 primary textbooks.
7 0	July 2nd SE- MES- TER Dec	Study of population centers for selection of first 100 centers	Recording of following 6 months of classes for primary school teachers	Complete construction and equipment of 50 self-help and 65 AID assisted schools. Receive 512, 200 primary textbooks for use in 1971. Install ITV Channel II for 1971 Primary Teacher Training

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PRIMARY SCHOOL	UTILIZATION	TEACHERS' TRAINING	PRODUCTION & EVALUATION	PHYSICAL PLANT & EQUIPMENT	
1	Jan 1st SEMESTER	Organization of 100 receiving centers for the following year.	Transmission of classes for primary school teachers with aid from Plan Básico receiving centers	First recording of first 6 months of 1st grade.	Start construction of 50 self-help and 70 AID assisted primary schools. Contract for printing of 157,900 primary textbooks.
9	June				
7	July 2nd SEMESTER	Organization of 100 receiving centers for the following year	Transmission of classes for primary school teachers with aid from Plan Básico receiving centers	First recording of following 3 months of 1st grade. Re-recording of 1st grade classes.	Completion of construction and equipment of 50 self-help and 70 AID assisted primary schools. Receive 157,900 new primary textbooks for use in 1972. Acquisition of 150 TV receiver for use in Prim. Pilot Program in 1972.
1	Dec.				
1	Jan. 1st SEMESTER	Transmission of 1st 5 months (Feb-June) of 1st grade. Organization of additional centers for primary school	Transmission of classes for primary school teachers with aid from Plan Básico receiving centers.	Re-recording of 1st grade classes 1st recording of first 3 months of 2nd grade.	Start construction of 50 self-help and 59 AID assisted primary schools. Contract for printing of 160,600 primary textbooks.
9	June				
7	July 2nd SEMESTER	Transmission of following 4 mos. (July-October) of 1st grade. Organization of additional centers for primary schools.	Transmission of classes for primary school teachers with aid from Plan Básico receiving centers	Re-recording of first grade classes First recording of following 6 months of 2nd grade	Complete construction and equipment of 50 self-help and 59 AID assisted Primary schools. Receive 160,600 primary textbooks for use in 1973.
2	Dec.				

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PLAN BASICO		UTILIZATION	TEACHERS' TRAINING	PRODUCTION & EVALUATION	PHYSICAL PLANT & EQUIPMENT
1	Jan 1st SE- MES- TER	Study of population centers which need Plan Básico with the purpose of selecting 50 places for the establishment of the 1st receiving centers	Training course & production personnel selected (Executed in January)	Recording of experimental programs of the old first year program (it includes preparation of complementary material).	Initiated construction of studio building for ITV.
9	June				
6	July 2nd SE- MES- TER	Transmission of experimental programs for 10 schools. Organization of 30 day receiving centers for 1969.	Preparation of training courses for utilization teachers. Training and selection course for utilization teachers (Nov, Dec. Jan/1969). These teachers will serve 30 centers in 1969.	Recording of experimental programs of the old first year program Nov. -Dec. Preparation of the production of classes of the new program for the first year.	Completed construction and equipment of studio building for ITV. Acquired 75 TV receivers for 32 schools plus other test receiving centers.
8	Dec.				
1	Jan. 1st SE- MES- TER	Transmission of 1st five months (Feb-June) of the first year for 30 receiving centers. Organization of additional receiving centers for 1970	Development of one year course in San Andrés for 250 utilization teachers.	Recording first 6 months of the first year's new program.	Construction of a materials center at San Andrés.
9	June				
6	July 2nd SE- MES- TER	Transmission of the following 4 months (July-Oct.) of 1st year for 30 receiving centers. Organization of additional receiving centers for the following year	Continuation of 1 year course at San Andrés.	Recording last 3 months of the first year. Re-recording (when necessary) of 1st year programs.	Completion of construction and initial equipment for materials center. Acquisition of 114 TV receivers for following year.
9	Dec.				

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PLAN BASICO	UTILIZATION	TEACHERS' TRAINING	PRODUCTION & EVALUATION	PHYSICAL PLANT & EQUIPMENT	
1 9	Jan. . 1st SE- MES- TER June	Transmission of 1st five months of 1st & 2nd year for 250 receiving centers in the entire Republic (220 for 1st year, 20 for 2nd year). Organization of additional centers for the following year.	Development of one year course at San Andrés for 300 utilization teachers	First taping of 2nd year's first 6 months. Re-taping of 2nd year's 3 months.	Installation of TV Channel I for Transmission. Start construction of 25 AID assisted schools. Acquisition of 12 vehicles for maintenance, supervision and school servicing.
7 0	July 2nd SE- MES- TER Dec.	Transmission of following four months of 1st and 2nd year for 250 receiving centers in the entire Republic. (220 for 1st year; 30 for 2nd year) Organization of additional centers for the following year.	Continuation of one year course at San Andrés for 300 utilization teachers	First taping of 2nd year's last 3 months. Re-taping of 2nd year's last 6 months.	Completion of TV Channel I installation. Training course for TV maintenance technicians. Acquisition of 287 TV receivers for following year. Complete construction and equipment of 25 schools.
1 9 7 1	Jan 1st SE- MES- TER June	Transmission of first five months of 1st, 2nd, and 3rd years for 500 receiving centers in the entire Republic (235 for 1st year, 235 for 2nd year; 30 for 3rd year) Organization of additional centers for the following year.	Development of one year course at San Andrés for 500 utilization teachers	First taping of 3rd year's first 6 months. Re-taping 2nd year's first 3 months.	Start construction of 37 AID assisted schools.

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PLAN BASICO	UTILIZATION	TEACHERS ^o TRAINING	PRODUCTION & EVALUATION	PHYSICAL PLANT & EQUIPMENT	
1 9 7 1 Dec.	July 2nd SE- MES- TER Dec.	Transmission of the following four months of first, 2nd, and 3rd years for 500 receiving centers in the entire Republic. (235 for the 1st year; 235 for the 2nd year; 30 for the 3rd year) Organization of additional centers for the following year.	Continuation of one year course at San Andres for 500 utilization teachers.	First taping of 3rd year ^o s last 3 months. Retaping of 3rd year ^o s last 6 months.	Acquisition of 273 TV receivers for following year. Complete construction and equipment of 37 schools.
1 9 June	Jan 1st SE- MES- TER June	First five months transmission of 1st, 2nd, and 3rd years for 750 receiving centers. (250 for 1st year; 250 for 2nd year; 200 for 3rd year.	Development of one year course for 300 utilization teachers at San Andres.	Retaping and refining of Plan Básico courses	Start construction of 29 AID assisted schools.
7 2 Dec.	July 2nd SE- MES- TER Dec.	Transmission for the following four months of 1st, 2nd and 3rd years for 750 receiving centers. (250 for 1st year, 250 for 2nd year; 200 for 3rd year).	Continuation of one year course for 300 utilization teachers at San Andres.	Retaping and refining of Plan Básico courses.	Acquisition of 261 TV receivers for following year. Complete construction and equipment of 29 schools.

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CURRICULUM REVISION

Curriculum revision is the process whereby the subject matter for learning is re-examined in the light of changing goals and modernized needs and is completely redrafted in form and substance, better to serve and meet the changing directions of the newer education.

In the case of the Salvadorean Educational Reform program, as cited above and in preceding sections, the heart of the problem is the inappropriateness and the lack of realism of existing public education curriculum. Therefore, curriculum revision has rightfully become one of the prime targets of the entire movement.

The process consists of bringing to bear on the problem the results of current research in curriculum development, reactions from the field, coordination with newly merging national goals, revisions in pre-service and in-service teacher training programs; and field try-outs of experimental and trial programs. The process includes the participation of host government curriculum planning teams, contributions of technical assistance curriculum specialists; and contributions and reactions from teachers in the schools.

