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FROM: U.S.A.I.D./San Salvador
E.O. 11652: N/A
SUBJECT: Preliminary Project Paper (PPP)

REFERENCE

Country El Salvador

DATE: January 29, 1975

PROJECT TITLE: Fundamental Education and Skills Training

PROJECT NUMBER: 519-15-670-170

Funds begin FY 1976	Cost 1st FY	\$200.0
Funds End FY 1977	Cost 2nd FY	\$100.0
Estimated total U.S. Cost	\$	300.0
Estimated CC Contribution	\$	100.0
Estimated Other-donor Contribution		0
Total Estimated Costs	\$	400.0

A. Statement of the Goal

Improvement of the general welfare of the rural and urban poor through appropriate education and training projects.

Basic assumptions include: 1/

1. Fundamental education and skill training contribute to

If the above assumptions are, in effect, conditions which should exist before the decision is taken to initiate the project and are not those which will apply to the PPOP to be pre-

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national economic growth and to the realization of individuals' social and economic goals.

2. A better trained labor force encourages more investment and production in labor intensive activities thus reducing unemployment and improving income redistribution amongst lower income earners.

3. The Government of El Salvador assigns a high priority to this goal.

4. The private sector strongly supports this goal.

B. Statement of Purpose

Development and testing of innovative, non-formal fundamental education and short-term skill training programs which can be expanded to benefit significant numbers of lower income citizens.

Basic assumptions include:

1. USAID assistance being provided in FY 1975 will result in the establishment of a viable public/private sector education and training council capable of conceiving and guiding the activities to be carried out under the project.^{1/}

2. Exogenous economic factors will not seriously threaten the availability of resources required to carry benefits of the programs developed through the project to significant numbers of the target population.

^{1/} The above assumptions are, in effect, conditions which should exist before the decision is taken to initiate the project, and are not those which will apply to the PROP to be prepared.

C. **Outputs, Inputs, and Supplementary Data**

1. **Outputs**

- a. Relevant education and training courses, including appropriate curricula, instructional materials, and evaluation procedures.
- b. Trained administrators, supervisors, teachers, and other specialists.
- c. Information and guidance services for participating agencies and individuals (e.g., Job Counselling, Placement, and Follow-Up services).
- d. Semi-skilled and skilled workers in agriculture, industry and commerce.

2. **Inputs**

- a. AID-financed technical advisors to assist in analyzing manpower requirements, initiating training courses, training specialists, evaluating programs, and providing information and guidance services (estimated 54 mm long and short-term advisors).
- b. Resources from Salvadoran public and private entities to complement AID financing for project activities:
 - (1) Administrative costs
 - (2) Purchase of equipment and instructional materials
 - (3) Conducting special short-term studies
 - (4) Training courses for administrators, supervisors, teachers, and other specialists
 - (5) Training courses in fundamental education, agriculture, industry and commerce

(6) Placement and guidance services

(7) Personnel to plan, implement and evaluate education and training programs.

3. Supplementary Data

Appendix A describes the problem this project is designed to address, accomplishments to date, and USAID's strategy for this and future activities.

CAMPBELL

APPENDIX "A"

EDUCATION BRIEFING PAPER
Prepared December, 1974

I. THE PROBLEM

To achieve the Salvadoran goals of fostering more rapid national economic growth and extending the fruits of development to more citizens, especially the urban and rural poor, the GOES is now directing more attention to innovative short-term education and training programs to supplement its formal, long-range education system.

The need to do so is evident. Despite the significant accomplishments of a comprehensive education reform program launched over five years ago and continuing to the present, serious problems remain regarding access, relevance and quality, and efficiency of the formal system. Consider these general educational characteristics of the current population of approximately 4 million persons:

- Approximately 50% of these over 10 years of age are functionally illiterate; in rural areas the figure approaches 70%.
- Although 52% have some primary education, only 44% have graduated from the 6th Grade.
- Only 6.3% are graduates of secondary schools.
- Only .4% have some university education, with graduates approaching .2%.
- Dropout rates remain distressingly high. Of every 100 pupils who entered 1st grade in 1968, only 15 finished the 6th grade in 1973.
- Estimates by the National Planning Office (CONAPLAN) indicate that the following percentages of eligible age groups are not being currently served by the schools:

Grades 1 - 3 : 20%
Grades 4 - 6 : 24%
Grades 7 - 9 : 57%
Grades 10-12 : 82%

Thus, there exists today in El Salvador a large majority of

poor and deprived citizens lacking in practical education who can neither improve their general welfare nor participate effectively in the economic activities of the nation.

