

**AGENCY FOR
INTERNATIONAL
DEVELOPMENT**



ANNUAL BUDGET SUBMISSION

FY 1981

EL SALVADOR

**DEPARTMENT
OF
STATE**

MAY, 1979





EMBASSY OF THE
UNITED STATES OF AMERICA

San Salvador, El Salvador

May 15, 1979

Dr. Abelardo L. Valdez
Assistant Administrator
Bureau for Latin America and Caribbean
Agency for International Development
Washington, D. C. 20523

Dear Lalo:

I endorse the development strategy as proposed in the USAID Annual Budget Submission (ABS) for FY 1981. It is consistent with the CDSS Analysis and the USG's overall concern with El Salvador's economic and social problems. The projects to be undertaken represent a well conceived approach to confronting this country's very serious development problems within the funding levels dictated by AID/W.

Although the funding levels presented in this ABS are considerably lower than the levels proposed in the CDSS, I realize that human rights considerations are affecting the Agency's planning levels for El Salvador. As documented in our CDSS, however, we must not lose sight of the fact that the basic human needs in this over-crowded poor country are great and likely to worsen. Therefore, I recommend that to the extent possible we keep our options open in order to have the flexibility to adjust our assistance levels as the situation warrants.

I thank you for your support to our continued efforts to help El Salvador's poor majority.

Sincerely,

A handwritten signature in cursive script, appearing to read "Frank J. Devine", written in black ink.

Frank J. Devine
American Ambassador

ANNUAL BUDGET SUBMISSION

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TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$ Thousands)

| Development Assistance | FY 1979 | | FY 1980 | | Decision Unit EL SALVADOR | | | FY 1981 REQUEST | | PLANNING PERIOD | |
|---------------------------------------|--------------|--------------|-------------|------|---------------------------|---------|--------------|-----------------|--------------|-----------------|--------------|
| | Est. | Est. | Est. | Est. | Minimum | Current | AAFL | 1982 | 1983 | 1984 | 1985 |
| | | | | | | | | | | | |
| Agriculture, Rural Dev. & Nutrition | | | | | | | | | | | |
| Grants | 983 | 1268 | 875 | | 875 | | 875 | 600 | 700 | 650 | 500 |
| Loans | 3300 | 3700 | 4200 | | 4200 | | 4200 | 5700 | 4000 | 2000 | 3000 |
| Population | | | | | | | | | | | |
| Grants | 720 | 540 | 510 | | 510 | | 510 | 900 | 900 | 1000 | 1000 |
| Loans | - | - | - | | - | | - | - | - | - | - |
| Health | | | | | | | | | | | |
| Grants | 740 | 482 | 193 | | 193 | | 193 | 900 | 450 | 350 | 500 |
| Loans | - | 3000 | 2000 | | 2000 | | 2000 | - | - | 6000 | 3600 |
| Education | | | | | | | | | | | |
| Grants | 445 | 335 | 161 | | 161 | | 161 | 800 | 350 | 350 | 500 |
| Loans | 4200 | - | - | | 2000 | | 2000 | 5200 | 3000 | 3600 | 4000 |
| Selected Dev. Activities | | | | | | | | | | | |
| Grants | 978 | 1175 | 641 | | 641 | | 2761 | 900 | 900 | 850 | 900 |
| Loans | - | 2000 | - | | - | | 2000 | - | 4700 | 5200 | 6000 |
| SUBTOTAL FUNCTIONAL ACCOUNTS | | | | | | | | | | | |
| Grants | 3866 | 3800 | 2380 | | 2380 | | 4800 | 4100 | 3300 | 3200 | 3400 |
| Loans | 7500 | 8700 | 6200 | | 6200 | | 10200 | 10900 | 11700 | 16800 | 16600 |
| Other DA Accounts (Specify) | | | | | | | | | | | |
| Grants | - | - | - | | - | | - | - | - | - | - |
| Loans | - | - | - | | - | | - | - | - | - | - |
| TOTAL DA ACCOUNTS | | | | | | | | | | | |
| Grants | 3866 | 3800 | 2380 | | 2380 | | 4800 | 4100 | 3300 | 3200 | 3400 |
| Loans | 7500 | 8700 | 6200 | | 6200 | | 10200 | 10900 | 11700 | 16800 | 16600 |
| Security Supporting Assistance | | | | | | | | | | | |
| Grants | - | - | - | | - | | - | - | - | - | - |
| Loans | - | - | - | | - | | - | - | - | - | - |
| TOTAL DA AND SSA | 11366 | 12500 | 8580 | | 8580 | | 15000 | 15000 | 15000 | 20000 | 20000 |
| PL 480 (non-add) | | | | | | | | | | | |
| Title I (of which Title III) | | | | | | | | | | | |
| Title II | 2290 | 2162 | 2163 | | 2163 | | 2163 | 2500 | 2800 | 3100 | 3500 |
| Housing Guaranties (non-add) | | | 10000 | | 10000 | | 10000 | 10000 | | | 10000 |

| APPROPRIATION ACCOUNT/PROJECT NO./TITLE | | DECISION UNIT | | | | | Minimum | FY 1981 Current | AAPL |
|---|---|---------------|---------|---------|---------|---------|---------|--------------------|------|
| | | EL SALVADOR | | | | | | | |
| | | L/G | FY 1979 | FY 1980 | FY 1981 | FY 1981 | | | |
| AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION | | | | | | | | | |
| 519-0167 | Food & Nutrition, Technical Support | G | 75 | 55 | 75 | 75 | | 75 | |
| 519-0182 | Nutrition Improvement | G | 200 | 161 | | | | | |
| 519-0192 | Small Farmer Development | G | 300 | 76 | 200 | 200 | | 200 | |
| 519-0192 | Small Farmer Development | L | 3,300 | 1,700 | | | | | |
| 519-0215 | Save the Children Foundation - OPG | G | 208 | 426 | 250 | 250 | | 250 | |
| 519-0217 | Small Farm Natural Resources Management | G | 200 | | | | | | |
| 519-0222 | La Leche League - OPG | G | | 300 | 150 | 150 | | 150 | |
| 519-0228 | Rural Enterprise Development | G | | 250 | | | | | |
| 519-0229 | Rural Enterprise Development | L | | 2,000 | 2,000 | 2,000 | | 2,000 | |
| 519-0230 | Small Farm Natural Resources Management | L | | | 2,200 | 2,200 | | 2,200 | |
| 519-0231 | Small Farm Natural Resources Management | G | | | 200 | 200 | | 200 | |
| G R A N T S | | | 938 | 1,268 | 875 | 875 | | 875 | |
| L O A N S | | | 3,300 | 3,700 | 4,200 | 4,200 | | 4,200 | |
| Sub-Total Agr. Rural Development and Nutrition Sector | | | 4,283 | 4,968 | 5,075 | 5,075 | | 5,075 | |

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
 FY 1979 - FY 1981
 (Thousands \$)

| APPROPRIATION ACCOUNT/PROJECT NO./TITLE | L/G | FY 1979 | FY 1980 | Minimum | DECISION UNIT | |
|---|-----|---------|---------|---------|--------------------|-------|
| | | | | | EL SALVADOR | |
| | | | | | FY 1981 Current | AAPL |
| <u>POPULATION</u> | | | | | | |
| 519-0149 Family Planning and Population | G | 700 | | | | |
| 519-0181 Population Technical Support | G | 20 | 10 | 10 | | 10 |
| 519-0210 Population Dynamics | G | | 530 | 500 | | 500 |
| G R A N T S | | 720 | 540 | 510 | | 510 |
| L O A N S | | - | - | - | | - |
| Sub-Total Population Sector | | 720 | 540 | 510 | | 510 |
| <u>HEALTH</u> | | | | | | |
| 519-0178 Health Technical Support | G | 70 | 40 | 50 | | 50 |
| 519-0193 Rural Health Improvement | G | | 200 | | | |
| 519-0209 Rural Potable Water Delivery | G | 300 | | | | |
| 519-0218 Rural Health Improvement | L | | 3,000 | 2,000 | | 2,000 |
| 519-0224 International Eye Foundation - OPG | G | | 142 | 143 | | 143 |
| 519-0235 Amigos de la Tierra - OPG | G | 320 | 100 | | | |
| 519-0237 • San Lucas Center II - OPG | G | 50 | | | | |
| G R A N T S | | 740 | 482 | 193 | | 193 |
| L O A N S | | - | 3,000 | 2,000 | | 2,000 |
| Sub-Total Health Sector | | 740 | 3,482 | 2,193 | | 2,193 |

AID 1330-12 (8-79)

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT

FY 1979 - FY 1981

(Thousands \$)

DECISION UNIT

EL SALVADOR

| APPROPRIATION ACCOUNT/PROJECT NO./TITLE | L/G | FY 1979 | FY 1980 | Minimum | FY 1981 | | |
|--|-----|---------|---------|---------|---------|-------|--|
| | | | | | Current | AAPL | |
| <u>EDUCATION AND HUMAN RESOURCES DEVELOPMENT</u> | | | | | | | |
| 519-0168 Education Technical Support | G | 65 | 60 | 66 | | 66 | |
| 519-0172 Occupational Skills Training Program | G | 180 | 125 | 95 | | 95 | |
| 519-0190 Rural Primary Education Expansion | G | 200 | 150 | | | | |
| 519-0190 Rural Primary Education Expansion | L | 4,200 | | | | | |
| 519-0211 Rural Living Skills | G | | | | | 300 | |
| 519-0211 Rural Living Skills | L | | | | | 2,000 | |
| GRANTS | | 445 | 335 | 161 | | 461 | |
| LOANS | | 4,200 | - | - | | 2,000 | |
| Sub-Total Education Sector | | 4,645 | 335 | 161 | | 2,461 | |
| <u>SELECTED DEVELOPMENT ACTIVITIES</u> | | | | | | | |
| 519-0094 Special Development Activities | G | 50 | 50 | 50 | | 50 | |
| 519-0176 Multi-Purpose Household Survey | G | 75 | | | | | |
| 519-0177 S.D.A. Technical Support | G | 40 | 40 | 50 | | 70 | |
| 519-0197 TECHNOSERVE - OPG | G | 220 | 160 | | | | |
| 519-0212 Regional Rural Development | G | | 250 | | | | |
| 519-0212 Regional Rural Development | L | | 2,000 | | | 2,000 | |
| 519-0214 Environmental Improvement | G | 250 | 100 | 200 | | 600 | |

AID 1330-12 (3-79)

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
 FY 1979 - FY 1981
 (Thousands \$)

| APPROPRIATION ACCOUNT/PROJECT NO./TITLE | L/G | FY 1979 | FY 1980 | Minimum | DECISION UNIT | |
|---|-----|---------|---------|---------|--------------------|--------|
| | | | | | EL SALVADOR | |
| | | | | | FY 1981 Current | AAPL |
| 519-0216 FENAPES - OPG | G | 75 | | | | |
| 519-0219 Partners of the Americas - OPG | G | | 150 | 150 | | 150 |
| 519-0221 Centro José Simeon Cañas - OPG | G | | 100 | | | |
| 519-0223 League of Women Voters - OPG | G | 268 | 100 | 91 | | 91 |
| 519-0232 Economic Policy Development | G | | 50 | 100 | | 100 |
| 519-0233 Rural Environmental Action | G | | | | | 1,000 |
| 519-0234 World Vision - OPG | G | | 100 | | | 400 |
| 519-0236 CODECAVOL II - OPG | G | | 75 | | | |
| 519-0238 La Union Fishing Cooperative - OPG | G | | | | | 150 |
| 519-0239 ACAPECC - OPG | G | | | | | 150 |
| G R A N T S | | 978 | 1,175 | 641 | | 2,761 |
| L O A N S | | - | 2,000 | - | | 2,000 |
| Sub-Total Selected Development Activities Sector | | 978 | 3,175 | 641 | | 4,761 |
| SUB-TOTAL FUNCTIONAL ACCOUNTS | | 11,366 | 12,500 | 8,580 | | 15,000 |

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
 FY 1979 - FY 1981
 (Thousands \$)

| APPROPRIATION ACCOUNT/PROJECT NO./TITLE | L/G | FY 1979 | FY 1980 | DECISION UNIT | | AAPL |
|---|-----|---------|---------|---------------|---------|----------|
| | | | | Minimum | FY 1981 | |
| | | | | | Current | |
| EL SALVADOR | | | | | | |
| <u>Other Programs</u> | | | | | | |
| PL 480 Title II (Non-Add) | | 2290 | 2162 | 2163 | | 2163 |
| TOTAL ALL DA APPROPRIATION ACCOUNTS | | | | (10,000) | | (10,000) |
| HIG's (Non-Add) | | | | | | |
| Security Supporting Assistance | | - | - | - | | - |
| TOTAL SSA | | - | - | - | | - |
| TOTAL DA AND SSA | | 11,366 | 12,500 | 8,580 | | 15,000 |

EXPLANATORY ANNEX TO TABLE III

Decision Unit EL SALVADOR

| <u>Project No.</u> | | <u>Change (+ or -)</u> <u>(\$000)</u> | <u>Explanation of Change in FY 80 Funding Level</u> |
|--|--------------------------------|--|--|
| <u>Agriculture, Rural Development, and Nutrition</u> | | | |
| 519-0192 | Small Farm Dev.-G | + 76 | change in strategy requires both FY 79 and FY 80 funding |
| 519-0192 | Small Farm Dev.-L | + 1700 | change in strategy requires both FY 79 and FY 80 funding |
| 519-0228 | Rural Enterp. -G | + 250 | not shown in 1980 C.P. |
| 519-0229 | Rural Enterp. -L | + 2000 | not shown in 1980 C.P. |
| 519-0217 | Small Farm Nat. Resources -G | - 125 | to be fully funded in 1979 |
| <u>Population</u> | | | |
| 519-210 | Population Dyn. | - 300 | over-all pipeline from previous projects to cover reduction |
| <u>Health</u> | | | |
| 519-0193 | Rural Health Improvement -G | + 200 | not shown in 1980 C.P.; planned for 1979, but delayed by MOH |
| 519-0218 | Rural Health Improvement -L | - 1500 | loan to be tranched over 1980 and 1981; full amount \$5 mm |
| <u>Education</u> | | | |
| 519-0190 | Rural Primary Education -L | - 1500 | loan fully obligated in FY 1979 |
| <u>Selected Development Activities</u> | | | |
| 519-0212 | Regional Rural Development -G | + 250 | not shown in 1980 C.P. |
| 519-0212 | Regional Rural Development -L | + 2000 | not shown in 1980 C.P. |
| 519-0214 | Environment Improvment -G | - 125 | larger initial obligation in 1979 allows for reduction in 1980 |
| 519-0232 | Economic Policy Development -G | + 50 | not shown in 1980 C.P. |
| 519-0195 | Rural Service Center Dev. -G | - 100 | project postponed indefinitely |

