AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE: C (A = Add, C = Change, D = Delete) — Amendment Number: PD-AAA12-(21) ISN:39444 — DOCUMENT CODE: 3

2. COUNTRY/ENTITY: EL SALVADOR

3. PROJECT NUMBER: 519-0295

4. BUREAU/OFFICE: LAC / 05

5. PROJECT TITLE (maximum 40 characters): EDUCATION SYSTEM REVITALIZATION

6. PROJECT ASSISTANCE COMPLETION DATE (PACD): MM 09 DD 30 YY 89

7. ESTIMATED DATE OF OBLIGATION (Enter "2" below, enter 1, 2, 3, or 4): A. Initial FY 85* B. Quarter 2 C. Final FY 87

8. COSTS ($000 OR EQUIVALENT $1 =)

A. FUNDING SOURCE	FIRST FY B. FX	FIRST FY C. L/C	FIRST FY D. Total	LIFE OF PROJECT E. FX	LIFE OF PROJECT F. L/C	LIFE OF PROJECT G. Total
AID Appropriated Total	2,975	12,000	14,975	8,292	29,308	37,600
(Grant)	(2,975)	(12,000)	(14,975)	(8,292)	(29,308)	(37,600)
(Loan)	( )	( )	( )	( )	( )	( )
Other U.S. 1.						
Other U.S. 2.						
Host Country		3,652	3,652		13,000	13,000
Other Donor(s)						
TOTALS	2,975	15,652	18,627	8,292	42,308	50,600

9. SCHEDULE OF AID FUNDING ($000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE 1. Grant	C. PRIMARY TECH. CODE 2. Loan	D. OBLIGATIONS TO DATE 1. Grant	D. OBLIGATIONS TO DATE 2. Loan	E. AMOUNT APPROVED THIS ACTION 1. Grant	E. AMOUNT APPROVED THIS ACTION 2. Loan	F. LIFE OF PROJECT 1. Grant	F. LIFE OF PROJECT 2. Loan
(1) ESR	623	636				37,600		37,600	
(2)									
(3)									
(4)									
TOTALS						37,600		37,600	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each): 629

11. SECONDARY PURPOSE CODE:

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code							
B. Amount	BR 4,200	BU 8,000					

13. PROJECT PURPOSE (maximum 480 characters)

To assist the GOES to restore the effectiveness and accessibility of primary educational services in El Salvador to near pre-conflict levels.

14. SCHEDULED EVALUATIONS: Interim MM YY 04 87 Final MM YY 04 89

15. SOURCE/ORIGIN OF GOODS AND SERVICES: ☒ 000 ☐ 941 ☒ Local ☒ Other (Specify) CACM

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a ____ page PP Amendment)

* Of the funds to be provided in FY 85, $2.2 million will come from the FY 84 Supplemental

17. APPROVED BY

Signature: Robin L. Gomez

Title: Robin L. Gómez, Mission Director

Tom Bebout, Controller — Date Signed: MM 02 DD 17 YY 85

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION: MM DD YY

AID 1330-4 (8-79)

EDUCATION SYSTEMS REVITALIZATION
PROJECT 519-0295
TABLE OF CONTENTS

I. PROJECT SUMMARY AND RECOMMENDATIONS

A. RECOMMENDATIONS

USAID El Salvador recommends the authorization of a $37.6 million grant to support the efforts of the Government of El Salvador to restore its primary education system to roughly the 1978 level.

B. SUMMARY

The Project purpose is to assist the Government of El Salvador to restore the effectiveness and accessibility of primary educational services in El Salvador to near pre-conflict levels. Since 1978, educational services and the educational status of the Salvadoran population have deteriorated. The number of school-age children (Grades 1-6) out of school has increased from 413,000 in 1978 to more than 650,000 in 1983. The number of public school teachers for the first nine grades has decreased from 17,124 in 1978 to approximately 14,482 in 1983 with 3,000 teachers currently out of work primarily due to schools being closed in the conflictive areas. Population shifts have overwhelmed educational facilities in most marginal urban areas while in rural areas many classrooms have been abandoned. The Project will provide the resources necessary to restore an adequate physical environment for the learning process by renovating, constructing, and furnishing facilities; providing teaching aids, classroom materials and textbooks for Grades 1-6; and providing the funds necessary to initiate a program of improved school maintenance. These inputs will provide an immediate impact upon the instructional process and develop an environment that will significantly improve the teaching and learning process.

The Project has five components:

1. School Repair, Renovation and Construction. Under this component the Project proposes the repair or restoration of approximately 2,400 classrooms, and where necessary to achieve the maximum number of new enrollees, the construction of some 400 classrooms.

2. School Maintenance System. This component will help the Ministry of Education (MOE) improve its ability to quickly and effectively respond to the maintenance needs of the schools in the system. Project resources will be used to procure vehicles, equipment and materials. This component will also support the involvement of teachers, students and the community in the performance of preventive maintenance. To accomplish this, each school will be provided with a "maintenance kit" consisting of basic tools and a simple "how to" manual. Technical assistance will also be provided to develop the manuals and to establish and maintain an inventory of all the schools in the system.

3. School Furniture and Equipment This component will provide the equipment, furniture and supplies needed to fully equip the estimated 2,800 classrooms to be restored or constructed under this Project, as well as an additional 1,000 classrooms of furniture. Each will be furnished with student and teachers' desks and chairs, a blackboard, a bookshelf and a storage cabinet. Basic teaching supplies and materials, including chalk, erasers, pencils, maps and student notebooks, will also be provided, as needed. In those cases where the classrooms to be renovated have adequate furniture and supplies, the additional materials purchased under this Project will be distributed to those classrooms with the greatest need.

4. Textbooks This component will finance the procurement and distribution of about 3.5 million MOE approved textbooks, developed by a joint IBRD/GOES Program entitled PLANALIBRE for the 830,000 children in the public primary school system. Teacher materials and guidebooks for each textbook will also be financed.

5. Administration and Management This component will finance the establishment and operation of a Special Management Unit (SMU) designed to facilitate and ensure the timely and effective management and administration of project activities.

The total cost of the Project is $50.6 million, of which A.I.D. will provide $37.6 million in grant funds. The GOES contribution will consist for the most part of in-kind contributions. The Project Assistance Completion Date will be September 30, 1989.

II. PROJECT BACKGROUND AND RATIONALE

A. BACKGROUND

1. Performance of the School System.

The Salvadoran education system was performing reasonably satisfactorily in the period immediately prior to the outbreak in 1978 of social unrest and armed conflict. Primary school enrollment was expanding at an annual average rate of about 4.3 percent. This increase was approximately half again as rapid as the 2.8 percent annual rate of increase in the school age population. The numbers of new classrooms and trained teachers were expanding nearly apace. More students were also remaining in school longer, gradually resulting in improvement of the system's internal efficiency. The Ministry of Education regularly obtained between 20 to 25 percent of the public budget.

The subsequent turmoil of the past six years has resulted in a marked deterioration of the educational system. Over 2,140 schools have had to be closed since that time, and over 800 schools have remained abandoned since 1978. The number of teachers has declined from 17,124 in 1978 to approximately 14,482 in 1983. The number of students attending school declined from 804,984 in 1978 to 755,957 in 1983; whereas, the school age population rose from 1,077,000 in 1978 to 1,242,000 in 1983. The Ministry of Education budget dropped from ₡276,734,131 in 1978 to ₡151,275,000 (in constant 1978 prices) in 1983, or to 55 percent of the 1978 level. The MOE's budget as a percentage of the national budget dropped from about 21 percent in 1978 to 16.8 percent in 1983. By 1983, the national budget overall had dropped to 54.7 percent of the 1978 level. Due to the civil war and the need to maintain defense expenditures, there has been a much greater decline of 60 percent for education. The inevitable result has been a serious decline in the amount of funds available for such purposes as textbooks and other teaching materials and equipment, as well as for the repair and maintenance of physical facilities. As a result, only about 60 percent of the school age population is being served by a continuously deteriorating system. Even for the majority of those enrolled, the quality of the education they are receiving is poorer than that offered by the 1978 system. The absence of teaching materials and books, overcrowding, and the lack of curriculum relevant to the environment further diminish the quality of education, thus closing off an important avenue of opportunity and failing to provide the basic knowledge needed to increase productivity and improve health and nutrition conditions in the country. Furthermore, economic development is impeded because the lack of basic education prevents the further training necessary to attain productive or specialized skills.

2. Constraints:

The GOES' ability to restore the education system to satisfactory levels of performance is hampered by a number of constraints. They include the following:

a. Institutional

Although the MOE has made attempts to decentralize, the still highly centralized bureaucracy is responsible for directly managing some approximately 4,000 schools, including those that are closed, in 14 departments. Financing for the school system at present comes solely from the GOES, with the local government or communities providing self-help construction only in a few instances, such as under the CONARA Combined Plan, where the emphasis of the Program is to re-open schools in formerly conflictive zones. In addition, it has been difficult to effectively administer the rural areas for lack of financial support for transportation and communications. The problem of deterioration in the school system in the urban areas has also been compounded by the displaced population, which have fled these rural areas for the relative safety of an urban environment.

The civil strife has abnormally depressed an economy already in recession, resulting in severe curtailment of the national budget, and the MOE budget. During this period, 94% of the MOE budget has been spent on keeping personnel at a level adequate to serving the school system, leaving only 6% of the education budget available for goods, such as school furnishings and textbooks, services, construction, and maintenance. As a consequence, very little has been spent on classroom construction, repair or maintenance, textbooks, and materials and supplies. In real terms, education's share of the national budget in constant 1978 prices has dropped from 20.1 percent in 1978 (though rising to 22.5 percent in 1980) to 15.4 percent in 1984. As a result, not only has the expansion to meet school population growth stopped, but hundreds of schools have had to be closed due to lack of funds to repair or maintain them.

b. Infrastructure

Since 1978 over 800 schools have been shut down and still remain closed. The great majority of these were elementary schools. In addition, the lack of periodic maintenance since 1978 has resulted in the deterioration of the physical plant and equipment in literally hundreds of additional schools to such a point that their ability to continue to function as institutions of learning is in serious jeopardy. Furthermore, unless remedial action is taken immediately to restore the capital stock of educational facilities, many of these will become unusable over the next few years. Owing to the massive shifts of population out of zones of conflict, the marginal urban areas of the capital and other major urban centers have been inundated in recent years by some 500,000 displaced persons. An estimated 200,000 of

these are of school age. Based upon MOE enrollment data, it appears that the majority of these potential students have never been enrolled in the school system. Furthermore, according to the MOE's Office of Planning and Organization, there are over 400,000 primary school-age children not in school. To meet this need, at the very minimum level of adequacy, (100 students per classroom in two shifts) at least 6,000 new and renovated classrooms would be required to allow near full enrollment of school age students. Although this figure would absorb those students currently out of school, it does not include the number of classrooms which are in use but in need of major repairs, nor the number of units that would be needed to keep up with population growth in the future. Even at the current low level of enrollment, in some rural areas, crowded classrooms are seriously impeding the learning process. It is common to find a teacher teaching 70 to 80 children in a classroom designed to accommodate 35 to 40 students. Another standard procedure is to divide one classroom into two or four sections using wood or cloth partitions. These conditions contribute to high absentee rates of teachers and students, and a low rate of educational efficiency.

An effective maintenance program for the school system is completely lacking. The little preventive maintenance that is performed is done by the few teachers who feel so inclined, but with little support from the MOE. The MOE does accept responsibility for maintenance and major repairs. However, the budget is completely insufficient for the task. The lack of maintenance has a dual negative effect on enrollment. School buildings in a state of serious disrepair do not provide good learning environments and, therefore, tend to aggravate the student drop-out problem. Secondly, the lack of maintenance significantly shortens the useful life of school buildings so that some of the investment that could go into new classrooms goes instead to replace the existing deteriorated stock of classrooms.

c. Human Resources

(i) Teachers

In addition to the fact that the number of public school teachers declined from 1978 to 1984, the existing number are poorly distributed. Relative to the availability of other educational inputs, they are abundant in urban areas and in short supply in rural areas. This is especially true with respect to the rural areas adjacent to zones of conflict where it is estimated that over 3,000 teachers, who have had to leave their schools due to the conflict, are still available to teach. that the present Project plans to make available, the availability of qualified teachers does not appear to be a limiting constraint.

d. Teaching Materials

Recent visits to representative primary schools confirm that there is almost a total lack of learning and teaching materials in the classrooms. The amount of public budgetary resources devoted to teaching materials, texts, blackboards, chalk, maps, etc., has been minimal since 1978. Like maintenance, these items have proven to be expendable in the face of declining resources. For example, since 1976, there has been no acquisition of primary school textbooks by the MOE. As a result, the national stock has been almost totally depleted. By all accounts, the condition of existing blackboards and other supporting materials is not any better. Teachers complain constantly about the difficulties encountered in their attempt to make classroom teaching meaningful and exciting for their students. Teachers have to resort to the lecture teaching method even at the first grade level, and thus the child's learning is generally limited to the teachers's own knowledge and experience. MOE officials state that the lack of money to produce and/or buy materials is the main constraint. Without an adequate inventory of texts and other supporting teaching materials, the pre-conflict status of the education system cannot be restored.

B. PROJECT RATIONALE.

1. GOES Commitment

The current Government of El Salvador's proposed Program for Social Development 1/ has stated that its principal objectives for the next few years in the area of education include:

a. the improvement of construction, enlargement, and provision of equipment to educational institutions;

b. to make more functional and efficient the operation of basic educational services.

Further, the MOE has stated that within this overall framework, its first priority area of emphasis is to:

a. restore the primary school system nationwide but, with emphasis on those areas where schools have been closed due to the conflict.

b. increase substantially the numbers of school-age children which are provided a full nine years of schooling; and

c. upgrade both the qualitative and quantitative productivity of primary education.

This Project will address both of the MOE goals of restoring and repairing the physical infrastructure of the primary educational system, and, where necessary, will construct new classrooms to permit a broadened enrollment. Essential adjuncts to a classroom, such as textbooks, desks, and school equipment will also be provided under this program to improve the functionality of the system.

---

1. Program for Social Development, Ministry of Planning and Coordination of Economic and Social Development.

C. RELATIONSHIP TO A.I.D. GOALS/USAID PROGRAM

The Kissinger Commission Report on Central America cites universal access to primary education as one of the principal objectives of long-term economic assistance.

This Project directly addresses that concern. Moreover, the 1985 Annual Budget Submission emphasizes USAID's country strategy of increasing the support for alleviating this critical situation in the education sector. The ABS points out that deteriorating educational services require immediate attention. A.I.D. assistance is proposed to strengthen and improve the effectiveness of GOES services at the grass roots level, to provide for the basic human needs of the majority of Salvadorans, and to arrest further institutional deterioration and undermining of prior investments in these sectors. The strategy for the FY 85-86 period is to deal immediately with the symptoms such as, absence of equipment and supplies, schools closed or damaged. Emphasis will be on short term impact, an increase in efficiency, and fiscal savings enhancement of existing services.

D. Complementary A.I.D. and Other Donor Assistance.

Over the past five years, the Ministry of Education has implemented two AID-financed education projects, one UNDP/UNESCO project and it is currently implementing one project financed by the World Bank, which is expected to terminate in December 1985.

(i) Rural Primary School Expansion Project (519-0190): Initiated in 1979, this project built and furnished 395 classrooms in rural areas, and assisted the MOE in developing its capacity to plan, deliver, and support rural educational facilities. Although the project encountered many implementation problems, it did succeed in meeting some of its objectives. Lack of implementation progress can be attributed, in part, to the construction method which had the Ministry use its own construction department and local labor sources. When the Ministry shifted to private construction in 1982, performance improved markedly. With this system, the MOE was able to build and furnish 395 classrooms. The final 31 classrooms were constructed in 1984, and the Project terminated on November 30, 1984.

(ii) Adult Occupational Skills Training Project (No. 519-0172). This Loan program was designed to further develop and expand through the MOE a system of basic and occupational skills training. Signed in 1978, the project attempted to reorganize, upgrade and significantly expand the scope of the MOE's Division of Adult and Permanent Education. Slow progress in implementation and poor management led to the deobligation of $4.0 million in 1980.

(iii) CONARA Through the MOE, the Combined Plan is supporting the re-opening of schools in formerly conflictive zones. Approximately ¢3,580,000 (U.S.$1.4 million) in ESF local currency has been programmed for this purpose in the current year. This Project will coordinate closely with CONARA in determining the need for new schools and/or reconstruction in those areas that are now secure. MOE officials also serve on the coordinating committees of the Combined Plan, thus duplication of effort will be avoided.

(iv) Fourth Education Sector Loan (No. 1007-ES). The World Bank is financing a $ 23.3 million loan to construct, furnish, and equip 245 rural classrooms, develop and produce texts and teaching materials for primary education, develop new curriculums, and improve local school administration in response to the recent decentralization of the MOE responsibilities. To date, the Project has built 50 schools with 139 classrooms, with 33 more schools presently under contract. In an effort to ensure that all activities are properly managed, this project has incorporated a management coordinating unit to deal strictly with project related administrative and management matters. A.I.D. will work closely with the Bank to assure coordination of all activities. Also, the production and distribution of textbooks under the new A.I.D. project will be planned to complement the Bank financed textbooks which are scheduled for distribution in CY 1986.

(v) UNDP/UNESCO financed a $585,000 education system support project for literacy training in the Agrarian Reform cooperatives. The Project was completed in December 31, 1983.

III. DETAILED DESCRIPTION

A. Project Goal and Purpose

The goal of this project is to improve the socio-economic well being of primary school-age children in El Salvador.

The purpose of the project is to assist the GOES to restore the effectiveness and accessibility of primary educational services in El Salvador to near pre-conflict levels.

B. Project Strategy

Low school-age enrollments and high dropout rates are the result of overcrowding, the absence of adequate school facilities or any school at all in many areas, and the lack of didactic materials and school equipment. Given economic constraints, compounded by the civil strife, the MOE has been unable to provide basic coverage of primary schools throughout the country. Hence, the strategy of the Project is designed to provide financial resources which will permit the MOE to reestablish the primary education system in nominal terms to roughly the 1978 level. The proposed activities to be financed have been selected for short term impact at the level where the basic functional literacy skills and attitudinal make-up, so important to future national development, are first formed.

The Project will restore the accessibility of basic educational assets such as classroom space, teachers, and teaching materials and building maintenance so that primary school enrollments can approach pre-conflict levels. This process will involve the repair and restoration of existing classrooms, the assignment of trained teachers, the procurement and distribution of textbooks, the construction of new classrooms as dictated by population shifts to marginal urban communities or other special circumstances (Phase I Cooperatives), where the current enrollment needs can only be met through a new building, and improvement of school maintenance capabilities.

In order to ensure that the activities are timely and effectively implemented and that resources are properly allocated, a Special Management Unit (SMU) will be created within the MOE to coordinate and monitor project implementation. Responsibility for supervision of each activity will be assigned to the appropriate office within the MOE.

In terms of classroom construction, repair and renovation, the project will first undertake a Baseline Survey designed to pinpoint those areas where project interventions will achieve the maximum impact in terms of enrollment of children in schools, with special emphasis on accessibility to primary educational facilities. In the case of new construction or repairs of unoccupied classrooms, the GOES will be required to formally assign a teacher

before any reimbursement is made by A.I.D. Each classroom will be furnished with student and teacher desks and chairs, a blackboard, teaching supplies, a bookshelf, and a storage cabinet. Project inputs will be assigned first to those schools renovated and constructed under the project so as to remove identified constraints to enrollment. Remaining furnishings and other equipment will then be distributed to those other schools with the greatest needs.

Maintenance consciousness will be a fundamental part of the restoration effort. Each primary school will receive a maintenance kit and manual and training on how to use them. The community, school directors, teachers and students will be involved in performing the preventive maintenance. The MOE's maintenance division will be equipped with Project funded equipment, vehicles and materials. In addition, technical assistance will be provided to help develop and maintain a maintenance program designed to prioritize and regularize the repair and maintenance of all the schools in the system.

In conclusion, this Project addresses the most pressing constraints to increasing primary school enrollment, in the short run, in a way which will provide a basis for meeting the long term needs of the system.

C. Project Component Descriptions

The project consists of five components: 1) school repair, renovation and construction; 2) school maintenance system; 3) school furniture, equipment and supplies; 4) textbooks and 5) administration and management. Provided below are descriptions of proposed project outputs and inputs for each of the components.

1. School Repair, Renovation and Construction

In recent years, particularly since 1978, the physical condition of existing schools have declined seriously in quantity and quality, not only due to the conflict, but also due to deterioration resulting from lack of maintenance. Coupled with these problems, there has been a sharp decrease in the MOE investment budget for new construction and repair of classrooms. Consequently, the problem of the lack of adequate classrooms has reached critical proportions. The MOE's Office of Planning and Organization (ODEPOR) estimates that approximately 460,000 primary school-age students, as well as some 200,00 children of the displaced population, are unable to attend school due to lack of adequate classrooms in El Salvador. In some areas, even where these students have access to schools, the primary schools are unable to admit them due to lack of space. One of the reasons for this lack of space is a large increase in enrollment in some areas. In the urban areas in the Central Region (San Salvador, La Libertad, Cuscatlán) alone, there was a 30.1% increment, or total of 50,000 children, in the number of enrollees in primary school from 1984-1985. The burgeoning population growth, coupled with the migration flows from rural areas where there are no primary schools, have resulted in growing population pressures on the existing primary school system.