The process results in the development of a new curriculum--including basic content, related and supplementary teaching materials and aids, pupil activities, motivational approaches, follow-up activities, and evaluative guidelines--geared to the changing needs and to the accelerated economic and social growth of El Salvador.

During the first year of the operational program these developments have been underway in revising the seventh grade curriculum--as an integral element of the Reform Program, for presentation via ITV--in mathematics, English, general science, Spanish, and social studies. These developments are currently continuing with revision of both the entire primary school curriculum--grades one through six--and the remainder of the junior high school program--grades seven and eight. Following completion of these steps, the similar process will be undertaken for total revision of the high school curriculum--grades nine through twelve.

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EL SALVADOR'S FOREIGN DEBT - DEBT REPAYMENT
CAPACITY, AND INTERNATIONAL RESERVES.

1. Foreign Debt

At the end of 1968, the foreign debt of El Salvador amounted to \$84.7 million, up about 4% from 1967. This debt now represents 9% of Gross Domestic Product, down slightly from the prior year. Internal debt rose rather sharply during the year and now accounts for 3% of GDP. Total debt increased during the year to a level of 12% of GDP. These data, and data for prior years, are shown in Table 1. As can be seen in this table, a large portion of the total debt - almost 65% - consists of obligations which are guaranteed by the Central Government, but which pertain to autonomous government institutions, (electric power, port authority, water and sewage, agricultural credit, and others).

It is important to realize, therefore, that in discussing the debt burden of the GOES in comparison to the country's domestic product, one must eliminate the guaranteed portion of the debt. This portion is paid by the autonomous agencies from their separate budgets and would fall upon the GOES itself only if one of these agencies should default. As can be seen in the Table, the portion of the debt which pertains to the GOES only - direct debt - accounts for slightly over 4% of GDP. This figure is particularly low when compared to El Salvador's Central American neighbors and to other Latin American countries of similar economic circumstances.

2. Debt Repayment Capacity

In looking at El Salvador's capacity to repay its debt, it again is necessary to eliminate the guaranteed portion of the total debt amount. In the past, as can be seen in Table 2, the country has held its repayments to a fairly low percentage of total exports. The debt service ratio of the country for the direct portion of its debt is the lowest of all of Central America and far below the rest of the Latin American countries for which the AID Economic Data Book has comparable data.

3. International Reserves

El Salvador's net foreign exchange reserves shown in Table 3, increased more than threefold during 1961-1965, rising from \$16.1 million to a peak of \$51.0 million. In the following year, a

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4. Outlook for the Future.

The economic future of El Salvador has both optimistic and pessimistic aspects. On the positive side, the country would appear to have the long-run ability to absorb additional debt, and to increase its debt repayments relative to export earnings. Both of these figures are low relative to the other countries of the CACM and to South American neighbors. On a further positive note, net international reserves moved upward in 1968; with the continuance of the September 1967 restrictive credit and import measures, the additional restrictive effect of the San Jose Protocol, plus the expected public capital inflows from loans now in the process of final negotiations* they should continue to improve in 1969.

On the negative side, there are a variety of problems. First, the long-run ability of net international reserves to improve seems questionable. The import and credit restrictions are certain to be relaxed sometime; this will once again allow for rapid expansion of imports. Second, it seems to be the consensus that industrial growth within the CACM has reached or about reached the limits of scale of the market. One can therefore expect to see exports to the CACM (an important factor in Salvadoran growth) stagnating or at best increasing at decreasing rates in the not too distant future. Not only will this slow down the growth of the economy, but it can be expected to reduce the private capital inflow component of the balance of payments and thus lead to a worsening picture for international reserves in the long run.

Given this situation, the proposed loan can have three positive effects. First, it can provide a substantial inflow of capital during a period when the country's net international reserves probably will be under the pressure of increasing demand for imports. Secondly, it can supply public investment funds during a period of reduced private investment. Thirdly,

* AID Malaria Eradication (\$2.7 million), AID Education Reform I (\$1.9 million), IDB Municipal Markets (\$6.0 million), IBRD School Construction (\$4.0 million) and EXIM Road Maintenance Equipment (\$2.5 million). A total of \$17.1 million of which an estimated \$5 million should be disbursed in 1969.

TABLE 2. EL SALVADOR DEBT SERVICE RATIOS 1964-1969
(In Millions of U.S. Dollar Equivalents)

ITEM	YEAR					
	1964	1965	1966	1967	1968	1969
1. Total Payments on Foreign Debt	<u>4.9</u>	<u>6.0</u>	<u>6.3</u>	<u>4.8</u>	<u>5.7</u>	<u>n.a.</u>
2. Direct Total	<u>2.8</u>	<u>3.4</u>	<u>3.2</u>	<u>1.2</u>	<u>1.3</u>	<u>2.2(b)</u>
3. Amortization	<u>2.2</u>	<u>2.7</u>	<u>2.6</u>	<u>0.7</u>	<u>0.8</u>	<u>1.5</u>
4. Interest	0.6	0.7	0.6	0.5	0.5	0.7
5. Guaranteed Total	<u>2.1</u>	<u>2.6</u>	<u>3.1</u>	<u>3.6</u>	<u>4.4</u>	n.a.
6. Amortization	<u>0.9</u>	<u>1.2</u>	<u>1.4</u>	<u>1.6</u>	<u>2.2</u>	n.a.
7. Interest	1.2	1.4	1.7	2.0	2.2	n.a.
8. Total Payments on Domestic Debt	<u>2.6</u>	<u>2.8</u>	<u>3.0</u>	<u>2.7</u>	<u>3.1</u>	n.a.
9. Direct Total	<u>0.6</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>0.8</u>	<u>1.2(b)</u>
10. Amortization	<u>0.3</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.7</u>
11. Interest	0.3	0.3	0.3	0.3	0.3	0.5
12. Guaranteed Total	<u>2.0</u>	<u>2.0</u>	<u>2.2</u>	<u>1.9</u>	<u>2.3</u>	n.a.
13. Amortization	<u>1.0</u>	<u>1.0</u>	<u>1.2</u>	<u>0.9</u>	<u>1.2</u>	n.a.
14. Interest	1.0	1.0	1.0	1.0	1.1	n.a.
15. Exports of Goods and Services	192.8	214.4	211.5	230.7(p)	236.4(e)	243.5(j)
16. Foreign Debt Service Ratio (1 ÷ 15)	2.5%	2.8%	3.0%	2.1%	2.4%	n.a.
17. Domestic Debt Service Ratio (8 ÷ 15)	1.3%	1.3%	1.4%	1.2%	1.3%	n.a.
18. Total Debt Service Ratio (1+ 8÷15)	3.8%	4.1%	4.4%	3.3%	3.7%	n.a.
19. Total Direct Debt Service Ratio 2+ 9÷15)	1.8	2.0	1.9	0.9	0.9	1.4(j)
20. Foreign Direct Debt Service Ratio(2+15)	1.4	1.6	1.5	0.5	0.5	0.9(j)

(e) = estimated (b) = budget (p)= preliminary= (j)= projected

Sources: Ministry of Finance, Informe Complementario Constitucional, Central Bank, Revista Mensual (for export data).

continuation of the decline in the world coffee price from its peak 1964 level, and a reduction in coffee export earnings, coupled with a sharp fall in cotton production, were largely responsible for a fall in export earnings. At the same time, rapidly rising imports - primarily manufactured articles - placed a drain on foreign exchange reserves, and as a result the level of net international reserves fell sharply.

In September 1967, facing its second year in a row of foreign exchange losses, the GOES introduced a relatively stringent program of selective credit controls. It (a) raised reserve requirements from 20% to 30% of deposits; (b) increased from 60% to 70% the amount of commercial banks' portfolios that must be devoted to productive, as opposed to commercial, credit; (c) restricted the allowable terms of suppliers' credits for importers; and (d) established a 100% prior deposit requirement for imported luxury goods (rescinded in November 1968). The GOES also negotiated an IMF Standby Agreement on December 5, 1967, for \$10 million and drew half that amount in the same month.