TABLE IV PROJECT BUDGET DATA

| NUMBER | PROJECT TITLE | G/L | OBLIGATION DATE | | DATE OF NEXT PLANNED NON-ROUTINE EVAL | CUM. PIPELINE AS OF 9/30/78 | FY 1979 | | FY 1980 | | FY 1981 APL OBLIG. | FORWARD FUNDED TO (MO/YR) | FUTURE YEAR OBLIGATIONS | | | | |
|-------------------------------------|----------------------------------|-----|-----------------|--------|---------------------------------------|-----------------------------|---------|---------|---------|---------|--------------------|---------------------------|-------------------------|---------------|---------|------------------|------------------------------------|
| | | | INITIAL | FINAL | | | OBLIG. | EXPEND. | OBLIG. | EXPEND. | | | CUM. PIPELINE | CUM. PIPELINE | FY 1982 | FY 1983 & BEYOND | |
| | | | | | | | | | | | | | | | | | ESTIMATED U.S. DOLLAR COST (\$000) |
| FOOD AND NUTRITION | | | | | | | | | | | | | | | | | |
| 519-0167 | Food & Nutrition Tech. Support | G | FY 74 | Cont. | - | 36 | 75 | 80 | 31 | 55 | 68 | 18 | 75 | - | 60 | Cont. | |
| 519-0182 | Nutrition Improvement | G | FY 78 | FY 80 | Jan. 81 | 114 | 200 | 130 | 184 | 161 | 250 | 93 | - | Mar. 81 | - | - | |
| 519-0192 | Small Farmer Development | G | FY 79 | FY 81 | - | - | 300 | - | 300 | 76 | 260 | 106 | 200 | Jun. 82 | - | - | |
| 519-0192 | Small Farmer Development | L | FY 79 | FY 79 | - | - | 3,300 | - | 3,300 | 1,700 | 1,200 | 3,800 | - | Jan. 82 | - | - | |
| 519-0215 | Save the Children Foundation OPG | G | FY 79 | FY 81 | - | - | 208 | 100 | 108 | 426 | 300 | 234 | 250 | Oct. 82 | - | - | |
| 519-0217 | Small Farm Nat. Resources Mngmt. | G | FY 79 | FY 79* | - | - | 200 | 30 | 170 | - | 170 | - | - | - | - | - | |
| 519-0222 | La Leche League OPG | G | FY 80 | FY 81 | - | - | - | - | - | 300 | 280 | 20 | 150 | Nov. 82 | - | - | |
| 519-0228 | Rural Enterprise Development | G | FY 80 | FY 80 | - | - | - | - | - | 250 | 190 | 60 | - | Oct. 81 | - | - | |
| 519-0229 | Rural Enterprise Development | L | FY 80 | FY 81 | - | - | - | - | - | 2,000 | 900 | 1,100 | 2,000 | Dec. 83 | - | 2,000 | |
| 519-0230 | Small Farm Nat. Resources Mngmt. | L | FY 81 | FY 81 | Jan. 83 | - | - | - | - | - | - | - | 2,200 | Jan. 84 | - | - | |
| 519-0231 | Small Farm Nat. Resources Mngmt. | G | FY 81 | FY 81 | - | - | - | - | - | - | - | - | 200 | Mar. 83 | - | - | |
| G R A N T S | | | | | | | | | | | | | | | | | |
| L O A N S | | | | | | | | | | | | | | | | | |
| Sub-Total Food and Nutrition Sector | | | | | | | | | | | | | | | | | |
| | | | | | | | 983 | | | 1,268 | | | 875 | | | 60 | - |
| | | | | | | | 3,300 | | | 3,700 | | | 4,200 | | | - | 2,000 |
| | | | | | | | 4,283 | | | 4,968 | | | 5,075 | | | 60 | 2,000 |
| HEALTH | | | | | | | | | | | | | | | | | |
| 519-0178 | Health Technical Support | G | FY 76 | Cont. | - | 13 | 70 | 70 | 13 | 40 | 53 | - | 50 | - | 50 | Cont. | |
| 519-0193 | Rural Health Improvement | G | FY 80 | FY 80 | - | - | - | - | - | 200 | 140 | 60 | - | Jul. 81 | - | - | |
| 519-0209 | Rural Potable Water Delivery | G | FY 79 | FY 79 | Jul. 81 | - | 300 | 150 | 150 | - | 150 | - | - | - | - | - | |
| 519-0218 | Rural Health Improvement | L | FY 80 | FY 81* | Mar. 82 | - | - | - | - | 3,000 | 700 | 2,300 | 2,000 | Jan. 84 | - | - | |
| 519-0224 | Intern'l Eye Foundation OPG | G | FY 80 | FY 81 | - | - | - | - | - | 142 | 130 | 12 | 143 | Jan. 83 | - | - | |

AID 1330-8 (\$-79)

DECISION UNIT
EL SALVADOR

TABLE IV PROJECT BUDGET DATA

| PROJECT NUMBER | PROJECT TITLE | G/L | OBLIGATION DATE | | DATE OF NEXT PLANNED NON-ROUTINE FVAL | CUM. PIPELINE AS OF 9/30/78 | FY 1979 | | | FY 1980 | | | FY 1981 APPL. OBLIG. | FY 1982 & BEYOND | FY 1983 & BEYOND |
|----------------|---|-----|-----------------|-------|---------------------------------------|-----------------------------|---------|---------|--------|---------|---------------|-------|----------------------|------------------|------------------|
| | | | INITIAL | FINAL | | | OBLIG. | EXPEND. | OBLIG. | EXPEND. | CUM. PIPELINE | | | | |
| | | | FY 79 | FY 80 | | | | | | | | | | | |
| 519-0235 | Amigos de la Tierra (Water) OPC | G | FY 79 | FY 80 | - | - | 320 | 20 | 100 | 380 | 20 | - | - | - | - |
| 519-0237 | San Lucas Center II - OPC | G | FY 79 | FY 79 | - | - | 50 | 10 | - | 40 | - | - | - | - | - |
| | GRANTS LOANS | | | | | | 740 | | 482 | | | 193 | | 50 | - |
| | Sub-Total Health Sector | | | | | | 740 | | 3,000 | | | 2,000 | | - | - |
| | POPULATION | | | | | | | | 3,482 | | | 2,193 | | 50 | - |
| 519-0149 | Family Planning and Population | G | FY 76 | FY 79 | - | 587 | 700 | 736 | - | 551 | - | - | - | - | - |
| 519-0181 | Population Technical Support | G | FY 79 | Cont. | - | - | 20 | 20 | 10 | 10 | - | 10 | - | 10 | Cont. |
| 519-0210 | Population Dynamics | G | FY 80 | FY 84 | Jan.83 | - | - | - | 530 | 500 | 30 | 500 | - | 500 | 2,170 |
| | GRANTS LOANS | | | | | | 720 | | 540 | | | 510 | | 510 | 2,170 |
| | Sub Total Population Sector | | | | | | 720 | | 540 | | | 510 | | 510 | 2,170 |
| | EDUCATION AND HUMAN RESOURCES DEVELOPMENT | | | | | | | | | | | | | | |
| 519-0168 | Education Technical Support | G | FY 74 | Cont. | - | 33 | 65 | 78 | 60 | 80 | - | 66 | - | 50 | Cont. |
| 519-0172 | Occupational & Skills Trg.Prog. | G | FY 78 | FY 81 | - | 100 | 180 | 280 | 125 | 125 | - | 95 | - | - | - |
| 519-0190 | Rural Primary Educ. Expansion | G | FY 79 | FY 80 | - | - | 200 | 200 | 150 | 150 | - | - | - | - | - |
| 519-0190 | Rural Primary Educ. Expansion | L | FY 79* | FY 79 | - | - | 4,200 | 500 | - | 2,000 | 1,700 | - | - | - | - |
| 519-0211 | Rural Living Skills | G | FY 81 | FY 82 | Oct.83 | - | - | - | - | - | - | 300 | - | 150 | - |
| 519-0211 | Rural Living Skills | L | FY 81 | FY 81 | Oct.83 | - | - | - | - | - | - | 2,000 | Nov.83 | 2,000 | - |

TABLE IV PROJECT BUDGET DATA

| NUMBER | PROJECT TITLE | G/L | OBLIGATION DATE | | DATE OF NEXT PLANNED NON-ROUTINE EVAL. | CUM. PIPELINE AS OF 9/30/78 | FY 1979 | | FY 1980 | | FY 1981 APPL OBLIG. | FY 1982 | FUTURE YEAR OBLIGATIONS |
|----------|--|-----|-----------------|-------|--|-----------------------------|---------|---------|---------|---------|---------------------|---------|-------------------------|
| | | | INITIAL | FINAL | | | OBLIG. | EXPEND. | OBLIG. | EXPEND. | | | |
| | | | | | | | | | | | | | |
| | G R A N T S L O A N S | | | | | | 445 | | 335 | | 461 | 200 | |
| | Sub-Total Education and Human Resources Development Sector | | | | | | 4,200 | | - | | 2,000 | 2,000 | |
| | 4,645 | | | | | | | | 335 | | 2,461 | 2,200 | |
| | <u>SELECTED DEVELOPMENT ACTIVITIES</u> | | | | | | | | | | | | |
| 519-0094 | Special Development Activities | G | FY 70 | Cont. | - | 15 | 50 | 65 | 50 | | 50 | 50 | Cont. |
| 519-0176 | Multi-Purpose Household Survey | G | FY 76 | FY 79 | - | 73 | 75 | 148 | - | | - | - | - |
| 519-0177 | S.D.A. Technical Support | G | FY 76 | Cont. | - | 18 | 40 | 48 | 40 | | 70 | 50 | Cont. |
| 519-0197 | TECHNOSERVE - OPG | G | FY 78 | FY 80 | - | 120 | 220 | 335 | 160 | | - | - | - |
| 519-0212 | Regional Rural Development | G | FY 80 | FY 80 | - | - | - | - | 250 | | - | - | - |
| 519-0212 | Regional Rural Development | L | FY 80 | FY 81 | Nov. 82 | - | - | - | 2,000 | | 2,000 | - | - |
| 519-0214 | Environmental Improvement | G | FY 79 | FY 81 | Oct. 83 | - | 250 | - | 100 | | 600 | - | - |
| 519-0216 | FENAPES OPG | G | FY 79 | FY 79 | - | - | 75 | 40 | - | | - | - | - |
| 519-0219 | Partners of the Americas OPG | G | FY 80 | FY 81 | - | - | - | - | 150 | | 150 | - | - |
| 519-0221 | Centro Jose Simeon Cañas OPG | G | FY 80 | FY 80 | - | - | - | - | 100 | | - | - | - |
| 519-0223 | League of Women Voters OPG | G | FY 79 | FY 81 | - | - | 268 | 100 | 100 | | 91 | - | - |
| 519-0232 | Econ.Policy Development | G | FY 80 | FY 82 | - | - | - | - | 50 | | 100 | 50 | - |
| 519-0233 | Rural Environmental Action | G | FY 81 | FY 81 | - | - | - | - | - | | 1,000 | - | - |
| 519-0234 | World Vision OPG | G | FY 80 | FY 81 | - | - | - | - | 100 | | 400 | - | - |
| 519-0236 | CODECAVOL - II OPG | G | FY 80 | FY 80 | - | - | - | - | 75 | | - | - | - |
| 519-0238 | La Union Fishing Coop. OPG | G | FY 81 | FY 81 | - | - | - | - | 40 | | - | - | - |
| 519-0239 | ACAPEOC - Pantes Coop. OPG | G | FY 81 | FY 81 | - | - | - | - | - | | 150 | - | - |
| | G R A N T S | | | | | | 978 | | 1,175 | | 2,761 | 150 | |
| | L O A N S | | | | | | - | | 2,000 | | 2,000 | - | |
| | Sub-Total S.D.A. Sector | | | | | | 978 | | 3,175 | | 4,761 | 150 | |

* Final obligation date changed from 1980 C.P.

Project Title: Rural Enterprises Development
Project Number: 519-0228 G; 519-0229 L
Proposed Funding: FY 80: \$2 million loan; \$250,000 grant
FY 81: \$2 million loan; -0-
LOP: \$6.5 million loan, grant, OPG
Functional Account: Food and Nutrition

Project Background: An estimated 2.6 million of the country's 4.4 million population have per capita annual incomes below \$250. Of that 2.6 million, approximately 2.45 million live outside the capital city, including over 1.3 million small farm holders or tenants and their families, over 700,000 disperse and landless rural poor and over 400,000 inhabitants of rural towns and communities. A pervasive lack of economic opportunity is at the heart of poverty in El Salvador.

Poverty and the lack of economic opportunity, is especially severe in the country's rural "critical zones" including the eastern and northeastern Departments of La Unión, San Miguel, Morazán and Cabañas. The competition for economic assets and opportunities in El Salvador is intense, with high rates of labor underutilization in the rural sector. Effective unemployment has been estimated by the International Labor Organization at 32% of the economically active population. The rate is even higher in the critical zones wherein this project will concentrate in concert with other AID-supported efforts, both ongoing and planned.

Project Purpose and Problems Addressed: The project will develop and expand rural cooperative and small scale producer enterprises, both off farm and on-farm in order to increase economic opportunity, productivity, employment, and production in local and participatory settings. To date, there have been only limited efforts to increase productive enterprise among the Salvadoran rural poor. Efforts that have been made are typically centralized, and limited in community participation. Small-scale rural producers thus lack access to effective means for starting or

modernizing their enterprises. Among other disadvantages, they face the following constraints.

1. A lack of credit at reasonable terms and conditions. Small rural producers are often forced to loan sharks who charge rates up to 20% per day.
2. A lack of supporting technical services to help assure that enterprise assistance is sound in design, that credit finances the proper mix of inputs and investments, and that credit terms are appropriate to the enterprise's operations.
3. A lack of production and marketing information services, including appropriate technology and supply and demand information.

The project is private sector oriented and relies on community-based participation and control. Appropriate training, technical and financial resources will be channeled to rural enterprises, both off and on farm, through two field-oriented credit and service delivery institutions in the host country. One is FEDECACES, a private organization, that supports a system of multi-purpose cooperatives which serve their memberships with financing for both productive activities and basic human needs, e.g.; health care, education and shelter. AID Operational Program Grant (OPG) and Development Loan (DL) resources will assist FEDECACES increase its number of rural cooperatives (from 22 to 32) and expand rural membership (from 10,400 to 19,000) in the critical zones. Cooperative training, extension, appropriate technology and a Rural Cooperative Credit Fund will be the main inputs. Direct beneficiaries will be the members of participating rural cooperatives and their families.

The second participating institution is FEDECREDITO, a multi-line lending and service delivery institution that supports a system of decentralized, privately-controlled credit agencies (cajas). AID Development Grant (DG) and DL resources will assist FEDECREDITO in: (i) designing an employment generation information and planning system; (ii) disseminating appropriate technology and new popular marketing services to small-scale farm and business enterprises; and (iii) extending the outreach and effectiveness

of cajas. Technical assistance, training and credit will be the main inputs. Operations will concentrate in some 7-8 rural cajas in critical eastern and northeastern zones. Along with outreach services, an estimated 2500 credits will be extended to small producers in these zones.

Host Country Entities: FEDECACES and FEDECREDITO

Major Issues: It is assumed that a GOES guaranty for the Project's loan will be successfully negotiated. Current issues are of a Project design nature, including development of outreach methodologies within both FEDECACES and FEDECREDITO to assure the widest possible coverage of, and participation by, the rural poor in the country's critical zones. Another design item is assuring adequate coordination with public sector institutions in El Salvador.

Target Group: The rural poor, monetarily defined as those having per capita annual below \$250. Primary beneficiaries will be rural enterprises both existing and potential, either owned and managed by, or employing, the rural poor including small-scale business enterprises, small farm enterprises and other group and cooperative enterprises comprised by the rural poor. Taken together, FEDECACES and FEDECREDITO operations are expected to benefit up to 200,000 of the target group with increased economic opportunity and income.

Project Title: Small Farm Natural Resource Management
Project Number: 519-0230 L; 519-0231 G
Proposed Funding: FY 80: -0-
FY 81: \$2,200,000 loan; \$200,000 grant
LOP: \$2,200,000 loan; \$200,000 grant
Functional Account: Food and Nutrition

Project Background: With only five percent of Central America's land area, El Salvador has almost twenty-five percent of the regions population and unlike its neighbors has no frontier into which its growing population can expand. With one of the highest population densities in the Western Hemisphere, approximately two-thirds of its people are dependent upon agriculture for a living. The majority of these people are members of the rural poor target group, and lacking other employment or economic opportunities, they tend to crowd the land rather than the cities. The resulting and most significant trend in land use involves the shifting of hillside pastures and woodland into annual crops, largely by the rapidly growing numbers of small farmers to facilitate production of their basic food crops of grains and beans. By OAS land capability standards, the estimated land in annual crops in 1978 exceeded the recommended practical level by over 200,000 hectares. A 1976 UNEP study states that over one-third of the country is at a level of extreme erosion and characterizes the degree of resource depletion as "the most critical case of environmental degradation in Central America."