Thus, to attempt to keep pace with the numbers of potential new primary school enrollees, and to begin restore the former levels of delivery of educational services, there is an immediate and critical need for the repair, restoration, and construction of classrooms. To assess the problem, the MOE has undertaken a preliminary physical inventory of all the schools in El Salvador. This inventory, which is now 70% complete, indicates that over 6,100 classrooms are in bad condition (i.e. walls are crumbling, leaky roofs, etc.). While this represents approximately 43% of the primary school classrooms in the country, it is also far beyond the capacity of the MOE to repair, within the time frame of the Project.

Therefore, it is proposed that approximately 2,400 classrooms be restored or reconstructed and 400 new classrooms be constructed under this Project. The exact location of schools will be determined by a Baseline Survey which will include a school mapping exercise, in conjunction with technical and topographical surveys carried out by the Ministry as a follow-on to their physical inventory, which will be initiated as soon as the Project Agreement

is signed. The specific schools to be selected for restoration and new construction will be prioritized based on the number of new enrollees that could be accommodated. The primary objective is to accommodate the maximum possible number of new enrollees for each activity financed. In this regard, where the school mapping exercise indicates that roughly equal numbers of new students could be enrolled, preference will be given to urban marginal areas and schools which are accessible to Phase I agrarian reform beneficiaries for new construction. Restoration of existing classrooms will be focused on those classrooms which are in the worst condition. Restoration of classrooms will include such items as reconstruction of sagging walls, repair of deteriorating leaky roofs, new floors, and provision of water and functioning toilets to those schools. In addition to the physical infrastructure to be provided, each school will be furnished with student and teacher desks and chairs, a blackboard, a bookshelf, and a storage cabinet.

All the new construction and major renovations will be performed by private contractors selected on the basis of competitive bidding. Minor repairs will be the responsibility of the MOE's Directorate of Construction and Maintenance. A modified Fixed Amount Reimbursement (FAR) system of payment will be utilized to finance the construction of classrooms. Reimbursements will be based upon final inspections by USAID or its representatives to determine compliance with specifications. Moreover, a condition of reimbursement will be the assignment by the MOE of teachers needed to staff the new facilities. Due to the wide variety of repairs and renovations needed, it was determined that a FAR system was inappropriate for the restoration of classrooms. A cost plus fixed fee system will be used for renovations. It is expected, based on the current new classroom construction, financed by the IBRD, that the average direct cost per classroom will be $9,415. The average direct cost per major renovation will be approximately $3,200.

Supervision of the construction and restoration works will be performed by a qualified supervisory engineering firm, financed under the Project. The MOE, through the SMU, will implement an effective regional supervision system in order to maintain constant supervision of the repair and maintenance activities.

COMPONENT ONE
CONSTRUCTION REPAIR AND RENOVATION
SUMMARY BUDGET
(U.S. $ 000)

ITEM	A.I.D. FX	A.I.D. LC	A.I.D. TOTAL	GOES	TOTAL
Classroom Construction		3,766	3,766		3,766
Classrooms Repair and Renovation		7,680	7,680		7,680
Sanitary Services		952	952		952
Supervision Contract/Construction	800		800		800
Technical Assistance	350		350		350
Land/Salaries				7,010	7,010
TOTAL COMPONENT I	1,150	12,398	13,548	7,010	20,558

2. School Maintenance System

At present, the MOE makes no provision for preventive maintenance of schools. This responsibility has been left to the schools themselves with the result that very little maintenance is done on urban schools and none on rural schools. The Maintenance Division of the MOE does only periodic major repairs, generally on a 2-3 year basis, and because of its limited budget, the Division has had to concentrate principally on the urban schools. With Project resources, the Maintenance Division will be able to expand its operations to include a nationwide preventive maintenance program for primary schools, with initial emphasis on the ones built under this and the previous A.I.D. Project. Eventually, over the life of the Project, this will attempt to cover all the schools in the system.

Fundamental to the success of this project will be the creation of a preventive maintenance consciousness in school directors and teachers who in turn will be responsible for involving the students and the community when necessary. A simple school maintenance manual will be prepared by the MOE with the assistance of a maintenance consultant. Along with the helpful "how to" guidance, the manual will provide a schedule of maintenance activities which should be followed by the teacher. All the MOE primary schools will receive the manual. In addition, directors and supervisors will receive special seminar training in how to use the manual and in organizational techniques for the teachers and the community. In this way, teachers and supervisors will be familiarized with the manual and will be made aware of their responsibilities. To supplement the manual, each primary school will be provided with a "maintenance kit" consisting of a set of basic tools needed to do the basic repairs (Annex F). With the guidance provided by the maintenance manual, most simple, preventive maintenance and repairs will be within the capability of teachers and students.

The school directors will be individually responsible for materials and tools provided to the schools and for submitting to the Maintenance Division a semi-annual report on the condition of the school and the maintenance work completed. Teachers will be encouraged to involve students and the community in the maintenance activities.

The Maintenance Division will be responsible for inspecting the maintenance work completed, advising on future maintenance requirements, and maintaining an updated file on each school. The Maintenance Division also will identify situations where the school needs repairs which are beyond the financial and technical capacity of the school and community so that repair work can be included in the Division's schedule. On a broader scale, the Project will upgrade the capacity of the MOE's Maintenance Division to attend to those repairs and maintenance needs which are beyond the capacity of the schools. Under the Project, the Maintenance Division will receive vehicles, and locally procured tools and repair materials, required to carry out the nationwide school preventive maintenance program.

The Baseline Survey will assist in providing basic data on the status of existing school buildings, i.e. number of classrooms, status of walls, floors, roofs, a history of recent repairs and an outline of needed repairs. The Project will provide technical assistance needed to establish an inventory and to train the Department of Maintenance in managing the preventive maintenance component. The Maintenance Division will be responsible for updating the inventory system and will use it as the basis for scheduling its quarterly implementation work plan. The MOE will establish and implement guidelines requiring school directors to submit semi-annual maintenance and repair reports to the Maintenance Division for updating of the school's inventory. In addition, the Maintenance Division will be required to submit a report to the Minister of Education on the status and condition of each school building in the system. Although the Project focuses on the primary schools, it is

hoped that all the schools in the system will benefit from this component and that by the end of the Project all the schools could be included in the inventory system and will have received the maintenance manual and kit.

COMPONENT TWO
SCHOOL MAINTENANCE
SUMMARY BUDGET
(U.S. $ 000)

ITEM	A.I.D FX	A.I.D LC	A.I.D TOTAL	GOES	TOTAL
Vehicles	616		616		616
Tools and Equipment	33	33	66		66
Materials and Supplies		1,122	1,122		1,122
Maintenance Kits		80	80		80
Technical Assistance	120		120		120
Transportation Costs		504	504		504
Salaries/Operating Expenses				2,240	2,240
TOTAL COMPONENT II	769	1,739	2,508	2,240	4,748

3. School Furniture, Equipment and Supplies

In 1979, because of budgetary restrictions, the MOE eliminated the production and maintenance of school furniture. Since that date, except for the furniture provided to these schools under the prior AID and the ongoing IBRD Projects, very little new school furniture for students or teachers has been placed in the 14,000 primary classrooms around the country. Maintenance has been left to the community and school directors, resulting in little or no repairs or preventive maintenance, causing deterioration of existing equipment and furnishings. Currently, it is estimated that only 4,000 primary classrooms or 28.6% have acceptable or adequate furniture for students and teachers.

The Project will finance a total of 76,000 school desks (or 76,000 pupitres bipersonales) and 3,800 teachers' desks and chairs. Blackboards, bookshelves and storage cabinets will also be financed, with first priority given to the 2,400 classrooms to be repaired and renovated and the 400 to be constructed under this Project, as well as 1,000 extra sets to be distributed to those classrooms which are barely functioning due to lack of adequate equipment. In this way, the Project will address the furnishing and equipment needs of approximately 3,800 classrooms, or roughly 28% of the total primary school classrooms. The Project will initially provide sufficient student

desks, teacher desks, and school furnishings for the classrooms completed under this Project. Second priority will be given to the remaining classrooms in those schools which have been reconstructed, with the remaining furniture and furnishings to be distributed to those classrooms where such equipment is non-existent.

Teachers and students also suffer from the lack of adequate materials and supplies for classroom instruction and learning. The Project will, therefore, finance school supplies, which will include erasers, chalk, pencils, student notebooks, maps, charts and graphics. These materials, supplemented by the textbooks to be provided under Component V, will provide an immediate impact on the qualitative and quantitative ability of the existing school system to absorb and teach students. Moreover, these materials will greatly improve the instructional process and develop an environment that will improve the student learning, retention, and drop out rates.

COMPONENT THREE
FURNITURE EQUIPMENT/SUPPLIES
SUMMARY BUDGET
(U.S. $ 000)

ITEM	A.I.D. FX	A.I.D. LC	A.I.D. TOTAL	GOES	TOTAL
Classroom Furniture	6,920		6,920		6,920
Classroom Equipment	475	775	1,250		1,250
Teaching materials and supplies		865	865	500	1,365
TOTAL COMPONENT III	7,395	1,640	9,035	500	9,535

4. Textbooks

In 1961, under an Organization of Central America States (ODECA)/ROCAP program, all six countries in Central America and Panama participated in the writing, printing, and distribution of millions of primary school textbooks on science, reading, language and social studies. In 1975, the El Salvador MOE decided to create its own textbook production unit, and in 1976, withdrew from the ROCAP program. Since 1972, the MOE has also been printing textbooks and workbooks to support its Educational Television Unit (ETU), but these books are not suitable for use as general textbooks.

Although some independent authors and private print shops produced some school texts for various grades during that period, the MOE did not approve them for the use in the public schools and textbook production during the 1970's was minimal. In the mid-1970s, the MOE established a small program (annual budget of about $200,000) for the purchase of textbooks for rural schools. By 1980, this program had been discontinued, and only a limited number of textbooks had been provided to first and second grades. Hence, the number of texbooks in both rural and urban schools has been declining throughout the 1970's and 1980's.

In September 1980, the MOE started a National School Book Program (PLANALIBRE) to develop a new series of texts for Grades 1-6. The Program was initiated with financing from the IBRD's Fourth Education Sector Loan which began in 1979. The intent of this Loan is to attempt to remedy the textbook deficit through the development and dissemination of a new series of textbooks and teaching guides for primary schools (Grades 1-6). The Project is currently ongoing. However, the IBRD has decided it will be unable to accomplish its original program targets. Current IBRD plans call for only limited production and distribution of approximately 1,070,000 books for Grades 1 through 4. They do not plan to cover most urban, or urban marginal areas, and production will not be sufficient for the new classrooms built under the A.I.D. Project. Further, no textbooks will be printed for Grades 5 and 6. Consequently, in order for A.I.D. to achieve its goal of restoring the primary school system, this Project will complete the printing of essential texts for Grades 1-4, and all texts for Grades 5 and 6.

To date, the textbooks and didactic materials for Grades 1-2 have already been developed and are being field-tested at the present time by the IBRD, and are ready for bids. Books for Grades 3-4 will be ready for production, according to the most recent IBRD Implementation Plan (Annex C) by the end of February, 1985. Texts for Grades 5-6 will be ready by the end of CY 1985, when the IBRD Project is expected to terminate. At the present time (January 1985), the MOE has reviewed and approved the IBRD series as the principal text to be used throughout the primary school system. A.I.D. will complement IBRD efforts by printing an adequate number of texts to assure full coverage of textbooks for Grades 5 and 6. Although the texts remain the property of the schools for next year's students, the MOE estimates that there is a 15% annual loss rate, 10% increase in enrollment, and a 20% rate of deterioration each year. Hence, one additional printing of 45% of total texts will be provided under this Project to maintain an adequate level of coverage throughout the life of the Project.

The IBRD series consists of 2 texts and 1 workbook for each student, and 2 didactic guides for each teacher for Grade 1. For Grades 2-6, there will be four volumes of texts, and one didactic guide for each teacher. This figure includes one additional printing of these texts for Grades 1-6 to attempt to: (1) replace those texts lost or destroyed ; (2) account for replacement of the books, which have an average life of 3 to 5 years; and (3) account for an increase of 10% per year in enrollment.

Hence, one additional printing of textbooks will take place in 1987 to attempt to maintain an adequate level of textbooks throughout the life of the project.

While these will be recurring costs for the MOE after the conclusion of the Project, the Ministry currently does not have any resources programmed for textbook production over this period. The MOE had anticipated that the IBRD Program would cover these needs. The MOE will attempt, through assistance from local currency generations from the P. L. 480 Program, to maintain an adequate level of textbooks in the primary school system following the termination of the Project.

The component will also assist, through the SMU, the PLANALIBRE Unit which has already conducted some preliminary sessions for trial testing of the new books, in holding some in-service teacher training for use of the new texts. The IBRD has indicated that results of these sessions showed PLANALIBRE to be competent and capable of conducting this training. To ensure that these textbooks are properly utilized, A.I.D. will provide resources to expand this training on a nationwide basis. Approximately 15,000 teachers and supervisors will be benefitted by this training over the life of the Project.

COMPONENT FOUR
TEXTBOOKS
SUMMARY BUDGET
($ US 000)

ITEM	A.I.D FX	A.I.D LC	A.I.D TOTAL	GOES	TOTAL
Textbooks printing	3,450		3,450		3,450
Supervision and delivery for textbooks		407	407		407
Teacher guides and orientation	33		33		33
TOTAL COMPONENT IV	3,483	407	3,890	-.-	3,890

5. Administration and Management

Over the past five years the MOE has implemented two A.I.D. projects and one UNDP/UNESCO Project and is currently implementing one project financed by the IBRD.

The MOE's implementing record has been less than satisfactory. In the case of the World Bank Project, for example, after six years of slow implementation, many of the problems were overcome by the creation of an autonomous special implementation unit within the MOE. According to a recent evaluation report: "the special implementing unit has been able to invest more funds, to complete a major portion of the Project and to monitor activities reasonably well."

Although progress has been made to correct or minimize some of the deficiencies of the MOE, it still suffers from serious administrative and managerial weaknesses. Moreover, the Ministry is subject to lengthy GOES procedural and legal restrictions which hamper the efficient and effective implementation of such project activities as procurement of commodities and construction. In addition, the MOE is currently in the throes of another educational planning exercise and reorganization program for the period 1983 to 2000, both of which could pose significant distractions if the MOE still wants to achieve the goals of the educational plan formulated in 1983.

Given this situation, both the MOE and A.I.D. have agreed on the need to establish a SMU responsible for the management and coordination of Project activities. Accredited to the MOE, the SMU will have direct access to all of the Ministry's divisions in order to ensure a direct line of communication and avoid bureaucratic bottlenecks. The SMU will be created on an ad-hoc basis to administer Project related activities only and will be disbanded following completion of the Project.

The SMU will have a Project Coordinator and a professional and support staff. The Project Coordinator will function as the head of the Unit, directly under the Minister of Education, and will have overall responsibility for administration and implementation of the Project. The Coordinator will also serve as the primary liaison with and have direct access to both the Minister of Education and the USAID Mission.

The technical staff will assist in the development of implementation plans and time-phased schedules for carrying out Project activities. They will oversee the execution of the functions and responsibilities of their respective areas of expertise and of the SMU as a whole.

The selection of all professional staff will be a joint AID/GOES process to ensure that the best and most qualified people are hired. Although all personnel will be on a host country contract, A.I.D. will have final approval of the selection of all SMU staff, and approval of any and all contract extensions for personnel.

Every effort will be made to staff the professional positions in the SMU with experienced MOE personnel. However, if qualified individuals are not available, the positions will be filled by contracting from outside the Ministry.

The SMU will be composed of the following professional and support staff: (i) a Project Coordinator, who will be assisted in general Project management by an administrative assistant, and or contract/procurement specialist; (ii) a textbook specialist, engineer, architect, construction technician, and a maintenance specialist to monitor specific Project components; and (iii) a controller and an accountant, to maintain administrative and financial records.

The major objective of the SMU is to enable the Project to effectively achieve its goal and purposes. The responsibilities and functions of the Unit will cover the entire range of the implementation process. A major aspect of this will be the development of time-phased implementation plans, budgets, and management of project inputs in accordance with approved plans. It will be responsible for the accounting of all Project funds and for monitoring and reporting Project activities.

The costs of the SMU are proposed for Project financing, because this Unit is envisioned as a temporary formal entity within the MOE whose only responsibility will be to plan, coordinate and supervise Project activities.

To help the SMU carry out its duties and responsibilities, Project funds have been set aside to finance audits and an interim and final evaluation.

COMPONENT FIVE
ADMINISTRATION AND MANAGEMENT
SUMMARY BUDGET
($ US 000)

ITEM	A.I.D. FX	A.I.D. LC	A.I.D. TOTAL	GOES	TOTAL
Professional Staff Salaries	605	300	905		905
Counterpart Salaries				2,019	2,019
Operating Costs		50	50		50
Rent				49	49
Equipment & Vehicles	50		50		50
Technical Assistance/Audit	60		60		60
TOTAL COMPONENT V	715	350	1,065	2,068	3,133

IV. COST ESTIMATES AND FINANCIAL PLAN

The total cost of activities financed under the Project is estimated at $50.6 million of which A.I.D. will grant $37.6 million and the GOES will provide $13.0 as counterpart.

A.I.D. Grant funds will be used for the construction and renovation of classrooms, furniture and equipment, textbooks, the upgrading of the MOE's maintenance system and the management and evaluation of the Project. The GOES contribution will support the Project by funding some of the administrative and technical personnel, land purchases, office rental and some operating expenses.

The disbursement period of the Project will be about four and one-half years. The following pages contain the financial tables for the project, including Table A. Summary Cost Estimate and Financial Plan, Table B. Projection of Expenditures by Fiscal Year, and Table C. Summary Costing of Project Inputs and Outputs which is included as Annex H. These tables reflect projected costs by components, by cost elements within those components, and by foreign exchange and local currency.

SUMMARY COST ESTIMATE AND FINANCIAL PLAN
(US $000)

PROJECT COMPONENTS	A.I.D. FX	A.I.D. LC	A.I.D. TOTAL	GOES	TOTAL
1. Construction and Repair					
Classroom Construction		3,766	3,766		3,766
Classroom Renovation		7,680	7,680		7,680
Sanitary Services		952	952		952
Supervision Contract/Construction	800		800		800
Technical Assistance (Baseline Study)	350		350		350
Land/Salaries				7,010	7,010
Sub-total Component I	1,150	12,398	13,548	7,010	20,558
2. School Maintenance					
Vehicles	616		616		616
Tools and Equipment	33	33	66		66
Materials and Supplies		1,122	1,122		1,122
Maintenance Kits		80	80		80
Technical Assistance	120		120		120
Transportation Costs		504	504		504
Salaries/Operating Expenses				2,240	2,240
Sub-total Component 2	769	1,739	2,508	2,240	4,748
3. School Furniture, Equipment and Supplies					
Classroom furniture	6,920		6,920		6,920
Classroom Equipment	475	775	1,250		1,250
Classroom Materials & Equipment		865	865		865
Salaries/Operating Expenses				500	500
Subtotal Component 3	7,395	1,640	9,035	500	9,535
4. Textbooks					
Textbook printing	3,450		3,450		3,450
Supervision and delivery-textbooks		407	407		407
Teacher guides and orientation	33		33		33
Subtotal Component 4	3,483	407	3,890		3,890

PROJECT COMPONENTS	A.I.D. FX	A.I.D. LC	A.I.D. TOTAL	GOES	TOTAL
5. Administration and Management					
Proffesional Staff Salaries	605	300	905		905
Counterpart Salaries				2,019	2,069
Operating Costs		50	50	--	--
Rent				49	49
Equipment and Vehicles	50		50		50
Technical Assistance/Audit	60		60		60
Subtotal-Component	715	350	1,065	2,068	3,133
Evaluation	50		50	35	85
Subtotal (of all components)	13,562	16,534	30,096	11,853	41,949
Contingency (approximately) 10%	1,356	1,654	3,010		3,010
Inflation (approximately) 15%	2,034	2,460	4,494	1,147	5,641
TOTALS	16,952	20,648	37,600	13,000	50,600

Of the Summary Cost Estimates, the largest category, $13.5 million or 36% of total A.I.D. Project costs, is for Component 1. Of this amount, 92% ($12.4 million) has been allocated for the construction and repair activities. Component 2, which is School Maintenance, comprises roughly 6% of the A.I.D. contribution, Component 3, which is School Furnishings total, 24%, Component 4 which is Textbooks, represents approximately 10% and the Special Management Unit, approximately 3%. The remaining allocation of A.I.D. Project Funds have been made for contingency (10%) and an estimated 15% of actual costs of all components has been added for inflation. Further, with rapidly rising materials costs for construction in El Salvador, liberal estimates have been made of the financing needed for the first Component.