The import growth rate was reduced in 1967 and exports - reinforced by a large increase in coffee and manufactured goods earnings - increased by about 10%. As a result net international reserves fell by much less than expected, to a level of \$36.9 million.

In 1968, net international reserves rose by \$5.5 million, which was mainly a result of a slight fall in the level of imports. This reduction in imports is attributable to two factors: (a) the continuation of the September, 1967 exchange restrictions; and (b) the restriction (until December) of net credit expansion to US \$2 million in accordance with the conditions of the IMF Standby (which expired on December 4, 1968). As a result of these policies the amount of commercial bank credit devoted to commercial purposes fell from 41% in 1967 to 28% in 1968. Since credit for commercial purposes is regarded as the key variable in generating imports, the ability for import expansion thereby was reduced.

In July 1968 the GOES drew another \$3 million of its IMF Standby. The agreement expired in December without any further drawdowns.

looking farther into the future and to the development of a better educated populace, the increased productivity which this portends mean rising incomes and higher consumption demands.

TABLE 1
OUTSTANDING DEBT, FOREIGN AND DOMESTIC
(Millions of U.S. Dollar equivalents)

<u>Item</u>	<u>Year</u>				
	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>
Foreign Debt Outstanding.					
Direct	17.6	24.5	28.0	31.1	31.9
Guaranteed	27.0	34.3	44.7	50.6	52.8
Total	44.6	58.8	72.7	81.7	84.7
% change from prior year	-	+31.8%	+23.6%	+12.4%	+3.7%
Domestic Debt Outstanding.					
Direct	5.9	5.4	5.0	4.5	8.0
Guaranteed	18.8	17.8	17.8	18.2	19.8
Total	24.7	23.2	22.8	22.7	27.8
% change from prior year	-	- 6.1%	- 1.7%	- 0.4%	+22.5%
Total Public Debt Outstanding	69.3	82.0	95.5	104.4	112.5
% change from prior year	-	+18.3%	+16.5%	+9.3%	+7.8%
Gross Domestic Product	746.8	796.8	844.0	890.4	938.4(e)
% Foreign Debt of GDP	6.0%	7.4%	8.6%	9.2%	9.0%
% Domestic Debt of GDP	3.3%	2.9%	2.7%	2.5%	3.0%
% Total Debt of GDP	9.3%	10.3%	11.3%	11.7%	12.0%
% Total Direct Debt of GDP	3.1%	3.7%	3.9%	4.0%	4.2%
% Total Guaranteed Debt of GDP	6.2%	6.6%	7.4%	7.7%	7.8%
% Foreign Direct Debt of GDP	2.4%	3.1%	3.3%	3.5%	3.4%

Sources: Ministry of Finance, Informe Complementario Constitucional Central Bank, Revista Mensual (for GDP data).
e: estimated

TABLE 3
EL SALVADOR'S NET INTERNATIONAL RESERVES AND THEIR
RELATION TO IMPORTS OF GOODS AND SERVICES.
End of Years 1961-1968

(In Millions of U.S. Dollars or Dollar Equivalents)

<u>ITEM</u>	<u>YEAR</u>							
	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>
1. Net International Reserves	16.1	22.5	37.4	40.4	51.0	39.6	36.9	42.4
2. Imports of Goods and Services	133.5	152.8	182.8	224.9	240.5	262.3	266.0	264.5(e)
3. Monthly Average of Imports of Goods and Services (2+12 months)	11.1	12.7	15.2	18.7	20.0	21.9	22.2	22.0
4. Number of Months Supply of Reserves (1+3)	1.4	1.8	2.5	2.2	2.6	1.8	1.7	1.9

(e) = estimate

Source: Central Bank, Revista Mensual.

DETAILED ENGINEERING AND CONSTRUCTION
ANALYSIS

A. Description of Construction Portion of the Project

The proposed project includes the construction of 1475 loan-assisted and 450 self-help classrooms for the Primary and Plan Básico school system, to be located in all of the departments of El Salvador. The breakdown of the loan-assisted schools to be constructed is:

Primary Type A (3 CRS double shift)	164
Primary Type B (6 CRS single shift)	40
Primary Type C (12 CRS single shift)	20
Plan Básico Type A (4 CRS single shift)	50
Plan Básico Type B (7 CRS single shift)	37
Plan Básico Type C (11 CRS single shift)	4

The location for each school to be constructed will be determined on an individual basis and will be made by the Ministry of Education with the concurrence of USAID. Location determination will be limited by the criteria listed in Section C of this Annex.

The 972 Primary classrooms will be of the same arrangement and design as shown in Drawing numbers 1, 2, and 3 of Exhibit 1. Primary classrooms will be similar to the classrooms financed and constructed under A. L. D. Loan No. 519-L-003, Primary School Construction, in the years 1963-1966. Primary schools will be grouped in schools which will vary in sizes of 3, 6, and 12 classrooms. The modifications to this previous primary school design have included 19 design changes recommended by the USAID evaluation team which made post-construction inspections of Primary Schools.

The 503 Plan Básico classrooms will be of the same arrangement and design as the schools shown in Drawing numbers 1 and 4 of Exhibit 1. These Plan Básico classrooms will be used in the Educational Television Program and were designed specifically for such purpose. Plan Básico classrooms will be grouped in schools which will vary in sizes of 4, 7 and 11 classroom schools. The size of the accompanying sanitary facilities will accordingly vary with the school enrollment size. The 7 and 11 classroom

schools will each have one room allotted for Administration purposes. The 4 classroom schools will be built adjacent to existing schools which have Administrative space available. The Plan Básico classroom design has also incorporated most of the same design changes recommended by the evaluation team for the primary schools.

Each school will have basic facilities consisting of a Principal's office, a small storage-janitor's-watchman's room, electricity, potable water system, porcelain flush sanitary facilities including a septic tank, and a fence. In each case, an adequate water supply system and sewerage facilities will be constructed as part of the project. Since the Plan Básico Type A school will be built adjacent to an existing school, the only basic facilities to be included in its construction are toilets and sewerage system.

Skilled Labor adept in small building construction is abundant in El Salvador. In rural locations where many of the schools will be constructed, this type of labor will have to be imported to the construction site. Because of short distances of travel within El Salvador, it is anticipated that contractors will not elevate their labor charges for semi-remote rural locations. Importation of materials to all schools sites will be relatively easy and inexpensive. For these reasons, construction costs for schools are considered uniform throughout the Republic.

At the present time, there are few construction projects in El Salvador which would compete with the school construction in this project, during the construction period anticipated. There are several small construction companies which are having difficulty surviving a present slump in the construction industry. It is anticipated that such firms would welcome the construction work included in the project. In the past it was experienced that with time, the bidding for the construction of Health Posts and Units financed under AID Loan No. 519-L-007 and Primary School Construction became extremely competitive. There is no reason why such a condition of competition should not continue to exist, for small constructors have become more sophisticated in their preparation of bids in recent years.

B. Engineering and Construction Plan

The construction segment of the project will be administered for the Government of El Salvador by the Ministry of Education, with direct implementation responsibility placed on its Construction and Maintenance Division. Almost all of the actual administration of the construction will be done by a qualified Engineering Consulting Firm, which will permit the Construction and Maintenance Division to concentrate on the overall supervision and implementation of the construction program and the on-going maintenance program. The Engineering Consulting firm will be responsible for the preparation of school construction plans and specifications, supervision of the competitive bidding processes, and the supervision of the school construction. While the execution of the project will be entirely the responsibility of the borrower, A. I. D. will monitor its implementation, making USAID, ROCAP, and AID/W engineering collaboration available. Using this system of engineering management, the Ministry of Education will be able to implement the project in a well-scheduled and effective manner.

The construction will be done by construction contractors with construction contracts awarded on the basis of competitive bidding. Contractors eligible to bid for the work will be limited to United States or Central America Common Market firms, or joint ventures of U. S. and CACM firms.