Concurrently, trends in basic food crops of the small farm sector reflect an onset of stagnation in yields per hectare since about 1970, despite the application and/or the availability of higher yielding crop varieties and other modern inputs. The surprisingly low returns to these inputs strongly suggest that yields are being seriously constrained, or offset, by a relatively rapid decrease in the inherent productive capacity of these intensively cultivated areas. This is particularly true of corn, beans and sorghum. These in turn are the principal crops of the small

farmer and are grown primarily on hillside areas highly susceptible to erosion and the resulting loss of topsoil, moisture retention capacity, fertility, etc. This problem is particularly acute in the northern half of the country which represents both the area in which soil erosion and depletion appears to have impacted most severely on the small farm sector and the greater concentration of poor farmers.

Project Purpose and Problems Addressed: The purpose of this project is:

- a) To assist small hillside farmers in northern El Salvador to increase the productive capacity of their individual farm units, and
- b) Assess the potential of appropriate water and soil management practices to also increase productivity in other selected areas of current or future small farm use.

The critically advanced state of soil erosion and depletion common to the land resource base of the small farm sector is increasingly constraining the levels of production, productivity and income of small farmers. Concurrent with the decreasing average farm sizes, the incorporation of hillside and other marginal lands into cultivation continues. Meanwhile, there is an urgent need to both intensify production and diversify output into higher value and more nutritious crops on a land base which is losing its response capacity for improved use.

This project will be the second phase of AID/GOES collaboration in addressing these problems. The first stage, to begin in 1979, will pull together existing data and information on the results of soil and water management/conservation practices and test this information through a series of small pilot projects.

The 1981 loan and grant project will focus on a broad, field level action program to improve and expand adoption of on-farm water and soil management/conservation practices throughout the principal small farm production zones of the country. Preceded by a promotional program, community groups of small farmers will be organized and trained in the rudimentary skills

necessary to undertake the appropriation on-farm practices. These will primarily include contour planting, water catchment ditches, vegetative and rock barriers, mulching and simple terracing. To accelerate adoption of these labor intensive practices, improved seeds and fertilizers as in-kind incentive payments will be employed. Complementary assistance will also be provided in improved production technology from the national extension service. Through a second but smaller component, this project also will provide technical assistance to the GOES to investigate the potential and initiate one or more pilot projects to evaluate the further use of improved water and soil management practices as a means to provide small farmers access to a broader land base by resolving related problems precluding current use of certain "problem soils" and areas subject to frequent or near-continuous inundation. AID grant funds will finance technical assistance; loan funds will principally finance the importation of fertilizer, vehicles, training equipment and materials, and U.S. training.

Major Issues: The only issue anticipated in project development relates to the adequacy of the limited time frame of activities preceding project implementation to adequately test the incentive levels necessary to foster adoption of selected farm level practices.

Host Country Entities: The GOES Ministry of Agriculture will be implementing agency. Its divisions of soil conservation and agricultural extension, with anticipated Peace Corps participation, will be responsible for the basic community and farm level activities.

Beneficiaries: The principal beneficiaries of this project are an estimated 50,000 small farm families in northern El Salvador, normally cultivating one to two hectares of hillside farm land. Their per capita income ranges from \$100 to \$250 derived principally from the production of corn, beans and sorghum and seasonal off-farm work. An estimated one-fifth

should benefit through direct contact; most of the balance through a multiplier effect. The results of the small research component could affect an additional 10,000 small farm families in the same and other areas of the country.

Project Title: Rural Health Improvement
Project Number: 519-0218 (L) and 519-0193 (G)
Proposed Funding: FY 80: \$3,000,000 loan; \$200,000 grant
FY 81: \$ 2,000,000 loan; \$ -0- grant
LOP: \$ 5,000,000 loan; \$200,000 grant
Functional Account: Health

Project Background: El Salvador's morbidity and mortality picture is a bleak one that reflects both the inadequacies of the health system and the dismal environmental conditions in which the Salvadoran rural poor live. Health care is theoretically accessible to most Salvadorans. Nevertheless infant mortality in rural areas exceeds 100 per 1000, nearly 20% of medical certified deaths are ascribed to what are probably largely preventable diarrheas and respiratory ills, with another 28% attributed to ill defined causes. Furthermore respiratory and diarrheal disease accounted for 80% of diagnosed illness in 1977 and malaria another seven percent.

Project Purpose and Problems Addressed: In addressing these problems, the proposed project builds on the FY 78 Rural Health Aide Grant. Assistance to be provided under this project represents the third phase of AID's program to help the GOES upgrade rural health services by providing technical and financial resources to improve management and logistic support of rural health services, to implement large scale activities in rural water and sanitation, and to develop a national integrated vector control program. The first component of the grant/loan addresses the need to make the MOH information gathering techniques more relevant to the effective operation and management of a health information system. Loan assistance would be used to provide basic data processing equipment and materials. A second component of the project would provide resources to strengthen logistic support including transportation and supply elements of rural health activities. A special component of assistance would be developed in improvement of the pharmaceutical distribution system including procurement, packing, stocking and usage norms.

The third component based on improvements in the first two, would further extend the MOH's rural health outreach program including work of the rural health aide, indigenous midwives and the support systems of these programs. Grant assistance under this project as well as under complementary Operational Program Grants (OPG's) would be used to strengthen training in community development aspects of rural outreach programs.

A fourth component of the loan confronts the key problem of preventable enteric and parasitic diseases by providing resources for the expansion, in coordination with other donors, of the community water and sanitation development activities launched with the FY 79 Rural Community Water and Sanitation Systems Grant.

A fifth component, the inclusion of which is subject to further discussion with other donors (IBRD and PAHO), is that of technical, commodity, and vehicular support for a national vector control program to strengthen MOH's capacity to control malaria, dengue fever and other vector borne diseases.

Host Country Entities: Ministry of Health

Target Group: The beneficiaries of this project will be approximately 300,000 rural poor who currently have little or no access to effective health care.

Project Title: Expansion of Ophthalmic Care Programs
Project Number: 519-0224 PVO: International Eye Foundation (IEF)
Proposed Funding: FY 80: \$142,000 FY 81: \$141,000 LOP: \$283,000
Functional Account: Health

Project Background: Primary eye care in El Salvador, particularly in the country's poor rural areas, is virtually non-existent. The lack of trained health assistants, paramedical personnel and an effective delivery system for preventive and curative care and basic health education is especially acute. USAID, in 1977, provided an OPG (519-0188) to IEF for the training of 30 paramedical assistants to give the Ministry of Public Health a strengthened capacity to deliver eye health services to the poor majority. This project was successfully concluded and an additional program to establish screening and treatment programs was developed during the final evaluation of the project.

Project Purpose and Problems Addressed: The purpose of this project therefore, will be to expand the delivery system for preventive and curative care and basic health education to rural and urban poor utilizing previously trained ophthalmic assistants and general medical doctors. It will consist of (1) the training of nurse supervisors, specialized nurses, and general medical doctors in ophthalmic care and supervisory practice; (2) the development of health education and preventive materials and aids, together with their dissemination to schools, clinics and health centers; (3) the further development of the primary eye health care delivery system in regional hospitals and rural health centers; and (4) the further assessment of eye disease and blindness and their causes through analysis of existing raw data and surveys of selected target groups.

Over the two year LOP, an estimated 24-30 additional nurse supervisors will be trained to assure effective utilization, support and motivation of trained ophthalmic assistants; two previously trained assistants will be upgraded through degree training at the University of Puerto Rico; approximately 250 medical doctors will be trained in short courses to recognize, treat and refer, if necessary, the more complicated eye problems. Preventive health education

material will be specifically adapted to El Salvador covering the most prevalent eye disease, hygiene, nutrition and sanitation problems encountered by ophthalmic assistants, doctors, nurses. Additional basic eye equipment and upgrading of facilities to support the general medical doctor beyond the 12 centers now equipped with basic elements for diagnosis and simple treatment, will be carried out as essential to an integrated preventive and curative eye care delivery system.

A final component of the program will involve specialized collection and analysis of eye disease data for assuring effective allocation and utilization of limited resources and future programs. To implement the program, International Eye Foundation will provide (1) skilled ophthalmologists from the U.S. who will provide training and upgrading in care for Salvadoran ophthalmologists and general medical doctors (2) a full-time IEF instructor to train nurse-supervisors and selected ophthalmic assistants.

Host Country Entity: This project will be carried out under the sponsorship of the Ministry of Public Health and staff of the National School of Nursing.

Major Issues: None

Target Group: Eye diseases are among the most prevalent health problems affecting the poor majority of El Salvador. It is estimated that at least 20% of the country's population is affected by some form of eye health problem. This project addresses those currently affected in an effort to reduce existing disease incidence and establishes a strengthened delivery system to reduce future incidence among the poor.

Project Title: Population Dynamics
Project Number: 519-0210
Proposed Funding: FY 80: \$530,000 FY 81: \$500,000 LOP: \$3,700,000
Functional Account: Population

Project Background: El Salvador's natural rate of population growth is one of the highest in the world even after ten years of organized family planning in both the public and private sectors. Such rapid population growth is perhaps El Salvador's greatest development problem, undermining other development efforts and increasing pressure on a limited land base. Even assuming continuing outmigration of more than 20,000 persons per year, and substantial success of population and family planning efforts, the population is expected to increase to 7.7 million by the year 2000. At present, however, contraceptive use prevalence in rural areas is estimated at 10-12% reflecting both a lack of ready access to family planning information and services for large parts of the Salvadoran populace and continuing attitudinal barriers to acceptance of family planning.

Project Purpose and Problems Addressed: The purpose of this project is to reduce El Salvador's natural growth rate from the present 3.3% to 2.5% by 1985. This will require a reduction in the birth rate from 41/1000 to 32/1000 during the same period. This implies an increase in the numbers of couples actively contracepting from the current 205,000 to 350,000 by 1985. It also implies raising family planning to a level where it becomes a truly national concern and national campaign.

GOES and AID programs have focused to date on development of a large-scale, primarily clinic based family planning program with concomitant mass media program. Since nationwide availability of family planning services, contraceptives and information is the necessary if not totally sufficient condition in precipitating a sharp decline in the birth rate, the Mission will place priority in assuring that easy accessibility to family planning information and services is provided to all Salvadorans through the following activities:

1. expansion of availability of voluntary sterilization services for both males and females;
2. broadening of community-based distribution of contraceptives from two to all 14 departments;
3. supporting subsidized marketing of contraceptives (commercial retail sales program) through drugstores and town-level shops;
4. upgrading the capability of the local private sector family planning association to assume greater responsibilities (CBD, contraceptive logistics system, etc.,) in attacking the population problem;
5. supporting the decentralization to regional level of P/FP functions (training, goal setting, supplies) of the Ministry of Health.

Recognizing, however, a need to raise and intensify consciousness of the population problem and means of its solution throughout the Salvadoran population, the USAID plans support of motivational activities designed to accelerate adoption of a small family norm and contraceptive use. These include stimulation of policy level and grass roots political support for the P/FP program through a series of one-day seminars for opinion leaders at national, regional, and local levels and the development of a more persuasive and aggressive information/education and communications program.

These activities will be undertaken in coordination with other donors to strengthen the Central Population Commission and its executing arm, the Population Technical Committee in exerting national leadership of the program and in stimulating broader actions to reduce fertility. Moreover, to broaden the impact on fertility reduction, support is planned for applied local operational research on fertility determinants, including social, educational and legal barriers to the acceptance of family planning and alternative means to elevate the status of women.

Finally, in support of the Mission's CDSS strategy to increase both access and motivation, USAID will apply project resources to inclusion of a population/family planning segment in all bilateral activities and will continue to make impact on fertility reduction a criteria in project selec-

tion and design. Moreover, the USAID is collaborating closely with Other Donors including the World Bank and IDB to develop family planning components of their projects and to increase their impact on fertility reduction.

Host Country Entities: USAID will provide substantial financial, technical and material assistance, both through bilateral and centrally funded projects to public and private organizations which have demonstrated they can work effectively in P/FP and to organizations which have yet to participate but have the potential to contribute to a reduction in the birth rate, particularly by expanding family planning outreach through their respective rural extension service. These include the Ministry of the Presidency, Population Technical Committee, the Ministries of Health, Defense, Education, Agriculture, Interior, and Planning, Social Security, and the Salvadoran Demographic Association.

Major Issues: The only major issue during the project development phase is to obtain from the GOES its reaffirmation that it will provide support to expanded sterilization services and the commercial retail sales of contraceptives project which is already underway, and that it will foster a major expansion in the community-based distribution of contraceptives utilizing all GOES entities that possess the necessary resources.

In order to document progress of the new project the Mission will seek TDY services of staff at the U.S. Center for Disease Control to measure the prevailing crude birth rate at the time the project starts and at appropriate intervals thereafter.

Finally, GOES collaboration is being sought in the identification of a zone of the country as a pilot area where a concentrated saturation approach to the delivery of P/FP services can be tested to see how fast the crude birth rate could be reduced under optimum conditions.

Beneficiaries: All Salvadoran men and women of reproductive age who are not planning their families. Particular emphasis will be placed on poor rural and urban families and adolescents.

Project Title: Rural Living Skills
Project Number: 519-0211
Project Funding: FY 80: -0- FY 81: \$300,000 grant; \$2 million loan
LOP: \$300,000 grant; \$4 million loan
Functional Account: Education

Project Background: The GOES and AID are stressing projects which meet the human needs of the large majority of the rural poor. In 1978 a \$3,350,000 loan and \$500,000 grant were signed for the further development and expansion of a viable system of basic and occupational skills training for out-of-school youth and adults. The project is attempting to directly benefit over 12,500 people who are to receive low level entry training and related occupational guidance services. The Division of Adult Education has hired a professional staff of thirty people to conduct surveys on job markets; develop thirty-six new training courses with materials, guides, and evaluation; establish twenty seven skills training centers in population centers of over 12,000; and develop its staff to a professional level so the project can be expanded. During the development of the Occupational Skills Training Program both AID and MOE realized that its focus was limited and that many other very basic human needs of the rural poor had to be addressed quickly. Large numbers of the rural population lack access to facilities where they can learn basic skills such as reading, writing, simple arithmetic, family planning, health and nutrition practices, better agricultural techniques, and methods of participating in community affairs.

Project Purpose and Problems Addressed: The purpose of this project is to assist poor out-of-school rural youth and adults improve their economic and social welfare through appropriate education and training. This project is a follow-on to the Occupational Skills Training Project described above. The skills centers which are being constructed throughout the country under OST will be the nuclei of rural adult education where adults will learn skills requiring special equipment and instructors. Under the proposed Rural Living Skills Project, surrounding cantones (the smallest recognized political unit) will have rural living skills centers which will

be constructed and equipped with loan funds. Preliminary plans call for the construction of approximately 100 of these centers to be staffed by the Ministry of Education and other institutions. These community centers will offer adult literacy and numeracy courses; units of family planning; instruction in better health and nutrition practices; short term agriculture information courses given by extension agents of the Ministry of Agriculture etc.; and will become a focal point for community action where rural citizens have the opportunity to participate in activities affecting their individual lives. Loan funds will be utilized to purchase instructional equipment and supplies; provide participant training for staff and key instructors; and possibly provide limited numbers of mobile training units for use in the Rural Living Skills Centers. It is evident that in order to address all of the problems the project envisions, the project must include the adaptation of a wide range of education and training options. These include accelerated primary level formal education, a wide range of living skills subjects, e.g.; family planning, health and nutrition practices, including agriculture, the use of radio and television, programmed learning, and a coordinated effort with the private sector. Grant funds will be used to help the MOE improve and develop the appropriate curricula and materials for traditional mass media and specialized instruction.

Host Country Entities: The Division of Adult Education of the Ministry of Education will be the direct counterpart in this project, however, other entities will be closely involved with the program. These include: the National Advisory Council on Skills Training (on which institutions such as MAG, MOH, public and private family organizations are represented), MOE's Offices of Planning and Educational Television, and twenty seven educational advisory councils formed under the Occupational Skills Training Project. etc.

