

**AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT**



**ANNUAL BUDGET SUBMISSION  
FY 1980**

**EL SALVADOR**

**DEPARTMENT  
OF  
STATE**

JUNE 1978



EL SALVADOR  
FY 1980  
ANNUAL BUDGET SUBMISSION



AGENCY FOR INTERNATIONAL DEVELOPMENT  
UNITED STATES OF AMERICA A. I. D. MISSION  
TO EL SALVADOR  
C/O AMERICAN EMBASSY  
SAN SALVADOR, EL SALVADOR, C. A.

June 2, 1978

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

Dear Lalo,

Together with this letter I am transmitting forthwith the USAID/El Salvador FY 1978 Annual Budget Submission (ABS). I believe it represents an excellent move in the direction of better conforming our program context both to the rapidly changing socio-economic conditions of El Salvador and to the new emphasis in using all development assistance funds set forth in our present Foreign Assistance Legislation.

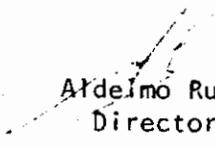
I would like to take this opportunity to stress that the program is designed to be implemented with the minimum number of in-country U.S. personnel and host country nationals. The Ambassador has expressed his desire to maintain our U.S. personnel present in El Salvador to the minimum and the program as designed will be carried out effectively with the personnel levels presented in the ABS. On the other hand, however, if we are going to make our maximum possible contribution in what we perceive to be the Republic of El Salvador's most critical developmental problem areas, we will need the types and numbers of personnel indicated in our presentation.

The strategy statement lists four basic objectives of AID in El Salvador: (1) reduction in the population growth rate; (2) increased productivity and employment opportunities for the poor majority; (3) more equitable distribution of income; and (4) expanded socio-economic services necessary to improve the living standards of AID's target group. Within this context, AID's objective in FY 1980 and beyond will be to improve the standard of living of the poor majority of El Salvador through multiple interventions in development planning, agriculture, labor intensive export oriented enterprises, education, health, nutrition, population and family planning,

as well as the development of local private voluntary or non-profit institutions. Programs, projects and activities in all of these areas will address basic human needs of the poor majority. Many of these activities by their nature will also contribute to and foster improvement of human rights, particularly in terms of increased economic and social equity and greater popular participation in the development process.

Best regards.

Sincerely yours,

  
Aldeino Ruiz  
Director



EMBASSY OF THE  
UNITED STATES OF AMERICA

June 2, 1978

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

Dear ~~Dr. Valdez:~~ <sup>Julio</sup>

I have been actively involved with the formulation of the USAID FY 1980 Annual Budget Submission (ABS). I support the proposed FY80 program which I believe is well conceived and responsive to the developmental needs of the Republic of El Salvador in the overall context of AID Foreign Assistance.

I am, however, concerned with the number of Americans present in the official community in El Salvador. It is my opinion that the number of Americans requiring direct support should be held to a minimum. The Mission Director, Mr. Ruiz, and I have discussed at length the personnel consideration and ramifications of the proposed program and I have agreed with the personnel levels set forth in the ABS and the Mission Operating Budget (MOB) as being those required to implement the USAID program.

In this regard I am pleased to report that Mr. Ruiz and I anticipate a significant increase in the AID program with the personnel levels presented in the MOB without affecting the program's overall effectiveness. This, of course, is contingent on developments of the human rights situation.

Nonetheless, while I endorse the proposed program and have accepted the projected U.S. personnel requirements I urge that AID in its efforts to achieve the objectives outlined in the ABS be constantly alert to any possibilities for reduction on U.S. personnel levels.

Sincerely yours,

A handwritten signature in cursive script that reads "Frank J. Devine".

Frank J. Devine  
American Ambassador

## ANNUAL BUDGET SUBMISSION

### Table of Contents

	Pages
1. Table I - Long Range Plan	1
2. Table III - Summary of Resources	2
3. Table IVA & B - Activity Data	5
4. Decision Unit Overview	115
5. Mission Operating Expense Budget	221
6. Decision Packages	230
7. Table V - Proposed Program Ranking	236
8. Workforce and Operating Expenses	239
9. Table VI - Funding for Special Concerns	240
10. Evaluation Plan	242
11. PL 480 Title II	244
12. Population Planning - Commodities	245
13. Research and Development	254

TABLE 1 - LONG RANGE PLAN  
(\$ millions)

	FY 19PY ESTIMATE	FY 19CY REQUEST	FY 19BY		PROPOSED	PLANNING PERIOD				
			MINIMUM	MARK		BY+1	BY+2	BY+3	BY+4	
<b>Food &amp; Nutrition</b>										
Grants	.3	.7	1.2	1.3	1.5	.8	.9	.9	.9	
Loans	14.2	3.0	9.0	14.0	22.0	12.5	15.0	6.0	10.0	
<b>Population</b>										
Grants	.6	.6	.7	.7	.7	.7	.7	-	.3	
Loans	-	-	-	-	-	-	-	4.0	-	
<b>Health</b>										
Grants	.7	.7	.1	.1	.1	.2	.4	.1	.1	
Loans	-	7.0	8.0	8.0	8.0	-	-	10.0	-	
<b>Education</b>										
Grants	.2	.3	.2	.2	.2	.2	.2	.1	.2	
Loans	3.4	10.8	-	4.0	4.0	4.0	3.0	-	4.0	
<b>Selected Development Activities</b>										
Grants	.6	.8	.8	.9	.9	1.3	1.5	1.4	1.4	
Loans	-	-	-	-	-	4.0	5.0	8.0	4.0	
<b>Total Functional Accounts</b>										
Grants	2.4	3.1	3.0	3.2	3.4	3.2	3.7	2.5	2.9	
Loans	17.6	20.8	17.0	26.0	34.0	20.5	23.0	28.0	18.0	
<b>Other Accounts (specify)</b>										
Grants	-	-	-	-	-	-	-	-	-	
Loans	-	-	-	-	-	-	-	-	-	
<b>Total Program</b>										
Grants	2.4	3.1	3.0	3.2	3.4	3.2	3.7	2.5	2.9	
Loans	17.6	20.8	17.0	26.0	34.0	20.5	23.0	28.0	18.0	
<b>PL 480 (non-add)</b>										
Title I (of which Title III)	-	-	-	-	-	-	-	-	-	
Title II	(2.3)	(1.4)	-	(2.2)	(2.2)	(2.3)	(2.3)	(2.3)	(2.3)	
<b>Housing Guaranties (non-add)</b>										
-	-	-	-	-	-	-	-	-	-	
<b>Personnel (in workyears)</b>										
Mission - U.S.	19.8	23.0	21.2	22.2	23.2	23.0	24.0	24.0	24.0	
- F.N.	29.4	39.0	39.0	39.0	40.0	40.0	40.0	40.0	40.0	
TDY - U.S.D.H.										
Contract, other -	8.1	14.0	13.5	14.0	14.5	15	16	16	16	
<b>Operating Expenses</b>	1.6	1.9	1.8	1.9	2.0	2.0	2.2	2.3	2.5	