Upon execution of the loan, the services of a consulting engineering firm will be contracted for final design administration of the bidding processes, and supervision of construction. This consulting engineering firm will be of U. S. or CACM origin or a joint venture of U. S. and CACM firms.

A 30-month construction program is anticipated. The schools will be advertised for bidding in groups in geographical proximity for purposes of construction contracting. Construction priority of each school and/or group of schools will be determined by the Ministry of Education and agreed to by A. I. D. The priority will be decided on the basis of educational requirements and the factors of weather and time of year, which might affect cost of construction. Competitive bidding for the construction will be accomplished in accordance with A. I. D. requirements and Salvadoran law.

It is expected that implementation of the construction phase of the project will continue for 36 months after the ratification of the signed loan agreement by the National Assembly. The following is a breakdown of the 36 month period:

- | | |
|---|-----------------------|
| 1. Meeting conditions precedent, selecting first school sites, procurement of engineering services, final design and bidding stage for first group of schools | 1st through 5th mo. |
| 2. Construction | 5th through 35th mo. |
| 3. Final Acceptance and Payment | 35th through 36th mo. |

C. Design and Cost Estimating Criteria

The design of the schools is based on a modular concept that adapts readily to different arrangements and locations. The primary schools are essentially the same design as that used in the construction of 230 schools financed under A. I. D. Loan No. 519-L-003 in 1964-1966. The Plan Básico school design is new, using the same construction materials and techniques used in the Primary School design.

The Primary School design has been modified to absorb the changes recommended by a post-construction evaluation team. The most important of these 19 design changes to the Primary School design were to provide a janitor's storeroom-watchman's room, make one of the classroom partitions immovable, provide a surrounding fence, provide adequate sanitary facilities including a septic tank, and provide a potable water system. Also, minor changes were adopted to minimize construction and maintenance costs and to improve the quality of materials used in construction. These changes in design are reflected in the respective cost estimates made for each type of school.

The basic module design selected for the Plan Básico-type school was made primarily for the purpose of the Educational Television Program. The solid interior walls, separate classroom entrances, and suspended ceilings were all features dictated by the needs of Instructional Television.

The climate of El Salvador was a critical factor as regards architectural design of structures to be occupied by the students, since most of the schools will be located in tropical areas. Therefore.

in addition to allowing for easy expansion of facilities, the different school units are easily arranged to take advantage of prevailing winds, rainfalls, sunlight and other climatic conditions of each locality.

The Planning Division of the Ministry of Education and USAID education advisors will be assisted in their selection of school sites by provincial, departmental and municipal authorities. Each site will be suited for single-story and detached-type construction and will be carefully inspected by the consultant engineer to ascertain that the site conditions will not require any special foundation or structural design. Before selection of the site, it will be determined that each site is suitable for combined reinforced concrete and cyclopean concrete spread footings and light structural concrete columns. Each site selected will meet the following minimum criteria:

1. Title to the site must vest in the Ministry of Education unconditionally.
2. Functionally suitable for each school's requirements.
3. Reasonably flat to minimize site development costs.
4. Devoid of open sewers, cesspools, ditches or drainage pits, garbage dumps and incinerators.
5. There must be a suitable water supply within 500 meters of the site.
6. There must be a source of electric power within 500 meters of the site.
7. Must be within a reasonable distance of the school population being served.
8. Accessible for the transportation of materials and construction equipment.
9. The soil bearing value must be suitable for the construction of school foundations at reasonable cost.
10. There must be no serious rock conditions that will require expensive removal.

11. Devoid of encroachments of every character including buildings, fences, etc.
12. Devoid of sub-surface obstructions such as tanks, old foundations and utility lines.
13. Sufficient slope for proper drainage.
14. Devoid of swamps, exposure to flooding, erosion, landslides and other natural hazards.
15. That the school can be oriented on the site to take advantage of climatic conditions.
16. Free of excessive noises from industry, railroads, foundries, highways, etc.

The basic designs consist of reinforced concrete and cyclopean concrete foundations; structure of reinforced concrete and reinforced concrete block construction; concrete block walls; 4" un-reinforced concrete floors over a compacted sand base; 2" cyclone mesh windows; metal and reinforced concrete roof supports; asbestos cement ceilings and roofing.

The basic design of the project schools was derived from the design used in the Primary School construction program financed by A. L. D. Loan No. 519-L-003. Certain design details are also identical to those used in the Health Posts and Units constructed under A. L. D. Loan No. 519-L-007. Both of these previous loans used essentially the same materials and the same method of construction as are used in the project design. This design has been proved by experience to be the most economical because of its simplicity and because of the maximum use of local materials. All modules used in this project will use the same specifications, with minor modifications, as those used in the previous A. L. D. primary school construction loan.

General Construction Standards

The design of the buildings will satisfy U. S. and Salvadoran codes and building standards. Construction will be done with high quality materials in a design which will make the schools as indestructible as possible. No problems are anticipated in the availability of materials. The following design standards are those which will make maximum use of materials available in El Salvador:

UNCLASSIFIED

LIST OF DESIGN STANDARDS

<u>Item</u>	<u>Standards</u>
Foundations	Reinforced concrete and cyclopean concrete.
Floors	Unreinforced concrete
Structural	Reinforced concrete and reinforced concrete block frame
Exterior and Interior Walls	Concrete block and removable plywood partitions
Ceiling	Asbestos cement
Roof Support	Metal and reinforced concrete supports
Roof	Corrugated asbestos cement
Windows	Metal frame with cyclone fence mesh
Doors	Metal
Paint	Anti-corrosive for metal and oil base for wood
Electrical	Will conform to U. S. codes
Plumbing	Will conform to U. S. codes. Consists primarily of rest-room facilities
Roads, Walks, etc.	Gravel, Inter-connecting sidewalks unreinforced concrete
Water Supply:	
Source:	From the community
Storage	Elevated asbestos cement tanks
Distribution System	Galvanized steel pipe with pump

Sanitary Sewer Disposal:

Collection System	Concrete pipe
Treatment	septic tank

Cost estimates were prepared in the School Buildings Planning Division of the Ministry of Education by engineers experienced in school construction of the type considered in this project. The cost estimates were prepared by calculating actual material costs and by calculating the labor costs at the rates listed in the "Salvadoran Directory of Construction Costs." The "Salvadoran Directory of Construction Costs" is published annually and contains costs of construction units as agreed upon between the Union of Construction Workers and the Construction Industry. The Calculation and rationale of the Ministry of Education cost estimates were checked by USAID in detail. USAID Engineers also made separate cost estimates based on unit prices in use within the Salvadoran building construction industry, which substantiated the Ministry of Education cost estimates. The unit prices used by USAID in the preparation of cost estimates were also reviewed by the Division of Urbanization and Architecture of the Ministry of Public Works, and were found to be accurate.

D. Maintenance

The Government of El Salvador is aware that the maintenance of schools now being accomplished is minimal. The 1969 CY maintenance budget of the Division of Maintenance and Construction of the Ministry of Education is \$63,000 for approximately 9,500 government operated public school classrooms existing in the country. In communities where teachers and parents take active interest in the upkeep of a school, some maintenance is done through private contributions. In most communities maintenance is limited to "clea-up" of premises. To enable the Division of Maintenance and Construction to implement its responsibility for the maintenance of all public government operated schools on an adequate scale, the consulting engineering firm contracted for supervision of the construction portion of the project will have included in its total contractual responsibility a specific responsibility for technical assistance in the development of a maintenance program or organization, plan, and operation of the Division of Maintenance and Construction during the disbursement period. The loan provides for transportation vehicles to give the Division greater operational

mobility. The Ministry of Education intends to increase the school maintenance budget by a sum equal to 2½% of the total cost of school construction in this project and to increase the staffing of the maintenance division. This commitment (as a condition of the loan) to staff and budget adequately for the Division of Maintenance and Construction, and accept the technical assistance of the consulting engineers will provide a basis for maintenance of all government operated schools in El Salvador and for maintenance satisfactory to A. L. D. for all schools constructed and to be constructed under A. I. D. assisted programs. The loan agreement will provide a procedure by which this commitment will continue to be effective.