Issues: General issues related to the project concern the MOE's ability to manage and evaluate it. The project will require and intense and careful utilization of MOE resources to establish and support this new

rural outreach program. The first formal evaluation for the Occupational Skills Training Project is scheduled for June 1979 and it will provide a good indication of how well the MOE can do this project. In addition there is concern as to the true effectiveness of ETV, radio, and mobile units. These components will have to be carefully reviewed and studied during the development of the Project Paper. Finding and training the proper instructors to implement the program also may be an issue.

Beneficiaries: An estimated 100,000 rural poor residents will be direct beneficiaries of courses and services. Secondary beneficiaries (estimated at 500,000) will include family members of direct beneficiaries.

Project Title: Regional Rural Development
Project Number: 519-0212
Proposed Funding: FY 80: \$2,000,000 loan; \$250,000 grant
FY 81: \$2,000,000 loan; -0-
LOP: \$4,250,000
Functional Account: Selected Development Activities

Project Background: El Salvador's northern zone represents one of the country's most critical social and economic areas. The incidence of poverty is especially acute in the marginal Northeastern region where incomes average less than \$100. Endowed for the most part with sub-marginal land, the area also is home to 20-25% of the country's total landless poor. Malnourishment, illiteracy, unemployment, illness, crowded shacks and limited or non-existent services and social/economic infrastructure characterize overall conditions. In 1978, the Ministry of the Interior, through its Directorate of Community Development (DIDECO), began to undertake intensive, community-based development in a limited number of sites to address the general northern zone's urgent human needs. During 1979, DIDECO, with the support of the Inter-American Development Bank (IDB) initiated a program utilizing an integrated approach with emphasis on income producing activities, employment generation, literacy, nutrition, health care and social infrastructure in the Northwestern region of the country. Additionally, DIDECO will participate in a small rural development effort for three communities in Northeastern El Salvador being mounted by Save the Children Foundation (SCF) in La Unión Department with AID (OPG) assistance. In this effort, 150 DIDECO rural development workers will be trained by SCF in Community-Based Integrated Rural Development (CBIRD) processes and will provide joint funding for selected project activities. Despite these programs, GOES efforts in large parts of the Northern and especially in the hard-hit Northeastern zone remain limited because of staffing, training and funding constraints.

Project Purpose and Problems Addressed: The purpose of this project is to provide basic services, such as water, sanitation, health, and literacy training to the rural poor in the Departments of Morazán, La Unión, Cabañas and San Miguel. It will also foster local employment and income producing activities and expand and improve the base of rural infrastructure, i.e., schools, small bridges, access roads, etc. To maximize community identification, support and contribution with and to the related community level activities, emphasis will be given to addressing the felt needs of the respective communities and groups therein. This process will also be accomplished in part by strengthening the institutional and technical capacity of DIDECO to enable it to expand and accelerate high impact community projects in these four departments in the Northeast of the country. Building on the present efforts and utilizing the community based, bottom-up approach to the maximum feasible extent, the project will be coordinated by the regional office established by DIDECO in the area. An experienced community-development organization will be contracted to assist DIDECO with the comprehensive planning, community organization, project technical assistance and training required in the zone. The \$4.0 loan for the project will provide funds for community based water, sanitation, electrification, improvement of social services, development of individual and small community enterprise efforts and critical physical infrastructure requirements. Every effort will be made to integrate these efforts with other on-going rural development projects that reach the Northeastern region, e.g. irrigation, primary education, rural health aides, family planning and other projects.

Host Country Entities: Ministry of the Interior (DIDECO) and most other GOES Ministries.

Major Issues: The principal issues raised in this project will involve community participation and the effective design and conduct of the DIDECO training component, in particular.

Beneficiaries: It is estimated that approximately 200,000 rural poor residing in the critical Northeastern zone will benefit not only from the physical results of this project on their health, nutrition level and income, but also from the organization of self-help community development processes as well.

Project Title: Home Economics Extensionist Training
Project Number: 519-0219 PVO: Partners of the Americas (Louisiana-
El Salvador)
Proposed Funding: FY 80: \$150,000 FY 81: \$150,000 LOP: \$300,000
Functional Account: SD - OPG

Project Background: It is estimated that less than 8% of the families living in rural areas of El Salvador are reached by any form of home extension services. Efforts to upgrade the living conditions, health, and nutrition of the rural poor are directly affected by the limited members of extension personnel due to the lack of a training school. This project was developed in recognition of this need after several years of exchange work in agriculture and rural development between Louisiana and El Salvador through the Partners of the Americas Program.

Project Purpose and Problems Addressed: The project seeks to develop a nutrition and home economics center to train extensionists to improve the quality of rural family life through improved food and nutrition practices, resource management and family planning acceptance. The Louisiana Partners in coordination with the El Salvador Partners will establish a permanent training facility, provide a full time center administrator, assistant and course coordinator as well as two Louisiana exchange trainers. The center will provide additional in-service training for professional home extensionists, establish basic and expanded training to qualify new extension workers and will provide seminar and short courses directly for family leaders in the immediate Center area. At the end of the project, there will be a fully staffed and functioning national level home economics training center with a completely developed curriculum and training aids support; 120 home economics specialists will be qualified to assume responsibilities with major extension services; 360 adults from surrounding communities will have participated in center activities and have supplemented family income through improvement of home industries and gardens. The project is expected to result in diversification and production of home gardens and small animal husbandry

projects, increased utilization of technology appropriate to community resources, increased skills in project planning and management on the part of community leaders, increased use of family planning services, increased awareness and implementation of preventive health measures, and in increased opportunities for women to play leadership roles, participate in income producing projects and make improvements in their family's health and wellbeing.

Host Country Entities: This project will be carried out in cooperation with the Department of La Paz, Municipality of Zacatecoluca, and the Ministry of Agriculture.

Major Issues: None

Target Group: The immediate target group of this project are the people of the Department of La Paz. It is estimated that 81% of the people in La Paz live in rural areas. Of these, 75% live in one room dwellings of which 90% have dirt floors; only .09% have water connections. 42% of all deaths are among children under five. One-half of the children in this area only reached between 75-90% of their weight for age and almost 16.2% reached only 60-75%. The area is estimated to have 5.2% of the total population and only 1.2% of the doctors. 40.7% of all pesticide intoxication in the country is reported from La Paz, where 45% of the rural population is illiterate. Based on prior experience, each extensionist trained by this project can reach 75 rural families each with a population of 5.6 individuals; during the first three years of the project, therefore, it is projected that some 50,400 people will be reached by the graduates. These will be in addition to the 120 adults and rural leaders who will benefit from seminars and short courses at the Center itself.

Project Title: Development of Rural Women
Project Number: 519-0221 PVO: Centro José Simeon Cañas, Guacoteci
Proposed Funding: FY 80: \$100,000 FY 81: NIL LOP: \$100,000
Functional Account: SD - OPG

Project Background: In an effort to improve the quality of life for the rural poor, the archdiocese of San Vicente, El Salvador, established a rural life skills training center, the José Simeon Cañas Center, Guacoteci, in one of the country's extreme poverty zones. Begun in 1978, the center provides board, room and classroom/demonstration facilities for an average of 26 campesinos for six days during which time they receive instruction in rural work and living skills, including community leadership. Until recently, the program focused solely on the rural male. With the assistance of the Consejo Salvadoreño de Capacitación de Voluntarios (CODECAVOL), the center has now organized a preliminary course for women, but its facilities will not accommodate an organized program.

Program Purpose and Problems Addressed: The purpose of this project is to establish a community leadership, life and work skills training program in order to improve the quality of life of rural women. Under the project, the Centro José Simeon Cañas (CJSC) will expand the present physical facilities to permit the accommodation and training of women. Trained staff, curriculum material and assistance from national organizations, including CODECAVOL and others will be added to the present program. At the end of the project, it is expected that 1,250 community leaders capable of transferring skills acquired during the training center experience will have been returned to forty one communities in the Guacoteci region to demonstrate improved hygiene, sanitation, first aid, agricultural practices, new technology appropriate to the area and other techniques to improve and upgrade social and economic conditions. 430 of the 1,250 leaders under the program will be women.

Major Issues: None

Host Country Entities: Training and extension assistance to this program will be provided by the Ministry of Agriculture and the Ministry of Public Health.

Target Group: The target group for this project is the immediate population surrounding Guacoteci in Cabañas. The forty-one communities of this area present an extremely bleak picture: disease mortality is 15%; unemployment is 23%; illiteracy is 48% and lack of housing approaches 40%. The CJSC through this project will attack these persistent problems.

Project Title: Establishment of a Nutrition Center for the
Promotion of Breastfeeding

Project Number: 519-0222 PVO: La Leche League, International (LLL)

Proposed Funding: FY 80: \$300,000 FY 81: \$150,000 LOP: \$450,000

Functional Account: SD - OPG

Project Background: There is a considerable body of evidence which clearly demonstrates the benefits of breastfeeding. It has been observed, however, that there has been a recent decline of breastfeeding in the developing world accompanied by significant increase in maternal child malnutrition. In El Salvador, where 74% of children under five are malnourished, breastfeeding according to recent socio-anthropological community studies is in decline, especially in the metropolitan area of San Salvador. A recent study of rural El Salvador shows that only 59% of women breastfeed for 12 months or longer, while 84% was reported in a 1969 study.

Project Purpose and Problem Addressed: This project proposes to increase the frequency and duration of breastfeeding and to improve maternal, child and family health through the establishment by La Leche League, International (LLL) of a center to support and promote breastfeeding and good nutritional practices in El Salvador. The grant will assist in the development of the Lactation Center which will utilize LLL information, techniques, support systems and to initiate training programs for health professionals, para-professionals, national decision-makers and the general public, especially pregnant and lactating women. Over the life of the project it is expected that (1) a fully staffed and functioning self-supporting center will have been developed; (2) three physical seminars and six workshops will be held for other health professionals and paraprofessionals; (3) 75-100 breastfeeding counselors will be trained and active in center services, associated with hospitals and among women's groups; (4) educational materials will be adapted and disseminated for professionals, low income breastfeeding women, and the general public; (5) reference and library service and public information center programs will be in operation as regular activities; (6) and base-line data will be gathered on current breastfeeding practices.

Major Issues: None

Host Country Entities: This project will be carried out in cooperation with the Ministry of Public Health, in cooperation with the Maternal Child Health Program and with extension services of the Ministry of the Interior and the Ministry of Agriculture. In particular, the promotion of breastfeeding has been identified as a priority project within the National Food and Nutrition Program of El Salvador's 5 Year Plan.

Target Group: The center's activities will be initially aimed at reaching, influencing and assisting low income urban, and as far as possible, rural women and their families. These women will be reached directly by center-sponsored educational activities, especially through the field work of breastfeeding counselors. The target group will also be reached through health professionals and paraprofessionals who receive training and information as part of project activities.

Project Title: Economic Policy Development
Project Number: 519-0232
Project Funding: FY 80: \$50,000 FY 81: \$100,000 LOP: \$200,000
Functional Account: Special Development Activities

Project Background: El Salvador suffers from some of the highest rates of underemployment in Latin America. Given the extreme population density of the country, agriculture is no longer able to absorb most of the growing labor force. At the same time, past growth of the industrial sector has been based on import substitution policies which, as outlined in the CDSS, will make future acceleration of industrial growth and employment difficult. The seriousness of the problem is demonstrated by IBRD projections which indicate that, even if GDP grows at 5.5%, and manufacturing and construction by 6%, the rate of effective unemployment will be reduced to only 25% by 1991. Preliminary analysis of this problem has consistently led to the conclusion that major improvements in the ability to generate employment and continue growth with equity will require basic policy changes before promoting labor absorbing investments and specific promotion schemes can be fully effective. The core of these changes probably will involve a reform of the current system of incentives that have been used to establish El Salvador's industrial base behind high protection walls. These general conclusions, however, have not been examined in depth or widely debated from a firm information base by key economic policy makers in El Salvador.

Purpose and Problems Addressed: The goal to which this project contributes is increased employment resulting from a framework of increased economic growth with equity in El Salvador. The purpose of this project is to establish the necessary information base to analyze the export incentive effects of policy options needed to further employment generating export oriented growth.

There is a considerable body of general theoretical and empirical work already available on economic incentives for industrial development such as the AID financed NBER research of Foreign Trade Regimes and work done by the IBRD. However, an empirical examination of how specific industrial incentives apply to El Salvador is necessary in order to start an informed debate among private sector interests and policy makers concerning the gains and losses to be obtained by reform. To date, due to lack of informal expertise at the technical level, this type of debate has revolved around the uniformed prejudices of interest groups.

This project represents an initial step in the CDSS strategy to use limited technical assistance to improve the economic policy decision-making process. It will have four basic sets of outputs: (1) a rapid upgrading of the Central Reserve Bank's technical capacity to develop and articulate export incentive policies; (2) the generation of data and analysis based on industrial surveys that can demonstrate concrete gains from those policies; (3) a series of seminars and conferences among policy makers and representatives of the private sector to initiate a constructive debate on the advantages of new policies to be developed, and (4) to the extent possible, the project will attempt to put these revised policies in place.

USAID financed inputs will basically include: (1) short-term technicians from U.S. research institutions to provide economic, statistical and programming expertise; (2) partial financing of field research and seminars; and (3) consultation visits of Salvadoran researchers and decision makers to participating U.S. institutions.

Host Country Entities: The nucleus of this project has been informally proposed for financing to the USAID by the Central Bank of El Salvador. It will be carried out by the Technical Analysis Division of the Monetary Board, which is an interministerial policy making body attached to the Bank. Results of the project will be disseminated formally to other Ministries and private

enterprise organizations through seminars and reports. Education and sensitization of influential private sector groups are considered key elements in the success of this project. Close coordination and collaboration with major other donors also will be crucial.

Major Issues: Since the policy measures to be investigated under this project directly affect powerful vested interests, it can be expected that such measures will be difficult to obtain and will require considerable debate within the body politic of El Salvador. As discussed under strategy this project is necessary though not sufficient to obtain the project goal. In other words, a "sensitization" process must take place to gain a broad base of understanding and support for reforms. The present project design has the highest probability of pay-off in this respect and follows the "catalytic" role proposed for USAID in the CDSS.

Beneficiaries: The ultimate beneficiaries of the project are the rural and urban poor of El Salvador who now lack employment opportunities. In the near term, the project is focussed on assisting and influencing the institutions and policy makers responsible for developing and implementing policy decisions directed at reducing unemployment and increasing equitable economic growth.

Project Title: Rural Environmental Action Program (REAP) (grant)
Project Number: 519-0233
Proposed Funding: FY 80: -0- FY 81: \$1,000,000 LOP: \$1,000,000
Functional Account: Selected Development Problems

Project Background: As a result of the almost complete deforestation that has taken place throughout the country, soils have been left without their natural protection and have suffered ruinous erosion especially in marginal hillside areas where, as result of overpopulation, more and more poor farmers are forced to grow their crops. Deforestation and erosion of top-soil has reduced the water table and the capacity of the soil to absorb and retain water. This has led to an acceleration of river silting, threatening the country's already limited hydroelectric potential, and to the contamination of rivers and lakes with toxic chemicals as herbicides and pesticides are carried to them by the rapid run-off of rainfall. The poor campesino therefore is not only faced with the loss of his meager plot of land (if indeed he has any) but is also exposed to dangerously high levels of toxic chemicals and disease as his water supply, mainly rivers, becomes more and more contaminated.

Project Purpose and Problems Addressed: The purpose of this project is to arrest the depletion of El Salvador's renewable material resources and rebuild them through a multi-faceted rural environmental works program with emphasis upon community participation and the generation of employment among the rural poor.

This program will follow from the USAID Environmental Improvement Grant started in FY 79. Among other outputs, that grant will help to: established the Salvadoran Environmental Protection Office; develop an overall Environmental Conservation and Development Policy applying to a range of public and private entities; as well as design a National Promotion Plan including specific, high-priority interventions to be financed thereunder. The Rural Environmental Action Program ("REAP") will support those interventions of the Plan that directly benefit the poor.