A major independent evaluation will take place two years after the initiation of the Project. Separate in-house evaluations will take place, in coordination with the Ministry, at the end of the first and third years of the Project. An end-of-Project evaluation will actually be initiated six months before the PACD, in April, 1989, and will be carried out by external consultants with the participation of the MOE, USAID, and the personnel of the SMU. The evaluation will be started prior to the end of the Project, to permit full participation of the SMU before it is disbanded, and to allow for on-site inspection of construction activities.

Annual expenditures under this Project are expected to occur in the following manner:

(US $000)

YEAR	A.I.D.	GOES	TOTAL	%
1985	3,946	3,652	7,598	15
1986	13,271	2,557	15,828	31
1987	11,203	2,583	13,786	27
1988	6,931	2,546	9,477	19
1989	2,249	1,662	3,911	8
TOTAL	37,600	13,000	50,600	100

A table showing The Methods of Implementation and Financing of this project as currently envisioned by the Mission is included in Annex I. The Mission is willing to provide a 60 day operating advance for the SMU and the construction/renovation component, if needed, subject to a written justification and waiver by the Mission Director. This is necessary since the SMU is being established under the Project and will not be provided for in the MOE's budget. The SMU will adopt 30-day liquidation and reimbursement schedules in order to ensure a constant and timely flow of funds for operating costs.

A modified FAR system will be used for the new construction, since the MOE already has existing specifications for new classrooms, and unit costs are well-established. The system will allow for an advance of A.I.D. funds to a special account which will be used to pay the contractors. This advance is needed because the MOE does not have the resources required to fund the working capital fund needed to maintain uninterrupted construction activities. This advance will then be proportionally liquidated, based on completed units A.I.D., would deduct a pro rata amount from each payment, until the advance is completely worked off with a final reimbursement. In order to receive reimbursement, the construction/reconstruction activities must be certified by the USAID engineer that the schools meet specifications, at the agreed FAR rate as standard units of construction are completed. Due to the shortage of GOES funds caused by the austerity plan it will be necessary to maintain an adequate amount of money in order to establish the rotating fund.

For budget purposes, cost estimates reflect the average cost of a classroom unit over the life of the Project. The initial FAR estimate may be less than this amount and will be revised periodically to take into account inflation and the latest information regarding the cost of materials, labor, transportation, etc. Due to of the wide variety of potential renovations, it was determined that a regular cost plus fixed fee reimbursement system for renovations will be needed. After completion of the Baseline Survey, MOE engineers and the supervisory engineering firm will develop specifications for each classroom to be renovated under the Project. Based on the specifications, an estimated cost of renovation will be developed and these costs will be included in the IFBs. In some cases, it may be necessary for the construction firm to renovate more than was originally envisioned. In these cases, again, they will be reimbursed strictly on a direct costs plus fixed fee basis. In this manner, it is hoped to mitigate any incentive to expand upon the original work which was stated in the IFB.

The other components will use direct payment and reimbursement methods for financing local inputs, with the exception of commodity procurement requiring foreign exchange, for which it will be necessary to use direct letters of commitment. The use of direct letters of commitment will permit A.I.D. to review documentation prior to disbursement and achieve greater accountability over payments. In terms of procurement of technical assistance, A.I.D. and the GOES will contract the long and short-term technical assistance for the Project.

All A.I.D. appropriated funds for foreign exchange costs of the Project will be managed directly by A.I.D. The SMU will follow sound, acceptable cash management practices and fiscal controls of all funds, including the detailed accounting and reporting on cash receipts, cash outlays and expenditures by obligating documents. Disbursements of funds and other procedures to be followed by the SMU for discharging its responsibilities will be those established by the Mission for local currency and U.S. dollar financing.

To provide assurances of adequate financial management practices for the use of all A.I.D. appropriated funds, independent audits of all financial records and Project activities will be carried out annually. These audits will be arranged by A.I.D. and will be financed under the budget line item Technical Assistance/Audit of the SMU Component.

All direct A.I.D. procurements funded under this grant will be handled by the Mission directly in the form and manner established by A.I.D. for such purposes.

RECURRENT COSTS

The recurrent costs of this Project will be significant, but will not represent a major annual percentage increase in the MOE's budget. Recurrent costs for the Ministry will principally consist of additional maintenance staff, replacement of materials and vehicles for the Maintenance Division, additional teacher salaries, and related supervisory and administrative expenses. The Economic Analysis specifically details these costs and describes when they come on stream.

In looking at the recurring costs imposed on the MOE by the Construction activities, it is important to put these costs into the appropriate perspective. A major part of the current problem is the fact that the MOE's existing capital stock is deteriorating rapidly. The maintenance unit, which is now only operating at about 30% of capacity, is therefore not able to handle the continuing maintenance need of the Ministry. In the long run, the ability to adequately maintain the existing physical infrastructure will result in lower future investment needs for new construction/renovation.

V. PROJECT ANALYSIS

A. ECONOMIC ANALYSIS

1. Introduction

A rough analysis was undertaken to estimate the internal rate of return (or IRR) for the proposed project. This analysis indicated an IRR on the order of 11.2 percent.

2. Basic Assumptions

a. Timing

Designers estimate that 2,400 existing classrooms will be repaired and 400 new ones will be constructed during Project implementation. Six hundred units will be renovated per year, one hundred new classrooms constructed by the end of the second year of the Project, and one hundred new classrooms during the third year of the Project, with 200 more new classrooms by the end of the Project. Based upon the estimates of MOE engineers, the structures renovated and constructed by the Project will last an average of 25 years with the level of maintenance provided for in the estimates of recurrent costs contained in the budget.

b. Enrollment

Based upon historical data, the number of potential students per classrooms can be estimated to average 80. This relatively high number is the result of both morning and afternoon shifts, rather than to an extraordinarily large enrollment per class. The total increase in primary school enrollment resulting from the project can thus be estimated as follows:

Year 1 of Project	0	
Year 2 of Project	700 x 80 =	56,000
Year 3 of Project	1,400 x 80 =	112,000
Year 4 of Project	2,100 x 80 =	168,000
First year after Project and beyond	2,800 x 80 =	224,000

Based upon El Salvador's enrollment figures, the distribution of the increase in the number of primary school students resulting from the Project can be broken down as indicated in Table I. For the second year of the Project, enrollment would, assuming equal proportionality, amount to 60 percent of the figures in Table I. For the third year of the Project,

enrollment is assumed to be 80 percent of that indicated in the Table, with 100% reached by the end of the Project.

Table I

Distribution of Incremental Enrollment by Grade Level as a Result of the Project

Grade Level	Percent of Total Enrollment
1	33.6
2	19.8
3	14.3
4	12.4
5	10.8
6	9.1
	100.0

3. Costs

Cost figures for the Project appear in Table V. The cost figures employed are, except for the shadow price for foreign exchange (see below), equivalent to those appearing in the Cost Estimates and Financial Plan. The rationale for using the same costs is that the goods and services contemplated as Project inputs are priced predominantly by market forces. The price controls imposed in El Salvador early in 1981 have largely been ineffective in preventing subsequent price increases. Prevailing prices have thus been accepted in the analysis, albeit with the caveat that some distortions are no doubt present.

a. Currency Conversion

All costs are dominated in Salvadoran colones. Since the great majority of total costs are in local currency, the probability of introducing price distortions is minimized by converting the dollar value of the USAID inputs into colones rather than viceversa. Because the official rate of exchange, which equates ¢2.5 with $1, significantly overvalues the colon, the rate of exchange was shadow priced at ¢4 per U.S. dollar.

b. Recurring Costs

(i) Operationing and Maintenance Costs

Once renovated or constructed, MOE data disclose that each classroom will cost an average of ¢500 annually to maintain. Public utilities, water and telephone charges will average an additional ¢150 per classroom per year. The analysis assumes that each classroom affected by the Project requires one new instructor, and that each new instructor earns an average of ¢863 per month with the standard one month bonus pay at Christmas time. Thus, for example, with 600 classrooms renovated by the end of the second year of the Project and 100 classrooms constructed, the incremental wage bill for the MOE would be:

700 x ¢863 x 13 = ¢7,853,300.

Similarly, expenditures for public utilities would total:

700 x ¢150 = ¢1,050,000;

while maintenance would amount to:

700 x ¢500 = ¢350,000.

(ii) Textbook Cost

The stock of texts provided under the Project must be maintained if all of the potential benefits are to be forthcoming on a continuing basis. According to prior Salvadoran experience, the average useful life of a textbook is four to five years. To ensure adequate coverage, the textbook allowance appearing under GOES costs therefore assumes that an average of 25 percent of the total stock of texts provided by the Project is replaced annually, beginning in year five.

(iii) Vehicle/Equipment Replacement/Supplies

The average useful life of other assets provided by the Project is estimated as roughly 10 years, assuming reasonable maintenance. An annual allowance of about 10 percent of the total costs associated with these items has been provided, commencing in year ten.

c. Beneficiary Costs

(i) Out of Pocket

In addition to the USAID and GOES costs occasioned by the Project, families of the new students will also incur expenditures. They include increased outlays for clothing, lunches, some texts, dictionaries, notebooks, pens, pencils, lab eqipment, and transportation. These costs are assumed to amount to about ¢100 per student year.

(ii) Opportunity Costs

The final category of Project costs is that of opportunity costs. These are the financial costs to the students in the form of foregone income from attending classes instead of being in the labor force. In order to estimate these costs, the student's shadow wage rates by grade level had to be determined. The only data known to USAID that bear upon this question are shown below in Table II. These data show the fraction of the school age population in shcool and, for persons between the ages of 10 to 14 (i.e., for persons older than the lower age limit of the economically active population as defined in El Salvador), the faction working. The data also show the distribution of monthly income among those working.

As can be seen, about 33.5 percent of the population aged 10-14 and out of school, report working. The weighted average monthly income of those working, (determined by assuming that all respondants in a given income class received an income equal to the midpoint of the class) was about ¢54.50. Assuming the standard 13 month conversion factor, this translates into an annual average of ¢708.50 among those 10-14 years old working. Adjusted for the probability of working (i.e., 0.335), the average income of 10-14 year olds out of school would be about ¢240 per year.

Table II

Enrollment, Employment and Income of School Age Population, 1980

Age	Total Population	In School	Out of School	Working
5-9	687,813	313,800	374,013	
10-14	642,999	434,666	208,333	69,833

Monthly Income	
0 - ¢ 39	47,473
40 - ¢ 99	9,206
100 - ¢199	11,779
200 - ¢299	2,056
300 - ¢399	319

It is assumed here that the shadow wage rate increases as the level of educational attainment increases. With the attainment of four years of primary education, literacy skills are permanently inculcated and other important life skills are very well ingrained as well.

Consequently, a permanent income differential of 10 percent per year over the salary of an uneducated person is attained for as long as the recipient remains a member of the economically active population. For each additional year successfully completed after the fourth grade, the permanent income differential is assumed to increase by an additional 10 percent. As a result, students who successfully complete all 6 years of primary school are assumed to command a permanent annual income differential of 12.1 percent as compared to those without schooling.

While empirically unverifiable, these assumptions are consistent with the findings of recent studies of the economics of education developing countries 1/. Accordingly, the opportunity cost of enrollment in Grade 4 is taken to be ¢220 per year, of enrollment in Grade 5 to be ¢240, and ¢260 for enrollment in Grade 6.

There are no available data, to the Mission's knowledge, bearing upon the marginal productivity of labor aged 5-9 years. While it is certain that the average marginal product of labor in this age group is not zero; it s probably not much greater. A generous estimate would be ¢100 per year. This is the value assigned to the opportunity cost of labor for attendance in Grades 1-3.

4. Benefits

Primary education is widely believed to have a number of positive economic and social effects. In addition to higher income, they range from enhanced employment possibilities, and a greater probability for actively seeking employment to more active participation in and support for existing economic, social and political institutions and having smaller families. Since most of them are very difficult to measure, the present analysis will only attempt to estimate the potential effects upon earnings. It should be kept in mind, however, that the other benefits will nonetheless be present. To the extent that they are, the internal rate of return that will be derived will in fact underestimate the Project's true social rate of return.

1/ CF. for example the IBRD's Education and Income Washington, D.C. 1980. The contributions of Psacharopoulas and Lockheed, Jamison adn Lau are especially useful.

The assumed shadow wage rates for adult worker, by level of education completed, are reported in Table III. The annual wage rate for an illiterate adult is shadow priced at ¢9 per day for 286 days of work per year. The legal minimum wage, on the other hand, is currently set at ¢13 per day. The USAID estimate takes into account the fact that the legal minimum wage in effect at the time has historically been the result of political bargaining coupled with humanitarian considerations. Thus, the minimum wage bears no relationship to the marginal productivity of unskilled labor.

Table III

Assumed Schedule of Annual Wage Rates by Level of Educational Attainment

Level of Education	Annually	Monthly 1/	Income Differential 2/
Illiterate	¢2,574/yr	¢183.86	-.-
1st	2,638	202.95	¢ 64
2nd	2,704	208.00	130
3rd	2,771	213.15	197
4th	2,831	217.77	257
5th	2,857	219.77	283
6th	2,885	224.31	311

1/ Following Salvadoran custom, the year is divided into 13 months rather than 12 for pay purposes.

2/ Above the annual salary for an illiterate worker.

The figures in Table III pertain to adult income differentials. To be fully comparable with the opportunity costs assumed in the analysis, our shadow wage rates should also be age-adjusted. Due to age related differences in the unemployment rates, and the possibility that income may vary with age, other factors held constant, it is probable average income differentials by level of education completed vary with age. Due both to lack of data, and the time necessary to carry out an analysis that incorporates this additional factor, it has been assumed simply that the average differential (averaged over earning lifetime) is seven-tenths of that shown in Table III. This is, admitedly, a serious simplification given the dependence of the IRR on the time distribution of cost and benefit streams.

Beneficiaries of the Project are presumed to earn an income differential due to the education they completed that lasts throughout their working lifetimes. Thus, benefits cumulate over the Project period, and continue well beyond the useful life of the physical assets (i.e., 25 years) created by the Project. Based upon a life expectancy of about 55 years, benefits are cumulated assuming exponential decay at a rate of 0.018, and the benefit stream in assumed to continue for 50 years beyond the useful life of the classrooms constructed/renovated.

5. Analysis and Conclusion

The resulting stream of costs and benefits are shown in Table IV (only 25 years of the benefit stream is shown). Sensitivity testing was also employed to determine how potential errors in assumptions concerning cost and benefits held constant would reduce the IRR to 12.9 percent. These data result in an estimated internal rate of return of 11.2 percent.

Although the assumptions described above are believed to overtake costs and undertake benefits, the sensitivity of the above estimated IRR was investigated under two alternative scenarios. In one, benefits were assumed to be 10 percent less than assumed above. The effect of this variations in to reduce the estimated IRR to 10 percent.

In the second scenario, benefits were assumed to be 10 percent less and costs 10 percent greater. The combined effect of these variations would be to reduce the estimated IRR to 9 percent.

TABLE IV

INTEGRATED PROJECT ANALYSIS

YEAR	PROJECT COSTS	RECUR COSTS	BENEFICIARY EARNINGS	COSTS SUPPLIES	TOTAL COSTS	TOTAL BENEFITS	NET BENEFITS
1	-25518	0	0	0	-25518	0	-25518
2	-32601	-1059	-8090	0	-41749	0	-41749
3	-32600	-2118	-16181	0	-50899	2415	-48484
4	-24118	-3177	-24271	0	-51566	7203	-44363
5		-7686	-32362	-22400	-62448	14320	-48128
6		-7686	-32362	-22400	-62448	23726	-38722
7		-7686	-32362	-22400	-62448	32964	-29484
8		-7686	-32362	-22400	-62448	42038	-20410
9		-7686	-32362	-22400	-62448	50949	-11499
10		-10686	-32362	-22400	-65448	59701	-5747
11		-10686	-32362	-22400	-65448	68298	2850
12		-10686	-32362	-22400	-65448	76741	11293
13		-10686	-32362	-22400	-65448	85033	19585
14		-10686	-32362	-22400	-65448	93178	27729
15		-10686	-32362	-22400	-65448	101177	35729
16		-10686	-32362	-22400	-65448	109033	43585
17		-10686	-32362	-22400	-65448	116749	51301
18		-10686	-32362	-22400	-65448	124328	58880
19		-10686	-32362	-22400	-65448	131771	66323
20		-10686	-32362	-22400	-65448	139082	73634
21		-10686	-32362	-22400	-65448	146262	80814
22		-10686	-32362	-22400	-65448	153314	87866
23		-10686	-32362	-22400	-65448	160241	94793
24		-10686	-32362	-22400	-65448	167044	101595
25		-10686	-32362	-22400	-65448	173725	108277

EXTENDED IRR = 11.19%

B. ADMINISTRATIVE ANALYSIS

1. Legal Status

The primary implementing unit for this Project within the GOES is the Ministry of Education, which is a line Ministry of the executive branch of the Salvadoran Government. However, since the coordination and execution of all international donor projects is the overall responsibility of the Technical Secretariat for External Financing (SETEFE), a division of the Ministry of Planning, SETEFE will be kept fully informed on project execution.

2. Financial Status

The GOES's budgetary process is significantly different from that of the United States. Fiscal years are synonymous with calendar years in El Salvador. The MOE, together with the other ministries, is informed by the Ministry of Finance of the amount of money available for their budget for the coming year. The MOE then prepares its budget to conform with the amount allocated by the Ministry of Finance. After a review, the budget is then submitted to the National Assembly for ratification. However, the MOE can reallocate its funds between individual line items with prior notification to the Ministry of Finance, although reallocation of funds within line items can be done without such notification. The MOE does, then, possess considerable discretionary control over the funds assigned to it by the GOES' Ministry of Finance. The problem is, generally, a lack of actual allocation of funding for MOE expenditures once the budget has been determined, and, hence, sometimes a real drop in income actually greater than that indicated by the budget. To address this problem within the framework of the Project, the GOES will covenant to provide funding for all GOES counterpart activities.

3. Pattern of Organization

Until the educational crisis of 1980, the entire system of education in El Salvador was a highly centralized system of administration lodged in the Ministry of Education. In 1981, a reorganization plan was launched to resolve the serious problems caused by an overly centralized power structure within the Ministry. The objective was to decentralize power and authority throughout the system and grant more autonomy particularly to the regional and local (nucleo) levels, so that the MOE could be more responsive to the needs of the communities and teachers. Over the past four years the Ministry has been trying to adapt itself to the objective of both decentralization and nuclearization. In 1983, the MOE was plunged further into the process of reorganization by a National Plan for Culture and Education which was intended to guide the education system until the end of the century. Therefore, the structure of the MOE is still evolving. An organizational chart, depicting the Ministry as it presently stands, is included in Annex J.

The organizational chart shows three levels of administration. The first is the central or administrative level, headed by the State Secretariat of Education. The second is the regional level with administration by the regional manager, who is responsible for sub-regional offices. The third level is the nucleo, which is a technical and administrative unit designed to support and supervise school site operations.

The Ministry is headed by the Minister of Education, who is assisted by two sub-secretaries or vice-ministers: one for education and the other, for culture. These three officials compose the State Secretariat for Education and have the responsibility for issuing directives on policy. Directly under the Minister and sub-secretaries are four technical staff offices whose main functions are to assist the Minister and the line offices in carrying out their functions. These are the Office of the Legal Adviser, the Office of Planning and Organization (ODEPOR), the Auditor's Office, and the Office of International Relations (ORI). ORI is the office for coordination of externally funded projects and is also responsible for serving as the MOE's liaison with other international organizations. Formally, this Project will be handled within the MOE by the Project Coordinator, who will have direct access to the Ministerial level and A.I.D., and with close collaboration with ORI.

Under the four central staff offices are the General Directorates (G.D.), which consist of ten directorate generals who compose the line offices of the central ministry. Two G.D.s will be involved in the Project. These are the General Directorate of Primary Education, and the General Directorate of Administration, under which are the Directorate of Educational Information and Infrastructure, Department of Physical Investigation, and the Directorate of Construction and Maintenance. The Directorate General for Primary Education is responsible for the administration of grades K-9. It has a planning unit and four departments in charge of preschool, special education, primary education and the school feeding. The Directorate General for Administration is entrusted with administrative services pertaining to all educational infrastructure (such as school furnishings, equipment, etc.); construction and maintenance; financial administration; general services; and procurement and supplies.

This central administrative framework is intended to provide services and policy guidance to the Regional Directors and Supervisors. The country is divided into three Regions: East, Central, and West. Regional offices, in turn, are divided into Sub-Regional offices. Below this level is the nucleo, which are sub-regional offices, administered by a director, and assisted by a community development group. The nucleo is the local administrative unit for a sub-region. A nucleo consists generally of a central school, sub-central schools, and associated schools. The central school is expected to offer six grades of primary education, and in certain cases up to grade 9, and two to three years of accelerated primary education for adults.