E. Cost Analyses

PLAN BASICO TYPE A

	<u>Article</u>	<u>Article Cost</u>
1.	Site Preparation	\$ 815.
2.	Foundations, Structural Concrete and Floor Slab	5,862.
3.	Masonry	2,428.
4.	Metal Work	3,131.
5.	Roofing and Ceiling	2,990.
6.	Electrical	1,093.
7.	Plumbing	904.
8.	Miscellaneous	1,081.
9.	Potable Water System	-.-
10.	Sewage and Drainage	1,376.
11.	Utilities Connections and Fence	-.-
	Total Construction Cost	<u>\$ 19,680</u>

PLAN BASICO TYPE C

	<u>Article</u>	<u>Article Cost</u>
1.	Site Preparation	\$ 2, 572.
2.	Foundations, Structural Concrete and Floor Slab	16, 703.
3.	Masonry	6, 520.
4.	Metal Work	8, 503.
5.	Roofing and Ceiling	8, 735.
6.	Electrical	3, 335.
7.	Plumbing	1, 164.
8.	Miscellaneous	2, 334.
9.	Potable Water System	1, 283.
10.	Sewage and Drainage	2, 989.
11.	Utilities Connections and Fence	<u>2, 862.</u>
	Total Construction Cost	\$57, 000.

PRIMARY TYPE A

	<u>Article</u>	<u>Article Cost</u>
1.	Site Preparation	\$ 1,268.
2.	Foundations, Structural Concrete Floor Slab	6,421.
3.	Masonry	1,703.
4.	Metal Work	3,171.
5.	Roofing and Ceiling	2,357.
6.	Electrical	872.
7.	Plumbing	904.
8.	Miscellaneous	626.
9.	Potable Water System	900.
10.	Sewage and Drainage	1,388.
11.	Utilities Connections and Fence	<u>2,766.</u>
	Total Construction Cost	\$22,360.

PRIMARY TYPE B

	<u>Article</u>	<u>Article Cost</u>
1.	Site Preparation	\$ 2,103.
2.	Foundations, Structural Concrete and Floor Slab	9,958.
3.	Masonry	6,673.
4.	Metal Work	5,079.
5.	Roofing and Ceiling	4,174.
6.	Electrical	1,465.
7.	Plumbing	945.
8.	Miscellaneous	967.
9.	Potable Water System	900.
10.	Sewage and Drainage	1,890.
11.	Utilities Connections and Fence	<u>2,766.</u>
	Total Construction Cost	\$32,920.

PRIMARY TYPE C

	<u>Article</u>	<u>Article Cost</u>
1.	Site preparation	\$ 4,072.
2.	Foundations, Structural Concrete and Floor Slab	18,180.
3.	Masonry	3,981.
4.	Metal Work	9,094.
5.	Roofing and Ceiling	7,941.
6.	Electrical	2,829.
7.	Plumbing	1,064.
8.	Miscellaneous	1,797.
9.	Potable Water System	1,200.
10.	Sewage and Drainage	2,940.
11.	Utilities Connections and Fence	<u>2,862.</u>
	Total Construction Cost	\$55,960.

ESCUELAS PRIMARIAS
PRIMARY SCHOOLS

PLANES BASICOS

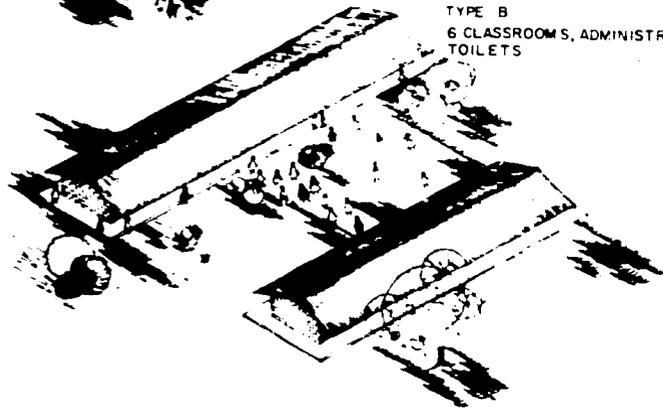
UNCLASSIFIED



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SERVICIOS SANITARIOS
TYPE A
3 CLASSROOMS,
ADMINISTRATION,
TOILETS



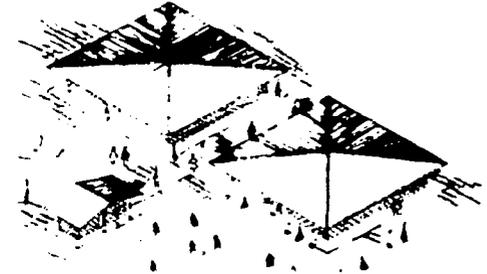
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SERVICIOS SANITARIOS
TYPE B
6 CLASSROOMS, ADMINISTRATION
TOILETS



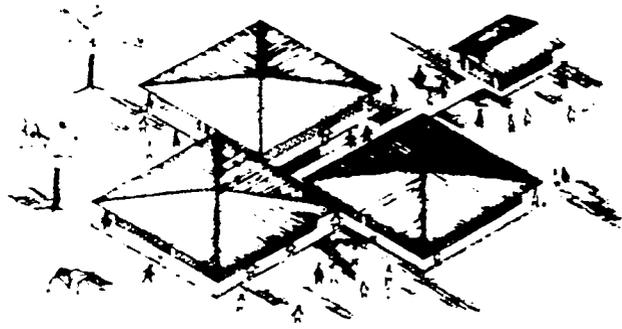
TIPO C
12 AULAS, DIRECCION
SERVICIOS SANITARIOS
TYPE C
12 CLASSROOMS, ADMINISTRATION
TOILETS



TIPO A
4 AULAS
SERVICIOS SANITARIOS
TYPE A
4 CLASSROOMS
TOILETS



TIPO B
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SERVICIOS SANITARIOS
TYPE B
7 CLASSROOMS, ADMINISTRATION
TOILETS

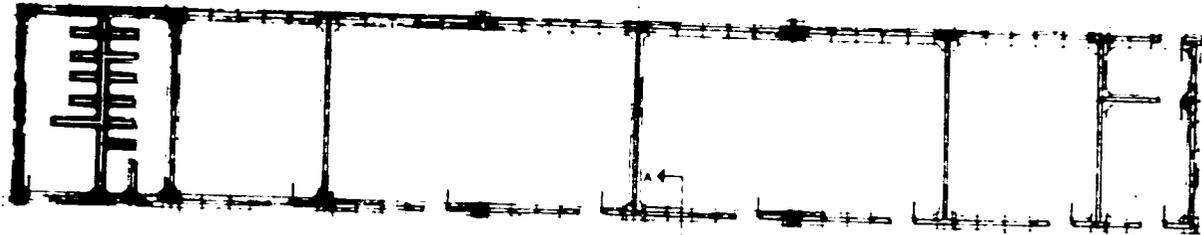


TIPO C
11 AULAS, DIRECCION
SERVICIOS SANITARIOS
TYPE C
11 CLASSROOMS, ADMINISTRATION
TOILETS

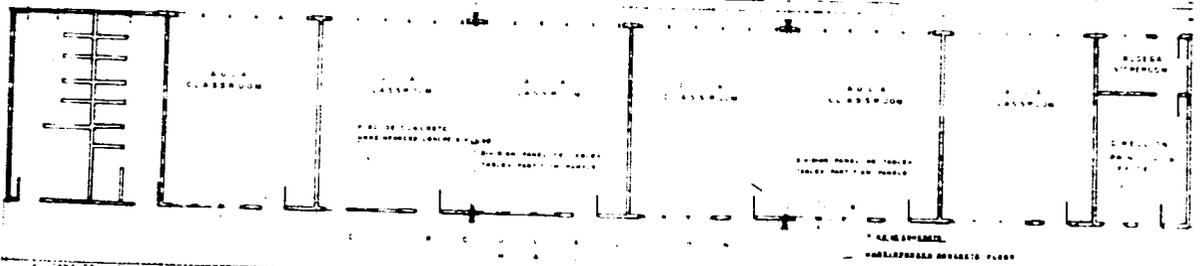
PRIMARY AND JUNIOR HIGH SCHOOL PROJECT FOR THE SCHOOL CONSTRUCTION PROGRAM OF 1969-1972
PROYECTOS DE ESCUELAS PRIMARIAS Y PLANES BASICOS PARA EL PROGRAMA DE CONSTRUCCIONES ESCOLARES 1969-1972
 MINISTERIO DE EDUCACION REPUBLICA DE EL SALVADOR