TABLE III - SUMMARY OF RESOURCES - BY ACTIVITY  
(FUNDING IN \$ 000 AND OPERATING EXPENSES-FUNDED PERSONNEL IN WORKYEARS (XX, X))

DECISION UNIT  
EL SALVADOR

ACTIVITY	FY: 1978		FY: 1979		MARK		MINIMUM		EXPANSION		PROPOSED	
	FUNDING	PERSONNEL	FUNDING	PERSONNEL	FUNDING	PERSONNEL	FUNDING	PERSONNEL	FUNDING	PERSONNEL	FUNDING	PERSONNEL
	US	FN	US	FN	US	FN	US	FN	US	FN	US	FN
<b>PROGRAM ACTIVITIES</b>												
<b>Food and Nutrition:</b>												
Nutrition Improvement	114	00.2	200	00.4	161	01.0	161	01.0	161	01.0	(23,461)	01.0
Intensive Small Farm Management	-	00.7	-	00.6	-	00.3	-	00.3	-	00.3	-	00.3
Small Farmer Development	12,000	00.7	-	00.2	-	00.8	-	00.7	-	00.8	-	00.7
Grain Marketing & Storage	-	00.4	-	00.2	-	00.3	-	-	-	-	-	-
Small Farm Natural Resource Management	-	-	155	00.1	125	00.3	125	00.3	125	00.4	125	00.3
Farm to Market Access Rbads	-	-	-	00.2	5,000	00.4	5,000	00.4	5,000	00.4	5,000	00.4
Small Farm Technology and Credit	-	-	-	00.7	9,700	00.5	9,700	00.5	9,700	00.6	9,700	00.5
Food and Nutrition Technical Support	100	00.3	100	00.4	100	00.4	100	00.4	100	00.4	100	00.4
Small Farm Irrigation System	2,250	00.3	-	00.2	-	00.6	-	00.4	-	00.6	-	00.4
CARIAS - OPG	100	-	-	-	-	00.1	-	-	-	00.1	-	-
Regional Rural Development	-	00.1	3,075	00.1	75	00.1	75	00.1	75	00.1	75	00.1
Integrated Rural Development - OPG	-	00.1	150	00.1	150	00.1	150	00.1	150	00.2	150	00.1
Rural Enterprise and Cooperative Development	-	00.1	-	00.1	-	00.6	-	00.1	-	00.6	8,150	00.1
<b>Population:</b>												
Family Planning and Population	575	01.0	600	01.4	700	02.1	700	02.1	700	00.1	700	00.1
Population Dynamics	-	-	29	00.1	10	00.3	10	00.3	10	02.1	10	02.0
Population Technical Support	-	-	-	-	-	-	-	-	-	-	10	00.3
<b>Health:</b>												
Health Sector Improvement	-	00.1	-	00.6	8,000	01.0	8,000	01.0	8,000	00.5	8,000	01.0
Rural Potable Water Delivery	-	00.1	7,000	00.3	-	01.2	-	00.3	-	01.2	-	00.3
Rural Health Delivery Systems	652	00.4	-	00.5	-	01.6	-	00.4	-	01.6	-	00.4
Rural Health Improvement	-	00.3	450	00.5	-	01.0	-	00.5	-	01.0	-	00.5
Health Technical Support	16	00.1	90	00.1	40	00.1	100	00.1	40	00.1	40	00.1
Health Resources Center - OPG	-	00.1	75	-	100	00.1	100	00.1	100	00.1	100	00.1
Urban Market Women - Salvadoran	-	00.1	100	-	-	00.2	-	00.1	-	00.2	-	00.1
Demographic Association - OPG	-	00.1	-	-	-	00.1	-	00.1	-	00.1	-	00.1

TABLE III - SUMMARY OF RESOURCES - BY ACTIVITY  
(FUNDING IN \$ '000 AND OPERATING EXPENSES-FUNDED PERSONNEL IN WORKYEARS (XX.X))

ACTIVITY	FY: 1978		FY: 1979		MARK		MINIMUM		EXPANSION		PROPOSED	
	FUNDING	PERSONNEL	FUNDING	PERSONNEL								
	US	FN	US	FN								
<u>Education:</u>	( 3,500)		(11,015)		( 4,230)		( 125)		(4,230)			
Basic and Occupational Skills Training.	3,450	01.2 02.0	180	01.1 01.0	125	00.8 01.2	125	00.8 01.2			125	00.8 01.2
Improvement of Rural Primary Education	-	00.2 00.3	10,750	00.2 01.0	-	00.7 01.2	-	00.7 01.2			-	00.7 01.2
Rural Living Skills	-	00.1 00.1	-	00.5 00.7	4,000	00.3 01.1	-	-			4,000	00.3 01.1
Education Technical Support	50	00.3 00.2	85	00.2 00.3	105	00.2 00.5	-	-			105	00.2 00.5
<u>Selected Development Activities:</u>	( 647)		( 857)		( 866)		( 790)		( 916)			
Development of Rural Communities, Services	-		200	00.1 00.2	200	00.1 00.2	200	00.1 00.2			200	00.1 00.2
Environmental Improvement	-	00.1	100	00.1	285	00.1	285	00.1			285	00.1
Small Enterprise Technoserve - OPG	140	00.1 00.1	180	00.1 00.2	180	00.1 00.2	180	00.1 00.2			180	00.1 00.2
CODECOVAL - OPG	47	00.1	-	00.1	-	00.1	-	00.1			-	-
Central Marketing Cooperative - OPG	-	00.1	125	00.1 00.1	125	00.1 00.1	125	00.1 00.1			125	00.1 00.1
Special Development Activities	50	00.1	50	00.1	-	-	-	-			50	00.1
Multi-Purpose Household Survey	167	00.1 00.1	127	00.1 00.1	-	00.1	-	00.1			-	-
National Cadaster	210	00.1 00.1	-	00.2	-	00.1	-	00.1			-	-
Selected Develop.Problems Tech.Support	33	-	75	00.1	76	00.1	-	-			76	00.1
<b>TOTAL PROGRAM FUNDING</b>	<u>19,954</u>		<u>23,896</u>		<u>29,257</u>		<u>19,926</u>		<u>37,457</u>		<u>2,234</u>	