4. Project Administration

In terms of the Project, the primary implementing unit will be the Directorate of Construction and Maintenance. This Directorate is advised by the Department of Physical Investigation and Promotion of the Directorate of Infrastructure and Educational Information, the Legal Adviser, and the Department of Finance. In reality, almost all divisions within the Ministry will be involved in this Project to varying degrees. For example, in order to determine whether there is land available for construction of a new school under the Project, the Department of Investigation channels information on land availability to the Office of the Legal Adviser, who will analyze the legal aspects of registry. Once the title is clear, the Legal Adviser sends the corresponding site map to the Department of Projects for the elaboration of plans, specification and costs. When the construction plans are finished, the Construction Department is responsible for actually carrying it out.

In the years before 1979, the Ministry was able to complete approximately 800 to 1,000 new classrooms per year. Although the MOE has supposedly had an investment budget for new construction, in reality, none has been allocated. New construction has been primarily undertaken in recent years for IBRD and the prior A.I.D. Project, and to a limited degree by the MOE. The Ministry has demonstrated that it is capable of handling this new construction, especially if through private contractors. In one year (June 1982-June 1983), the MOE was able to construct 650 classsrooms and 29 laboratories with a total increased enrollment capacity of 54,320.

The primary beneficiary unit in the Ministry will be the General Directorate of Primary Education, which currently oversees some 394 nuclei, over 20,000 teachers (both part- and full-time) and some 3,000 schools. When this Project is terminated, it is also anticipated that this unit will have the preponderance of the recurrent costs (see Economic Analysis and Cost Estimates and Financial Plan/Recurrent Cost Section).

The MOE has suffered in the recent past from cumbersome bureaucratic procedures, a lack of sound financial planning and inadequate projection of future resource requirements for implementation of its activities. This shortcoming usually constrains and delays many contracting and procurement actions.

5. Administrative Constraints

In summary, the main institutional constraints are:

- Budget. The lack of an adequate budget which results in an inability to meet the demand for new schools, arresting deteriorating capital stock of existing buildings, lack of logistic support for maintenance of classrooms, and falling levels of educational texts and materials.

- Implementation Constraints/Coordination. The lengthy procedural and administrative actions required of the Ministry. In many cases, the administrative action is initiated in the Ministry of Education, but must pass through several other ministries such as Planning, Treasury, and the General Accounting Office (Corte de Cuentas), and sometimes the Presidential Office and Legislative Assembly. This is true primarily in the case of budget and contract approvals and amendments.

- Land. In terms of construction, the acquisition of land suffers from extensive delays, the investigation of sites is problematic, and the MOE currently does not have enough available sites.

Therefore, the MOE and USAID have agreed on a number of mechanisms to overcome these constraints:

- Budget. With the provision of A.I.D. resources for construction and renovation, and the establishment of a revolving fund to provide advances to the Ministry, the problem of lack of funds for these activities should be circumvented. Furthermore, A.I.D. will assist the Ministry in making available sufficient local currency resources from PL-480 to assist it to handle the increased demands on its human and physical infrastructure during the life of the Project. The advance system will enable the MOE to contract for construction immediately upon termination of the bidding process, rather than wait for MOE budget approval, and will permit a smooth implementation of the construction and renovation components. Continuation of the maintenance program and the construction of schools by the MOE after the termination of the Project will be assisted by local currency allocations under the ESF or PL-480 Program. During the life of the Project, the GOES will covenant to provide those inputs and logistical support that is necessary for the MOE to carry out its implementation/coordination role. This will include such items as gasoline for the vehicles in the maintenance program, transportation for their engineers to survey construction, and administrative and staff support from the MOE. Both the Mission and the Ministry have reviewed the implementation needs of the Project thoroughly, and through the means cited above, have attempted to cover every possible financial and human resource need of the Project.

- Implementation Constraints/Coordination: The Legal Office of the Ministry has reviewed the procurement and contractual procedures of the GOES, which the MOE must follow, to attempt to identify any methods of avoiding or shortening these processes. They have made numerous suggestions on how to shorten the standard MOE procedures. First, the Mission and MOE have agreed that these funds will go through the Extraordinary Budget of the GOES which releases the monies from some of the Salvadoran Government budgetary approval process. Furthermore, a member of the Corte de Cuentas may be seconded to the MOE to speed the process of GOES approval of expenditures. Finally, the SMU will act as the principal coordinating entity to monitor implementation and to break administrative bottlenecks whenever they occur.

- Land Availability: This is a specialized problem which relates principally to new construction. The Project will only construct schools where land is now legally the property of the MOE. On agrarian reform cooperatives, this will be less of a problem as GOES Decree No. 761 on July 23, 1981, indicated that certain land on cooperatives should be set aside for public services.

C. SOCIAL SOUNDNESS ANALYSIS

Salvadoran society is a highly homogenous one, with a principally rural population. This rural populace or campesino, is essentially family oriented, with little formal social structure beyond the family. Involvement in community affairs generally revolves around family concerns. There is a tradition within Salvadoran society of self-help and formation of interest groups to achieve common objectives. Excellent examples of this communal spirit are the numerous credit and marketing cooperatives which have been successful. Even individuals who do not wish to join cooperatives will often form grupos solidarios in order to qualify for credit from lending institutions.

This cooperative spirit is most strongly evidenced in those areas which are important in the value systems of the Salvadoran poor. Among these are the desire to own a piece of land, desire for education, concern for subsistence and security, and an attachment to a rural versus an urban environment. The desire for education is particularly strong. Although illiteracy is high, up to 70% in many rural areas, people generally see education, formal and technical, as a means to improve their lot in life. Parents see to it that children take advantage of all educational opportunities, whatever they may be. In order to take advantage of these educational opportunities, parents have joined together often to construct and maintain schools. In almost all rural and urban areas, Parents Associations have been formed.

It should be noted that through the USAID's Special Development Activities (SDA) program, numerous improvements have been made to both urban and rural schools. Retaining walls on steep slopes, new roofs, protective structures, and other reconstruction/repair activities have all been financed by the SDA Fund. To a large extent, the work has been accomplished through maestros de obra (local construction foremen) and donated labor.

Other examples of the ability of rural communities for involvement in self-help activities to sustain an educational system is the success of the CONARA Plan in working through the Ministry of Education to reopen 154 schools in formerly conflictive areas. However, while the community self-help methodology has proven appropriate for selected, small construction activities or maintenance, it is untenable for the volume of construction anticipated under this Project. Construction through community self-help is lengthy, and requires certain skill levels that are not indigenous in every community; but whenever possible community self-help will be encouraged and supported under the project.

The spread effects from this project will come through the demonstration of successful repairs and renovations which will allow more children to attend school. The Project will also provide school furnishings and, thus a definitive improvement in the school environment for students. This will stimulate their learning abilities and provide for effective learning. In summary, it may be that constraints to the development and implementation of primary education throughout the country are not to be found in the socio-cultural make up of the target group beneficiaries.

D. TECHNICAL ANALYSES

I. COMPONENT I - SCHOOL RECONSTRUCTION, REPAIR AND CONSTRUCTION

Background

The MOE is attempting to restore and improve an educational system beset by violence, as well as to keep pace with rapidly increasing enrollment utilizing internal resources, facilities and personnel, as well as A.I.D. and other donor support. The basic objective of this Project is to assist in that process, by increasing the effectiveness and accessibility of the primary education system through:

- Repair, reconstruction, and furnishing of approximately 2,400 classrooms, with primary emphasis placed on cost-effective reconstruction of those classrooms to provide maximum access to educational facilities for the greatest number of students. Special attention will also be given to classrooms for agricultural cooperatives and marginal urban areas.

- Construction and furnishing of approximately 400 new classrooms in areas where there is no educational infrastructure, or where the existing schools fall far short of the needs.

- Provision of improved maintenance services and the establishment of a preventive maintenance system throughout the country.

Prioritization for new construction will be based on the most cost-effective means to increase the existing enrollment. Within this prioritization, A.I.D. and the MOE will look closely at the needs of marginal urban areas, where displaced persons have settled, and at agrarian reform cooperatives to provide accessibility for reform beneficiaries to primary school education.

Project Administration

This component will be carried out through the MOE's Department of Construction and Maintenance, under the guidance and direction of the SMU, and with the technical assistance of a supervisory engineering firm. The MOE has worked closely with USAID and is fully supportive of the creation of a Special Management Unit to coordinate and manage Project activities.

Methodology

As soon as the project agreement is signed, the MOE in conjunction with the A.I.D. Project Manager, through the Departments of Promotion and Physical Investigation, Reconstruction, Design and Maintenance, will organize a Baseline Survey. This Baseline Survey will update and expand the physical inventory of schools and their condition, which the MOE is now undertaking.

Further, the Baseline Survey will include the following information necessary to determine the classrooms to be constructed or renovated: (1) an analysis of school enrollment patterns and school-age population throughout the country; (2) updating of the total number and physical status of existing primary school/classrooms per region; (3) the existence of other physical infrastructure such as latrines, types of access roads, drainage systems; (4) updating of the total number of classrooms needed and the land ownership status on a site by site basis by region; (5) updating of the total number of school classrooms closed due to either violence or physical deterioration, (6) the scope and cost of the restoration work needed and cost estimates by region; (7) a description of the existing school materials and furnishings and their condition; and (8) specific details relating to the condition of the walls, floors, roofs, materials used in construction, furniture and equipment, and the dimensions of the educational spaces.

This Baseline Survey will be carried out simultaneously by all of the MOE's regional offices in coordination with external technical assistance to be funded under the technical assistance line item of Component 1. Based on the initial results of the Survey, the MOE will elaborate listings of priority sites to be reviewed and approved by USAID. The MOE will continue processing the Survey results and establishing priority target groups of sites, to permit continuity of project implementation activities by means of a time-phased work plan. This methodology will permit the MOE to avoid interruptions in project activities, as well as to achieve the proposed objectives of the Project in an effective manner.

A. Reconstruction/Renovation

The Project's first area of emphasis will be on reconstruction, to stem the physical deterioration of existing infrastructure. It is believed that this investment will have the greatest impact in terms of maintaining and increasing enrollment. Taking into account that approximately 2,500 classrooms, or 800 schools, are actually closed due to lack of teachers, textbooks, furniture, physical deterioration and/or violence, the reconstruction and renovation of 2,400 facilities will go a long way towards restoring the primary education system in the country. Based on the information provided in the Baseline Survey, the general status of each part of the building (walls, floors, roof) and furnishings will be evaluated and the general condition of each line item will be classified as: good, fair, and bad. This general classification system will be used by the MOE, in coordination with A.I.D., to develop a priority listing of schools and classrooms which need repairs and/or renovation which will provide the greatest access to the system by primary students.

Subsequently, the Directorate of Construction and Maintenance (DCM), in coordination with the supervisory engineering firm will develop a complete inventory of the physical condition of the prioritized schools from which 10 line items such as walls, floors, ceilings, etc. will be selected for the

repair and renovation of classrooms. Each line item will be further sub-divided into 10 sub-line items denoting specific aspects of the physical infrastructure. These 10 sub-line items will be classified by three physical conditions: good, fair and bad.

The overall value assigned to each physical condition will be: GOOD (0.9) FAIR (0.6) BAD (0.1)

Based upon another physical inspection of the site, the individual item (i.e. roof) for each classroom will be graded. Utilizing this grade and multiplying it by its given weight, the overall grade for the classroom will be obtained. This point system will then be examined to determine the extent to which a classroom will need minor or major repairs or renovation.

The point system is described as follows:

Item	Weight
1. Roof	14
2. Metal St.	20
3. Beams	3
4. Columns	3
5. Walls	20
6. Doors	3
7. Windows	12
8. Floor	20
9. Fence	3
10. Gate	2
TOTAL:	100

If the total of points is less than 60, the physical condition of the school will be classified as bad and renovations will be performed. If the total amount of points is more than 60, the school will be classified as fair and repairs will be performed. When the total of points is 90, the school is considered good and will simply be included in the Maintenance Division's inventory of classrooms for periodic maintenance.

Then, in order to develop the bid specifications for the schools to be reconstructed, a final physical site inspection by a MOE technician and an engineer from the supervisory firm will be undertaken. A list of materials needed will be prepared, as well as a precise quantification of the damage to each room, and the number of man-hours needed to complete the renovations. This data will then be used to prepare the IFBs.

Individual bid documents will comprise groups of schools with similar geographical and construction characteristics to permit economics of scale for the construction. The bidding process will be initiated by attempting to pre-qualify a list of potential private construction firms to be eligible for receipt of all IFBs, including those for new construction. Second, the overall value of the repairs will be estimated. If the estimated cost of the repair exceeds $2,000/per classroom, these classrooms will be grouped separately from those which are considered renovations ($4,160/per classroom or more). As the estimates of repairs and renovations are made, the classrooms will be grouped into these categories, bid documents prepared, and then sent to all pre-qualified firms (see Contracting, pg. 67). The contracts will be awarded as host country contracts, with overall supervision of the reconstruction activities by the MOE's Directorate of Construction and Maintenance.

B. Construction

For construction of classrooms, the first priority will be given to the agrarian reform sector, and the second, to the marginal urban areas of the country. Third priority will be given to departments that have been settled by displaced families, where there is a high demand for new classrooms and/or a significant need to improve the existing school facilities.

In order to implement the construction section of the Project, projects will be grouped based upon their geographical proximity to improve economies and also to assist in the screening process for the selection of the construction firms.

A timetable of operations will be scheduled in the following manner:

- month 1-10:	Surveying, site selection and pre-qualification of private firms.
- month 10-12:	Contracting procedures for the 2 construction firms selected to implement the construction of the first 100 classrooms.

- The bidding process for pre-qualified firms for construction of the remaining 300 classrooms will be repeated successively every six months after termination of the first contracting process, in groups of 100 classrooms each.

Sites

The selection of specific sites for new classroom construction will be based on the following criteria:

- First, priority consideration for construction will be given to existing MOE schools where one, two or more classrooms are needed. A criteria for site selection in such cases will be that sites be generally leveled and without serious rock conditions requiring expensive removal.

- Second, consideration will be given to sites where there is no existing school but the MOE will have title to the land, and where school enrollment needs and interest is demonstrated; and

- Third, the Project will focus on schools where the existing facility is in need of complete substitution.

Classroom design

New classroom design is very basic and will follow standards used by the MOE in both prior and current AID/IBRD supported projects. The size dimensions per classroom will be 6.20 x 8.00 meters which allow approximately 1.24 m2 per student in a class of 40 pupils. The structure will be one story high with walls made of clay brick, reinforced by structural concrete to withstand earthquakes. Roof supporting structures will be of metal and reinforced concrete with the roof made from corrugated asbestos cement. Classroom design dimensions described above are the most appropriate, based upon past experience by the MOE.

Cost Estimates of New Construction

Cost estimates shown below represent the best cost/effective approaches to new classroom construction activities. Annex K contains a detailed back-up of cost estimates.

To maximize classroom output, MOE/USAID project management and evaluation will stress cost control and the minimization of contingency/inflation effects.

The following are the estimated costs per classroom:

- Primary School Classroom Construction

Dimensions: 6.2 x 8.0 meters = 49.6 sq.m.
Cost per classroom: $ 9,415 (1sq.m= $ 190)
Cost of furnishing: $ 1 820
Total cost of
Furnished classroom:$ 11.235

* Other costs (sanitary service unit)
  1. Dry pit latrine: $ 1,300
  2. Wash type latrine:$ 2,100
  3. Standard W.C.: $ 8,000

* The budget for construction of sanitary services is considered as a separate line item (Sanitary Service) under Component 1. The sanitary services will be built to comply with sanitary laws which require a latrine to every 5 classrooms, and also to agree with the environmental concerns of this project. One sanitary service will be constructed at each site where needed. Based on this criterion, and in order to estimate an amount for construction of sanitary services, an average cost of Dols. 1,700 per sanitary service has been calculated.

C. Contracting Procedure

Although there will be some differences in the size of the groups of school classrooms to be renovated/reconstructed, in general, they will follow the same contracting procedures as for new construction.

Engineering and/or architecture firms participating in the Project will first have been pre-qualified prior to bidding on contracting. To avoid incorrect interpretations of plans, specifications and other pertinent contractual documentation concerning the local construction conditions, it will be required that the construction bidder visit the construction sites for which he presents a bid. Considering that the construction of classrooms will often be in isolated areas with accessibility problems, the Project will attempt to develop groups of classrooms which are geographically contiguous in order to increase economies and the reasonableness of bids. The bidders will present with their bids and under separate cover, a bidding guarantee of 5% of the total bidding cost and written report of construction/renovation sites visited. The Project's Special Management Unit will determine, within 15 working days after the opening of bids, the construction company or companies to be awarded the bids previously advertised. The company or companies awarded the bid(s) will attempt to sign a contract with the Ministry of Education within the following 10 working days after being officially notified. The winning firm or firms must present, within 15 working days after having signed the contracts, a performance bond equivalent to 5% of the cost of the contract. This guarantee will hold for 12 months after the date on which the supervision firm has received, to its satisfaction, the completed physical construction. Contractors will receive an advance up to 90 days of their need with the purpose of expediting the project's construction process. Prior to receiving the advance, the construction firm must present a guarantee equivalent to the value of the advance requested. The 20% of monthly estimated costs presented by the construction firm for physical works completed satisfactorily will be reduced by the MOE to proportionally liquidate the advance funds received; while the guarantee presented on advance funds is being reduced automatically and in the same proportion.

D. Project Supervision

To assist the SMU in monitoring implementation of this Component, and to reinforce the MOE engineering capacity, USAID will contract a supervising firm. The firm will be contracted through a direct A.I.D. contract, which will provide consulting and supervisory services to the MOE's DCM for this Project. However, the SMU and A.I.D. will also have oversight responsibility for the supervisory firm. Among the duties of the consulting firm will be the preparation and study of bidding documents, plans and contractual documents, as well as an analysis of the presented bid offers. The supervising firm will also assist with the recommendation of the assignment of school groups, deliver the works to the construction firm, supervise the renovations and check and authorize payment of the estimated works executed. It will also approve or reject materials to be used in accordance with contractual documents and, in conjunction with an A.I.D. engineer, approve final payment or liquidation of construction contractors.

II. COMPONENT II - SCHOOL MAINTENANCE SYSTEM

The objective of the Directorate of Construction and Maintenance (DCM) of the MOE is to keep the existing classrooms in working and safe condition for students in order to provide a better learning atmosphere. However, the maintenance program of the MOE has been inactive in both its administrative and technical departments. In addition, their equipment is in deplorable condition and many equipment pieces do not work at all. The main reason for this is the lack of funds. Most of the budget of this directorate is assigned to personnel salaries and not for equipment and/or maintenance materials.

Presently, the DCM is organized into sections for Operations and Control, Payroll, Supervision, Personnel, and Warehousing.

This directorate is divided into three regions: Central, Western and Eastern. The Central region is staffed by 93 people (8 employees working in the office of the Directorate and 85 in the above cited sections), supervising the operations of the Western and Eastern regions which in turn are staffed by 7 employees each.

In addition, the DCM's field personnel are comprised of foremen, masons, plumbers, mechanics, electricians, carpenters, iron workers, welding mechanics, watchmen, drivers, helpers, laborers and warehousemen, for a total of 372 employees. A complete organizational chart of the DCM is included in Annex L.

There are four existing warehouse facilities located in the Western, Eastern, Para-Central and Central regions. However, two of these facilities are not being used by the MOE, but by another government institution. The DCM is equipped with tools, vehicles and office equipment. Forty percent of the tools are unusable but they are still kept in inventory due to the slow bureaucratic process of removing them from the list. The MOE has 300 vehicles, of which only 25% are in working condition. Some 13% of the office equipment is damaged.

In order to initiate a maintenance program and to bring the maintenance unit of the MOE up to an acceptable level of operation, the project will have to provide for a series of activities.

These activities will be identified through the initial survey of schools conducted at the beginning of the project. Classrooms which are classified as good will be scheduled for maintenance inspections and preventive maintenance will be performed by the MOE. All other classrooms which are classified as fair or bad will be repaired or renovated. Upon completion of these repairs or renovations the classrooms will be entered into the maintenance system inventory control. The actual infrastructure of the DCM, as mentioned before, is divided into 3 major regions. However, the

Central region also has additional sub-regions. Currently, the DCM keeps one maintenance unit in each region. This is acceptable for the Western and Eastern zones, but for the Central it is not enough. Therefore, six more maintenance units will be created for each of the sub-regions. As a consequence of this, there will be an 18% increase of personnel to cover, in a more detailed way, the maintenance demand of each area of the country. (See Annex M-9). An analysis of the recurring cost implications of this new staff is contained in the Economic Analysis Section.

To restore and implement the maintenance unit there is a clear need for work vehicles and construction equipment. This will allow the personnel to develop a specific level of repair capability. Based on a proposed reorganization of the DCM, the Directorate envisions 8 major zone-offices with their respective personnel. These offices should have one 4WD-Jeep ($14,100), a 4WD pick up truck ($14,100), a 8-ton truck ($48,800) and repair equipment. (See Annex M-12). Since the GOES has decided to standardize its vehicle fleet on American Motors Corporation (AMC) and Ford, a sole source waiver will be needed to purchase these vehicles from AMC.