The following sorts of project outputs are envisioned: (i) community woodlots in rural cantons and caseríos; (ii) public soil and water conservation as well as other efforts directed to increasing the potential for agricultural production; (iii) drainage of lowland and swamp areas for land reclamation and improved public health; (iv) applied research to recommend and test ways of minimizing adverse effects of pesticide use; (v) environmental works associated with improvements in rural living such as appropriate technology type water treatment and sewerage systems, developmental of low-cost, local materials and energy sources in connection with the planned Housing Investment Guaranty for rural housing; and other appropriate interventions as may be developed. Emphasis will be placed on rural works that generate employment and create environmental assets whose benefits accrue to the rural poor.

Host Country Entities: The project will be implemented under the auspices of or through the Salvadoran Environmental Protection Office, with the support of numerous GOES agencies such as the Ministries of Agriculture, Health, Interior, Education, Public Works and Planning along with other institutions such as the University of El Salvador, and the National Water Authority. A number of Private Voluntary Organizations (PVOs) will also be brought into the project to organize and implement certain project activities at the community level.

Major Issues: Issues are of a design nature and include administrative arrangements to manage a diverse number of project activities undertaken by numerous GOES and private sector (PVOs) entities, including organization of communities for self-help environmental conservation/protection activities.

Beneficiaries: In a broad sense, all of the country's population will receive some benefit from the project since the general environment of the country would be improved and more renewable natural resources would be protected, conserved and developed. More specifically, however, the

project will focus on an estimated 40 small rural communities with average populations of 1,000 inhabitants each for a direct impact on a total of 40,000 persons. The great majority of these persons would be small farmer families or persons who in some manner derive their livelihood from agriculture.

Project Title: Training of Rural Community Development Workers
Project Number: 519-0234 PVO: World Vision, International
Proposed Funding: FY 80: \$100,000 FY 81: \$400,000 LOP: \$500,000
Functional Account: SD - OPG

Project Background: Over the past five years, emphasis on community level rural development by both public and private agencies in El Salvador has grown dramatically. Within the GOES, local level projects with community participation are being carried out by the Municipal Department of the Ministry of the Interior, the Community Development Directorate of the same ministry, the Ministry of Public Health, and the Ministry of Agriculture. In the private sector, local, U.S. and international PVO's such as CARE, World Vision, Save the Children Foundation, Foster Parent's Plan and church organizations are undertaking literally hundreds of small community income and infrastructure projects. The identification, design, implementation and management of these projects is frequently handicapped and delayed by the lack of trained community development workers at various levels.

Project Purpose and Problems Addressed: The purpose of this project is to train community development project and program specialists to provide skills which will permit them to work at both community and higher levels and thereby improve the productivity, effectiveness and impact of community level programs in El Salvador. Under this project, World Vision International, which has extensive experience in the training of rural development workers, will establish with USAID assistance, a rural development training center in each of the country's four major regions. In cooperation with potential and existing users, specifically adapted course material aimed at developing knowledge and understanding of community organization processes, problem identification/definition, project design and implementation, appropriate technology, conservation, sanitation and similar subjects will be developed and specific "hands on" training provided. It is proposed that students would receive three months of preparation for qualification as a project specialist in the field while prospective supervisory level personnel would receive additional level and third-country instruction.

The grant will provide funds for the rental of training/boarding facilities, classroom equipment, demonstration and teaching materials, staff and related costs. It is expected that at the end of the project, a permanent training capacity will have been established which can be utilized by the community development directorate of the government and that 300 community development workers and 50 management staff will have been trained.

Major Issues: None

Host Country Entities: Various indigenous organizations particularly DIDECO, the community development directorate of the Ministry of the Interior, will participate actively in the project.

Target Group: This project is aimed at accelerating community development impact among El Salvador's more than 2.2 million rural poor by increasing the number of trained extension personnel.

Project Title: Expansion of Voluntary Women's Development Services
(CODECAVOL)
Project Number: 519-0236 PVO: CODECAVOL (Consejo Salvadoreño de
Capacitación de Voluntarios)
Proposed Funding: FY 80: \$75,000 FY 81: 0 LOP: \$75,000
Functional Account: SD - OPG

Project Background: Women's organizations and government/private agencies engaged in providing training and development services for or involving women in El Salvador are frequently inadequately staffed or incapable of carrying out effective programs. In some cases, programs involving women are dropped or not undertaken because of this lack. In 1978, with USAID assistance, a local PVO, CODECAVOL (Consejo Salvadoreño de Capacitación de Voluntarios) was strengthened to permit it to undertake specific information and training assistance to six women's organizations. Despite this initial effort, there are large areas of women's development and organizational needs not addressed, either by CODECAVOL or other agencies.

Project Purpose and Problems Addressed: This project will build upon the resource and techniques CODECAVOL has developed to permit the expansion of CODECAVOL's training and service outreach to rural women, particularly those who are community and organizational leaders and members of rural organizations. A specific program will be aimed at increasing civic involvement of women under twenty-one through organizations such as 4-C and local "housewives' clubs" and youth groups. With USAID assistance CODECAVOL will establish a Women's Development Training Center to permit the conduct of 5-6 week program development and leadership courses for rural women who are currently engaged in organizational and civic work; additionally, CODECAVOL will establish a Mobile Outreach Unit which will assist the organization to expand and broaden its training and technical assistance efforts to rural organizations and, in particular, to young rural women. At the end of the project, CODECAVOL will have staffed and equipped a permanent training center capable of accommodating up to twenty-five women for short leadership and organizational development courses

for up to six weeks and be providing outreach training and technical assistance development services to rural communities. It is estimated that 125 rural women leaders will be trained from at least fifteen rural level local women's organizations; technical assistance and program development services will be provided to ten additional organizations and approximately 500 women from 15 to 21 years of age introduced to rural community/civic organizational involvement concepts.

Host Country Entity: None

Major Issues: None

Target Group: The immediate target group for this project is the poor rural woman who is now attempting to improve the quality of her life through involvement in local developmental organizational or civic group activity.

Project Title: Development of Cooperative Food Technology
Project Number: 519-0238 PVO: La Unión Fishing Cooperative
Proposed Funding: FY 81: \$15,000 LOP: \$150,000
Functional Account: SD - OPG

Program Description: Protein calorie deficiency as a nutritional characteristic in El Salvador is a severe problem. While protein balance in normal diets is usually adequate, the availability of very low cost food alternatives to provide sufficient intake among the country's more than 2 million rural poor is very limited.

This project, in addition to directly increasing employment and income of the cooperative and its members who constitute some of country's poorest fishermen, will expand production of fishmeal for both immediate human food utilization in various food alternatives and for use as organic fertilizers. Fish products represent one of the least expensive and most underutilized foods in the country. With AID assistance, the cooperative will be able to fund processing, packing and storage equipment, office and transport requirements to establish a fish meal plant and marketing unit in San Salvador. The plant will utilize "trash fish" and fish by-products ordinarily disposed of in current operations by all fisherman and would be transported from El Triunfo with the cooperative's present equipment.

The project is expected to employ an estimated 50 additional employees and, in addition to the direct employment and increased income benefits to the 150 poor fishermen and their nearly 900 family members who constitute the cooperative, the domestic availability of low cost fish protein food products and fertilizer can be expected to benefit hundreds of thousands of nutritionally deficient low income individuals of the country.

Subject Title: Production Cooperative Expansion
Subject Number: 519-0239 PVO: Asociación Cooperativa de Ahorro y
Crédito, Aprovechamiento y Manu-
factura de los Pequeños Comercian-
tes de Cabañas (ACAPECC)
Proposed Funding: FY 81: \$150,000 LOP: \$150,000
Functional Account: SD - OPG

Subject Description: The lack of rural employment and economic opportunity
is one of El Salvador's severest socio-economic problems. Among the country's
nearly 700,000 landless and near landless rural poor target group, it is
estimated that there is some 47% labor underutilization: work is seasonal
and migratory, socially disruptive and of the barest subsistence character.
The need to increase stable rural productivity, economic opportunity and
to reduce urban migration in El Salvador is among the highest priorities.

The purpose of this project would be to directly increase rural employment
through the expansion of a small rural production cooperative ACOPECC, a
shirt and trouser manufacturing cooperative of 300 members in the critical
northern zone of Cabañas. With this grant the cooperative will be able to
obtain additional equipment, training and technical assistance. This will
permit the expansion of present operations and the creation of 200 additional
jobs benefiting not only these directly but their 1,200 family members.

Project Title: Market Town/Rural Settlement Minimum Cost Shelter Program
Project Number: 519-HG-006
Proposed Funding: FY 80: \$10 million FY 81: NIL LOP: \$10 million

Purpose

To establish a replicable program which will provide shelter affordable by the poor residing in the market towns and larger rural settlements of El Salvador.

Problems

In 1971, El Salvador had an estimated housing deficit of 450,000 units, which included 80% of the stock of rural housing and 51% of that of urban housing.

As the result of a joint GOES-World Bank-UNDP study the urban shelter conditions of the poor living in San Salvador have been well documented. No comparable study exists for rural or market town shelter conditions but it is certain that these are certainly no better than those in the capital city.

No programs exist to assist the rural or market town poor to improve their shelter conditions. The Fundación Salvadoreña de Desarrollo y Vivienda Mínima (FUNDASAL) has promoted and financed the construction of some 16,000 minimum cost shelter units (including those currently under construction). A large part of this effort has taken place in San Salvador or in other urban centers close by. The GOES itself does not have shelter programs for the poorer half of the population. In fact, it depends on FUNDASAL largely to take care of that population.

There are some encouraging signs which indicate that the situation might be changing. The GOES has created a Vice-Ministry of Housing and Urban Development in the Ministry of Public Works. Conversations with GOES officials in both the Ministry of Planning and that of Public Works indicate that the new vice-ministry will concentrate on developing a national housing policy to be used largely as a coordinating and directive mechanism. Further, the vice-ministry will also direct its efforts to designing a rural housing program.

The Mission, with collaboration from RHUDO/ROCAP, will provide technical assistance in support of both efforts, that is the development of a national housing policy and the design of a rural housing program.

Project Description

The proposed project will have two basic activities:

- a) financing investments which improve the shelter conditions of the poor residing in market towns and larger rural settlements, and
- b) assisting in developing the institutional mechanism for programing, designing, constructing and servicing these investments.

To assure the replicability of the project, the cost of the investments will be scaled to the financial capability of the intended beneficiaries who will be expected to amortize the investments over a 10-20 year period. Net reflows obtained from the payments made by the beneficiaries will be used to capitalize a fund to finance additional, similar investments.

The investments, which will be financed with a \$10 million HG, will have a very low cost per beneficiary and will cover such items as the provision of very small plots of land with a minimum level of services (communal water taps, latrines) or the extension of such services to existing lots. The investments might also take the form of loans to allow beneficiaries to obtain clear title over land they occupy or to improve their current dwelling by repairing or expanding it.

Finally, a parallel effort will be undertaken to coordinate the programming and delivery of social services (health, education, family counseling, job generation...) with the shelter investments. This will be funded with a \$150,000 grant from the Integrated Improvement Program for the Urban Poor (IIPUP)

Project design and execution will be coordinated closely with the World Bank which is involved heavily in shelter and urban programs in the country.

Major Issues

Project design will focus on ensuring that program is cost effective in benefiting rural poor.

Beneficiaries

The project will benefit families living in "mesones" (in-city tenements), slums and illegal settlements in the market towns of El Salvador, and the vast majority of families living in rural settlements. The monthly income of these families will tend to fall below \$100. Because of their place of residence and their level of income, beneficiaries will be gaining access for the first time to programs designed to improve their living conditions by providing improved shelter and basic services, such as water.

DECISION PACKAGE NARRATIVE

1. General

USAID/El Salvador is submitting two decision package levels in the FY 1981 ABS - a minimum at \$8.5 million which also corresponds to the current level, and the AAPL at \$15.0 million, which is \$5.0 million above the AAPL given in State 095631. The rationale for these decision levels are set forth below.

2. The CDSS

The CDSS set out the following development goals for an AID program for the period 1981-85:

- "a) improve key development policies;
- b) reduce overall population growth rates to 2.5% by 1985;
- c) increase small farmer production, productivity and income;
- d) broaden the rural poor's access to land and employment;
- e) increase the rural poor's access to other basic necessities of life;
- f) increase the rural poor's participation in the development process."

Five sub-strategies were proposed to reach these goals: (a) improve key economic, population, food and nutrition, environmental and energy policies; (b) expand and make more dynamic a national population and family planning program; (c) increase small farmer production and income through land improvement, improved land tenure, crop diversification and improved outreach to the small farmer; (d) increase on-farm and off-farm economic opportunities through rural enterprises and cooperative development; and (e) develop human resources in the key areas of primary education and rural living skills, nutrition and selected aspects of health.

The CDSS analysis supporting these AID goals and strategies demonstrated clearly the pervasive poverty which affects in one form or another

2.5 million people or seventy-five percent of El Salvador's total population. The analysis also pointed out that this poverty is caused by a combination of complex and interrelated factors, the two most important of which are over-population and lack of employment. A basic premise of the CDSS is that these complex causes of poverty require a comprehensive and integrated strategy if poverty is to be reduced and these alarming trends are to be reversed. The five sub-strategies outlined above were designed to be mutually reinforcing in terms of impact. Some address the long-term, while others are aimed at relieving or reducing aspects of poverty in a shorter time frame. For example, the economic and environmental policy sub-strategies as well as the land improvement and land tenure aspects of the small farm sub-sector are designed to begin the long-term process of structural economic changes, greater equity and reversal of environmental degradation. In the meantime, immediate impact can be made on reduction of the population problem, creation of limited rural economic opportunities, improving nutrition, reducing illiteracy and improving the health of the rural poor, all of which are intimately interrelated and mutually reinforcing.

The CDSS Strategy also emphasized the importance of AID as a catalyst and close coordination with other donors in reaching objectives. The Mission has taken the initiative in organizing formal and informal coordination meetings at the field level, as well as encouraging GOES sponsorship of close coordination. This has produced a productive working relationship with all concerned organizations. A similar effort is needed at the Washington level, particularly as the GOES, AID and other donors confront some of the major policy issues and structural changes implied in a meaningful development program in El Salvador.

Another basic part of the AID Strategy is to utilize the entire AID program to achieve as much impact as possible on the two major problems of over-population and malnutrition. In FY 1979, USAID negotiated agreement with the GOES to insert a family planning

component in all new AID financed projects. Work is underway to expand this initiative to as many on-going projects as possible. USAID also plans to negotiate similar arrangements for nutrition. Also, USAID has been informally approached by the World Bank concerning AID's ability to finance family planning components in appropriate World Bank financed projects.

The CDSS proposed substantial levels of assistance to carry out these interrelated strategies. Unfortunately, for reasons pertaining to human rights and judgments concerning the development environment existing in El Salvador - these higher levels were not approved. While human rights continues to be a major issue, there are reasons to be optimistic and to believe that it is clearly in U.S. interest to continue a substantial AID involvement in helping to meet the basic human needs of El Salvador's poor. The Mission, therefore believes that the basic AID strategy proposed in the CDSS remains valid.

3. The Minimum Level

Given the overwhelming basic human needs of El Salvador, the Mission believes that the minimum level of assistance for El Salvador in FY 1981 should be no less than \$15.0. Given ABS control figures and ABS guidance criteria, the FY 1981 "minimum" and "current" levels for El Salvador are \$8.0 and \$8.580 million respectively. Since the Mission is required to submit programs for one or both of these levels, it is submitting the "current" level as its "minimum". The Mission, however, regards it as inadequate for the following reasons:

- it weakens the strength, integrity and potential impact of the CDSS Strategy.
- it permits only a minimum address to fewer priority areas, and
- it permits essentially no new starts in FY 1981, including development of new OPG's.

It would permit, however, continuation of programs in economic policy, population and family planning, small farmer production, nutrition and health and continuation of on-going operational program grants to local and international PVO's. At this level, the Mission would expect the following results. These results assume, however, that El Salvador will receive the FY 1980 aid level shown in this ABS.

a) Policy Improvement

- Continuation of efforts to establish the information bases to provide the GOES with economic policy reform options designed to create employment opportunities through labor-intensive export-oriented industrialization.