PL 480 Title II

**TABLE III - SUMMARY OF RESOURCES - BY ACTIVITY**  
 (FUNDING IN \$ 000 AND OPERATING EXPENSES-FUNDED PERSONNEL IN WORKYEARS (XX.X))

DECISION UNIT  
 EL SALVADOR

ACTIVITY	FY: 1978		FY: 1979		MARK		MINIMUM		EXPANSION		PROPOSED	
	FUNDING	PERSONNEL US FN	FUNDING	PERSONNEL US FN	FUNDING	PERSONNEL US FN	FUNDING	PERSONNEL US FN	FUNDING	PERSONNEL US FN	FUNDING	PERSONNEL US FN
NON-PROGRAM ACTIVITIES												
Policy Direction & Management	8.0	7.0	8.0	10.0	8.0	10.0	8.0	10.0			8.0	10.0
Financial Management	2.0	7.0	2.0	7.0	2.0	7.0	2.0	7.0			2.0	7.0
Mission Support	1.0	10.0	1.0	17.5	1.0	17.5	1.0	17.5			1.0	17.5
IDIs	1.4		2.0		0.2		0.2				0.2	
Other (Specify)		None		None		None		None				None
Non-Mission Specific Personnel		None		None		None		None				None
Operating Expenses:												
Personnel	\$1,039.4		1,247.8		1,235.1		1,151.1				1,300.1	
Housing	199.4		235.0		225.7		225.7				225.7	
Office Operations	346.0		381.1		389.6		389.6				425.6	
TOTAL	\$1,584.8		1,863.9		1,850.4		1,766.4				1,951.4	

EL SALVADOR

TABLE IVA

NUTRITION IMPROVEMENT

519-0182

(\$475,000 - Grant)

1. PURPOSE

To assist in the implementation of a National Food and Nutrition Program by strengthening GOES capability to plan, implement, coordinate, monitor and evaluate food and nutrition interventions.

2. BACKGROUND

A series of studies have established that El Salvador has one of the highest rates of malnutrition in Latin America with 74% of all pre-school children falling below standard weight for age measures. Recognizing the importance of nutrition as a major determinant of health status and thus of development, the GOES has developed a National Food and Nutrition Program as a part of its Five Year Plan (1977-1982). The objective of this project is to develop a set of coordinated multisectoral activities which will impact on the food availability and nutritional status of the target low income families.

3. PROGRESS TO DATE

The GOES has established a multisectoral coordinating office and executive committee for the recently approved National Food and Nutrition Program. The coordinating office, in conjunction with US advisors, has outlined a series of specific target activities in nutrition planning and programming, nutrition education, food fortification and supplementary feeding. These activities will be implemented through interministerial subcommittees now being formed in each of the target areas. AID will provide financing for advisory assistance, training, materials development, and data processing to the subcommittees as well as providing assistance with surveys, training of field personnel and initial materials for pilot interventions developed by the subcommittees.

4. BENEFICIARIES

The benefits derived from this project are designed to be passed on to the poor majority through effective implementation of the National Food and Nutrition Program. In addition, certain of the pilot activities such as supplementary feeding and nutrition education activities carried out under this project will, in the test areas, directly benefit the most nutritionally vulnerable groups in El Salvador, primarily rural and urban children under 6 years of age, and women in fertile age. Project cost per family is \$0.71.

5. CURRENT YEAR PROGRAM

- technical subcommittees established in nutrition education, supplementary feeding, nixtamal and nutrition planning.
- 35 food and nutrition planners or program administrators trained.
- all supplementary feeding activities mapped
- curricula developed for nutrition education programs
- nutrition education materials developed
- basis established for national nutrition information system
- nutritional surveillance system expanded
- acceptability trials of fortified tortilla flour performed
- 6 nutrition education resource centers organized

BUDGET YEAR PROGRAM

- management and evaluation plan of supplementary feeding programs established
- training courses for nutrition educators and managers of supplementary feeding programs carried out
- emergency food distribution system designed
- study of domestic sources for supplementary feeding performed

- development of quality control system for supplementary commodities

7. MAJOR OUTPUTS

- 35 trained nutrition planners or program administrators
- 1 national food and nutrition planning information system developed
- 1 national food and nutrition education program developed
- 6 nutrition education resource centers organized and functioning
- 2,400 nutrition educators trained
- 1 coordinated and rationalized national supplementary feeding system developed
- 900 managers of supplementary feeding programs trained
- 1 emergency food distribution system developed
- 1 quality control system for supplementary feeding commodities developed
- 6 acceptability, marketing and nutritional feasibility trials and studies for fortified tortilla flour completed.

EL SALVADOR

TABLE IVA

INTENSIVE SMALL FARM MANAGEMENT

519-0174

(\$1,169,000 Grant)

1. PURPOSE

To develop and disseminate multiple cropping systems appropriate to use within the small farm sector.

2. BACKGROUND

Since 1967 the USAID has supported crop research activities of the National Center for Agriculture (CENTA) for dissemination to small farmers. In 1975 the project was brought into its present form to emphasize research in multiple cropping techniques and to include greater efforts in extension. This coincides with GOES development priorities and is consistent with the Mission policy of supporting GOES projects that most directly benefit the rural poor.

PROGRESS TO DATE

AID supported pre-project activities accomplished:

- a. upgrading the National School of Agriculture
- b. identification of multiple cropping systems as a means of increased small farm productivity; and
- c. the selection of crops for inclusion in possible multiple cropping systems.