The inventory of maintenance material and supplies will be controlled by the Central zone warehouse; the remaining ones will request their materials from the central warehouse, according to their needs.

The present process for maintenance requests, for materials and supplies, involves a series of steps that slow down the implementation of any operation. The Project will assist by providing technical assistance to streamline the operation and make it more effective and efficient.

The preventive maintenance of schools will be performed by the school staff with the help of the community. Special training such as small seminars on how to distinguish the wide variety of deterioration in the school buildings will be offered. Additional seminars will be offered on how to involve the community in the process of preventive maintenance. A school maintenance manual and a quarterly maintenance form to be filled out by the director will be given to each of the schools. (See Annex M-3).

III. COMPONENT III - SCHOOL FURNITURE, EQUIPMENT AND SUPPLIES

The MOE in recent years has had to continue to reduce its budget and overall support services provided to the individual schools around the country. In 1979, the MOE eliminated the production and maintenance of school furniture. Since that date no new school furniture for students or teachers has been placed in the 14,000 primary classrooms around the country, except for those financed by A.I.D. or the IBRD Program. Maintenance has been left to the community and school directors, resulting in little to no repairs or preventive maintenance. Currently, it is estimated that 4,000 classrooms, or 29%, do not have acceptable or adequate furniture for students and teachers.

In order to address this need and to immediately revitalize the school system and provide an improved learning environment, the Project will finance approximately 76,000 school desks (pupitres bi-personales) (or 152,000 individual desks), 3,800 teachers desks and chairs, 3,800 blackboards, bookshelves and storage cabinets for all of the classrooms to be repaired and renovated and the 400 to be newly constructed under this Project as well as an additional 1,000 classrooms of furniture to meet the needs of those existing schools without furniture.

In this way, the Project will have the capacity to fully refurnish, if necessary, all classrooms constructed/renovated under this Project. However, since many of the existing classrooms to be restored have desks and school furnishings which are functional, there will, hopefully, be sufficient additional furnishings to ensure that, at least, all classrooms in those schools which are affected by this Project have adequate furniture.

Teachers and students also do not have adequate materials and supplies for classroom instruction and learning. The Project will finance school supplies which will include erasers, chalk, maps, charts and graphics. These materials, supplemented by the texthooks provided under Component IV, will provide an immediate impact on the instructional process and develop an environment that will improve the student learning, retention and drop out rates.

Furniture Procurement

There are approximately six furniture factories in El Salvador, of which only two, Central de Industrias and Industrias Consolidadas (INCO), specialize in school furniture. Up to 1984, the GOES through Proveeduria General de la República maintained a contract with Central de Industrias. 7,900 student desks (bi-person type) together with 395 teacher desks and chairs were provided by Central de Industrias for the Rural Primary School Expansion Project 519-0190. This service was very efficient, although the costs are somewhat higher than that of other Central American countries. The factory has a production capacity of 250 pupitres per day (7,500 pupitres a month) and a storage space of 1,200 m2. The second biggest furniture factory, INCO, has

a production capacity of 2,000 and 3,000 pupitres a month on a two or three shift work basis. Its storage capacity is 950 m2. Up until now, these two factories have been the only ones which have produced school furniture in the quantity, quality and time frames required by the previous projects.

Beginning in 1984, the Proveeduría changed its system of permanent contracts to a bidding process. This has resulted in additional competition and allowed smaller firms to participate.

In accordance with A.I.D. regulations and given the quantity of the school and teacher desks involved, this procurement will be done through an international competitive bidding process, and a waiver will be required in the Project Authorization to open the bidding to CACM countries.

The current cost of school furniture per classroom in El Salvador is as follows:

20(bi-person type) x ¢220 - ¢4,400 ($1,760)	
1 teacher desk + chair ¢150 ($60)	
Total cost per classroom of 40 students:	$1,820

The MOE has two warehouses in San Salvador, one in Santa Ana and another one in San Miguel. Once the school furniture is ready and delivered to the Ministry, the Department of Provisioning of the MOE prepares the necessary papers and calls the School Director in to pick up the furniture from the factory. The School Director seeks the community's collaboration for providing a truck for this purpose. This is usually provided by the Mayor or other local authorities, and paid for by the Association of Parents. On occasions, the transportation is contracted or paid for by the Ministry.

The Project will procure student and teacher desks in 1986, sufficient for 1,000 classrooms with another procurement in 1987, and the remaining one in 1988 for classrooms renovated and constructed by the Project. The Proveeduría will award the contracts to the best offerors and will have the right to negotiate the best terms with them, based upon price.

IV. COMPONENT IV - TEXTBOOKS

Background

The institutional framework for provision of educational materials to schools is the MOE Directorate for Mass Communications and Educational Technology, in coordination with the General Directorate for Basic Education. However, this activity has come to a standstill in recent years due to lack of funds. Texts, teachers' guides, and students' work books are almost nonexistent today in the public school system.

Under the Fourth Education Loan, the IBRD provided the equivalent of ₡1,000 in didactic materials and reference books to each classroom that was constructed under the Loan, and the equivalent of ₡15,000 in equipment, such as mimeographs and typewriters to each nucleo center that they had constructed. The last provision of such books was made in 1982, covering approximately 900 classrooms. Apart from these efforts, the public schools in El Salvador have few textbooks, educational, and/or teaching materials. In summary, no major textbook printing and dissemination has been undertaken by the MOE since the pre-conflict period.

Project Intervention

This component will finance the procurement and distribution of approximately 3.5 million MOE approved texts, to be printed by private firms, through an international bidding process for the public primary school system. Funding will be made available for three separate printings. With collaboration from the IBRD, this will cover the 830,000 existing students in Grades 1-6 in the public primary school system. Over the life of the Project, the students will receive 2 textbooks apiece, for Grade 1. For Grades 2-6 there will be 4 volumes, comprising separate sections on mathematics, social studies, science, and language, for a total of a million textbooks. This figure includes an initial printing of roughly 1.5 million books for Grades 1-4 in all urban and marginal urban areas, in January/June 1986 and an initial printing of approximately 600,000 textbooks to cover all of Grades 5-6, and one subsequent printing of 1,400,000 books for all grades to provide replacement for loss, damage, deterioration of books, and new students.

Coordination with PLANALIBRE

Due to the fact that A.I.D. will be printing texts developed by the IBRD and our books will complement IBRD publication of texts for Grades 1-4, close coordination will be essential. Formal monthly meetings will be held with the IBRD Management Unit to review the status of textbook development, the timing of the procurement process, and the distribution of books to selected geographic areas to avoid duplication. Less formally, the SMU and IBRD technicians will work closely to assure completion of the development of books for Grades 5 and 6 and the offering of bids for Grades 1-4 books on a timely basis.

Institutional Capacities: Production/Storage

a) Ministry of Education

The institutional capability of the MOE for printing is very limited. The Ministry of Education has two printing facilities: one is a small printing shop staffed with 18 employees, located in the ETU facilities and is mainly engaged in producing simple pamphlets. To date, they have published about 23 modules for teachers of grades 1-6 in quantities of 1,300 copies each. In addition, they have published 4,000 copies of study programs for 2nd and 3rd. grade teachers. The other Production Unit, "Dirección de Publicaciones", which works under the General Directorate for Culture, has 110 total staff (60% in the printing facility) and is engaged in publishing cultural books and reference materials for grades 7-9 and textbooks for grades 10-12. Their monthly maximum capacity for production is 40,000-50,000, utilizing equipment that is 25 years old. Their constraint is lack of materials and modern equipment. The IBRD has decided to utilize the MOE's printing facilities only for the teacher's guide in an effort to improve the institutional capacity of the MOE for this type of work. Furthermore, to enable the MOE to accomplish the printing, the IBRD had to provide the paper.

The "Dirección de Publicaciones" owns one truck for textbook distribution purposes. Additional services must be contracted out to private firms. It has access to two small warehouses, which together can provide a total capacity to store 50,000 books. In addition, a MOE warehouse facility is located in San Salvador, San Miguel and Santa Ana. However, they are basically for construction materials and school furniture.

b) Private Sector

In the Private Sector, there are two printing facilities with modern, efficient equipment that are capable of printing selected textbooks in sufficiently large quantities in a matter of months. These are: Tipografía Central and Editorial Ricaldone. Tipografía Central is the largest printing facility in the country, which is connected with Editorial Centro Gráfico and Nambreño, with a group of teacher-writers working on their staff. The Tamumal Collection is a developmental series for grades 1-6 which was published by this firm and they have copyright for the books they publish. Their printing capacity is approximately 10,000 books of 96 pages in colors in an 8-hour period. They have two warehouses of approximately 2,500 sq. mtrs. Editorial Centro Gráfico has its own distribution network in the country.

The other printing facility is Editorial Ricaldone with a monthly printing capacity of 30,000 books of 200 pages and 50,000 books of 100 pages with color combination. They have two warehouse facilities with storage capacity of 175,000 and 300,000 books, respectively. Distribution is accomplished using a small pick-up truck, but arrangements for larger scale book distribution can be made. There are other publishers of less capacity

who publish some textbooks in limited quantities and/or import books. The IBRD has used the Editorial Ricaldone for publishing of some of the textbooks and the Imprenta Trejo Hermanos, a firm in Costa Rica, for the workbooks. Selection of the Costa Rican company was based on the fact that its costs were much lower than the Editorial Ricaldone, which was the only Salvadoran firm to participate in the bidding process.

Logistic Concerns and Strategy

There is only one paper factory in El Salvador, Cartotecnia, S.A. Consequently, El Salvador imports most of its paper, including newsprint. The price of imported paper is lower than paper fabricated locally, which in most cases is recycled.

In summary, the primary technical constraints concerning the MOE's printing and distribution system are:

1) Lack of modern printing equipment and related material.

2) Lack of distribution and storage capacity.

3) Lack of paper in-country, which increases costs, and

4) Higher required benefits by the local printing firms.

Although private sector printers and publishers have their own distribution/storage networks, additional storage and logistic support will have to be acquired to handle the quantity of textbooks to be printed under this Project.

Contracting, Printing/Distribution and Delivery Procedures

Because of the above constraints, the production, distribution, and storage of the textbooks will be contracted out to private sector firms through a host country contract with the MOE. In order to obtain the best possible prices for these texts, an competitive bidding process, open to CACM countries, will be used, with Salvadoran firms encouraged to participate. A waiver will be required in the Project Authorization to permit participation by CACM countries. The preparation for contracting (selection of textbooks, receipt of copyright, preparation of bidding documents and contracts, award of contracts/legalization, and most importantly, inclusion of project funds in the GOES 1985 budget) before the actual implementation starts are important events to take place.

Contracting

Due to the fact that the MOE does not have a contracting office for the procurement of services at the level required for this Project, and lacks an operational distribution system, a textbook adviser under the SMU will be required to assist MOE with contracting, distribution and storage activities. A plan for distribution should be developed and ready for implementation before the textbooks are printed, packed and ready for delivery.

Printing

The first bidding process for textbooks for Grades 1-4 will be, to the extent possible, a joint bid with the IBRD to achieve the maximum competition among firms, and avoid duplication. Contracts will be awarded with the lowest bidders whose reputation and whose plant capacity (normal workload, equipment, space) indicate that they are responsible bidders. The contractors will be responsible for quality control; the meeting of all production deadlines; production of all plates (color, black and white); wrapping and labeling, packaging all materials and making them ready for pick up and delivery; provision of adequate storage space for texts where MOE facilities are unavailable; and delivery to regional centers.

Distribution

As quantities of books are wrapped and stored at the printer's storage facilities, contracted truckers (either by the printer or commercial carriers contracted by the MOE's Implementation Unit), will pick up full lo[illegible] and deliver them to regional centers previously designated by the MOE and th[illegible] delivered to Nucleo Directors and teachers. The books will then be distributed to schools in each nucleo as follows:

Region	Sub-Region	Department	No. of Nucl[illegible]
Western	Northwestern	Santa Ana	40
		Ahuachapan (northern section)	12
	Southwestern	Ahuachapan (southern section)	32
		Sonsonate	
		Sub-Total	84

Central	Central	(San Salvador, La Libertad, Cuscatlán)	134
	North Central	(Chalatenango, San Vicente,	
	Para-Central	La Paz, Cabañas)	
	Eastern		57
	West		23
		Sub-Total	214
Eastern	(no definite division for sub-regions have been made)	(San Miguel, Morazán, Usulután La Unión)	103
		Sub-Total	103
		Total Nuclei	401

The number of books delivered will coincide with the number of teachers and children to be served in each school; a few extra (5 or 6 copies), to replace lost or damaged books will be also included in each delivery. Teachers and supervisors will also receive copies of the texts.

It should be stressed, however, that the regional and sub-regional offices do not have sufficient space to accommodate the textbooks, even on a temporary basis. To overcome this problem, the contractors will be required to rent, or otherwise acquire, additional space for textbook storage by regional and sub-regional offices. Each school will be responsible for adequate storage of books used in that school.

Most transportation and logistic support for distribution of textbooks will be financed by this component to assure that textbooks can be delivered to the nucleo center on a timely basis, and from there to be picked up by the school directors. Funds have been provided under the SMU budget for short term assistance of a procurement/distribution specialist to aid in planning and coordinating the bidding and distribution process.

Delivery

Estimated delivery costs are calculated at $256,200 in which distances from San Salvador to regional offices, nucleo centers and local schools are included. A breakdown of these costs is as follows:

From printshops to regional storage-staging warehouses	$	69,600
From regional storage to nucleos		104,400
From nucleos to schools		30,000
Additional trucking/storage costs for books for newly constructed/renovated classrooms		52,200
		256,200

A total of $407,00 has been added into the line item for delivery and supervision to account for supervision costs and possible delivery costs to El Salvador, from a third country, due to the fact that this procurement will be internationally bid.

Cost of Textbooks 1/

TEXTBOOKS TO BE PUBLISHED BY A.I.D.
(First and Second Printings)

Grade	No. of Students	No. of Textbooks	Cost per Unit	No. of Workbooks	Cost per Unit	No. of Teachers Guides	Cost per Unit	Estimated Total Cost
First*	145,276	291,052	$1.15	145,776	$0.55	7,700	$1.25	424,511
Second*	101,546	406,684	0.75	203,092	0.70	5,577	1.25	383,416
Third*	74,945	300,280	0.95	-.-	-.-	4,246	1.25	290,573
Fourth*	59,789	239,656	1.05	-.-	-.-	3,490	1.25	256,0[illegible]
Fifth**	80,984	324,432	1.25	-.-	-.-	2,525	1.25	408,7[illegible]
Sixth**	70,045	280,680	1.25	-.-	-.-	2,251	1.25	353,6[illegible]

* These will cover urban areas
** These will cover both rural and urban

Proposed Printing Schedule

1986	January-June	Printing of texts, workbooks and didactic guides for Grades 1-4.
1986	January-June	Printing of texts, workbooks and didactic guides for all of Grades 5 and 6.
1988	January	Partial printing (45%) of all texts, workbooks, and didactic guides for Grades 1-6

1/ See Annex N

V. COMPONENT V - ADMINISTRATION AND MANAGEMENT

A review of the Ministry's performance in implementing aid projects shows that administrative weaknesses and management inefficiencies have often impeded progress.

The record of the Ministry in implementing external aid projects has shown that administrative and technical factors, as well as internal unrest and disorder, have often caused difficulties and delays. In the case of the World Bank's second educational project, the implementation unit had to undergo three successive structural changes in order to solve administrative and operational problems. The World Bank solved the problem by changing top line authority to a direct line between the implementation unit and the State Secretariat for Education. The proposed implementation unit in the present IBRD Project incorporates this lesson in its organizational structure. The Rural Primary Education Project, which just terminated, had similar problems and constraints. In the beginning there was no implementation unit. It soon became evident that coordination of activities was poorly managed, so that an implementation unit had to be organized. Also, according to some MOE authorities, the lack of periodic evaluation contributed to a virtual standstill during some phases of construction. This has meant an overall delay in the delivery of completed classrooms.

Administrative and operational problems, borne out of a lack of resources and long-standing institutional weaknesses, currently confront the Ministry of Education. Obsolete procedures have to be weeded out and new procedures must be devised and standardized. New manuals of organization describing functions and responsibilities of the various offices have yet to be developed. Although the Ministry has recently been attempting to reorganize, the lateral lines of communication and coordination among the various General Directorates, several of which have only recently been established, have still to be made clear and functional. Curriculum development is currently dispersed among the various offices so that coordination of subject matter and materials production, as well as resource utilization, are very weak. All these needs bear directly or indirectly on the Ministry's capabilities to implement the Project.

Therefore, to attempt to circumvent some of these constraints, and to facilitate Project implementation a Special Management Unit will be established as a temporary unit, which will be disbanded upon completion of the Project. The SMU will have a special status within the Ministry with direct access to the highest levels of decision makers without being hampered by bureaucratic processes. The SMU will have a Project Coordinator and a professional and support staff. The Project Coordinator will function as the head of the SMU, will be directly under the Minister of Education and act as the principal liaison with USAID. Both A.I.D. and the MOE will have a representative to work with the Coordinator on matters of policy and implementation.

The advantages of the arrangement just described should be emphasized. As a special body outside the regular MOE structure of the Ministry, it would be free from bureaucratic pressures and delays. Yet, the institutional links to be established with General Directorates and other offices in the regular structure would provide it with the cooperation and support necessary to implement project activities. Close working relations with the Ministry's Coordinating Unit for Education Projects (ORI) and with the Project Implementation Unit of the World Bank should especially help the SMU to profit from previous experiences in the implementation of assistance projects. To the maximum extent possible, the SMU will utilize the same procedures and reporting formats as the IBRD Unit, to minimize the administrative requirements on the MOE.

The Project Coordinator will have overall responsibility for administration and implementation of the Project, with authority to approve or disapprove implementation measures. Questions of policy should be discussed with the designated A.I.D. and MOE representatives and implementation plans for the project will be approved annually by USAID

The technical staff will assist in the development of implementation plans and time-phased schedules for carrying out Project activities. They will oversee the carrying out of the functions and responsibilities of their respective areas of expertise and of the SMU as a whole. The specific functions of the SMU can be summarized as follows:

- To plan and develop implementation schedules for the various activities of the Project, oversee progress, and periodically report on the same;

- In consultation with appropriate offices and agencies, review and revise construction designs, and in coordination with USAID select, and acquire sites for the classrooms to be constructed;

- To adjudicate and prepare contracts for the MOE relating to construction and supply of equipment, furniture, textbooks, teaching materials, and others, including the preparation of bids and legal procedures, analysis and evaluation of bid offerings and tender of awards, and to determine ways of reducing construction and other costs;

- To coordinate and supervise all construction activities and purchase of all equipment and materials and their distribution in consultation with corresponding agencies involved in the execution of the Project;

- To maintain administrative and financial records and prepare the financial reports required;

- To administer Project funds, process payments and appropriate control procedures;

- To select, coordinate, supervise and give instructions to the consultants and specialists that may be needed by the Project.