- Completion of the establishment of an Environmental Protection office capable of exercising the leadership and mobilizing the resources to attack El Salvador's worst environmental problems.

b) Population

- Increasing the momentum in population by greatly expanding the access to family planning information and services.

c) Food and Nutrition

- Completion of the technical assistance begun in 1979 to assure that COFINTA, the newly established institution to distribute land to small holders, becomes and remains a viable program.

- Continuation of the intensive work of Save the Children in establishing a bottoms-up community development program in the poverty stricken Northeast region.

- Completion of the second tranche of a rural enterprises loan begun in FY 1980 to provide increased on-farm and off-farm economic opportunities to the rural poor.

- Continuation of efforts to reverse erosion and improve the small farmer land base through simple low cost technologies for soil and water conservation and management.

d) Health

- Completion of a loan/grant project to extend potable water to approximately thirty rural communities, and expand and improve other rural health delivery services, primarily the rural health aides system.

- Completion of an OPG project to expand the GOES's ability to extend eye care to the poorer population.

- Continue the work of two U.S. voluntary organizations devoted to improving the nutritional status of the urban and rural poor.

e) Education

- Complete the technical assistance portion of the 1979 occupational skills training loan and grant project, the objective of which is to provide basic skills to 12,500 rural and urban poor and thus prepare them to enter the job market.

It is apparent from the above that the minimum/current level of \$8,580 million would not permit any new starts if the proposed 1981 Small Farmer Natural Resources grant/loan project is considered a logical follow-on to the Small Farmer Natural Resources Grant pilot project funded in FY 1979. Almost all other funds within the minimum/current level would have to be devoted to completing objectives of projects begun in FY 1979 and FY 1980. It would not make sense to terminate any of these in mid-stream unless it is determined that they are not likely to accomplish their objectives.

Any reduction below this minimum/current level, therefore, would necessitate discontinuance of several (depending on the severity of the reduction) projects related to overall strategy objectives. For example, it would probably mean abandonment of the small farmer sub-sector and rural enterprise development, as well as possibly canceling programs of some private voluntary organizations.

4. The AAPL

USAID's AAPL was given as \$10.0 million in State 095361, which includes funds for OPG's and PD and S. This is only \$1.4 million above the minimum/current level and in effect would permit only the funding of additional OPG's. For this reason, and based on informal communications with LAC/DP and LAC/CEN, the Mission is proposing and programming a FY 1981 AAPL of \$15.0 million, which corresponds to the FY 1982 AAPL plus a "reserve" of \$5.0 million.

At \$15.0 million, USAID would be able to broaden and deepen its basic program strategies in several important areas. For example, it would permit USAID to continue its momentum in rural education with the introduction of a rural living skills grant/loan project. This project would literally reach the poorest of the poor at the lowest economic and community levels with programs that transfer practical knowledge and enable the poor to improve and enrich their daily lives. It would also allow USAID to follow through with significant and catalytic assistance in environmental improvement, which in addition to helping to arrest environmental degradation through community action also would improve the economic status of many of El Salvador's poor. It would also permit the beginning of a concentrated and high impact rural and community development program in El Salvador's poverty stricken Northeast region. This project, when combined with other projects that affect that area could make a significant impact on the economic and social status of many of the poor of this region. This higher level also would permit the initiation of four OPG's with local and international private voluntary organizations whose objectives are related to environmental improvement (Los Amigos de la Tierra), upgrading of community development expertise (World Vision) and assistance to fishing and clothes-making cooperatives. In total, the AAPL would serve to increase the degree of impact of AID assistance on the lives of the rural poor.

5. Summary

El Salvador is currently facing a political crisis the outcome of which is not predictable. This crisis is manifested in increasing political polarization, terrorism, and widespread social unrest. The underlying causes of this crisis concern economic equity and opportunity as much as human rights and social justice. At the same time, there is increasing realization among the more responsible factions that this polarization must be reversed by more rapid political liberalization and attention to reducing the economic and social disparities that underly much of El Salvador's current unrest.

While there is no way in May 1979 to predict precisely what the development environment of El Salvador will be in 1981, there is reason to be hopeful. The fact remains, however, that 2.5 million Salvadorans are currently living at severe poverty levels. This situation alone is sufficient to command a high level of humanitarian interest by the USG in helping to improve the lives of this poor majority. Unattended, the situation can only worsen.

The Mission remains convinced, therefore, that it is possible with sufficient assistance levels, well designed projects, and close coordination with other donors, to make a favorable impact on the basic human needs of El Salvador's poorest within the present context. The Mission also believes that this can be done without reinforcing the patterns that contribute to poverty and can in fact contribute through innovation to changing these patterns. At the very least, the situation described in the CDSS suggests the need to maintain maximum flexibility in terms of current and future year assistance levels for El Salvador. The Mission strongly recommends therefore, approval of an FY 1981 AID planning level at no less than the proposed AAPL of \$15.0 million.

TABLE V - FY 1981 PROPOSED PROGRAM RANKING

| RANK | DECISION PACKAGES/PROGRAM ACTIVITY | TERM/ NEW/ CONT. | LOAN/ GRANT | APPROP. ACCT. | PROGRAM FUNDING (\$000) | | WORKFORCE (Number of Positions) | |
|---------------------------------|---|------------------------|----------------|------------------|-------------------------|----------|------------------------------------|-----|
| | | | | | INCR | CUM | INCR | CUM |
| | | | | | | | | |
| EL SALVADOR | | | | | | | | |
| DECISION PACKAGE MINIMUM | | | | | | | | |
| | * <u>Terminated Project with Pipeline</u> | | | | | | | |
| | 519-0172 Occupational Skills Training | T | L | EH | (2,600) | (2,600) | | |
| | 519-0182 Nutrition Improvement | T | G | FN | (14) | (2,614) | | |
| | 519-0184 Small Farm Irrigation Systems | T | L | FN | (1,950) | (4,564) | | |
| | 519-0197 Technoserve - OPG | T | G | SD | (100) | (4,664) | | |
| | 519-0192 Small Farmer Development (COFINIA) | T | L | FN | (4,000) | (8,664) | | |
| | 519-0190 Rural Primary Education | T | G | EH | (100) | (8,764) | | |
| | 519-0190 Rural Primary Education | T | L | EH | (3,000) | (11,764) | | |
| | 519-0193 Rural Health Improvement | T | G | HE | (100) | (11,864) | | |
| | 519-0228 Rural Enterprises | T | G | FN | (100) | (11,964) | | |
| | 519-0212 Regional Rural Dev. - Morazan | T | G | SD | (100) | (12,064) | | |
| | Subtotal (Non-Add) | | | | (12,064) | | | |
| | <u>New and Continuing Projects</u> | | | | | | | |
| 1 | 519-0210 Population Dynamics | 0 | G | PN | 500 | 500 | | |
| 2 | 519-0232 Economic Policy Development | 0 | G | SD | 100 | 600 | | |
| 3 | PL 480, Title II | - | - | - | (2,163) | 600 | | |
| 4 | 519-0222 La Leche League - OPG | 0 | G | FN | 150 | 750 | | |
| 5 | 519-0218 Rural Health Improvement | 0 | L | HE | 2,000 | 2,750 | | |
| 6 | 519-0215 Save the Children - OPG | 0 | G | SD | 250 | 3,000 | | |
| 7 | **519-0172 Occupational Skills Training | 0 | G | EH | 95 | 3,095 | | |
| 8 | 519-0094 Special Development Activities | 0 | G | SD | 50 | 3,145 | | |
| 9 | 519-0223 League of Woman Voters - OPG | 0 | G | SD | 91 | 3,236 | | |
| 10 | 519-0168 Education Technical Support | 0 | G | EH | 66 | 3,302 | | |
| 11 | 519-0181 Population Technical Support | 0 | G | PN | 10 | 3,312 | | |
| 12 | 519-0177 Selected Development Problems-T.S. | 0 | G | SD | 50 | 3,362 | | |
| 13 | 519-0178 Health Technical Support | 0 | G | HE | 50 | 3,412 | | |
| 14 | 519-0224 International Eye Foundation - OPG | 0 | G | HE | 143 | 3,555 | | |
| 15 | 519-0219 Partners for the Americas - OPG | 0 | G | SD | 150 | 3,705 | | |
| 16 | 519-0229 Rural Enterprises | 0 | L | FN | 2,000 | 5,705 | | |
| 17 | 519-0167 Food and Nutrition Tech. Support | 0 | G | FN | 75 | 5,780 | | |

AID 1930-9 (8-79)

TABLE V - FY 1981 PROPOSED PROGRAM RANKING

| RANK | DESCRIPTION | TERM/ NEW/ CONT. | LOAN/ GRANT | APPROP. ACCT. | PROGRAM FUNDING (\$000) | | WORKFORCE (Number of Positions) | |
|------|---|------------------------|----------------|------------------|----------------------------|--------|------------------------------------|-----|
| | | | | | INCR | CUM | INCR | CUM |
| 18 | 519-0192 Small Farmer Development (COFINTA) | 0 | G | FN | 200 | 5,980 | | |
| 19 | 519-0231 Small Farm Natural Resources | N | G | FN | 200 | 6,180 | | |
| 20 | 519-0214 Environmental Improvement | 0 | G | SD | 200 | 6,380 | | |
| 21 | 519-0230 Small Farm Natural Resources | N | L | FN | 2,200 | 8,580 | | |
| 22 | Basic Work Force | | | | - | 8,580 | 21 | 36 |
| 23 | Workforce Increment for Project Design | | | | - | 8,580 | 0 | 0 |
| | <u>DECISION PACKAGE AAPL</u> | | | | | | | |
| 24 | 519-0177 SDP Technical Support | 0 | G | SD | 20 | 8,600 | | |
| 25 | 519-0211 Rural Living Skills | N | G | EH | 300 | 8,900 | | |
| 26 | 519-0234 World Vision - OPG | 0 | G | HF | 400 | 9,300 | | |
| 27 | 519-0214 Environmental Improvement | 0 | G | SD | 400 | 9,700 | | |
| 28 | 519-0238 La Union Fish Cooperative -OPG | N | G | SD | 150 | 9,850 | | |
| 29 | 519-0239 ACAPECC Pants Cooperative -OPG | N | G | SD | 150 | 10,000 | | |
| 30 | 519-0211 Rural Living Skills | N | L | EH | 2,000 | 12,000 | | |
| 31 | 519-0212 Regional Rural Development | 0 | L | SD | 2,000 | 14,000 | | |
| 32 | 519-0233 Rural Environmental Action | N | G | SD | 1,000 | 15,000 | | |
| 33 | HIG Housing Guaranty | - | - | - | (10,000) | | | |
| | Program Office Workforce Increment | | | | | 15,000 | | |
| | Total AAPL Package and Related Workforce | | | | 6,420 | | 0 | 21 |
| | | | | | | | | 0 |
| | | | | | | | | 36 |

* Unliquidated balance as of 9/30/1980
**Approved PP as of 4/30/79

TABLE VI

USAID EL SALVADOR
1981 ABS SUBMISSION
PROJECT SUMMARY

NUMBER OF PROJECTS

| | FY 77 | FY 78 | FY 79 | FY 80 | FY 81 | |
|--|-------|-------|-------|-------|---------|---------|
| | | | | | MINIMUM | CURRENT |
| Implementation at Beginning of Year | 16 | 18 | 22 | 28 | - | 36 |
| Moving from Design to Implementation During Year | 2 | 8 | 13 | 14 | - | 5 |
| Design for Future Year Implementation | 4 | 4 | 20 | - | - | - |
| SUBTOTAL | 22 | 30 | 55 | 42 | - | 41 |
| Number of Non-Project Activities | 1 | 1 | 1 | 1 | - | 1 |
| TOTAL | 23 | 31 | 56 | 43 | - | 42 |

NUMBER OF PROJECTS MOVING FROM DESIGN TO IMPLEMENTATION BY PROJECT SIZE

| | FY 77 | FY 78 | FY 79 | FY 80 | FY 81 | |
|--|-------|-------|-------|-------|---------|---------|
| | | | | | MINIMUM | CURRENT |
| AID'S CONTRIBUTION TO LIFE OF PROJECT COST | | | | | | |
| Less than \$1 Million | 2 | 6 | 10 | 10 | - | 3 |
| \$1 To \$5 Million | - | 2 | 3 | 4 | - | 2 |
| \$5 To \$15 Million | - | - | - | - | - | - |
| \$15 To \$25 Million | - | - | - | - | - | - |
| More Than \$25 Million | - | - | - | - | - | - |

AID 1510-C (3-79)

TABLE VII

OPERATING EXPENSE FUNDED PERSONNEL IN POSITIONS

EL SALVADOR FY 1981 ABS

| FUNCTIONS | FY 77 | | | | FY 78 | | | | FY 79 | | | | FY 80 | | | |
|-------------------------------|-----------|-----------|----------|----------|-----------|-----------|----------|----------|-----------|-----------|----------|----------|-----------|-----------|----------|----------|
| | USDH | FNDH | US CONT | FN CONT | USDH | FNDH | US CONT | FN CONT | USDH | FNDH | US CONT | FN CONT | USDH | FNDH | US CONT | FN CONT |
| Executive Direction | 3 | 2 | 0 | 0 | 3 | 2 | 0 | 0 | 3 | 2 | 0 | 0 | 3 | 2 | 0 | 0 |
| Program Planning | 3 | 3 | 0 | 2 | 3 | 6 | 0 | 0 | 3 | 6 | 0 | 0 | 3 | 6 | 0 | 0 |
| Project Design | 2 | 3 | 0 | 0 | 2 | 3 | 0 | 0 | 2 | 3 | 0 | 0 | 2 | 3 | 0 | 0 |
| Project Implementation | 9 | 7 | 0 | 5 | 12 | 11 | 1 | 2 | 10 | 11 | 0 | 0 | 10 | 15 | 0 | 0 |
| Financial Management | 2 | 6 | 0 | 0 | 2 | 7 | 0 | 0 | 1 | 7 | 0 | 0 | 2 | 7 | 0 | 0 |
| Mission Support | 1 | 1 | 0 | 0 | 1 | 5 | 0 | 2 | 1 | 3 | 0 | 4 | 1 | 3 | 0 | 4 |
| Non-Mission Specific | 1 | | | | | | | | | | | | | | | |
| TOTAL | 21 | 22 | 0 | 7 | 23 | 34 | 1 | 4 | 20 | 32 | 0 | 4 | 21 | 36 | 0 | 4 |
| PLUS: PASA's (O.E. & Program) | 3 | | | | 2 | | | | 2 | | | | 0 | | | |
| LESS: JAO Details | 1 | | | | 0 | | | | 0 | | | | 0 | | | |
| MODE Requested | 23 | | | | 25 | 24 | | | 22 | 24 | | | 21 | | | |

| FUNCTIONS | FY 81 AAFL | | | | FY 81 MINIMUM | | | | FY 81 CURRENT | | | |
|-------------------------------|------------|-----------|----------|----------|---------------|------|---------|---------|---------------|------|---------|---------|
| | USDH | FNDH | US CONT | FN CONT | USDH | FNDH | US CONT | FN CONT | USDH | FNDH | US CONT | FN CONT |
| Executive Direction | 3 | 2 | 0 | 0 | | | | | | | | |
| Program Planning | 3 | 6 | 0 | 0 | | | | | | | | |
| Project Design | 2 | 3 | 0 | 0 | | | | | | | | |
| Project Implementation | 10 | 15 | 0 | 0 | | | | | | | | |
| Financial Management | 2 | 7 | 0 | 0 | | | | | | | | |
| Mission Support | 1 | 3 | 0 | 4 | | | | | | | | |
| Non-Mission Specific | | | | | | | | | | | | |
| TOTAL | 21 | 36 | 0 | 4 | | | | | | | | |
| PLUS: PASA's (O.E. & Program) | 0 | | | | | | | | | | | |
| LESS: JAO Details | 0 | | | | | | | | | | | |
| MODE Requested | 21 | | | | | | | | | | | |