The first two year's project activities have achieved:

- a) identification of several zone-specific cropping combinations which are being disseminated to small farmers;
- b) major refinements of an earlier set of recommendations on multiple cropping techniques, and

- c) research trials leading toward publications of a new set of intensive cropping recommendations for dissemination to small farm operators. Follow-on activities will further advance research in cropping techniques including numerous ecological zone-specific trials and dry season research on a much increased scale.

#### 4. BENEFICIARIES

The direct beneficiaries during the implementation period of this project will be the 7,500 small farmers adopting improved multiple cropping practices through demonstration plots and related extension activities. The participants in this activity are small farmers and sharecroppers cultivating an average of one-to-two hectares, principally in corn, beans, sorghum and rice, with annual per capita incomes of \$50 to \$250. The estimated project cost per principal beneficiary family will be about \$200. However, a significant spread effect in the ensuing years should also be fully anticipated, thereby reducing the per beneficiary project cost.

#### 5. CURRENT YEAR PROGRAM

- a. research completed and recommendations developed on 12 multiple cropping packages for the principal ecological zones
- b. graduate training in related agricultural sciences completed by three GOES technicians
- c. 2,500 small farmers utilizing improved multiple cropping practices

#### 6. BUDGET YEAR PROGRAM

Four CENTA technicians complete training in plant sciences and production economics.

#### 7. MAJOR OUTPUTS

- a. eighteen multiple cropping packages developed and delivered through demonstration plot and extension activities to a minimum of 10,000 small farmers
- b. eight GOES technicians provided graduate training in plant science and production economics
- c. 7,500 small farmers practicing improved multiple cropping systems and serving as agents for further adoption of these practices by the target group

EL SALVADOR

TABLE IVA

SMALL FARMER DEVELOPMENT

519-0192

(\$12,000,000 Loan)

1. PURPOSE

To assist in the establishment of a small farmer land purchase program.

2. BACKGROUND

The principal objective of the GOES five year plan 1978-82 is to increase the income of all Salvadoreans and to achieve a more equitable distribution of income within society. This farm credit project would contribute to this goal by providing landless and small farmers with the means to increase their income through increased production. Altering the land tenure patterns of El Salvador will address one of the major constraints to development of the small farm sector which has been mutual concern of both the GOES and AID since 1976.

3. DESCRIPTION

The GOES will create a national level financial institution which will function as a rediscount mechanism whereby ICIs can place small farm land mortgages. In order to qualify for rediscounting, the individual farm loans will have to meet the criteria to be established for the participating small farmers and the respective loan terms and conditions. There will also be established a price review mechanism to preclude excessive land price increases for target group farmers. The GOES will also provide production credit and technical assistance to those persons participating in the program.

4. BENEFICIARIES

The target group will be the rural poor farm families, landless and nearlandless, earning annual per capita incomes of less than \$250 a year. Approximately 3,000 families will benefit from the AID portion of the activity making the cost per family about \$4,000 or \$570 per

capita. Considering the long range spread of the benefits to future generations, not calculated here, this is a reasonable figure.

5. CURRENT YEAR PROGRAM

- a. land purchase fund established; 500 families benefited
- b. improvement management capability within banking system to administer land purchase program
- c. 2 persons trained in land purchase operations

6. BUDGET YEAR PROGRAM

- a. 2,000 additional families receive credit
- b. continued improvements in banking operations in administration of credit program
- c. 4 persons trained in land purchase operations

7. MAJOR OUTPUTS

Approximately 6,000 small farm families will receive credit for land purchases and, in addition, benefit from the support services provided by the GOES to participants in the program.

EL SALVADOR

TABLE IVA  
GRAIN MARKETING AND STORAGE

519-0165

(\$6,500,000 Loan)

1. PURPOSE

To improve the management and expand the network of storage facilities required to establish a national basic grain marketing program.

2. BACKGROUND

Since 1951 the GOES through its grain price stabilization agency (IRA) has intervened in the grain market providing periodic price supports as incentives where necessary to increase production. It had also intervened with limited procurement and sales designed to stabilize extreme price fluctuations. Having decided in the early 1970's to improve these types of interventions and increase the incentives for a continued expansion of its basic grains production (centered almost exclusively in the small farm sector), this loan project was initiated and is fully consistent with GOES and AID objectives in supporting development of the small farm sub-sector.

3. PROGRESS TO DATE

Phase I storage facility construction is 95 percent complete, consisting of an increase of 36 thousand metric tons of capacity. An administrative reorganization plan of the implementing agency has been completed and is in the final stage of implementation. Most of the proposed training has also been completed.

4. BENEFICIARIES

All consumers of basic grains and nearly all small farmers are the beneficiaries of this program. IRA storage programs benefit and estimated 249,000 farmers all within the AID target group. The project cost per family would therefore be about \$26.00.

5. CURRENT YEAR PROGRAM

Phase II construction of approximately 9 thousand metric tons capacity will be completed and all disbursements will be made by May 1, 1979. Six persons will be trained in grain storage marketing.

6. BUDGET YEAR PROGRAM

Not applicable.

7. MAJOR OUTPUTS

- a. storage capacity totalling about 45 thousand metric tons bringing the implementing agency's total to 110 thousand
- b. twenty-two implementing agency employees trained
- c. administrative reorganization of the implementing agency completed
- d. pricing policies effectively impacting upon production and price stabilization objectives

EL SALVADOR

TABLE IVA

SMALL FARM NATURAL RESOURCES MANAGEMENT

519-0217

(\$280,000 Grant)

1. PURPOSE

To undertake a pilot project designed to identify, improve and expand the adoption of appropriate natural resource management practices in the small farm sub-sector.

2. BACKGROUND

The population density of El Salvador, at six times that of the Central American average and higher than that of India and Taiwan, is one of the highest in the world. Almost two-thirds of its people, directly or indirectly, depend upon agriculture for a livelihood. The situation has resulted in increased farming of marginal land generally by intensive cultivation. Unfortunately this increased intensive use of land has not been accompanied by appropriate conservation measures; less than 8% of El Salvador's natural forest cover remains and the degradation of its soil and vegetative cover are well into a critical stage.

The small farm sub-sector is already concentrated on the hillsides and broken intermountains areas. Further expansion of cultivation in these areas, which are the most critical, cannot in the short to medium term be halted and the resource management practices thereon must be significantly improved.