VI. IMPLEMENTATION PLAN

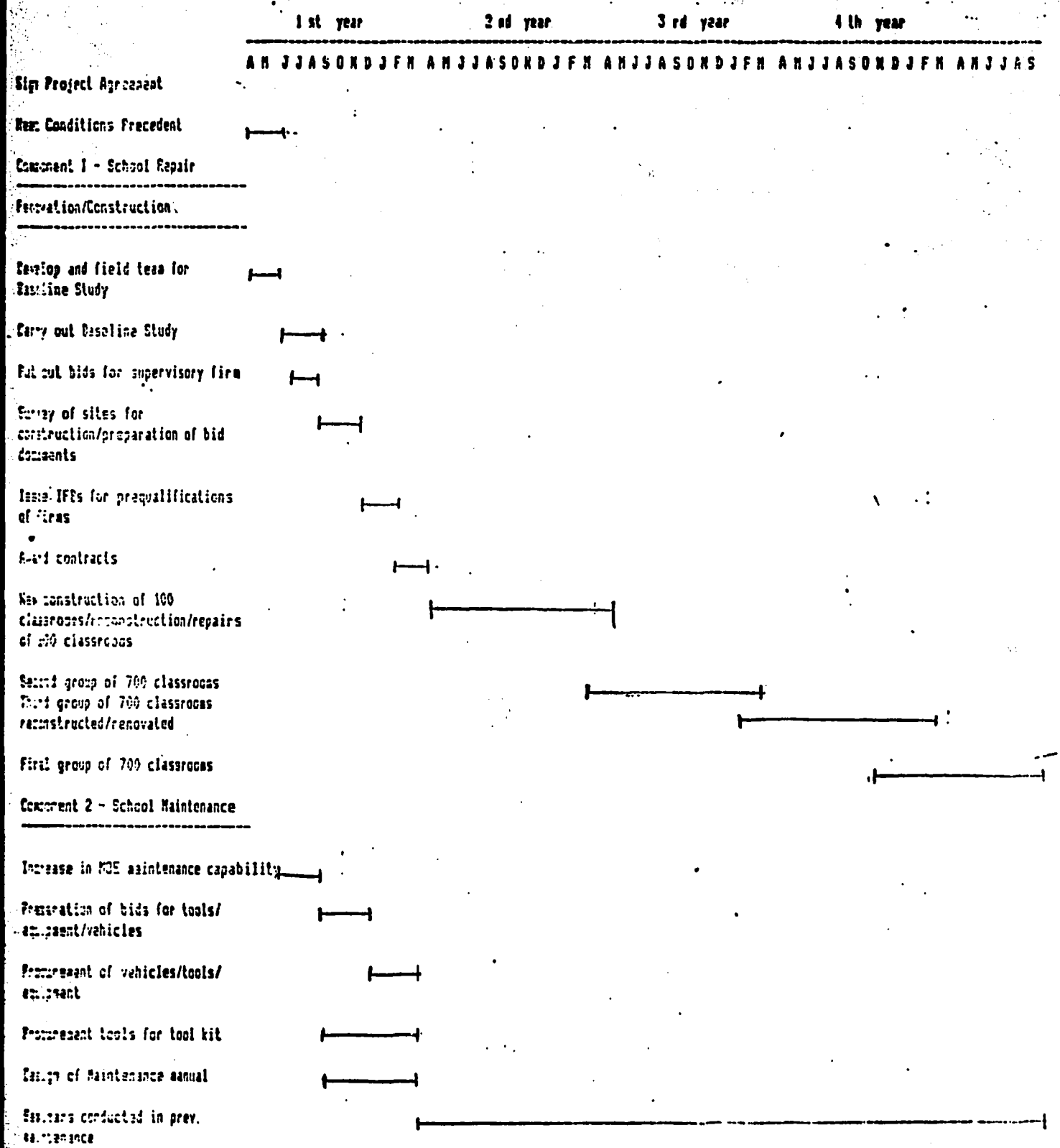
A. Implementation Responsibilities and Administrative Arrangements

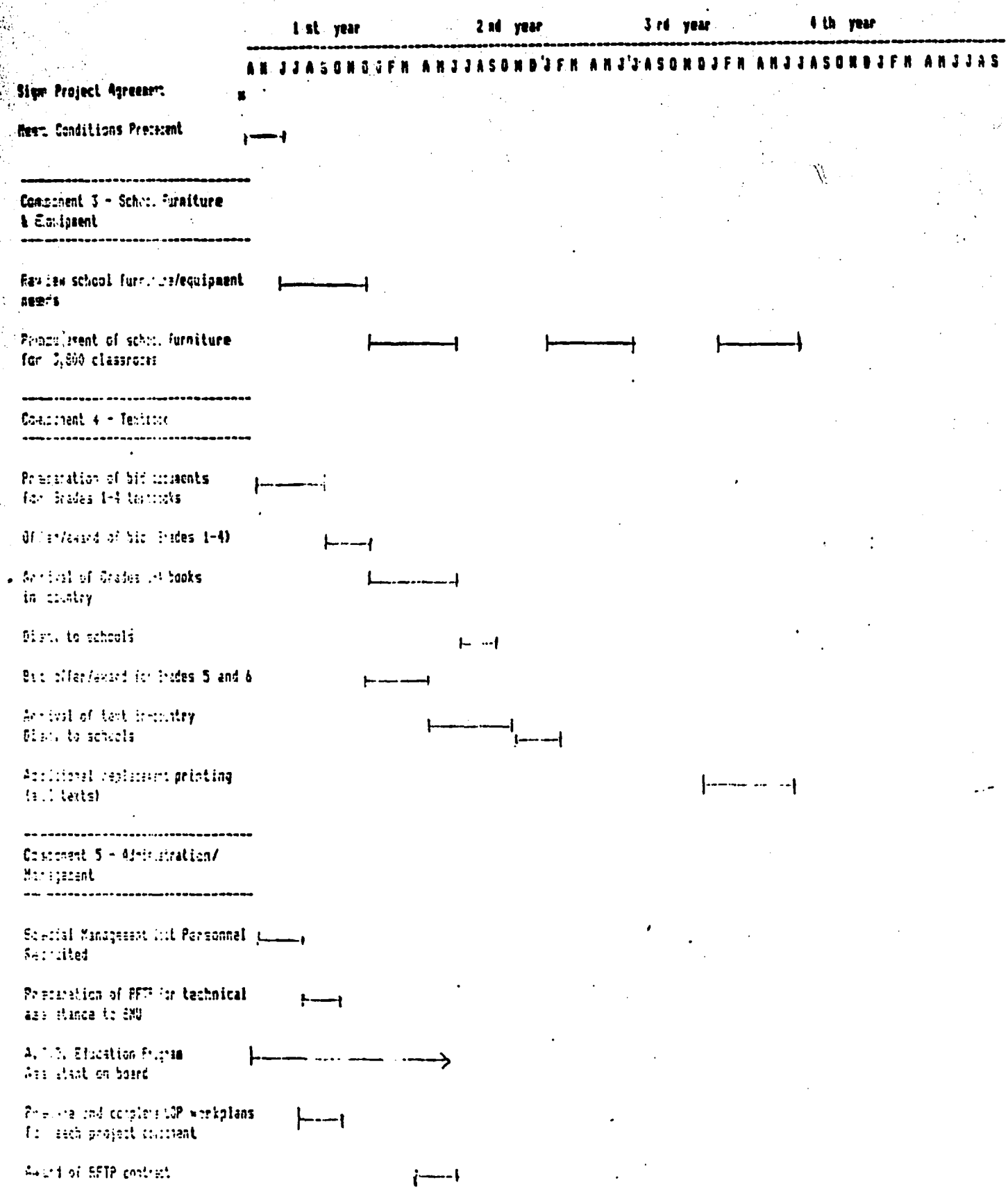
The $37.6 million grant will be obligated by means of a Grant Agreement to be signed with the Ministry of Planning, which will be the primary GOES coordinating unit and co-signed by the Ministry of Education, which will be the principal implementing unit for the GOES.

Detailed budgets and implementation plans for activities to be implemented will be approved by A.I.D., and authorized representative(s) of the GOES. Such approval may be made by way of Memorandum of Understanding, countersigned Implementation Letters, or by A.I.D. and the GOES signing PIO/T's, PIO/C's or PIO/P's for the specific activity.

A USAID Project Review Committee will (a) periodically review existing and proposed resource allocations under the Project; (b) review obligating documents, and clear and/or make recommendations to the Mission Director according to normal Mission procedures.

B. Schedule of Major Events




1 st year
2 nd year
3 rd year
4 th year
A M J J A S O N D J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J J A S
Sign Project Agreement
Meet Conditions Precedent
Component 3 - School Furniture & Equipment
Review school furniture/equipment needs
Procurement of school furniture for 3,800 classrooms
Component 4 - Textbooks
Preparation of bid documents for Grades 1-4 textbooks
Offer/award of bid Grades 1-4)
Arrival of Grades 1-4 books in country
Distr. to schools
Bid offer/award for Grades 5 and 6
Arrival of text in country
Distr. to schools
Additional replacement printing (all texts)
Component 5 - Administration/ Management
Special Management Unit Personnel Recruited
Preparation of RFP for technical assistance to BNU
A.I.D. Education Program Assistant on board
Review and complete LOP workplans for each project component
Award of BFTP contract

C. Disbursement Procedures

Standard A.I.D. disbursement procedures will be employed, depending upon the complexity of each of the approved activities. A.I.D. direct disbursement mechanisms will be normal under the Project and controlled at the Mission level. A modified FAR system of disbursement will be used for the construction and a cost plus fixed fee system will be used for renovation activities. In addition, Direct Letters of Commitment will be utilized for procurement of commodities requiring foreign exchange. The justification for using these methods of financing is presented in the Cost Estimates and Financial Plan section of this paper.

D. Reporting Requirements

Required MOE Reports

The Mission will require the GOES to submit the following periodic reports:

An annual audit report prepared by an independent auditor acceptable to the Mission;

A detailed Progress Report on each project component to be submitted semi-annually during the life of the Project;

Financial Reports on a quarterly basis;

(This will include a detailed budget on how the MOE plans to use the AID generated local currencies and how those local currencies correspond with the current GOES/USAID Education budget on a quarterly basis);

Quarterly procurement reports;

Quarterly equipment use and allocation reports;

Quarterly furniture distribution and use report; and

Quarterly textbook utilization reports.

The reports can be made available in Spanish or English, according to the timelines and standards set forth in the research design.

VII. MONITORING PLAN

USAID Monitoring Requirements

Primary monitoring responsibility for the Project will rest with the Project Manager, who will be a USAID Direct Hire located in the Education Division in the Office of Human Resources and Humanitarian Affairs (HR/HA). He will be assisted by a PSC Education Program Assistant, who will have daily monitoring responsibility. The Project Manager will be assisted by a FSN Direct Hire engineer who will be in charge of reviewing the architectural and engineering designs for school/classroom restoration, repair and construction, for inspecting construction activities, while in process, and for inspecting and certifying that all construction activities are completed satisfactorily, according to project design specifications. To assure the smooth implementation of Project activities, a Mission Project Review Committee, consisting of the HR/HA Office, the Projects Office, the Program Office, and the Controller, will periodically review Project status. USAID will rely heavily on the quarterly status reports, financial plans, and procurement reports submitted by the GOES.

VIII. EVALUATION PLAN

Evaluation Arrangements

A.I.D. and the MOE will conduct annual evaluations utilizing their own in-house resources in both the first and third years of the Project. An initial, independent evaluation is scheduled for approximately 2 years after the signature of the Project Agreement. This evaluation will measure progress against quantitative targets established in a Baseline Survey, which will include a school mapping exercise, to finally determine the number of schools to be repaired/restored and the number to be constructed. These quantitative targets will include such indicators as: classrooms repaired and constructed; number of classrooms furnished and equipped; improvement of the maintenance system (as carried out by both the MOE and community) for primary schools, and number of students receiving textbooks. The evaluation will also look towards any redesign needed of the Project, project components, or project management procedures. A final independent Project evaluation is expected at the end of the Project to review the achievement of targets, problems encountered, and impact of the Project on the intended beneficiaries.

The independent Project evaluations will be carried out by a team of specialists, including both internal A.I.D. experts and external consultants. This team will be contracted by the Mission to appraise progress towards the project's goals themselves. In its reports the team will identify and discuss major changes in the Project's setting, including socio-economic conditions and the progress of the Project thus far. The evaluation will

identify any problems encountered with the timely procurement of textbooks and other commodities, and technical assistance. In the final evaluation, the long-term impact of the Project will be assessed in terms of number of new enrollees and graduates from the primary school system, and any increase in educational efficiency on the part of the MOE. The MOE will participate fully in both evaluations. The evaluation team will be tasked to contact and interview all levels of the MOE hierarchy: MOE administrators, regional and sub-regional directors, nuclear directors, and school administrators.

IX. CONDITIONS AND COVENANTS

This Project has been developed in close coordination with the MOE over the preceding year. The primary issues relating to implementation of the various components have been substantially resolved. Hence, there are no major obstacles to signature of the Project Agreement and subsequently, disbursement of funds. Covenants and conditions primarily relate to those essential plans which must be developed and administrative structures which must be in place to carry out the Project. The conditions and covenants to be included in the Project Agreement, to be signed with the Ministry of Planning and the MOE, are as follows:

A. Conditions Precedent

1. Prior to commitment of A.I.D. funds for contracting of private firms to undertake construction and repair/renovation activities under this Project, the MOE must submit, in form and substance satisfactory to A.I.D., two Project Implementation Plans, one for construction activities and one for the reconstruction/repair program, for the first year. These implementation plans will identify those sites for new construction and renovation/repair to be undertaken for the first Project Year. Subsequent, annual implementation plans to be submitted to A.I.D. for approval, will also identify specific sites for construction, and renovation and the scope of repair/renovation to be undertaken, prior to initiation of the bidding process.

2. Prior to disbursement of any A.I.D. funds under this Project, the MOE will submit to USAID/El Salvador satisfactory evidence that the Special Management Unit (SMU) has been legally constituted within the organizational framework of the MOE.

3. Prior to disbursement by the MOE of A.I.D. funds for final liquidation of the advance for construction, reconstruction, and/or renovation/repair of classrooms, the MOE will submit to A.I.D., in form and substance satisfactory to A.I.D., evidence that teachers have been assigned to the new or reconstructed classrooms.

B. Covenants

1. The GOES agrees that, unless A.I.D. otherwise agree in writing, to provide all necessary administrative, logistical and budgetary support to carry out the project.

2. The GOES agrees to establish within 60 days of signature of the Project Agreement an administrative unit, entitled the Special Management Unit (SMU), with primary coordinating responsibility and authority within the Ministry to monitor and oversee all Project activities.

3. The GOES agree that, unless A.I.D. otherwise agrees in writing, that all personnel to be contracted by the SMU, and all contract extensions, will be submitted to A.I.D. for final approval.

4. The GOES covenants that it will construct the required external outfittings, normally mandated by MOE construction standards, for the classrooms to be constructed and repaired/renovated under the Project. These external outfittings are to include, where appropriate, retaining walls, drainage facilities and, protective fences and gates.

ANNEX A

PID 2.1

-0225

E) ACTION AIDS INFO AMP DCM ECON

ZCZCSNC111
P RUESSN
E RUEEC #7070/01 3411709
ZR UUUUU ZZE
2715317 DEC 83
P SECSTATE WASHDC
O AMEMBASSY SAN SALVADOR PRIORITY 5255
T
NCLAS SECTION 01 OF 03 STATE 347070

07-DEC-83
TOR: 17:11
CN: 314071
CHRG: AID
DIST: AID

IDAC

E.O. 12356 N/A
TAGS:
SUBJECT: EDUCATION SYSTEMS REVITALIZATION PID (519-0295)

1. LAC BUREAU DAEC REVIEWED AND APPROVED SUBJECT PID ON NOVEMBER 17, 1983. AFTER DISCUSSING AND RESOLVING SEVERAL ISSUES DURING THE REVIEW, THE FOLLOWING GUIDANCE IS PROVIDED FOR PP PREPARATION.

2. PROJECT SCOPE

THE FOUR COMPONENTS OF THE PROJECT ARE COMPLEX AND WILL REQUIRE COORDINATION OF IMPLEMENTATION ACTIVITIES IF THE PROJECT IS TO BE COMPLETED WITHIN THE SCHEDULED THREE YEARS. THE PP SHOULD ANALYZE THE MEANS OF COORDINATING AND COMPLETING THE DIVERSE COMPONENTS WITHIN THE INTENDED TIMEFRAME. DURING INTENSIVE REVIEW, THE MISSION SHOULD CONSIDER THE POSSIBILITY OF PHASING THE COMPONENTS SEQUENTIALLY, RATHER THAN ATTEMPTING TO ACCOMPLISH ALL COMPONENTS SIMULTANEOUSLY, EVEN THOUGH THIS WOULD REQUIRE AN EXTENDED PACD. THE PROJECT PAPER SHOULD DISCUSS

THE RATIONALE FOR THE SEQUENCING OF PROJECT COMPONENTS THAT IS ULTIMATELY DETERMINED TO BE OPTIMAL.

INFORMATION COPY

ACTION TO: AID/W/PPA		
ACTION INFO: AID/W		
Info: DIR	RDO	PER
DDIR	[illegible]	ADM
MO	[illegible]	CONT
DPPC	[illegible]	PRE
PRJ	[illegible]	ECON
Subject:		
ACTION TAKEN		
DATE		
INITIALS		

3. GOES COMMITMENT AND RECURRENT COSTS:

(A) THE PID STATES THAT THE STRATEGY OF THE PROJECT IS TO PROVIDE FINANCIAL RESOURCES WHICH WOULD PERMIT THE GOES TO REESTABLISH THE PUBLIC EDUCATION SYSTEM, IN NOMINAL TERMS, TO ROUGHLY THE 1980 LEVEL. THE PP SHOULD CAREFULLY ANALYZE THE GOES CAPABILITY TO ACHIEVE THIS GOAL CONSIDERING THE CURRENT DOWNWARD TREND IN EDUCATION SECTOR FUNDING.

(B) THE PP SHOULD EXAMINE THE ABILITY OF THE GOES TO MEET THE RECURRENT COSTS ASSOCIATED WITH THIS PROJECT. THE ANALYSIS SHOULD SPELL OUT IMPLICATIONS ON THE ENTIRE SALVADORAN EDUCATION SYSTEM OF MAINTAINING PROJECT ACTIVITIES.

(C) DURING PP PREPARATION, THE MISSION SHOULD REVIEW THE POT TEACHER PLACEMENT SYSTEM TO IDENTIFY TEACHER

A-2

ISTRIBUTION PROBLEMS AND TO DEVISE A SYSTEM TO MORE FFICIENTLY PLACE TEACHERS IN AREAS OF NEED. A ESOLUTION OF THIS PROBLEM MAY HAVE POSITIVE IMPLICATIONS N RECURRENT COST ISSUES.

. MOE MANAGEMENT UNIT

A) THE PID DISCUSSES PROJECT PLANS TO ESTABLISH AND TAFF A MANAGEMENT UNIT IN THE MOE. THE PP SHOULD ESCRIBE THE RESPONSIBILITIES, AUTHORITIES AND ELATIONSHIPS OF THIS UNIT WITHIN THE MOE MANAGEMENT OSITION. THE PROJECT DESIGN SHOULD INCLUDE A MECHANISM IC CONTINUOUSLY EXAMINE PERFORMANCE, MAKE CHANGES AND LERT THE MOE TO OPPORTUNITIES FOR INSTITUTIONALIZING THE APABILITIES DEVELOPED. ALSO, THE PP SHOULD EXAMINE THE CAPABILITIES OF THE DIVISIONS WHICH WILL REPORT TO THE UNIT.

(B) PREVIOUS EXPERIENCE HAS SHOWN THAT THE MOE HAS STAFFEDSEVERAL UNITS IN OTHER DONOR PROJECTS WITH RELATIVELY INCOMPETENT INDIVIDUALS. THE PP SHOULD ELABORATE ON THE AVAILABILITY OF COMPETENT PERSONNEL TO FILL MANAGEMENT UNIT POSITIONS, AND DISCUSS MEANS FOR VERIFYING OR APPROVING SELECTED CANDILATES' CREDENTIALS.

5. PROJECT ACTIVITIES IN CONFLICT ZONES

(A) THE PID NOTED THAT THERE ARE DOUBTS AS TO THE EXTENT TO WHICH PROJECT DESIGN CAN INCORPORATE ACTIVITIES IN CONFLICT AREAS. THE PP SHOULD EXAMINE WHERE THE SCHOOLROOMS WILL BE LOCATED AND WHETHER SCHOOLROOMS AND EQUIPMENT HAVE BEEN TARGETS OF GUERILLA ACTIVITIES IN THE PAST.

(B) SOME TEACHERS HAVE BEEN TARGETS OF GUERRILLA ACTIVITIES AND MANY OTHERS LEFT AREAS DUE TO THE VIOLENCE. THE PP SHOULD EXAMINE THE WILLINGNESS OF TEACHERS TO RETURN TO THESE AREAS, AS WELL AS MOE PLANS FOR PLACING TEACHERS.

(C) THE PP SHOULD DISCUSS TO WHAT EXTENT NONPERFORMANCE IN THE CONFLICT ZONES WILL AFFECT PROJECT OBJECTIVES ALONG WITH THE STRATEGIES FOR DEALING WITH POTENTIAL PROBLEMS.

6. SCHOOL CONSTRUCTION

(A) DELAYS IN OBTAINING CLEAR TITLES TO ADEQUATE LAND HAVE BEEN PROBLEMS IN PUBLIC CONSTRUCTION ACTIVITIES. DURING PP PREPARATION, THE MISSION AND GOES SHOULD WORK CLOSELY ON IDENTIFYING SCHOOLROOM LOCATIONS AND CLARIFYING THE LAND TITLING CLAIMS FOR THESE LOCATIONS.

14

(F) THE THREE YEAR SCHEDULE FOR PROJECT ACTIVITIES MAY BE TOO SHORT TO COMPLETE THE 1,500 SCHOOLROOMS TO BE CONSTRUCTED OR RENOVATED. THE PP SHOULD EXAMINE GOES CAPABILITY TO COMPLETE THE CONSTRUCTION ACTIVITIES WITHIN THE PACD. THE PP SHOULD ALSO CONSIDER SCALING BACK THE NUMBER OF ROOMSPLANNED, AND THE IMPLICATIONS OF THAT ACTION ON OTHER PROJECT ACTIVITIES.

7. ADULT EDUCATION AND TECHNICAL TRAINING

(A) THE PID PROPOSES AN ADULT EDUCATION COMPONENT TO TRAIN DISPLACED PERSONS AND PHASE I AGRARIAN REFORM BENEFICIARIES, FARM WORKERS AND FAMILY MEMBERS. ADULT FUNCTIONAL LITERACY PROGRAMS, IN THE PAST, HAVE PROVED RELATIVELY UNSUCCESSFUL IN INCREASING LITERACY UNLESS THEY ARE TARGETED TO SPECIFIC ACTIVITIES. THE BUREAU HAS CONCERNS OVER THE PRIORITY OF THIS COMPONENT AS OPPOSED TO OTHER ACTIVITIES ENVISIONED.