TABLE VIII

OPERATING EXPENSE SUMMARY

| COST SUMMARIES | FY 77 | | | FY 78 | | | FY 79 | | | FY 80 | | |
|--|-------------|------------------|-----------|-------------|------------------|-----------|-------------|------------------|-----------|-------------|------------------|-----------|
| | (\$000's) | RELATED WORKYRS. | UNIT COST |
| US Direct Hire | 739 | 22 | 34 | 808 | 19 | 43 | 909 | 21 | 43 | 982 | 21 | 47 |
| FN Direct Hire | 169 | 30 | 6 | 201 | 27 | 7 | 275 | 33 | 8 | 314 | 36 | 9 |
| US Contract Personnel | 10 | 0.5 | 20 | 28 | 1 | 28 | -0- | -0- | -0- | -0- | -0- | -0- |
| FN Contract Personnel | 7 | 5 | 1.4 | 8 | 5 | 1.6 | 8 | 4 | 2 | 9 | 4 | 2 |
| Housing | 133 | 23 | 6 | 158 | 23 | 7 | 235 | 25 | 9 | 250 | 24 | 10 |
| Office Operations | 272 | XXXX | XXX | 386 | XXXX | XXX | 261 | XXXX | XXX | 273 | XXXX | XXX |
| TOTAL REQUEST | 1330 | | | 1589 | | | 1688 | | | 1828 | | |
| Amount of Trust Fund Included in Total Requested | -0- | | | -0- | | | -0- | | | -0- | | |

| COST SUMMARIES | FY 81 AAPL | | | FY 81 MINIMUM | | | FY 81 CURRENT | | |
|--|-------------|------------------|-----------|---------------|------------------|-----------|---------------|------------------|-----------|
| | (\$000's) | RELATED WORKYRS. | UNIT COST | (\$000's) | RELATED WORKYRS. | UNIT COST | (\$000's) | RELATED WORKYRS. | UNIT COST |
| US Direct Hire | 956 | 21 | 46 | 956 | 21 | 46 | | | |
| FN Direct Hire | 334 | 36 | 9 | 334 | 36 | 9 | | | |
| US Contract Personnel | -0- | -0- | -0- | -0- | -0- | -0- | | | |
| FN Contract Personnel | 10 | 4 | 2.5 | 10 | 4 | 2.5 | | | |
| Housing | 250 | 24 | 10 | 250 | 24 | 10 | | | |
| Office Operations | 273 | XXXX | XXX | 273 | XXXX | XXX | | | |
| TOTAL REQUEST | 1823 | | | 1823 | | | | | |
| Amount of Trust Fund Included in Total Requested | -0- | | | -0- | | | | | |

ILLUSTRATIVE TABLE IX

SUPPORTING DATA ON PROPOSED PROGRAM RANKING
POSITION REQUIREMENTS - FY 1979-1981

(By Function, Organizational Unit, Position
Title and Professional Speciality)

| FUNCTION Organizational Unit/Position Title/ Professional Speciality | NUMBER OF POSITIONS | | | | | | | | | | | | |
|--|---------------------|------|---------|------|---------|------|---------|------|---------|------|------|------|--|
| | FY 1979 | | FY 1980 | | FY 1981 | | Minimum | | Current | | AAPL | | |
| | USDH | FNDH | USDH | FNDH | USDH | FNDH | USDH | FNDH | USDH | FNDH | USDH | FNDH | |
| <u>EXECUTIVE DIRECTION</u> | | | | | | | | | | | | | |
| Director's Office | | | | | | | | | | | | | |
| Director | 1 | | 1 | | 1 | | 1 | | 1 | | | | |
| Assistant Director | 1 | | 1 | | 1 | | 1 | | 1 | | | | |
| All Other (Non-Professional) | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 2 | | | |
| Subtotal Executive Direction | 3 | 2 | 3 | 2 | 3 | 2 | 3 | 2 | 3 | 2 | | | |
| <u>PROGRAM PLANNING</u> | | | | | | | | | | | | | |
| Program Office | | | | | | | | | | | | | |
| Program Officer | 1 | | 1 | | 1 | | 1 | | 1 | | | | |
| Program Economist | 1 | | 1 | | 1 | | 1 | | 1 | | | | |
| Assistant Program Officer | 1 | | 1 | | 1 | | 1 | | 1 | | | | |
| Program Assistant | | 2 | | 2 | | 2 | | 2 | | 2 | | | |
| Program Economist Assistant | | 1 | | 1 | | 1 | | 1 | | 1 | | | |
| Program Training Specialist | | 1 | | 1 | | 1 | | 1 | | 1 | | | |
| All Other (Non-Professional) | | 2 | | 2 | | 2 | | 2 | | 2 | | | |
| Subtotal Program Planning | 3 | 6 | 3 | 6 | 3 | 6 | 3 | 6 | 3 | 6 | | | |

ILLUSTRATIVE TABLE IX

SUPPORTING DATA ON PROPOSED PROGRAM RANKING
POSITION REQUIREMENTS - FY 1979-1981(By Function, Organizational Unit, Position
Title and Professional Speciality)

| FUNCTION Organizational Unit/Position Title/ Professional Speciality | NUMBER OF POSITIONS | | | | | | | | | | |
|--|---------------------|------|---------|------|---------|------|---------|------|---------|------|--|
| | FY 1979 | | FY 1980 | | Minimum | | Current | | FY 1981 | | |
| | USDH | FNDH | USDH | FNDH | USDH | FNDH | USDH | FNDH | USDH | FNDH | |
| <u>PROJECT DESIGN AND IMPLEMENTATION</u> | | | | | | | | | | | |
| <u>Capital Resources Development Office</u> | | | | | | | | | | | |
| Capital Resources Development Officer | 1 | | 1 | | 1 | | | | | | |
| Capital Project Development Officer | 1 | | 1 | | 1 | | | | | | |
| Capital Resources Implementation Advisor | | 1 | | 1 | | 1 | | | | | |
| General Engineer | | 1 | | 1 | | 1 | | | | | |
| All Other (Non-Professional) | | 1 | | 1 | | 1 | | | | | |
| <u>Rural Development Office</u> | | | | | | | | | | | |
| Agriculture Development Officer | 1 | | 1 | | 1 | | | | | | |
| Assistant Agriculture Development Officer | 1 | | 1 | | 1 | | | | | | |
| Agricultural Economist | 1 | | 1 | | 1 | | | | | | |
| Economic Analyst Agricultural Sector | | 1 | | 1 | | 1 | | | | | |
| Project Assistant | | 1 | | 1 | | 1 | | | | | |
| Program Development Advisor | | 1 | | 1 | | 1 | | | | | |
| All Other (Non-Professional) | | 2 | | 2 | | 2 | | | | | |
| <u>Human Resources Office</u> | | | | | | | | | | | |
| Education Officer | 1 | | 1 | | 1 | | | | | | |
| Education Officer | 1 | | 1 | | 1 | | | | | | |
| Educational Development Advisor | | 1 | | 1 | | 1 | | | | | |
| Project Assistant-Education | | 1 | | 1 | | 1 | | | | | |
| All Other (Non-Professional) | | 1 | | 1 | | 1 | | | | | |

TABLE IX NARRATIVE

The table below summarizes the FY 1979 staff ceilings imposed by AID/W and the Mission FY 1980 and FY 1981 staffing requirements.

| | CEILING at 9/30/79 (Set by AID/W) | MOB Staff Proposed in FY 81 ABS | | |
|---------------------------|---|---------------------------------|--------|--------|
| | | FY '80 | FY '81 | FY '81 |
| | | MINIMUM | | AAPL |
| 1. U.S. Direct Hire | 19 | 21 | 21 | 21 |
| 2. IDI | 2 | 0 | 0 | 0 |
| 3. Fgn. Nat'l Direct Hire | 32 | 36 | 36 | 36 |
| 4. Contract Employees | 4 | 4 | 4 | 4 |

To meet the FY 79 USDH ceiling USAID must eliminate a Junior Population Assistant position to which we had promoted an ex-IDI, and by temporarily deleting the Financial Analyst Position which we are planning to reinstate. The absence of a USDH Financial Analyst capability will be sharply felt early in 1980 when project development documents for some fourteen new projects being to circulate. Hence, we propose re-establishment of this position early in FY '80. We also propose to establish an Assistant General Development Officer position early in FY'80, in lieu of the Junior Population Assistant deleted in FY '79. This will give us a better-balanced technical staff to handle a changing program. In this connection, PVO/OPG and rural community development activities will more than double in size by FY 1981. This is too heavy of a workload for one officer to carry, hence the addition of an Assistant General Development Officer position. The addition of an Assistant General Development position will give us 21 USDH positions in 1980 and 1981.

Although the levels of AID to El Salvador will be increasing at the AAPL, and the project implementation workload will be rising from 22 in 1979 to 36 projects in FY 1981, the above staffing changes represent no real increase in workforce over the 19 USDH and 2 IDI positions authorized at the end of FY 1979. On the other hand, this number of basic human needs projects, some of which are new, innovative and experimental, are very labor-

intensive in design and execution. Therefore, the Mission strongly feels that FY 1980 and FY 1981 proposed staffing levels represent a minimum workforce to carry out the proposed FY 1980 and FY 1981 assistance levels. Even so, the Mission plans to augment this basic workforce by increasing FNDH positions from 32 in FY 1979 to 36 in FY 1980 and FY 1981, and depend heavily on project funded contracts (assuming present restrictions on MOB funded contract hires persist) to carry out the design, implementation and evaluation responsibilities inherent in the type and level of the program proposed. The four additional FNDH will be professional level positions apportioned equally to each of the four technical divisions to supplement the limited direct hire staffing in these sectors.

TABLE X SPECIAL CONCERNS - ADDITIONAL PROJECTS

DECISION UNIT: EL SALVADOR

PROJECT NUMBER AND TITLE: 519-0220 Small farm natural Resources management - L APPROPRIATION: F + N
519-0231 Small farm natural Resources management - G

| CONCERN CODE | PERCENTAGE OF BUDGET | | CONCERN CODE | PERCENTAGE OF BUDGET | |
|--------------|----------------------|------|--------------|----------------------|------|
| | 1979 | 1980 | | 1979 | 1980 |
| ENVR | — % | 50% | — | — | — % |

PROJECT NUMBER AND TITLE: 519-0215 Save the Children Foundation - OPG APPROPRIATION: F + N

| CONCERN CODE | PERCENTAGE OF BUDGET | | CONCERN CODE | PERCENTAGE OF BUDGET | |
|--------------|----------------------|------|--------------|----------------------|------|
| | 1979 | 1980 | | 1979 | 1980 |
| PVOU | 100% | 100% | — | — | — % |

PROJECT NUMBER AND TITLE: 519-0217 Small farm Natural Resources APPROPRIATION: F + N

| CONCERN CODE | PERCENTAGE OF BUDGET | | CONCERN CODE | PERCENTAGE OF BUDGET | |
|--------------|----------------------|------|--------------|----------------------|------|
| | 1979 | 1980 | | 1979 | 1980 |
| ENVR | 100% | — % | — | — | — % |

PROJECT NUMBER AND TITLE: 519-0222 La Leche League - OPG APPROPRIATION: F + N

| CONCERN CODE | PERCENTAGE OF BUDGET | | CONCERN CODE | PERCENTAGE OF BUDGET | |
|--------------|----------------------|------|--------------|----------------------|------|
| | 1979 | 1980 | | 1979 | 1980 |
| PVOU | — % | 100% | — | — | — % |

PROJECT NUMBER AND TITLE: 519-0229 Rural Enterprise Development - Loan APPROPRIATION: F + N

| CONCERN CODE | PERCENTAGE OF BUDGET | | CONCERN CODE | PERCENTAGE OF BUDGET | |
|--------------|----------------------|------|--------------|----------------------|------|
| | 1979 | 1980 | | 1979 | 1980 |
| COCP | — % | 75% | ATNL | — % | 10% |

TABLE X SPECIAL CONCERNS - ADDITIONAL PROJECTS

DECISION UNIT: EL SALVADOR

| PROJECT NUMBER AND TITLE: <u>519-0228 Rural Enterprise Development - grant</u> | | APPROPRIATION: <u>F & N</u> | |
|---|--|---------------------------------|--|
| CONCERN CODE | PERCENTAGE OF BUDGET 1979 1980 1981 | CONCERN CODE | PERCENTAGE OF BUDGET 1979 1980 1981 |
| <u>CODC</u> | <u>- % 60% - %</u> | <u>ATNL</u> | <u>- % 40% - %</u> |
| PROJECT NUMBER AND TITLE: <u>519-0224 International Eye Foundation - OPG</u> APPROPRIATION: <u>HE</u> | | | |
| CONCERN CODE | PERCENTAGE OF BUDGET 1979 1980 1981 | CONCERN CODE | PERCENTAGE OF BUDGET 1979 1980 1981 |
| <u>PVOU</u> | <u>- % 100% 100%</u> | | <u>- % - % - %</u> |
| PROJECT NUMBER AND TITLE: <u>519-0235 Amigos de la Tierra - OPG</u> APPROPRIATION: <u>HE</u> | | | |
| CONCERN CODE | PERCENTAGE OF BUDGET 1979 1980 1981 | CONCERN CODE | PERCENTAGE OF BUDGET 1979 1980 1981 |
| <u>PVOL</u> | <u>100% 100% - %</u> | | <u>- % - % - %</u> |
| PROJECT NUMBER AND TITLE: <u>519-0237 San Lucas Center II - OPG</u> APPROPRIATION: <u>HE</u> | | | |
| CONCERN CODE | PERCENTAGE OF BUDGET 1979 1980 1981 | CONCERN CODE | PERCENTAGE OF BUDGET 1979 1980 1981 |
| <u>PVOL</u> | <u>100% - % - %</u> | | <u>- % - % - %</u> |
| PROJECT NUMBER AND TITLE: <u>519-0197 TechnoServe - OPG</u> APPROPRIATION: <u>SOA</u> | | | |
| CONCERN CODE | PERCENTAGE OF BUDGET 1979 1980 1981 | CONCERN CODE | PERCENTAGE OF BUDGET 1979 1980 1981 |
| <u>PVOU</u> | <u>100% 100% - %</u> | | <u>- % - % - %</u> |

TABLE X SPECIAL CONCERNS - ADDITIONAL PROJECTS

DECISION UNIT: EL SALVADOR

PROJECT NUMBER AND TITLE: 519-0219 Partners of the Americas - OPG APPROPRIATION: SOA

| CONCERN CODE | PERCENTAGE OF BUDGET | | CONCERN CODE | PERCENTAGE OF BUDGET | |
|--------------|----------------------|--------------|--------------|----------------------|--------------|
| | 1979 | 1980 | | 1979 | 1980 |
| <u>PVOU</u> | <u>- %</u> | <u>100 %</u> | | <u>- %</u> | <u>100 %</u> |

PROJECT NUMBER AND TITLE: 519-0221 Centro Jose Simeon Canas - OPG APPROPRIATION: SOA

| CONCERN CODE | PERCENTAGE OF BUDGET | | CONCERN CODE | PERCENTAGE OF BUDGET | |
|--------------|----------------------|--------------|--------------|----------------------|--------------|
| | 1979 | 1980 | | 1979 | 1980 |
| <u>PVOL</u> | <u>- %</u> | <u>100 %</u> | | <u>- %</u> | <u>100 %</u> |

PROJECT NUMBER AND TITLE: 519-0223 League of Women Voters - OPG APPROPRIATION: SOA

| CONCERN CODE | PERCENTAGE OF BUDGET | | CONCERN CODE | PERCENTAGE OF BUDGET | |
|--------------|----------------------|--------------|--------------|----------------------|------------|
| | 1979 | 1980 | | 1979 | 1980 |
| <u>PVOU</u> | <u>100 %</u> | <u>100 %</u> | | <u>- %</u> | <u>- %</u> |

PROJECT NUMBER AND TITLE: 519-0233 Rural Environmental Action APPROPRIATION: SOA

| CONCERN CODE | PERCENTAGE OF BUDGET | | CONCERN CODE | PERCENTAGE OF BUDGET | |
|--------------|----------------------|-------------|--------------|----------------------|-------------|
| | 1979 | 1980 | | 1979 | 1980 |
| <u>ENVR</u> | <u>- %</u> | <u>20 %</u> | <u>ATNL</u> | <u>- %</u> | <u>20 %</u> |