This project complements USAID's basic goal of increasing productivity and income in the small farm sector through its focus on protecting and improving its principal productive asset. This objective is also consistent with the GOES priorities for the rural sector as outlined in this current (1978-82) Five-Year Plan.

3. PROJECT DESCRIPTION

The basic problem to be addressed in this project relates to the increasingly critical need to identify the elements and characteristics of an effective low-cost program that can be expanded into a national scope to contain, and reverse if possible, the rapid degradation of the natural

resource base upon which the major portion of El Salvador's small farm sector is dependent for its livelihood.

As currently contemplated the project will involve three principal activities. The first will focus on the development and refinement of a series of simple low-cost soil and water conservation measures appropriate to the soils, topography and resources base (labor and capital) commonly encountered in the small-farm sector. These would include terracing, contour planting of windbreaks, small retention dams, grassed waterways, and reforestation. The second will assist the GOES develop a capability to formulate programs and deliver the necessary information and services to the small farmer for implementation of those programs. The third activity would focus on the actual organization and implementation of community level sub-projects. The executing agency will be the Ministry of Agriculture, through its Directorates for Renewable Natural Resources (DRNR) and Agricultural Technology and Extension (CENTA). It will be assisted at the community level by Peace Corps Volunteers assigned to both the DRNR and CENTA. In the development of the project, special attention will be given to the plans of other donors, particularly the MNDP, CIDA and the U.K., who are becoming increasingly interested in this general field and are expected to undertake one or more regional watershed management projects. The design of the project will also draw on the experience and current involvement of the Peace Corps with DRNR and CENTA.

#### 4. BENEFICIARIES

The beneficiaries will be approximately 2,700 subsistence and marginally commercial small farmers living in these areas of greatest natural resource depletion. These farmers, primarily basic grain producers, with annual per capita incomes between \$50 to \$250 normally cultivate 1 to 10 hectares. The total project cost per family benefited is estimated at \$215 exclusive of contributed self-help labor.

#### 5. CURRENT YEAR PROGRAM

This project is being proposed for FY 79, although it does not appear in the Congressional Presentation, due to the unique opportunity to take advantage of a recently arrived contingent of Peace Corps Volunteers trained in soil conservation and watershed management. This is also consistent with the increased emphasis of the GOES on natural resource protection in the recently approved Five-Year Development Plan. Outputs for the current year program include:

- a. establishment of ten community level nurseries completed
- b. first series of campesino level training materials developed and in use, courses being conducted

- c. twenty extension offices providing farm level conservation plans and distributing seed, planting, and related materials
- d. 200 small farmers carrying out recommended farm plans

6. BUDGET YEAR PROGRAM

- a. establishment of twenty additional community level nurseries completed
- b. second series of campesino level training materials developed and in use, courses being conducted
- c. fifty additional extension offices providing technical assistance plans and related supplies
- d. 500 small farmers carrying out recommended farm plans

7. MAJOR OUTPUTS

- a. 30 community level nurseries
- b. 70 extension offices providing conservation farm planning and technical assistance
- c. 2700 small farmers carrying out planned resource management practices
- d. 10,000 hectares under planned resource management program.

EL SALVADOR

TABLE IVA

FARM TO MARKET ACCESS ROADS

519-0204

(\$5,000,000 Loan)

1. PURPOSE

To provide small farmers and poor communities in isolated areas with better access to inputs, public services and markets for their products.

2. BACKGROUND

Although El Salvador possesses a relatively well developed network of hard surface primary roads, many of the rural poor still remain relatively isolated in their villages or communities due to the inadequate conditions of tertiary roads. As to be expected, these areas represent a concentration of subsistence or marginally commercial small farmers. Although agricultural production provides the basic livelihood for these people, their isolation makes the marketing of their products and the purchasing of basic production and consumer goods both difficult and expensive. There are many farmers for whom going to market still means a two or three day round trip. They cannot do this regularly and, therefore, tend to be victimized by intermediaries. The isolation of these communities also precludes their appropriate access to government provided social services designed to improve standards of living in the rural areas.

3. PROJECT DESCRIPTION

This project will focus on increasing the capability of the GOES to upgrade and/or build low cost rural roads to all-weather standards employing a high input of community self-help labor. It will involve the creation of a rural access roads division in the Ministry of Public Works. This division will be capable of providing the technical analysis, design, and construction supervision of the self-help road construction activities carried out by DIDECO, the GOES rural community development agency. DIDECO will assist in organizing the local labor for road construction and maintenance. Approximately 30 road projects, varying in

length from about 8 to 20 kilometers and totalling no less than 400, are expected to be built under this project. This project is fully consistent with objectives of the GOES Five Year Plan and the Mission focus on the rural poor and small farm sector.

4. BENEFICIARIES

The primary beneficiaries will be about 18,000 rural families who will gain access to all-weather roads during the five year life of the project. Of these it is estimated that 80 percent, or approximately 15,000, will be rural poor and small farmers with annual per capita incomes of less than \$225. The average cost per primary beneficiary family as noted above is estimated at \$333. However, it is estimated that another 10,000 farm families will benefit from access roads constructed under the institutional framework of this project before the equipment procured with loan funds is fully depreciated.

5. BUDGET YEAR PROGRAM

- a. 60 kilometers of improved roads under construction
- b. improved capability of DIDECO to organize communities for implementation of expanded self-help road construction program.

6. MAJOR OUTPUTS

400 kilometers of all-weather roads constructed.

EL SALVADOR

TABLE IVA

SMALL FARM TECHNOLOGY AND CREDIT

519-0206

(\$3,500,000 Grant; \$9,000,000 Loan)

1. PURPOSE

To improve the capability of GOES agricultural sector institutions to identify, develop and expand the use of appropriate crops and technologies required to improve the nutritional status, living conditions, and income opportunities of the small farm sub-sector.

2. BACKGROUND

The Mission goals of helping the rural poor is consistent with the GOES objectives as stated in the 1978-82 Five Year Plan of creating fuller employment and correcting the highly skewed income distribution in El Salvador. This loan/grant project will constitute the Mission's core agricultural technology development effort designed to increase the incomes of the neediest by providing both production credit and information to increase productivity using new crops, techniques and inexpensive light capital assets. A Title XII baseline study of agricultural research, extension and education to be initiated in late FY 1978 will complement a concurrent survey of the socio-economic status of the rural poor in El Salvador and provide much of the guidance for the ensuing project design activities.