The effect of this massive lack of basic education on the economy is apparent: Productivity and growth have been adversely affected by the lack of semi-skilled and skilled workers. Conservative estimates place the unemployment rate currently at approximately 20%. The Five Year Development Plan (1973-77) noted that only 35% of the economically active population has employment in agriculture for a full work year, only 50% for as much as seven months of the year, and for every new job four workers are available to fill it.

Industry has difficulty absorbing the surplus labor supply. If it increases at slightly more than 8% a year (double the rate of job increases in the past decade) industry will still be providing jobs for only 10% of the economically active population.

CONAPLAN, the national planning agency, estimates an annual demand for approximately 45,000 entrants into the labor force (now about 1.4 million), ranging from unskilled laborers to professional specialists. Its rough estimates further indicate that of these entrants, approximately 4% should have some college training, 30% require formal education between the levels of fourth and twelfth grades, and 25% should have some formal education or training to perform their jobs at a minimum satisfactory level.

The need, then, to provide more and better basic education to the large majority of Salvadoran citizens is critical. The solution of the twin problems of insufficient and inappropriate education has been given high priority recently by both public and private agencies in El Salvador. USAID should assign a similar high priority and actively support these important, innovative efforts.

II. ACCOMPLISHMENTS TO DATE

GOES education programs during the past seven years have concentrated on developing the institutional capability of the Ministry of Education to reform its formal education system to deal with the problems of accessibility, efficiency, and quality of school programs. By the conclusion of present AID loan projects in June, 1975, significant accomplishments will have been made in each of these areas for the basic education programs covering grades 1 through 9.

A significant start has also been made in improving the senior high school programs (grades 10-12) through the introduction of comprehensive, diversified high schools offering vocational/technical options in addition to the standard academic program leading to university entrance. With World Bank loan assistance, the MOE has built some 36 diversified senior high schools throughout El Salvador. Currently ten vocational/technical specialties are available, including agriculture, navigation and fisheries, hotel and tourism, commercial studies, and industrial options. Although these programs are suffering from a lack of equipment, materials, appropriate curricula, and underutilization, the basic facilities have been constructed and some professional staff is available.

The Ministry intends to continue placing high priority upon expanding and improving its formal system, and expects to supplement its own resources with help from other international agencies (e.g., a \$17 million loan from the World Bank for basic education).

Significantly, many of the improvements in the formal education system can and will also have direct applicability to non-formal education and training programs. An improved planning and administrative organization, a sophisticated, comprehensive television network, increased physical facilities, equipment and materials, and more highly trained professional personnel at all levels augur well for contemplated activities in innovative formal and/or non-formal education and training.

In a major effort to make more rational decisions regarding its education system, the MOE - with USAID grant assistance - has undertaken a comprehensive education sector analysis, due to terminate by the end of 1975. The results of this analysis will form the basis of a new 10 year educational reform plan.

Simultaneously, the GOES - again with USAID grant assistance - is conducting a study of economic growth projections with implications and recommendations for formal and non-formal education and training programs. Cooperating in the project (conducted by a contract team from San Jose State University with consultant help from AID/W advisors) are CONAPLAN, the Ministries of Education and Labor, the American Chamber of Commerce, the Salvadoran Chamber of Commerce, and the Association of Salvadoran Industrialists. The basic aims of the study are to determine manpower needs and supplies for an expanding economy, analyze present formal and non-formal training institutions, and recommend further administrative and operational arrangements to provide appropriate education and training activities in both the public and private sectors. The study is scheduled for completion by March 1, 1975.

Several Salvadoran public and private agencies have been conducting

non-formal training activities, but these efforts have been modest in scope, uncoordinated, and generally ineffective.