THE PP SHOULD DISCUSS IN DETAIL THE RATIONALE FOR THIS COMPONENT. THIS ANALYSIS SHOULD CONTAIN AN EXAMINATION

OF AGENCY EXPERIENCE IN THE ADULT EDUCATION AREA AND LESSONS LEARNED. FURTHER, IT SHOULD DISCUSS THE OVERALL DESIGN AND THE CURRICULUM TO BE TAUGHT. FINALLY, THE PP SHOULD RATE THE CAPABILITY OF THE ADULT EDUCATION DIVISION IN THE MOE TO PERFORM THESE ACTIVITIES.

(B) THE PID IS NOT CLEAR AS TO HOW ADULT EDUCATION WILL HELP OR PROVIDE INCENTIVES TO DISPLACED PERSONS TO RETURN TO RURAL AREAS. THE PP SHOULD ANALYZE THE INTENTIONS OF DISPLACED PERSONS REGARDING THEIR PLANS TO MOVE BACK INTO RURAL AREAS OR STAY IN THE URBAN ZONES. THE CURRICULUM DESIGN SHOULD REFLECT THE NEEDS OF THE DISPLACED PERSONS AND PREPARE THEM TO RETURN TO THE RURAL ENVIRONMENT.

(C) THE SECONDARY EDUCATION AND POST-SECONDARY COMPONENTS WILL PROVIDE EQUIPMENT TO SUPPORT VOCATIONAL/TECHNICAL TRAINING STUDENTS ALREADY IN SCHOOL. WITH THE CURRENT 40 PERCENT UNEMPLOYMENT RATE, THE PP SHOULD EXAMINE WHAT HAPPENS TO THE COMPLETERS OF THESE TRAINING PROGRAMS. DO THEY RECEIVE JOBS? WHAT KIND OF JOBS? ALSO, THE PP SHOULD DISCUSS THE QUALITY OF TECHNICAL TRAINING PROGRAMS IN THE TARGET SCHOOLS.

8. COMMUNITY PARTICIPATION

COMMUNITY SELF HELP ACTIVITIES OF A CONTRIBUTORY NATURE HAVE PROVED RELATIVELY UNSUCCESSFUL IN EL SALVADOR. THE PP SHOULD STUDY THE TECHNICAL FEASIBILITY AND COST IMPLICATIONS OF THE PROPOSED APPROACH AND OF ALTERNATIVE APPROACHES TO COMMUNITY SELF HELP FOR CARRYING OUT RENOVATION AND CONSTRUCTION TASKS.

9. MASS MEDIA

DURING PP PREPARATION, THE MISSION SHOULD CONSULT

EXISTING EVALUATION STUDIES OF THE EL SALVADOR ETV SYSTEM AND EVALUATIONS FROM OTHER A.I.D. PROJECTS IN THE EDUCATIONAL BROADCASTING FIELD TO DETERMINE HOW TO STRENGTHEN EDUCATIONAL PROGRAMMING, IN ADDITION TO SIMPLY INCREASING COVERAGE.

10. TEXTBOOKS

THE PP SHOULD THOROUGHLY EXAMINE THE LOGISTICAL SYSTEM AVAILABLE TO SUPPORT TIMELY DISTRIBUTION OF TEXTBOOKS. THE MISSION SHOULD ANALYZE WAREHOUSE STORAGE SPACE, DELIVERY SYSTEMS AND MOST IMPORTANTLY, THE AVAILABILITY OF PAPER SO AS TO ASSURE THE SUCCESS OF THIS SUBCOMPONENT.

11. PRIVATE SECTOR INVOLVEMENT

THE MISSION PLANS TO CONSIDER HAVING PRIVATE SECTOR INVOLVEMENT IN THE TECHNICAL EDUCATION COMPONENT, CLASSROOM CONSTRUCTION AND TEXTBOOK PRINTING. HOWEVER, OTHER ELEMENTS IN THE PROJECT MAY BE CONDUCIVE TO PRIVATE SECTOR PARTICIPATION. THE PP SHOULD ANALYZE ALTERNATIVES FOR INVOLVING THE PRIVATE SECTOR IN PROJECT IMPLEMENTATION. CONSIDERATION SHOULD BE GIVEN FOR USING PRIVATE CONTRACTORS AND INSTITUTIONS FOR TECHNICAL ASSISTANCE, TRAINING, TEXTBOOK STORAGE AND DISTRIBUTION AND RESEARCH/EVALUATION.

12. WOMEN IN DEVELOPMENT

THE PP SOCIAL SOUNDNESS ANALYSIS SHOULD ADDRESS THE SHORT- AND LONG-TERM IMPLICATIONS OF IMPROVED EDUCATION FOR WOMEN. PARTICULAR ATTENTION SHOULD BE FOCUSED ON HOW EDUCATION FOR DISPLACED WOMEN WILL AFFECT THEIR WILLINGNESS TO RETURN TO RURAL AREAS.

13. PROGRAMMING

A-5

E AMOUNT OF FY 1983 F NDING FOR THIS PROJECT IS STILL
CERTAIN. CURRENTLY, THE BUREAU IS DISCUSSING OYB LEVELS
ITH PPC AND WILL ADVISE MISSION WHEN THESE ARE
STABLISHED. ALSO, AS PROPOSED, THE YEARLY OBLIGATIONS
ILL REQUIRE A DISPROPORTIONATE SHARE OF THE TOTAL GRANT
NDS AVAILABLE IN THE REGIONAL OYB ACCOUNTS. WE DO NOT
XPECT TO BE ABLE TO FUND THIS PROJECT TOTALLY AS A GRANT
ITHIN THE 3 YEAR TIMEFRAME. THEREFORE, THE MISSION
HOULD CONSIDER ALTERNATIVE FINANCING PLANS. THESE MIGHT
NCLUDE: (A) LOAN-GRANT SPLITS; (B) EXTENDING THE PACD TO
ESSEN YEARLY GRANT FINANCING BURDENS; AND (C) REDUCING
HE SIZE OF THE PROJECT.

4. EVALUATIONS

HE PP WILL INCLUDE A CALENDAR FOR EXTERNAL EVALUATIONS OF
ROJECT IMPLEMENTATION ACTIVITIES. THE FIRST EXTERNAL
VALUATION SHOULD BE SCHEDULED ONE YEAR TO FIFTEEN MONTHS
FTER PROJECT OBLIGATION. SPECIAL EMPHASIS SHOULD BE
LACED ON THE ADULT EDUCATION AND SKILLS TRAINING
LEMENTS. DAM

7270

NNN

ANNEX B-1

EDUCATION PROJECT
([illegible])

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
	Measures of Goal Achievement:		
Goal:			
To improve the socio-economic well being of the primary school age children in El Salvador.	Improvement in living conditions of primary school-age children.	Periodic and end of of Project evaluations	Increased access to improved educational services lead to a more productive life.
	Avg. number years of formal schooling rises from 3 in 1984 toward 4 in 1988.	Socio-Economic studies.	Increase knowledge/ skills result in better living habits/standards.
Purpose:			
To assist the MOE in restoring the effectiveness and accessibility of the primary educational services in El Salvador to pre-conflict levels.	Enrollment in the public primary school system has increased from 50% in 1984 to 65% in 1987.	Periodic and end of project evaluation	That the GOES provides adequate budgetary support.
	The literacy rate increases from 60% in 1984 to 70% in 1988.	MOE survey of enrollment, student retention, literacy and academic test results.	That the climate of violence does not spread to areas programmed to receive projects interventions.
		Evaluation of attendance records.	
	Repeater and dropout rates decrease.	MOE reports, periodic evaluation.	That Economic conditions do not worsen to the point where family members will be forced to leave school in significant numbers to seek employment at a younger age.
	Student evaluations show increase in performance.	MOE reports, periodic evaluation	

87

	Avg. cost per public school student in the public education system does not rise between 1985 to 1988. The percentage of unassigned and salaried teachers drops to 1% by 1987.		That the GOES will adopt a policy to insure that salaried unassigned teachers receive first priority to fill new vacant positions.

OUTPUTS

1. Revitalization of schools

Increase the number of public primary school classrooms available.	2,400 classrooms renovated and 400 new classrooms constructed by the end of the Project.	MOE reports, contract engineers reports, periodic evaluations.	Land titling of new classrooms can be accomplished expeditiously. Updated inventory of existing schools is completed by March 31, 1985 Adequate building materials are produced locally to permit construction and repair. Weather, labor strikes, cost increases do not interfere with construction.

2. School Maintenance System

a. The MOE will be able to expand its maintenance operations to include a nationwide preventive maintenance program for primary schools.	MOE's Maintenance Division will be provided with vehicles, tools and funding required to procure materials locally.	MOE reports on schools maintenance & repair requests.	Willingness of the MOE to establish and implement guidelines requiring reporting and updating of school inventory system.
b. Maintenance consciousness and capability instilled in school directors, teachers, students and parents in primary schools.	90% of primary school directors and teachers will have received maintenance motivational training and have received maintenance manuals and kits by the end of the Project.	MOE reports. Engineers reports	MOE will make school directors and teachers responsible for preventive maintenance.

	Preventive maintenance being performed by teachers, students and community in 85% of primary schools by end of project.	MOE reports and evaluations	Willigness of MOE to fully support the maintenance program.
3. School furniture, equipment and supplies.			
Immediate impact on the instructional process by developing an environment that will improve student earning, retention and drop-out rates.	Furnishing and equipping of about 3,600 classrooms. Distribution of schools supplies and materials to primary schools.	MOE reports and evaluations.	Schools needs are properly identified during survey.
4. Textbooks			
Printing and distribution of primary school textbooks.	3.5 million textbooks will be printed and distributed to primary school students by the end of the project.	MOE's reports and evaluations.	Private and public sector printing capacity is sufficient.
	100% of primary school teachers (grades 1-6) will have received training in the use of the new textbooks.	MOE's reports and evaluations.	Logistics management capability exists in the MOE.
		A.I.D. sponsored seminar to select textbooks to be printed.	Teachers will accept the project financed text-books.
5. Administration and Coordination			
Establishment of a Special Project Implementation Unit responsible for the coordination of the Project.	SPIU is accredited to the MOE with direct access to all of MOE's divisions.	SPIU and MOE reports and evaluations.	Willingness of the GOES to give the SPIU the necessary support to make it functional.

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumptions
INPUTS			
a. Construction and Repair			
Classroom Construction	$ 3,766	Controller's Records	Timely availability of funds
Classroom Renovation	7,680		
Sanitray Services	952		
Supervision Contract/ Construction	800		
Technical Assistance (Gasoline Study)	250		
	$ 13,549		
b. School Maintenance			
Vehicles	616		
Tools and Equipment	66		
Materials and Supplies	1,122		
Maintenance Kits	50		
Technical Assistance	120		
Transportation Costs	504		
	$ 2,508		
c. School Furniture and Classroom Equipment			
Classroom Furniture	$ 6,920		
Classroom Equipment	1,350		
Classroom Materials	765		
	$ 9,035		
d. Textbooks			
Textbook Printing	$ 2,450		
Supervision and Delivery-Textbooks	407		
Teacher Guides and Orientation	33		
	$ 2,890		

e. [illegible]

Professional Staff Salaries	$ 805
Operating Costs	50
Equipment and Vehicles	50
Technical Assistance	60
	$ 1,065
f. Evaluation	$ 50
g. Contingency	$ 3,010
h. Inflation	$ 4,454
GRAND TOTAL	$ 37,600

1:7-E
10/[illegible]/94:1347

5C(2) PROJECT CHECKLIST

Listed below are statutory criteria applicable to projects. This section is divided into two parts. Part A. includes criteria applicable to all projects. Part B. applies to projects funded from specific sources only: B.1. applies to all projects funded with Development Assistance funds, B.2. applies to projects funded with Development Assistance loans, and B.3. applies to projects funded from ESF.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE? HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT?

A. GENERAL CRITERIA FOR PROJECT

1. FY 1982 Appropriation Act Sec. 523; FAA Sec. 634A; Sec. 653(b).

   (a) Describe how authorizing and appropriations committees of Senate and House have been or will be notified concerning the project; (b) is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than $1 million over that amount)?

   Congress will be informed through a CN

2. FAA Sec. 611(a)(1). Prior to obligation in excess of $100,000, will there be

   (a) Yes

	(a) engineering, financial or other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?	(b) Yes
3.	FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?	Constituent Assembly must ratify signature of Grant Agreement. In the past year, no AID/GOES Agreements have been excessively delayed.
4.	FAA Sec. 611(b); FY 1982 Appropriation Act Sec. 501. If for water or water-related land resource construction, has project met the standards and criteria as set forth in the Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973? (See AID Handbook 3 for new guidelines.)	N/A
5.	FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed $1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project?	The Mission Director's Certification is attached to the PP as an Annex.

6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs.	No
7. FAA Sec. 601(a). Information and conclusions whether project will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; and (c) encourage development and use of cooperatives, and 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.	The Project will not have significant impact on any of the points (a-f).
8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).	The Project will benefit U.S. private trade through the procurement of technical assistance and equipment.

9.	FAA Sec. 612(b), 636(h); FY 1982 Appropriation Act Sec. 507. 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 in lieu of dollars.	The GOES is providing counterpart contribution to the Project in local currency.
10.	FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?	No
11.	FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?	Yes
12.	FY 1982 Appropriation Act Sec. 521. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity?	No
13.	FAA 119(c) and (d). Does the project comply with the environmental procedures set forth in AID Regulation 16? Does	Yes

the project or program take into consideration the problem of the destruction of tropical forests?

14. FAA 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (dollars or local currency generated therefrom)? N/A

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

a. FAA Sec. 102(b), 111, 113, 281(a). Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (b) help develop cooperatives, especially by [illegible] assistance, to assist rural and urban poor to help themselves toward better life, and

This Project will directly benefit the poor by providing them with the educational background to become involved in the economy. The Project will directly support the self-help efforts of the country by expanding the access of its population to primary school education.

otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economics of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries?	
b. FAA Sec. 103, 103A, 104, 105, 106. Does the project fit the criteria for the type of funds (functional account) being used?	Yes
c. FAA Sec. 107. Is emphasis on use of appropriate technology (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?	Yes
d. FAA Sec. 110(a). Will the recipient country provide at least 25% of the costs of the program, project, or activitiy with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)?	Yes

e. FAA Sec. 110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing, or is the recipient country "relatively least developed"? (M.O. 1232.1 defined a capital project as "the construction, expansion, equipping or alteration of a physical facility or facilities financed by AID dollar assistance of not less than $100,000, including related advisory, managerial and training services, and not undertaken as part of a project of a predominantly technical assistance character.

Yes. Justification to Congress has been made through a CN.

f. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

Yes

g. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's [illegible] resources to [illegible]

This Project provides assistance to strengthen the entire educational system, and supports basic literacy skills which are essential to effective participation in the governmental process.

institutional development; and supports civil education and training in skills required for effective participation in governmental processes esential to self-government.

2. Development Assistance Project Criteria (Loans Only)

a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan, at a reasonable rate of interest. N/A

b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, 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? N/A

c. ISDCA of 1981, Sec. 724 (c) and (d). If for Nicaragua, does the loan agreement require that the funds be used to the maximum extent possible fo the private sector? Does the project provide for monitoring under FAA Sec. 624(g)? N/A

✓ 3. Economic Support Fund Project Criteria

a. FAA Sec. 531(a). Will this assistance promote economic or political N/A

stability? To the extent possible, does it reflect the policy directions of FAA Section 102?

b. FAA Sec. 531(c). Will assistance under this chapter be used for military, or paramilitary activities? N/A

c. FAA Sec. 534. Will ESF funds be used to finance the construction of the operation or maintenance of, or the supplying of fuel for, a nuclear facility? If so, has the President certified that such use of funds is indispensable to nonproliferation objectives? N/A

d. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made? N/A

ANNEX D

MINISTERIO DE PLANIFICACION
Y COORDINACION DEL DESARROLLO
ECONOMICO Y SOCIAL
SETEFE-150/85

San Salvador, 14 de febrero de 1985.

ASUNTO: Necesidad agilización firma
Convenio Donación, Proyecto 519-0295.

Señor
ROBIN GOMEZ
Director
Agencia para el Desarrollo
Internacional (AID),
Presente.

Estimado Señor Gómez:

Quiero destacar en esta oportunidad, la importancia y total apoyo que esta Secretaría de Estado otorga al Proyecto de Alfabetización Salvadoreña, a ser ejecutado por el Ministerio de Educación.

Lamentablemente, dicho Ministerio al someterlo a consideración de esa Agencia, como componente del Proyecto AID No. 519-0295 "Revitalización del Sistema Educativo", ha sido notificado que no se dispone de fondos para apoyarlo financieramente; sin embargo, sería beneficioso considerar la posibilidad de su financiamiento con otras alternativas.

Específicamente, en cuanto al Proyecto AID No. 519-0295 "Revitalización del Sistema Educativo", que se encuentra en la etapa final de negociación, solicito brindar la agilización necesaria, a fin de que se efectúe su suscripción e iniciar lo más pronto su implementación, dada la importancia que representa para nuestro país.

Atentamente,

FIDEL CHAVEZ MENA
MINISTRO

92

ANNEX E

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

I, Robin L. Gómez, as Director of the Agency for International Development Mission to El Salvador, having taken into account, among other things, the maintenance and utilization of projects previously financed by USAID/El Salvador, do hereby certify that in may judgement the Goverment of El Salvador and the implementing agency have the financial capacity to effectively utilize and maintain the proposed Education System Vitalization Projec Grant.

Robin L. Gómez

Director

USAID/El Salvador

ANNEX F

SCHOOL MAINTENANCE KIT

1 Metal brush	$ 7.20
2 Paint brush	4.80
24 Pz Sand Paper	4.80
1 Shovel	6.80
1 Pickaxe	5.60
1 Steel drum	16.00
1 Insulated plier	9.60
1 Insulated plier 5"	7.20
2 Stillson wrench	40.00
1 Hand saw (wood) 24"	12.00
1 Wheel barrow	40.00
1 Set of screw drivers	7.20
1 Machete	4.60
1 Broom	3.00
SUB-TOTAL	$178.00
TOTAL	$200.00/school

IBRD PROGRAM

ANNEX C

CRONOGRAMA PARA LICITACION DE LIBROS, CUADERNOS DE TRABAJO Y GUIAS DIDACTICAS PARA 1°, 2°, 3° Y 4° GRADOS DE EDUCACION BASICA

A Ñ O D E 1 9 8 5

ITEM	ACTIVIDADES	FEBRERO	MARZO	ABRIL	MAYO	JUNIO	JULIO	AGOSTO	SEPTIEMBRE	OCTUBRE
1	REVISION Y APROBACION CARTEL GOES Y BIRF									
2	REPRODUCCION CARTEL									
3	PREPARACION OFERTAS (INICIA CONCURSO)									
4	RECEPCION OFERTAS (APERTURA)									
5	ANALISIS OFERTAS RECOMENDACION DE ADJUDICACION									
6	PREPARACION Y LEGALIZACION DE CONTRATOS									
7	ORDEN DE COMENZAR (90 DIAS CALENDARIO)									
8	RECEPCION DEL SUMINISTRO									

ANNEX H

SUMMARY COSTING OF PROJECT INPUTS AND OUTPUTS
(US$'000)

INPUTS/ELEMENTS	OUTPUTS	COST				
		Dalasi			GOGS	PROJECT
		FX	LC	TOTAL		TOTAL
I. Construction and Repair						
Classrooms	Construction and furnishing of 400 classrooms.		3,766	3,766		3,766
Classroom	Repair and refurbish 2,400 classrooms.		7,690	7,690		7,690
Sanitary Services	Construction and installation of 560 latrines.		952	952		952
Supervision Contract/Construction	Contracts for construction firms to supervise construction.	800		800		800
Technical Assistance	Technical support for feasibilty and implementation plans.	350		350		350
Land/Salaries	Acquisition of land for new schools and increased MOE staff resources				7,010	7,010
Total Component I		1,150	12,398	13,548	7,010	20,558

INPUTS/ACTIVITIES	OUTPUTS	COST				
		Foreign	Local	Total	GOES	Project Total
II. School Maintenance System						
Vehicles	5 Jeeps, 8 pick-up trucks and 8 8-ton trucks.	616		616		616
Tools and Equipment	Various	33	33	66		66
Materials and Supplies	Various		1,122	1,122		1,122
Maintenance Kits	Various		80	80		80
Technical Assistance	1 person year to develop maintenance manual and provide maintenance training.	120		120		120
Transportation Costs	Fuel and maintenance		504	504		504
Salaries/Operating Expenses	Salaries, office rent, office supplies & equipment, telephone/ utilities and misc. office costs.				2,240	2,240
Total Component II		769	1,739	2,508	2,240	4,748
III. School Furniture, Equipment and Supplies						
Classroom Furniture	School desks, teacher desk and chairs sufficient to furnish 3,800 classrooms.	6,920		6,920		6,920