3. PROJECT DESCRIPTION

AID funds will be used to provide technical assistance, training, commodities, credit and facility improvements in the following areas:

a) Perennial and Horticultural Crops. The National Center for Agricultural Technology (CENTA) will develop a research and extension program for such crops as citrus, avocado, mango, almond, grapes and musaceous as well as vegetable and annual fruit crops. Credit for production will come through the National Agricultural Bank (BFA).

b) Small Species Livestock. CENTA will also develop a research and extension program to assist small farmers with new programs with poultry, swine, rabbits and bees. Credit for production will come through the BFA.

c) Research and Development. CENTA will carry out research and development activities to identify, adapt, test, and demonstrate the feasibility of light capital technologies at the small farm and rural community level including those of local agro-industry application.

d) Extension Training. The National School of Agriculture (ENA) will improve its capacity for training agriculture extensionists and create a faculty for home economics.

e) Small Farmer Training. Working directly with the small farmer and his family, CENTA will develop a basic agricultural skills training program for rural youth and adults. Special emphasis will be given to the use of inexpensive farming tools and light capital machinery.

f) Policy and Program Improvement. AID funds will be used to expand the data collection, processing and analytical capabilities of the Ministry of Agriculture to improve and evaluate the formulation and implementation of appropriate policy and programs for the small farm sector.

#### 4. BENEFICIARIES

The broader target group comprises approximately 225,000 rural poor and small farm families with annual per capita incomes of less than \$250. The principal beneficiaries within this broader group will be some 30,000 small farm families, normally cultivating 1 to 2 hectares of basic grains (corn, beans, sorghum and rice), who would be the eligible recipients of this project's credit component and the focus of its outreach activities through extension and small farmer training activities. The per-family beneficiary cost of this project is approximately \$370.

#### 5. CURRENT YEAR PROGRAM

Not applicable.

#### 6. BUDGET YEAR PROGRAM

- a. broader CENTA research and extension programs initiated and technical assistance team on board
- b. extension and home economics training programs initiated
- c. 3000 target farmers receiving production credit
- d. training centers construction plans developed

- e. data collection and analysis plans formalized
- f. 6 persons receiving training in agricultural sciences and administration

7. MAJOR OUTPUTS

- a. CENTA research and extension programs covering appropriate range of crop mix for both nutritional and cash sale goals
- b. 30,000 target farmers employing new technologies to intensify and diversify output (15,000 also using new credit resources)
- c. ongoing program of appropriate light capital technology development functioning in CENTA
- d. improved policy and program formulation capabilities installed in the Ministry of Agriculture

EL SALVADOR

TABLE IVA

FOOD AND NUTRITION TECHNICAL SUPPORT

519-0167

(Continuing Grant)

1. PURPOSE

This project provides the Mission with the means for financing project development activities including program analysis, project design, and evaluation within the food and nutrition sector. It also may fund training which is a pre-requisite for project development.

2. BACKGROUND

This fund has been used to finance technical experts and invitational travel to develop food and nutrition related projects.

3. PROGRESS TO DATE

During the past year project funds were utilized to develop a nutrition improvement grant, an irrigation loan, a small farmer development loan, and various studies and analyses expected to lead to AID financed projects in the near future.

4. BENEFICIARIES

Not applicable

5. CURRENT YEAR PROGRAM

- a. analysis for development of a Farm to Market Access Road loan
- b. analysis for development for Rural Enterprises loan
- c. evaluation of Small Farmer Development loan

- d. evaluation of irrigation loan
- e. analysis for development of a Regional Rural Development loan (Morazan)
- f. analysis for developing a PL 480 community self help project

6. BUDGET YEAR PROGRAM

- 1. analysis for project development activities in food supply, nutritional status, and fertility reduction.
- 2. special evaluation activities and assessments.
- 3. project development activities related to cooperative development.

7. MAJOR OUTPUTS

Not applicable

EL SALVADOR

TABLE IVA

SMALL FARM IRRIGATION SYSTEMS

519-0184

(\$2,250,000 Loan)

1. PROJECT PURPOSE

To expand the capability of the GOES to assist low income small farmers obtain and utilize needed water resources.

2. BACKGROUND

In El Salvador, the major portion of land suitable for cultivation is now in production. Output increases brought about by improved yields (i.e. new seeds, more fertilizer, pesticides, etc. ) will not be sufficient to both provide the necessary food for a rapidly growing population and have a desirable impact on the badly distorted income distribution. This is not to say that increases of this nature, including multi-cropping, will not be important; however, to meet the stated objective and to make yield increasing and multi-cropping activities even more effective, El Salvador must expand the land areas under irrigation. This would permit a second and even third crop per year where only one is now possible.

3. PROJECT DESCRIPTION

This project will focus on the development of small scale community level irrigation systems constructed largely through the self-help efforts of the beneficiary groups. Expanding upon a pilot project experience, the National Community Development Agency (DIDECO) and the Irrigation and Drainage Division of the Ministry of Agriculture (DGORD) will be the executing GOES entities. DIDECO will assist in organizing the recipient community level groups, while DGORD will provide the design and construction supervision, as well as a continuing maintenance support function thereafter. In addition technical assistance and training will upgrade and expand the capabilities of both agencies as well as that of the agricultural extension service in related irrigation practices.

4. BENEFICIARIES

The primary beneficiaries of this project will be that portion of the

small farmer target group which owns the land to be irrigated. As part of the site selection criteria, a heavy emphasis will be placed on ownership of the land by the participating small farmer. This is necessary to avoid having the benefits of the irrigation accruing to absentee landlords with a consequent rise in the rental price. The project cost will be about \$1,400 per family.