PROJECT NUMBER AND TITLE: 519-0234 World Vision - OPG APPROPRIATION: SOA

| CONCERN CODE | PERCENTAGE OF BUDGET | | CONCERN CODE | PERCENTAGE OF BUDGET | |
|--------------|----------------------|--------------|--------------|----------------------|--------------|
| | 1979 | 1980 | | 1979 | 1980 |
| <u>PVOU</u> | <u>- %</u> | <u>100 %</u> | | <u>- %</u> | <u>100 %</u> |

TABLE X SPECIAL CONCERNS - ADDITIONAL PROJECTS

DECISION UNIT: EL SALVADOR

PROJECT NUMBER AND TITLE: 519-0236 CODECAVOL II - OPG APPROPRIATION: SOA

| CONCERN CODE | PERCENTAGE OF BUDGET 1979 | PERCENTAGE OF BUDGET 1980 | PERCENTAGE OF BUDGET 1981 | CONCERN CODE | PERCENTAGE OF BUDGET 1979 | PERCENTAGE OF BUDGET 1980 | PERCENTAGE OF BUDGET 1981 |
|--------------|---------------------------|---------------------------|---------------------------|--------------|---------------------------|---------------------------|---------------------------|
| <u>PVOL</u> | <u>- %</u> | <u>100 %</u> | <u>- %</u> | | <u>- %</u> | <u>- %</u> | <u>- %</u> |

PROJECT NUMBER AND TITLE: 519-0238 LA Union Fish Coop - OPG APPROPRIATION: SOA

| CONCERN CODE | PERCENTAGE OF BUDGET 1979 | PERCENTAGE OF BUDGET 1980 | PERCENTAGE OF BUDGET 1981 | CONCERN CODE | PERCENTAGE OF BUDGET 1979 | PERCENTAGE OF BUDGET 1980 | PERCENTAGE OF BUDGET 1981 |
|--------------|---------------------------|---------------------------|---------------------------|--------------|---------------------------|---------------------------|---------------------------|
| <u>PVOL</u> | <u>- %</u> | <u>- %</u> | <u>80 %</u> | <u>CODE</u> | <u>- %</u> | <u>- %</u> | <u>20 %</u> |

PROJECT NUMBER AND TITLE: 519-0259 ACAPECC Panis Coop OPG APPROPRIATION: SOA

| CONCERN CODE | PERCENTAGE OF BUDGET 1979 | PERCENTAGE OF BUDGET 1980 | PERCENTAGE OF BUDGET 1981 | CONCERN CODE | PERCENTAGE OF BUDGET 1979 | PERCENTAGE OF BUDGET 1980 | PERCENTAGE OF BUDGET 1981 |
|--------------|---------------------------|---------------------------|---------------------------|--------------|---------------------------|---------------------------|---------------------------|
| <u>PVOL</u> | <u>- %</u> | <u>- %</u> | <u>100 %</u> | | <u>- %</u> | <u>- %</u> | <u>- %</u> |

PROJECT NUMBER AND TITLE: _____ APPROPRIATION: _____

| CONCERN CODE | PERCENTAGE OF BUDGET 1979 | PERCENTAGE OF BUDGET 1980 | PERCENTAGE OF BUDGET 1981 | CONCERN CODE | PERCENTAGE OF BUDGET 1979 | PERCENTAGE OF BUDGET 1980 | PERCENTAGE OF BUDGET 1981 |
|--------------|---------------------------|---------------------------|---------------------------|--------------|---------------------------|---------------------------|---------------------------|
| _____ | <u>- %</u> | <u>- %</u> | <u>- %</u> | _____ | <u>- %</u> | <u>- %</u> | <u>- %</u> |

PROJECT NUMBER AND TITLE: _____ APPROPRIATION: _____

| CONCERN CODE | PERCENTAGE OF BUDGET 1979 | PERCENTAGE OF BUDGET 1980 | PERCENTAGE OF BUDGET 1981 | CONCERN CODE | PERCENTAGE OF BUDGET 1979 | PERCENTAGE OF BUDGET 1980 | PERCENTAGE OF BUDGET 1981 |
|--------------|---------------------------|---------------------------|---------------------------|--------------|---------------------------|---------------------------|---------------------------|
| _____ | <u>- %</u> | <u>- %</u> | <u>- %</u> | _____ | <u>- %</u> | <u>- %</u> | <u>- %</u> |

TABLE X

FY 1981 ANNUAL BUDGET SUBMISSION
PROJECT BUDGETS AND PERCENTAGES OF OBLIGATIONS
TO MEET SPECIAL CONCERNS
(BUDGETS IN THOUSANDS OF DOLLARS)

DECISION UNIT: 519 EL SALVADOR

PROJECT NUMBER AND TITLE: 5190194 ENVIRONMENTAL IMPROVEMENT APPROPRIATION: SELECTED DEVELOPMENT ACTIVITIES

NOTE correction of project number

A. BUDGET IN CP1

| | | | | |
|--------------|-----|----------------|--------------|------------|
| FY 1979 - \$ | 100 | BUDGET IN ABS: | FY 1979 - \$ | <u>250</u> |
| FY 1980 - \$ | 285 | | FY 1980 - \$ | <u>100</u> |
| | | | FY 1981 - \$ | <u>600</u> |

B. OBLIGATIONS TO MEET SPECIAL CONCERNS AS PERCENTAGE OF BUDGET:

| ADP ITEM | CONCERN CODE | 1979 HUDGET IN CP | 1979 HUDGET IN ABS | 1980 HUDGET IN CP | 1980 HUDGET IN ABS | 1981 BUDGET IN ABS |
|----------|--------------|-------------------|--------------------|-------------------|--------------------|--------------------|
| 629 | ENVR | 100% | 100% | 79% | 79% | <u>100</u> % |
| ADD | | | | | | --- |
| ADD | | | | | | --- |

PROJECT NUMBER AND TITLE: 5190194 HEALTH RES CENTER - PROJECT POSTPONED *indefinitely* - *Not in 81ADJ* APPROPRIATION: HEALTH

A. BUDGET IN CP1

| | | | | |
|--------------|-----|----------------|--------------|-----|
| FY 1979 - \$ | 75 | BUDGET IN ABS: | FY 1979 - \$ | --- |
| FY 1980 - \$ | 100 | | FY 1980 - \$ | --- |
| | | | FY 1981 - \$ | --- |

B. OBLIGATIONS TO MEET SPECIAL CONCERNS AS PERCENTAGE OF BUDGET:

| ADP ITEM | CONCERN CODE | 1979 HUDGET IN CP | 1979 HUDGET IN ABS | 1980 HUDGET IN CP | 1980 HUDGET IN ABS | 1981 BUDGET IN ABS |
|----------|--------------|-------------------|--------------------|-------------------|--------------------|--------------------|
| 623 | PV00 | 0% | 0% | 100% | 100% | --- |
| ADD | | | | | | --- |
| ADD | | | | | | --- |

FY 1981 ANNUAL BUDGET SUBMISSION
PROJECT BUDGETS AND PERCENTAGES OF OBLIGATIONS
TO MEET SPECIAL CONCERNS
(BUDGETS IN THOUSANDS OF DOLLARS)

PROJECT NUMBER AND TITLE: 5190210 POPULATION DYNAMICS APPROPRIATION: POPULATION PLANNING

A. BUDGET IN CP: FY 1979 - \$ 0 BUDGET IN ABS: FY 1979 - \$ _____
 FY 1980 - \$ 830 FY 1980 - \$ 530
 FY 1981 - \$ 500

B. OBLIGATIONS TO MEET SPECIAL CONCERNS AS PERCENTAGE OF BUDGET:

| ADP ITEM | CONCERN CODE | 1979 BUDGET IN CP | 1979 BUDGET IN ABS | 1980 BUDGET IN CP | 1980 BUDGET IN ABS | 1981 BUDGET IN ABS |
|----------|--------------|-------------------|--------------------|-------------------|--------------------|--------------------|
| 622 | RESN | 0% | _____% | 12% | _____% | <u>15</u> % |
| ADD | | _____% | _____% | _____% | _____% | _____% |
| ADD | | _____% | _____% | _____% | _____% | _____% |

PROJECT NUMBER AND TITLE: 5190218 HEALTH APPROPRIATION: HEALTH

A. BUDGET IN CP: FY 1979 - \$ 0 BUDGET IN ABS: FY 1979 - \$ _____
 FY 1980 - \$ 4500 FY 1980 - \$ 3000
 FY 1981 - \$ 2000

B. OBLIGATIONS TO MEET SPECIAL CONCERNS AS PERCENTAGE OF BUDGET:

| ADP ITEM | CONCERN CODE | 1979 BUDGET IN CP | 1979 BUDGET IN ABS | 1980 BUDGET IN CP | 1980 BUDGET IN ABS | 1981 BUDGET IN ABS |
|----------|--------------|-------------------|--------------------|-------------------|--------------------|--------------------|
| 626 | LTRG | 0% | _____% | 22% | _____% | <u>22</u> % |
| 627 | PARA | 0% | _____% | 22% | _____% | <u>23</u> % |
| ADD | | _____% | _____% | _____% | _____% | _____% |
| ADD | | _____% | _____% | _____% | _____% | _____% |

FY 81 ABS Narrative

PL 480 Title II

To improve the diets of preschool children and pregnant and lactating mothers of nutritionally vulnerable families, A.I.D. will provide food to 115,000 beneficiaries through the CRS/CARITAS/MCH program. Supplementary feeding activities are designed to meet the nutritional gap in the diets of a limited number of beneficiaries from the poorest section of El Salvador's society. As explained in the CDSS, the emphasis of A.I.D.'s efforts with the Title II Program over the next several years will be to sharpen its focus to the most nutritionally deprived through measures to improve program administration and supervision and to strengthen its nutrition and health education component.

These measures respond to recommendations made in the final report of the joint CRS/CARITAS/AID/GOES (MOH) evaluation carried out in 1978. A key component of the activity will be development of the follow-up projects at the level of the distribution centers designed to allow beneficiaries to apply the knowledge gained from the education courses. Partial funding for these projects will be obtained from the cooperating sponsor and U.S.A.I.D.'s Special Development fund to cover local expenses for items such as seed for home gardens, community water supply activities, latrine construction, etc.

El Salvador's nutrition problem is longstanding, widespread and unlikely to be resolved in the near future. Nearly three-fourths of Salvadoran children under 5 are estimated to suffer from first second or third degree malnutrition while one-fifth can be said to be severely malnourished. Maternal malnutrition is a serious problem reflected in part by high infant mortality rates and the prevalence of low birth-weight babies. Per capita caloric availability nationwide is estimated by INCAP at 1890 per day (the lowest in Central America) compared to a recommended 2300. Some improvement in food availability is expected in the next several years with an estimated

25% increase in basic grain (primarily corn) production. The supply of beans, the other staple of the rural Salvadoran diet however is not expected to increase. Small increases in the supply of fruits and vegetables are predicted as well, but no increase is anticipated in production of animal proteins or fats.

With this in mind, the GOES estimates that in terms of production alone, without reference to food distribution, the nutritional situation in El Salvador is not expected to worsen in the next three years. To address the question of food distribution, the GOES has developed a National Nutrition Program, four components of which are receiving support from A.I.D. under its Nutrition Improvement Grant. One of these is designed to support GOES efforts to rationalize on-going supplementary feeding programs and provide a basis for replacement of these other donor supported efforts with domestically produced foodstuffs in the future. This is in line with the GOES view of these outside supported programs as stop-gap measures to meet critical nutritional needs rather than as long-term measures to fill the national nutritional gap. As such the GOES has announced plans to replace outside donor-supported programs as early as possible with domestically-supported feeding efforts. Partially for this reason the CRS PL 480 Title II programs will, over the next three years, be phased out of the MOH/MCH program in favor of World Food Program's more varied commodities for which incountry foods may be more easily substituted in the future. To meet the continuing food needs of the poorest until domestic production and food distribution improve substantially, however, the numbers of beneficiaries receiving Title II foods through CARITAS distribution centers will be expanded thereby balancing the decrease of Title II beneficiaries from MOH centers.

Steps toward improvement of the administration of the CARITAS Title II program have been taken in the last year with completion of a field manual of operations by CARITAS and formulation of a Food Committee including representatives of CARITAS, CRS and AID. A review of CRS and USAID monitoring procedures of the Title II program including receiving, storage and

distribution of commodities is underway. These steps are expected to strengthen program administration sufficiently to support a Food for Work Program in 1982 and an expansion in the MCH program in the future if GOES plans to expand domestic production do not meet El Salvador's national food needs.

1. COUNTRY: EL SALVADOR

SPONPONSOR'S
NAME: CRS/CARITAS

A. Maternal and Child Health - Total Recipients 115,000

| <u>N°of Recipient by Commodity</u> | <u>Name of Commodity</u> | <u>Kilograms</u> | <u>Dollars (thousand)</u> |
|--|------------------------------|------------------|---------------------------|
| 115,000 | WSB | 2484 | 750.2 |
| 91,000 | BULGUR | 491 | 93.7 |
| 115,000 | OIL | 621 | 509.7 |
| 115,000 | NFDM | 1256 | 443.4 |
| 115,000 | RICE | 1256 | 355.4 |
| | TOTAL MCH | <u>6108</u> | <u>2,152.50</u> |

B. School Feeding

C. Other Child Feeding

D. Food-for-Work

No FFW is contemplated in FY 81:

A small FFW component may be added in FY 82 depending on the progress made in improvement of CARITAS management of the program.

ANALYSIS OF POTENTIAL LOCAL PRODUCTION DISINCENTIVE

1. WSB: no local production. No disincentive to local Production.
2. Bulgur: no local production. No disincentive to local Production.
3. Oil: El Salvador net importer of fats and oils, 1976 - 11,263 mt; 1977 - 22,230 mt; imports are expected to maintain at least current levels and more likely increase during 1978-1979. No disincentive to local production.
4. Whole milk: El Salvador net importer of whole milk as well as other milk products, 1974 - 4,014 mt; 1975 - 4,918 mt; 1976 - 6,782 mt. Whole milk imports show an increasing trend which is expected to continue in 1978-1979. No disincentive to local production.
5. Rice: El Salvador net importer of rice 1973-1975; 1973 - 1,302 mt; 1974 - 11,577 mt; 1975 - 99 mt. Net exporter 1976-1977; 1976 - 68 mt; 1977 - Hulled rice net import 20 mt; whole rice net export 475,088 mt;

Local production 1976-77 = 35,277 mt. PL 480 import equals about 3.5% of local rice production. Price of rice is the most sensitive of the commodities but presently import for PL 480 is not considered a disincentive.

WAREHOUSEING FOR PL 480, TITLE II COMMODITIES

PORT AUTHORITY

Spacious, secure, modern warehouse used for exportation agricultural products.

CARITAS

1. San Salvador: occupies the lower level of the cathedral; the construction was modified 1 1/2 years ago specifically to accommodate supplies. Secure, clean, and has sufficient capacity.
2. Santa Ana: a modern warehouse with the same conditions.
3. San Vicente: an older warehouse with the same conditions and extra storage capacity.
4. San Miguel: two older warehouse with extra capacity and good maintenance.
5. Santiago de María: a series of small warehouse which together provide sufficient space and meet security needs, maintenance is adequate. A new warehouse is in construction.

MOH

OMCOM office space is used.

MOH

6 regional warehouses which have provided adequate conditions for food storage.

PRIDECO (Formerly OMCOM)

Commodities are stored in three warehouses including:

Santa Anita: 9 square meters of space has been provided in the hold market. The space is improvised with platforms but clean. Ventilation is however lacking.

Boulevard Tutunichapa: 30 square meters of storage space has been provided in a series of rooms. The space is clean without the commodities were poorly stacked and ventilation less than adequate.

Marginal Zone - La Nacional: A two square meter space has been allotted in the community house for storage. The space contains platforms and is clean.

DISTRIBUTION CENTER LEVELS

Food is stored in houses, health posts or community centers for a very brief time under adequate conditions.