ELEMENTS	DETAILS	COST			GOES	PROJECT
		FX	LC	TOTAL		TOTAL
Classrooms Equipment	Desk Storage cabinets, blackboards, etc.	475	775	1,250		1,250
Teaching Materials and Supplies	Chalks, erasers, maps, charts, graphs		865	865	500	1,365
Total Component III		7,395	1,640	9,035	500	9,535
IV. Textbooks						
Textbooks Printing	Provision of over 3.0 million texts and workbooks to primary schools	3,450		3,450		3,450
Supervision and delivery for Textbooks	Technical assistance for the MCC to improve its ability to store and distribute textbooks, and distribution of texts financed by Project		407	407		407
Teacher Guides	Provision of didactic guides for all urban teachers (Grades 1-4) and for all teachers, rural and urban (Grades 5-6)	33		33		33
Total Component IV		3,493	407	3,890		3,890

[illegible]	[illegible]	Cost				
		[illegible]	Salaries		Fees	Project Total
			LC	Total		
V. [illegible]						
Personnel	Specialized professionals for SPU.	605	300	905		905
Counterpart Personnel	Salaries for various personnel				2,019	2,019
Operating Costs	Office supplies & equipment, telephone/utilities and misc. office costs.		50	50		50
Rent	Office space				49	49
Equipment and Vehicles	Various	50		50		50
Technical Assistance	Various	60		60		60
Total Component V		715	350	1,065	2,068	3,133
Evaluation		50		50	35	85
Subtotal (all components)		13,562	16,534	30,096	11,953	41,949
Contingency (approximately) 10%		1,356	1,654	3,010		3,000
Inflation (approximately) 15%		2,034	2,460	4,494	1,147	5,651
TOTALS		16,952	20,648	37,600	13,000	50,600

99

METHODS OF IMPLEMENTATION AND FINANCING
(U.S.$000)

TYPE OF ASSISTANCE	METHOD OF IMPLEMENTATION	PURCHASING AGENT	METHOD OF PAYMENT	APPROPRIATE AMOUNT*
1. Component I				
Classrooms Construction	Profit-making contractors	Host country	FAR	$ 3,766
Classroom Renovation	Profit-making Contractors	Host country	Cost plus Fixed Fee	$ 7,680
Sanitary Services	Non-profit organization (MOE)	Host country	Direct Reimbursement	$ 952
Supervisory Services	Profit-making contractor	A.I.D.	Direct Reimbursement	$ 800
Technical Assistance	Profit-making contractor	A.I.D.	Direct Reimbursement	$ 350
2. Component II				
Vehicles	Profit-making contractor	A.I.D.	Direct L/Comm	$ 616
Tools and Equipment	Profit-making contractor	A.I.D.	Direct L/Comm	$ 66
Materials and Supplies	Profit-making contractor	A.I.D.	Direct L/Comm	$ 1,122
Maintenance Kits	Profit-making contractor	A.I.D.	Direct L/Comm	$ 80
Technical Assistance	Profit-making contractor	A.I.D.	Direct Reimbursement	$ 120
Transportation	Profit-making contractor	Host country	Direct Reimbursement	$ 504

0066b
10/28/84

190

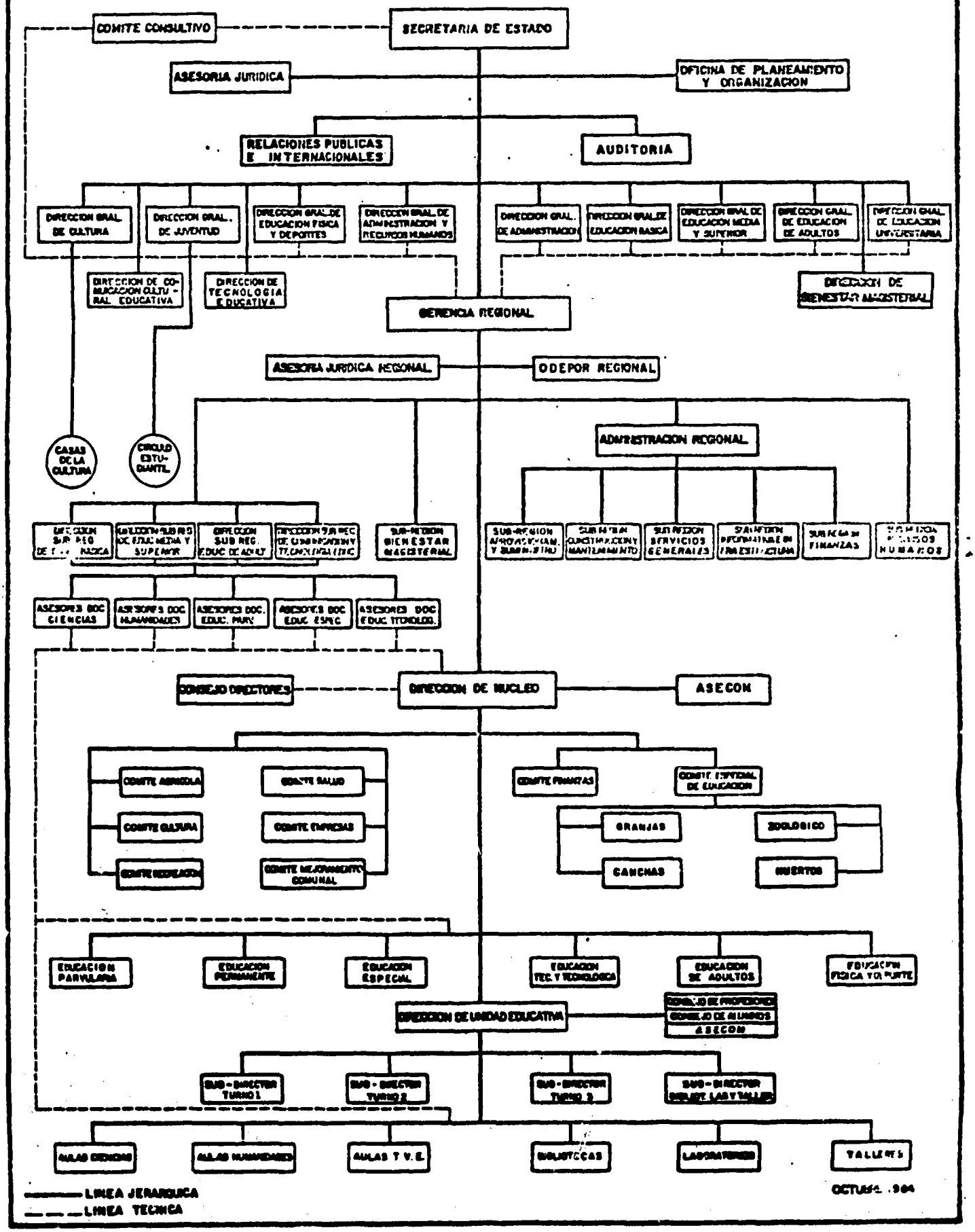
METHODS OF IMPLEMENTATION AND FINANCING
(U.S.$ 000)

TYPE OF ASSISTANCE	METHOD OF IMPLEMENTATION	PROCESSING AGENT	METHOD OF PAYMENT	APPROPRIATE AMOUNT*
3. Component III				
Classroom Furniture	Profit-making contractor	A.I.D.	Direct Reimbursement	$ 6,920
Classroom Equipment	Profit-making contractor	A.I.D.	Direct Reimbursement	$ 1,250
Classroom Materials	Profit-making contractor	A.I.D.	Direct Reimbursement	$ 865
4. Component IV				
Textbook Printing	Profit-making contractor	A.I.D.	Direct L/Comm	$ 3,450
Supervision and Delivery	Profit-making contractor	A.I.D.	Direct Reimbursement	$ 407
Teacher Guides and Orientation	Profit-making contractor	A.I.D.	Direct L/Comm	$ 33
5. Component V				
Professional Staff	U.S./Salvadoran Non-profit organization	Host country	Direct Pay	$ 905
Equipment and Vehicles	U.S./Salvadoran Non-profit organization	Host country	Direct L/Comm	$ 50
Operating Costs	U.S./Salvadoran Non-profit organization	Host country	Direct L/Comm	$ 50
Technical Assistance	U.S./Salvadoran Non-profit organization	A.I.D.	Direct Pay	$ 60

* Difference between these total costs and total Project costs are due to evaluation, inflation and contingency.

006/b
10/26/84

ORGANIGRAMA GENERAL DEL MINISTERIO DE EDUCACION
REPUBLICA DE EL SALVADOR C. A.



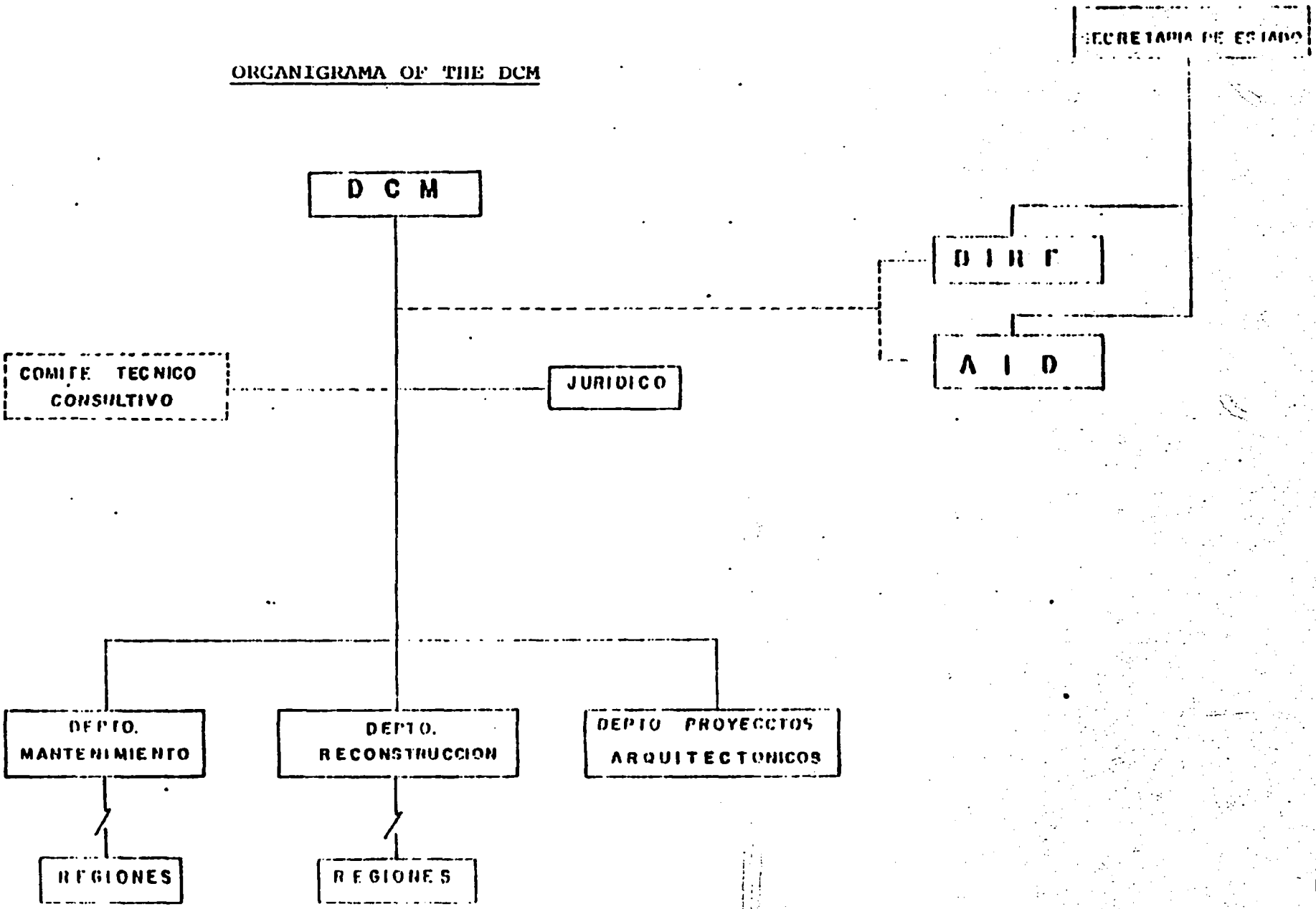
ENGINEERING COST ESTIMATES
($U.S. 000)

Estimated Construction Cost of a Primary School Classroom.

Description	Round Average Cost
1. Average Cost Per Classroom:	
a. Direct Costs:	5,290
b. Indirect Costs	4,125
T O T A L	9,415
2. Break Down	
a. Direct Costs	
i) Materials:	3,470
ii) Labor:	1,820
iii) Transport:	—
iv) Tools and Eq.	—
T O T A L	5,290
b. Indirect Costs	
i) Administration:	2,004
ii) Profits:	1,200
iii) Contingencies	921
T O T A L	4,125

ANNEX I

ORGANIGRAMA OF THE DCM



NOVIEMBRE, 1983

ANNEX M

REPAIR AND MAINTENANCE EQUIPMENT FOR REGIONAL MOBIL UNITS

2	Stillsons wrenchs	$ 40.00
1	Stillsons wrenchs 5"	7.20
1	Set of screwdrivers	7.20
1	Set of philips screwdrivers	7.20
1	Wire pliers	2.00
1	Measuring roll (3 mts.)	12.00
20	± of steel wire	10.00
1	Level unit box	20.00
1	Ladder	288.00
1	Shovel	6.80
1	Twibill	9.20
1	Machete	4.60
12	Pz Wood sand paper	2.40
1	Plier 8"	7.20
1	Iron bar	22.00
1	Hammer	6.00
1	Steel saw/frame 12"	4.80
1	Flashlight	5.00
2	Steel bucket	4.00
1	Large hammer	9.60
1	Iron point 12"	12.00
1	Chicel 6"	4.20
1	Steel brush	7.20
2	Paints brushes 3"	4.80
2	Brooms	6.00
12	Pz of steel sand paper	2.40
1	Insulated plier	9.60
	SUB-TOTAL	600.00*
	TOTAL $	4,800.00

* Equipment to be duplicated for each of the 8 working zones.

ANNEX M-2

REGIONAL EQUIPMENT FOR SCHOOL REPAIR

2 Electrical solderer	$ 1,024.00
1 Gasoline solderer/generator	4,800.00
1 Electrical drill 1/2" 3/4"	100.00
2 Vice-bench	128.00
45 mts. ± 8 wire	141.30
1 Aluminum ladder	288.00
1 Aluminum ladder 6"	48.00
1 Platform-scale (500±)	800.00
1 Emery-Machine	160.00
1 Polishing machine	160.00
SUB-TOTAL	$ 7,700.00*
TOTAL	$ 61,600.00

* equipment to be duplicated for each of the 8 working zones.

ANNEX M-3

DRAFT TEACHERS'S MANUAL

INDEX:

a) Roofs

1.1 Walk only on the rigid parts of ashestos-cement sheets of the roof.

1.2 Dispose of garbage and waste detained which could cause damage or obstruction to the drainage system.

1.3 Inspect and replace damage roof anchor if they are missing or damaged.

b) Metalic Structures

1.1 Inspect metalic structure, looking for corrosion spots or fatigue.

1.2 In case of corrosion, sand the affected area and paint it back with anticorrosive paint.

1.3 If there are signals of fatigue, report them to the area supervisor or to the D.C.M.

c) Doors and Windows

1.1 Maintain periodically lubricated the door hinges.

1.2 Maintain the painted surface of the door(s) clean of spots with soap and water.

d) Electrical Systems

1.1 Light accesories and light boxes should be weekly inspected to check if they are blown or faulty; replace it or report to D.C.M.

1.2 It is necessary to keep stock of light bulbs or fluorescent tubes. Avoid breaking them, keeping these protected with paper or in boxes.

1.3 Every fuse on the main switch box should be clearly identified, likewise the other controls of each circuit.

1.4 Do not paint the interior of the switch box - the operational capability of the fuses could be affected.

1.5 Fuses should be replaced when needed.

e) Drainage Systems

1.1 Clean catch basin in the yard, toilets, urinaries and drainage channels.

1.2 Repair faucets and sifons with leaks.

1.3 Use drainage cleaners in urinaries and lavatories whenever applicable or necessary.

f) Sanitary Service

1.1 Maintain floors, walls and toilets or latrines clean, according to the type, of papers and offensive materials; if there is water supply system, wash the sanitary unit as often as possible.

1.2 Maintain doors and locks in the sanitary services in functional conditions.

g) Painted Surfaces

1.1 Painted surfaces with oil-base paint (walls, cabinets, blackboards and desks), should be washed with a mild cleaner or soft solution.

1.2 Small scratches or peelings in the paint of surfaces as the ones mentioned above (1.1) should be re-painted whenever needed.

h) Floors and Terracing

1.1 Sweep every day. Keep the floors clear of garbage and waste.

1.2 Big cracks, holes and other surface deffects which represent a danger should be reported to the DCM

1.3 Report immediately to the D.C.M. of any unusual depression on the near by ground of the school building or sanitary services.

1.4 Gutters, curbs, etc., damaged or faulty should be reported to D.C.M.

1.5 Drainage channels should be kept open and clean. It is important that all the leaves, dirt, etc. should be removed periodically.

i) Yard

1.1 Watering, fertilize, remove weeds, cut and dispose of plants waste.

1.2 Cultivate and plant ornamental and functional vegetation.

j) Locks and keys

1.1 Lubricate locks and keys periodically, replace the ones not functioning or damaged.

k) Blackboard and Furniture

1.1 Clean periodically the blackboard with soap and water. When the blackboard has spots on it, paint the area with similar paint.

1.2 Clean and repair damage on desks at least every six months.

ANNEX M-9

PROJECT PERSONNEL REQUIREMENTS PER REGION

Sub-regional administrative organization

1	Supervisor (sub-regional chief)
1	Assistant
1	Warehouseman
1	Warehouseman assistant
1	Secretary
5	8 x 5 : 40

Sub-regional field personnel

3	Formen
12	Masons
1	Plumber
1	Mechanic
1	Electrician
1	Electrician's helper
1	Carpenter
16	Laborers
1	Iron worker
1	Welding mechanic
1	Tin man
1	Watchman
1	Mechanic helper
1	Carpenter helper
3	Drivers
1	Mobil unit assistant
1	Welder helper
50	8 x 50 : 400

TOTAL 440

ANNEX M-10

QUARTERLY MAINTENANCE AND INSPECTION FORM

Date:

Place:

School:

No. of Classrooms:

Codes: R Revised
C Correct
D Deffective

Roofs

Ashestos Sheets	R	C	D
Anchores	R	C	D
Metal Structures	R	C	D
Drainage Channels	R	C	D

Doors and Windows

Hinges	R	C	D
Locks	R	C	D
Physical condition of doors	R	C	D
Physical condition of windows	R	C	D
Physical condition of paint job	R	C	D

Walls

Physical state of struct.	R	C	D
Paint	R	C	D

Miscellaneous

Blackboards	R	C	D
Desks	R	C	D
Floors	R	C	D
Drainages	R	C	D
Sanitary basins	R	C	D

ANNEX M-11

Electric System		Observations
Thermic box	R C D	_____
Lamps	R C D	_____
Electric Outlets	R C D	_____
Wires	R C D	_____
Accessories	R C D	

Inspector's name _____

Supervisor's signature _____

Director's signature _____

ANNEX M-12

VEHICLES FOR REGIONAL OFFICES*

8	Jeep 4WD-CJ7 (diesel)	$ 112,800.00
8	Pick-Up 4WD (diesel)	112,800.00
8	Trucks 8 Tons (diesel)	390,400.00
	TOTAL	$ 616,000.00

* Each zone would have one Pick-Up, one truck and jeep.

CUADRO DE COSTOS UNITARIOS PARA IMPRESION DE MATERIAL EDUCATIVO DE 1985

MATERIAL EDUCATIVO	IMPRESION	RANGO Nº DE PAGINAS	COSTO UNITARIO U.S. $	TIRAJE MAXIMO MILES
Libros 1er. Grado	Separación colores (se darán negativos)	160 a 200	1.15	255
Libros 2º grado	Dos colores (se darán negativos)	112 a 192	0.75	280
Libros 3er.Grado	Se darán artes finales	152 a 264	0.95	225
Libros 4º Grado	Se darán artes finales	152 a 280	1.05	170
Cuaderno Trabajo 1er. Grado	Un color (se darán negativos)	70	0.55	125
Cuaderno Trabajo 2º grado	Un color (se darán negativos)	152 a 200	0.70	140
Guías didácticas todos los grados	Se darán artes finales	50 a 150	1.25	40

NOTA : 1- Los costos se basan en datos históricos de 1984

2- Los costos no contemplan contingencias físicas ni de precios

3- Los costos están calculados así U.S. $ 1 = ¢ 2.50 colones salvadoreños.

ANEXO N

117