5. CURRENT YEAR PROGRAM

- a. construction of systems on approximately 500 hectares initiated and an additional 1000 hectares under study and design
- b. training of 20 extension agents completed
- c. two engineers provided specialized training
- d. improved administrative capability of DIDECO

6. BUDGET YEAR PROGRAM

- a. construction completed on 500 hectares
- b. construction initiated on 1000 additional hectares and 1000 hectares under study and design
- c. training completed for 30 extension agents
- d. two engineers provided specialized training

7. MAJOR OUTPUTS

- a. approximately 50-8 irrigation sub-projects constructed on 4000-5000 hectares of land affecting 3000-4000 small farmer families
- b. approximately 100 extension agents trained in irrigation water and land use
- c. engineer agronomists provided specialized training in irrigation design, construction and management
- d. institutional capability to continue and expand a low cost small farmer irrigation activity

EL SALVADOR

TABLE IVA

REGIONAL RURAL DEVELOPMENT

519-0212

(\$225,000 Grant; \$3,000,000 Loan)

1. PURPOSE

The purpose of the project is to carry out an integrated rural development program in the Department of Morazán.

2. BACKGROUND

The Ministry of Interior is attempting to carry out intensive development of the Departments of Morazán, La Unión, and San Miguel. This region is reported to be the poorest area in the country, with an annual per capita income of less than \$100. The proposed project will have an integrated approach, with emphasis on income producing activities, employment generation, literacy, nutrition, health care, and social infrastructure. The methodology employed will be one of contracting with an experienced community development organization to provide technical assistance to the Ministry of Interior's Directorate for Community Development (DIDECO), in the conceptualization, organization, and institutionalization of a community based integrated rural development program. A regional development office established by DIDECO will coordinate the project's activities in the target area. The project will be "top down" and closely coordinated with the "bottom-up" approach in the proposed integrated FY 1979 Rural Development OPG. The project will include a \$3 million loan component for financing the capital inputs of those activities selected under the project. The project has been limited to one specific region in order to: 1) test the activity in a limited geographical region; and 2) focus attention and resources on the poorest and most neglected region of the country.

3. BENEFICIARIES

The beneficiaries are the poor landless and near landless living in the target area earning, on an average, less than \$100 per capita annually.

4. CURRENT YEAR PROGRAM

This project is being proposed for FY 1979 although it does not appear in the Congressional Presentation as a result of a special request by the GOES for assistance in resolving some of the more pressing problems of one of El Salvador's most isolated and economically depressed regions. The four principal outputs in FY 1979 will be:

- a. regional fund established & capitalized
- b. program plan established
- c. community groups organized
- d. DIDECO planning management capability improved

5. BUDGET YEAR

- a. specific project activities started and/or completed
- b. more effective functioning of community organizations
- c. improved DIDECO responsiveness to community felt needs

6. MAJOR OUTPUTS

- a. improved capacity established within DIDECO and community organizations to plan, organize, and carry out community-based development.
- b. a regional fund capitalized and functioning.
- c. numerous self-help projects accomplished and being maintained by community groups.

EL SALVADOR

TABLE IVA

INTEGRATED RURAL DEVELOPMENT

(OPG with Community Development Foundation)

519-0215

(\$500,000 Grant)

1. PURPOSE

The purpose of the project is to establish a community-based integrated rural development program in the Department of Morazán.

2. BACKGROUND

The Ministry of Interior has requested assistance from AID to support a pilot project in three yet-to-be selected municipalities in the Department of Morazán. The proposed pilot project will have an integrated approach, with emphasis on income producing activities, employment generation, literacy, nutrition, and health care. The approach taken will be "bottom-up" through the organization of community enterprises and/or cooperatives. Technical assistance will be directed at the organization of local community associations to identify and prioritize important socio-economic problems facing them and then to find ways to resolve them. The program will be carried out with the full collaboration of the Ministry of Interior's Directorate for Community Development, to be closely coordinated and integrated with the proposed FY 1979 Regional Rural Development Grant/Loan project. The participating community associations will also be able to obtain funds for selected activities through existing GOES and quasi-public agencies such as the Agricultural Development Bank, FEDECACES, Cajas de Crédito, FIGAPE, etc. Community Development Foundation will provide the necessary technical assistance for the training of community leaders and the organization of community associations.

3. BENEFICIARIES

The beneficiaries will be the poor, landless and near landless, who live in the target area, which is one of the poorest and most neglected in the country, where per capital annual income is estimated at less than \$100.

4. CURRENT YEAR PROGRAM

During its first year, CDF will identify, organize, and work with community groups to develop needs assessments leading to an agreed-upon, detailed multi-year plan for each of the municipalities selected. A regional project coordinator and local coordinators for each municipality will be selected and begin work for CDF. Participants will begin community development training.

5. BUDGET YEAR PROGRAM

A regional plan will be developed by the central or regional association. Selected community leaders will receive training in community development.

6. MAJOR OUTPUTS

- a. local associations established and functioning
- b. a central or regional association established
- c. local coordinators identified
- d. selected community members trained in community development principles
- e. various projects completed

EL SALVADOR

TABLE IVA

RURAL ENTERPRISE AND COOPERATIVE DEVELOPMENT

519-0213

(\$450,000 Grant; \$8,000,000 Loan)

1. PURPOSE

The purpose of the project is to assist in the establishment and/or expansion of selected rural small enterprises and cooperatives and to identify markets for their products.

2. BACKGROUND

The GOES is becoming more aware that the country's limited agricultural land base cannot in itself provide the solution to massive and growing unemployment. El Salvador's only chance to bring about a sufficiently rapid rise in the standard of living of the poor majority is to accelerate substantially the present rate of employment opportunities in labor intensive enterprises which are primarily export oriented. To address the problem, the GOES Five Year Plan also proposes an increase in allocations for industrialization.

3. PROJECT DESCRIPTION

The Mission therefore sees an opportunity to increase employment and generate income, particularly in the rural areas where the problem is most acute, through the stimulation of rural enterprises engaged in labor intensive production. Attention will be given to linking increased and improved production with international markets outside of the Central American Common Market and to providing assistance to the Salvadoran Foreign Trade Institute (ISCE) to help small, marginal enterprises to organize for export oriented production and marketing. Credit for production will be provided and will be complemented by appropriate business administration counseling, both handled through a yet to be selected ICI such as the Small Business Development Agency (FIGAPE), the Agricultural Development Bank (BFA), or the Salvadoran Industrial Development Institute (INSAFI).

The project will emphasize the promotion and dissemination of light capital, labor intensive technologies to improve the efficiency and increase the production of farm tools, handicrafts, and consumer goods for both domestic consumption and the export market.