CO PLACE
CENTRO COOPERATIVO DE PLANIFICACION ESCOLAR

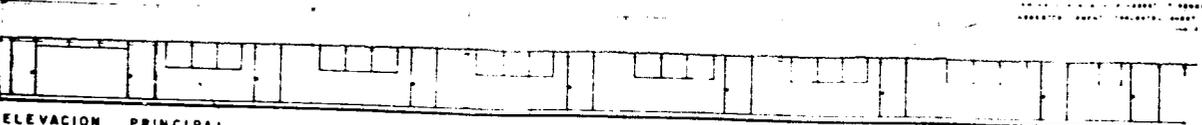
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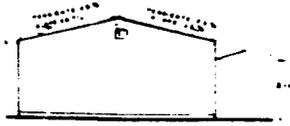
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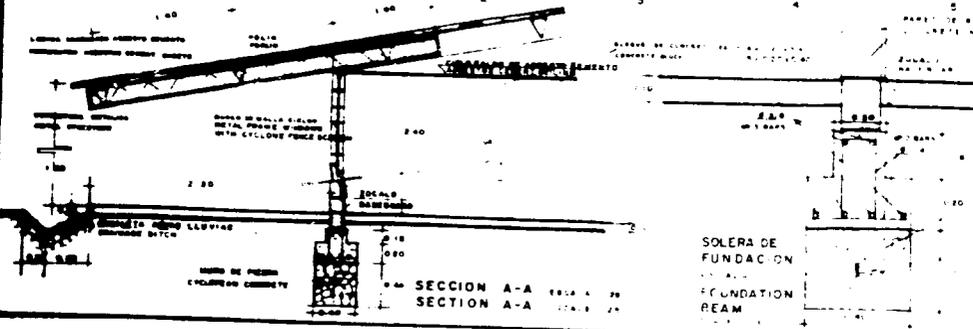
PLANTA ARQUITECTONICA FLOOR PLAN



ELEVACION PRINCIPAL FRONT VIEW



ELEVACION LATERAL END VIEW



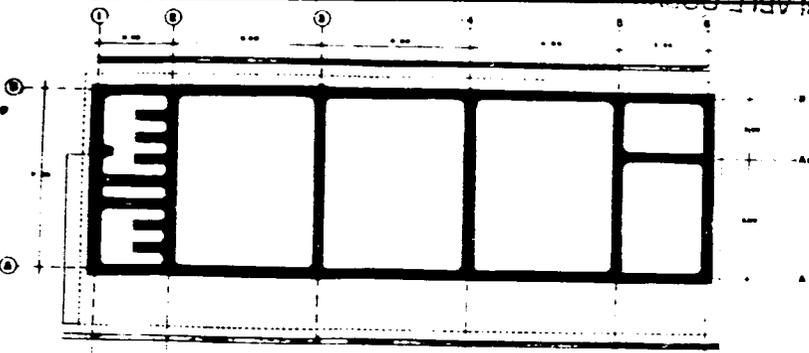
SECCION A-A SECTION A-A

MINISTERIO DE EDUCACION MINISTRO DE EDUCACION

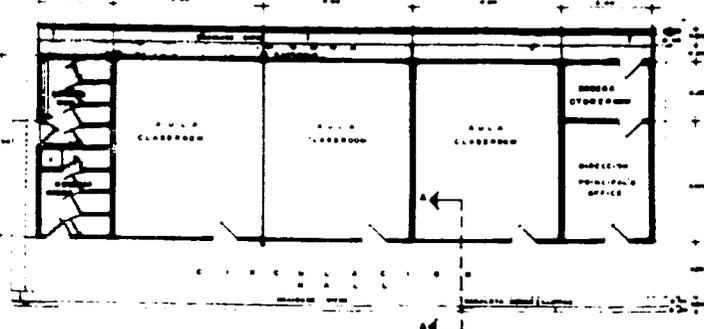
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C O P L A C E		ESCUELA PRIMARIA DE SEIS AULAS — ESTUDIO DE FACTIBILIDAD	
PRIMA		PRIMARY SCHOOL OF SIX CLASSROOMS — FEASIBILITY STUDY	
PLANTA		PLANS	
ELEVACIONES		ELEVATIONS	
SECCIONES		SECTIONS	
		3	

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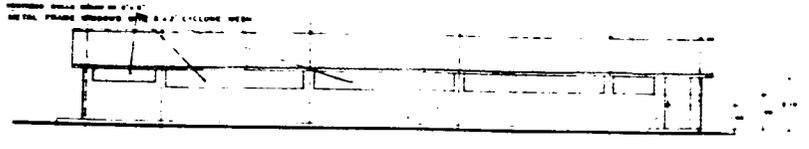
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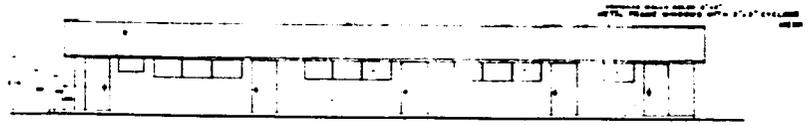
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FOUNDATION PLAN — SCALE



PLANTA ARQUITECTONICA — ESCALA 1:100
FLOOR PLAN — SCALE

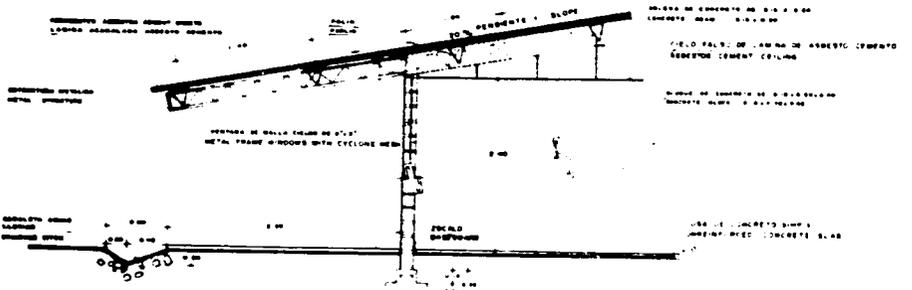


ELEVACION POSTERIOR — ESCALA 1:100
REAR VIEW — SCALE

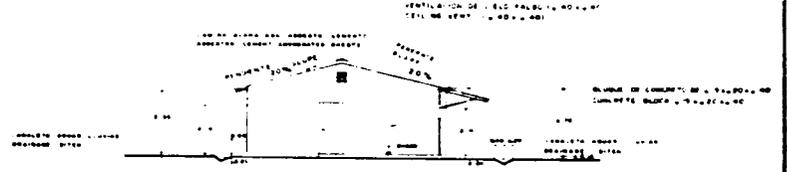


ELEVACION PRINCIPAL — ESCALA 1:100
FRONT VIEW — SCALE

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SECCION AA — ESCALA 1:20
SECTION AA — SCALE