Very recently, and resulting largely from experiences gained under the San Jose State project, the Ministry of Education has been conducting experimental short-term courses in vocational/technical specialties. Some of these courses are conducted entirely by the MOE, but others are cooperative efforts with Salvadoran private industrial enterprises. For example, using a senior vocational high school belonging to the MOE, the Salvador Port Authority is conducting a summer course in naval welding for 35 workers taught by industry specialists.

The MOE is also currently studying revisions of its formal senior high school programs, both academic and vocational/technical, to make them more responsive to industry's and students' needs.

It is thus clear that the GOES has committed itself to modifying and expanding its formal education system to include non-formal short-term training to better serve the nation's changing economic and social needs.

III. FUTURE ACTIVITIES

USAID strategy for the next five years is to assist Salvadoran public and private agencies to mutually plan, administer, evaluate, and coordinate education and training activities to stimulate national economic growth while helping to improve the personal lives of more individual citizens - especially the urban and rural poor and deprived. This strategy is consistent with Congressional mandates, AID/W policy directives, and GOES priorities.

The general course of action to implement this strategy is to conduct education and training activities in two stages:

1. For FY 1976 and FY 1977 provide grant assistance to organize a national Industry - Education Council. This council, made up of representatives from Industry, Commerce, CONAPLAN, American and Salvadoran Chambers of Commerce, and the Ministries of Education, Labor, and Agriculture, will work toward the following objectives:
 - a. Create effective channels of communication between public and private agencies regarding the formation, use, and preservation of human resources to meet the multiple development goals of El Salvador;

- b. Conduct continuous studies of manpower requirements and supplies, especially at the semi-skilled and skilled levels;
- c. Initiate appropriate short-term training courses, using the coordinated facilities of the private sector and the government ministries;
- d. Establish guidance and information services for both participating agencies and individuals (e.g., Job Counselling, Placement, and Follow-Up services);
- e. Conduct in-service training seminars for administrators and teachers;
- f. Prepare appropriate curricula and teaching and learning materials.

A significant start in creating the Council has occurred. A team of Salvadoran representatives from the participating agencies visited the State of California to observe the workings of a similar council and on-going training programs there. Several visits of U.S. specialists in these areas to El Salvador likewise have been concluded.

Moreover, San Jose State is completing several studies with direct implication for the operation of the Y.E. Council:

- a. An industrial establishment survey of approximately 275 firms in San Salvador, each employing more than 50 employees. The survey collected data regarding the composition of the work force in these establishments, the present level of employees' education and skill level, employees' estimates of specific training needs, and the extent of their willingness to cooperate in further training of employees through financial contributions, released time, and provision of staff and facilities. The survey also identified and classified over 30 occupations by skill traits, providing a basis to start specific training programs almost immediately.
- b. An analysis of the MOE's senior high school vocational/technical programs. This will be used to modify present options and curricula and indicates the nature and extent of facilities which can be used in non-formal training programs.

- c. An analysis of MOE non-formal education programs being conducted through the Division of Adult and Permanent Education.
- d. An analysis of other public and private non-formal training programs.
- e. Preliminary analysis of the nature and growth of the economy, with descriptions of the characteristics of the economically active population. This will be valuable in designing appropriate formal and non-formal education and training activities.

USAID financial assistance will provide technical advisors, demonstration teaching equipment, instructional materials and supplies, training grants for study and/or observation abroad, and other costs for in-service workshops and seminars. Estimated cost for FY 1976 is \$200,000 and for FY 1977, \$100,000.

- 2. Starting in FY 1977, provide loan funds of approximately \$3.0 million over three years for the expansion of the pilot projects begun under the direction of the Industry-Education Council. Funds will be used for technical assistance, commodities, participant training, and other costs. No significant construction costs are contemplated.

The main emphasis of these activities will be on short-term, non-formal skill training activities for youth and adults outside the formal school system. Both upgrading of employed workers and pre-employment education and training will be stressed. The key element of the project is to foster cooperative efforts by private and public agencies to provide practical education to poor and deprived citizens, both male and female and urban and rural.