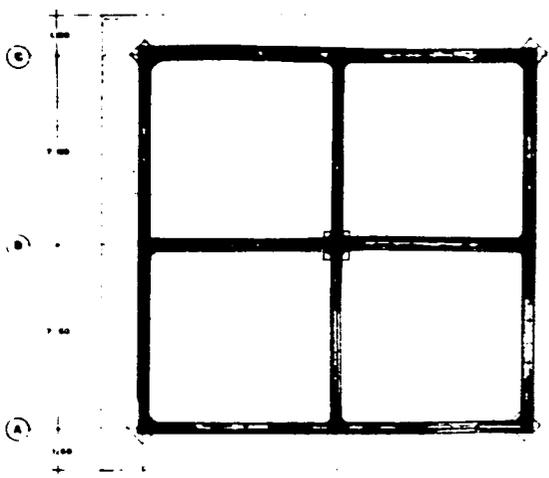


ELEVACION LATERAL — ESCALA 1:100
END VIEW — SCALE

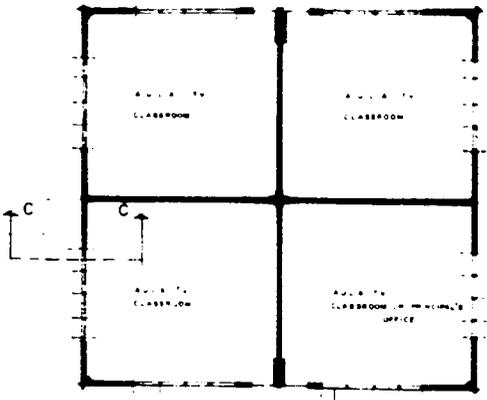
MINISTERIO DE EDUCACION
MINISTRO DE EDUCACION

MINISTERIO DE EDUCACION		REPUBLICA DE EL SALVADOR	
C O P L A C E		ESCUELA PRIMARIA DE TRES AULAS — ESTUDIO DE FACTIBILIDAD	
ESTUDIO DE FACTIBILIDAD DE LA CONSTRUCCION DE LA ESCUELA		PRIMARY SCHOOL OF THREE CLASSROOMS — FEASIBILITY STUDY	
JUAN P. LARA	COMISIONADO	GEORGI O BURGOS	ARQUITECTO
MARCEL GUARIZ	ARQUITECTO	ANASTASIO BERRIO	ARQUITECTO
CARLOS CALDERON S.	ARQUITECTO		
ROBERTO FUENTES CANALES	ARQUITECTO		
		PLANTA	PLANS
		ELEVACIONES	ELEVATIONS
		SECCIONES	SECTIONS
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			1:100
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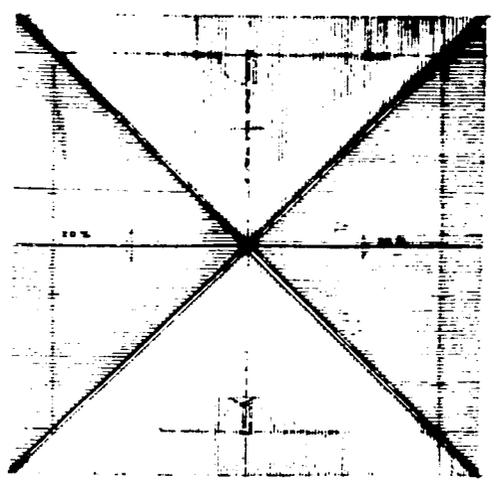
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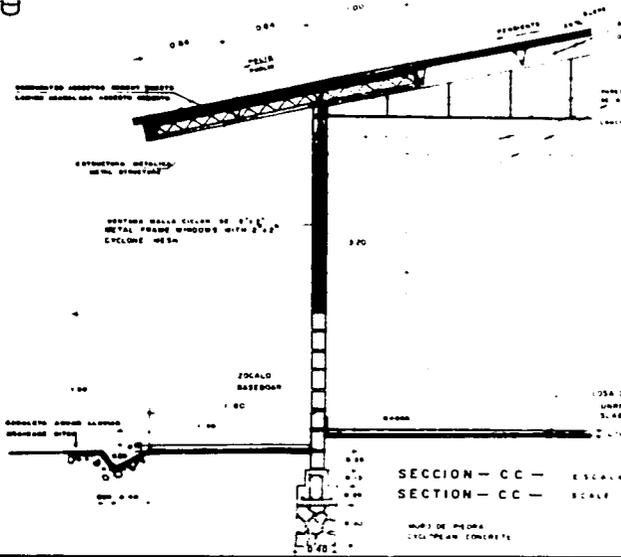
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FUNDATION PLAN — SCALE



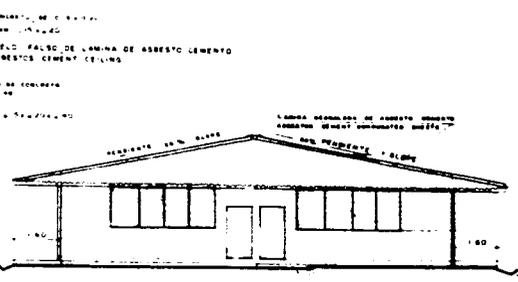
PLANTA ARQUITECTONICA — ESCALA 1:100
FLOOR PLAN — SCALE



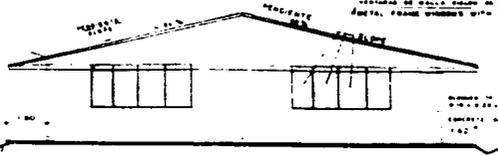
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ROOF PLAN — SCALE



SECCION - CC — ESCALA 1:25
SECTION - CC — SCALE



ELEVACION PRINCIPAL — ESCALA 1:100
ELEVATIONS — SCALE



ELEVACION LATERAL — ESCALA 1:100
END VIEW — SCALE

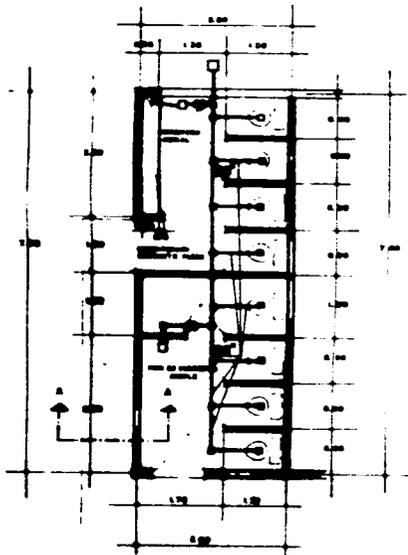
MINISTERIO DE EDUCACION
MINISTRO DE EDUCACION

MINISTERIO DE EDUCACION			
C O P L A C E			
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JUAN PAB LAPIN	COMISARIO	ARISTIDES GONZALEZ	INGENIERO
GERARDO SUAREZ	COMISARIO	ARISTIDES GONZALEZ	INGENIERO
CRISTOBAL LOPEZ MORALES	COMISARIO	ROBERTO FUENTES CANALES	INGENIERO

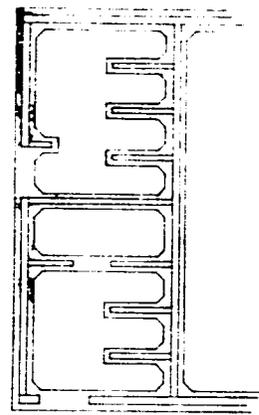
REPUBLICA DE EL SALVADOR	
ESCUELA PLAN BASICO DE CUATRO AULAS - ESTUDIOS DE VIABILIDAD	
PLAN BASICO SCHOOL OF FOUR CLASSROOMS - FEASIBILITY STUDY	
PLANTA	PLANS
ELEVACIONES	ELEVATIONS
SECCIONES	SECTIONS
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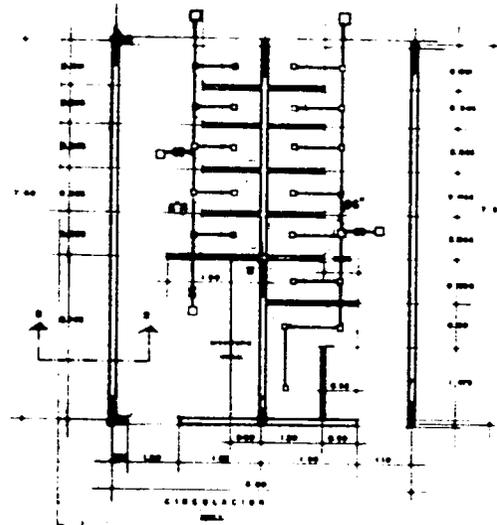
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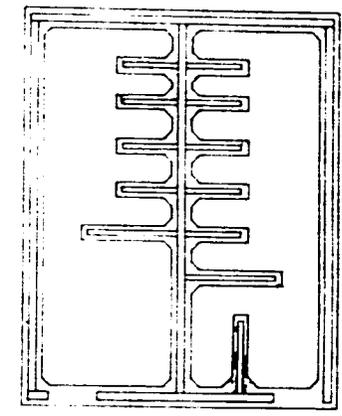
A PLANTA DE SERVICIOS - 3-7 AULAS PRIMARIA
 PLUMBING DIAGRAM - 3-7 PRIMARY CLASSROOMS
 ESCALA 1:100 SCALE



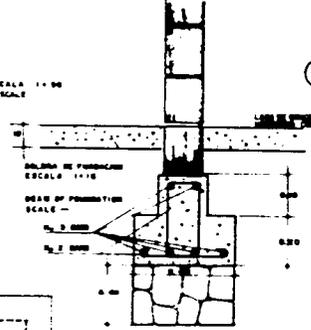
PLANTA FUNDACION ESCALA 1:100
 FOUNDATION PLAN SCALE



B PLANTA DE SERVICIOS - 8-12 AULAS PRIMARIA
 PLUMBING DIAGRAM - 8-12 PRIMARY CLASSROOMS
 ESCALA 1:100 SCALE



PLANTA FUNDACION ESCALA 1:100
 FOUNDATION PLAN SCALE

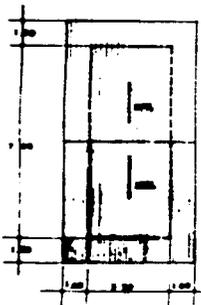


MURO DE FUNDACION
 CYCLOPEAN CONCRETE
 SECCION AA
 ESCALA 1:10 SCALE

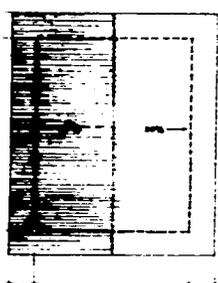
NOTA: LAS PAREDES EXTERIORES DE LOS SERVICIOS DEBEN TENER UNA ALTURA DE 170 CM Y DEBEN REVESTIRSE CON LAMBRILLO DE GABON LACADO, EMPLEADO EN CUARTO DE REPALLONES, APICADOS Y PINTADOS.

RELLA: THE WALL PANELS SURROUNDING THE SANITARY SERVICES SHALL BE 170 CENTIMETERS AND SHALL BE PAINTED WITH GABON SHUT WHICH PLACED SHUT WHITE AND THEY SHALL BE PLASTERED, PAINTED.

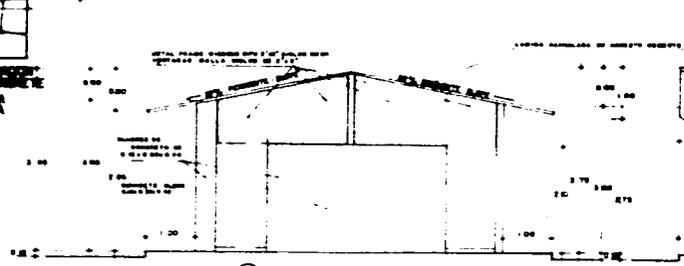
NOTA: TOMAR LAS ESCALAS EN METROS
 NOTE: ALL SCALES ARE IN METERS



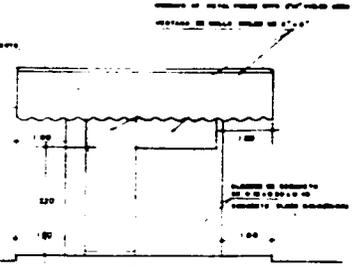
PLANTA DE TECHO
 ROOF PLAN
 ESCALA 1:100 SCALE



PLANTA DE TECHO
 ROOF PLAN
 ESCALA 1:100 SCALE



ELEVACION B ESCALA 1:100
 FRONT VIEW SCALE



ELEVACION A ESCALA 1:100
 FRONT VIEW SCALE

MINISTERIO DE EDUCACION
 MINISTRO DE EDUCACION

MINISTERIO DE EDUCACION		REPUBLICA DE EL SALVADOR	
C O P L A C E		SERVICIOS SANITARIOS - ESTUDIO DE FACTIBILIDAD	
SARCELLO SANCHEZ		SERVICIOS SANITARIOS - ESTUDIO DE FACTIBILIDAD	
CONTRALCORPORATIVO		SERVICIOS SANITARIOS - ESTUDIO DE FACTIBILIDAD	
DIRECCION DE PROYECTOS		SERVICIOS SANITARIOS - ESTUDIO DE FACTIBILIDAD	
PLANTA ELEVACIONES SECCIONES		PLANO ELEVACIONES SECCIONES	
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LOAN AUTHORIZATION (DRAFT)

Provided From: Alliance for Progress Funds
EL SALVADOR: Educational Reform Program including
ITV - Expansion Stage

Pursuant to the authority vested in the Deputy U. S. Coordinator, Alliance for Progress, Agency for International Development (A. I. D.) by the Foreign Assistance Act of 1961, as amended, and the delegations of authority issued thereunder, I hereby authorize the establishment of a loan pursuant to Part I, Chapter 2, Title VI, Alliance for Progress, of said Act, to the Government of El Salvador ("Borrower"), of not to exceed eight million two hundred thousand United States dollars (\$8, 200, 000) to assist in financing the United States dollar and local currency costs of equipment, material and services necessary for the conduct of the Borrower's Educational Reform Program. The Program shall provide for a revision of curricula in public schools, nationwide extension of an instructional television facility which will contribute a new technology to extend educational opportunities, architectural and engineering services for and construction of additional schools, and a qualitative improvement throughout the public school system ("Project"). Up to \$400, 000 of the loan shall be available for technical assistance to the Borrower. The local currency costs of technical assistance shall be limited to those of supporting services for U. S. technical assistance in El Salvador. This loan shall be subject to the following terms and conditions:

1. Interest and Terms of Repayment.

Borrower shall repay the loan to A. I. D. in United States dollars within forty (40) years from the date of the first disbursement under the loan, including a grace period not to exceed ten (10) years. Borrower shall pay to A. I. D. in United States dollars on the disbursed balance of the loan interest at the rate of two (2) percent per annum during the grace period and three (3) percent per annum thereafter.

2. Other Terms and Conditions

- (a) Prior to and as a condition precedent to the execution of the loan agreement, A. I. D. shall have received, in form and substance satisfactory to A. I. D., fulfillment of all conditions precedent to initial disbursement specified in the loan agreement for A. I. D. Loan 519-L-013.
- (b) All goods and services financed under the loan shall have their source and origin in the United States of America or in the Central American Common Market countries. Shipping financed under the loan shall be procured from the United States and marine insurance financed under the loan shall be placed in the United States with a company authorized to do a marine insurance business in any State of the United States.
- (c) United States dollars utilized under the loan to finance local currency costs shall be made available to Borrower or its designee through Special Letter of Credit procedures and shall be used only for procurement in the United States.
- (d) Prior to the first disbursement, under the loan, Borrower shall provide for additionality incentives in a manner satisfactory to A. I. D.
- (e) Borrower shall in each year until the end of the disbursement period discuss with A. I. D. its overall future financing needs to carry out its five-year Educational Reform Program including ITV
- (f) The loan shall be subject to such other terms and conditions as A. I. D. may deem advisable.

Deputy U. S. Coordinator

Date