4. BENEFICIARIES

Small entrepreneurs and unemployed and underemployed non-farm rural poor would benefit through increased employment from the credit made available for the creation and expansion of small rural enterprises as well as from the labor intensive technologies which would be introduced to increase the production capacity and efficiency of the small enterprises.

5. CURRENT YEAR PROGRAM

Not applicable.

6. BUDGET YEAR PROGRAM

- a. fund developed for the establishment and/or expansion for small rural enterprises
- b. institutional capability established to select and assist small rural enterprises
- c. promulgation of export strategy for non-traditional goods by ISCE
- d. approximately 5 enterprises selected for assistance by ISCE for development of export activities
- e. credit extended to selected enterprises above
- f. ISCE personnel sent to trade fairs

7. MAJOR OUTPUTS

- a. expansion and creation of labor intensive rural enterprises through the provision of credit and technical assistance
- b. improved ICI/ISCE capability to provide credit and assistance to rural enterprises and promote as appropriate exports of non-traditional goods
- c. increased rural enterprise production/marketing systems management capabilities
- d. an improved capacity developed within ISCE to identify exports markets for rural enterprises

EL SALVADOR

TABLE IVA

FAMILY PLANNING AND POPULATION

519-0149

(\$5,019,000 Grant)

1. PURPOSE

To establish the institutional capacity and capability to protect a minimum of 195,000 women in fertile age (WIFA) with effective means of contraception.

2. BACKGROUND

Although a decline in the birth rate has been experienced in El Salvador from approximately 45.4/1000 in 1966 to 40.2 in 1976, continuation of the family planning program being supported by this project is considered core to the GOES' effort to slow the country's continued excessive population growth rate. Since this growth impacts negatively on El Salvador's modernization prospects, population/family planning activities are ranked as high priorities in both the U.S. development strategy and the GOES Five Year Development Plan. With a National Population Policy dating from 1974, the GOES is focusing major attention on rural areas, which this project supports by providing technical assistance designed to increase family planning acceptance by rural families.

3. PROGRESS TO DATE

Project is on schedule with the 3 participating agencies Health Ministry (MOH), Social Security Institute (ISSS), and Salvadoran Demographic Association (SDA) reporting a total of 167,500 WIFA within the public program as of 9/77. AID support has been utilized to: train and deploy 140 Rural Health Aides; establish the training capability to graduate 35 Nurse Practitioners specializing in family planning and maternal child health care; provide equipment and train personnel in voluntary sterilization techniques at 27 service points; and finance the first phase of a mass-media campaign to promote family planning and population policy awareness.

4. BENEFICIARIES

The project is directed toward women in campesino families and marginal urban residents who utilize MOH public clinics; semi-urban workers affiliated with the Social Security system; and low-income rural and urban populations who are in contact with SDA Family Planning activities. Upon completion of the project approximately 60-70% of the women benefitted will fall within the AID target group of 1 million persons. Total project cost per family is estimated to be \$34.

5. CURRENT YEAR PROGRAM

- a. training and commodity support for family planning program to reach 185,000 active users by FY 1979, including 22,000 voluntary sterilization cases.
- b. nationwide community based and commercial contraceptive distribution systems established.
- c. Social Security Institute family planning coverage extended to 70% of affiliated workers.
- d. rural health workers trained in family planning
  - 1) 140 rural health aides
  - 2) 120 midwives
  - 3) 80 malaria colaborators
- e. 28 Nurse Practitioners trained
- f. 16 MD's and 90 support personnel trained in surgical contraception
- g. participant training provided for 6 in women's development, census analysis, and family planning administration and communications.
- h. logistic support and contraceptive supplies for 268 family planning clinics provided.
- i. second phase of mass media campaign on population policy promotion established

6. BUDGET YEAR PROGRAM

- a. audio visual center established

- b. training and commodity support for family planning program to reach 195,000 active users by FY 1980 including 25,000 voluntary sterilizations.
- c. one person trained in family planning administration.
- d. in country training in family planning
  - 288 rural health workers
  - 14 nurse practitioners
  - 6 physicians
  - 25 auxiliary nurses
  - 60 extension agents
  - 5 SDA training personnel
- e. evaluation studies of family planning activities of rural health workers and nurse practitioners completed.
- f. mass media program on population promotion policy intensified.
- g. second printing of locally produced educational materials completed.

7. MAJOR OUTPUTS

- a. 97,000 voluntary sterilizations
- b. 76 Family Planning/MCH Nurse Practitioners (women's health care specialists) trained and deployed
- c. 600 rural health workers trained in Family Planning
- d. 3 GOES Population Implementation and Work Plans Issued
- e. 3 contraceptive prevalence use surveys conducted and analyzed
- f. 195,000 women in fertile age contracepting

EL SALVADOR

POPULATION DYNAMICS

519-0210

(\$2,050,000 Grant)

1. PURPOSE

To assist the GOES in the design and implementation of family planning activities and development policies that will lower the birth rate to 30/1000 by 1983.\*

2. BACKGROUND

The U.S. country development strategy and GOES development priorities coincide on the high ranking they give to the need to reduce El Salvador's excessive population growth. GOES and AID programs to date have focused on development of a large scale family planning program with concomitant mass media component. Little attention has been devoted, however, to the need to modify attitudes and create conditions that lead to greater desire, particularly on the part of the rural public, to reduce family size.

3. PROJECT DESCRIPTION

AID will provide assistance to the National Population Commission and its member organizations to address:

- a. the continuing low contraceptive prevalence rates and limited acceptance of family planning by rural inhabitants under 25 years old; and
- b. weak central coordination of population policy actions and under-mobilization of GOES development resources, outside the Ministry of Health.

---

\* (Effects of 1982 program - pregnancies averted - will be evidenced in 1983).

To these ends the project will:

- a. concentrate family planning service and information efforts on rural populations, emphasizing commercialization and community distribution of contraceptives for child-spacing purposes and clinic services for fertility termination services;
- b. utilize the national network of primary schools and other educational systems, formal and non-formal, to reach youth and community leaders;
- c. strengthen the role of the National Population Commission in stimulating broader actions to reduce fertility; and
- d) support applied local operational research on fertility determinants, including social, educational and legal barriers to acceptance of family planning and alternate means to elevate the status of women.

The activities will be implemented by the Ministry of Health, the Ministries of the Presidency and of Planning under whose joint authority the National Population Commission functions; the Ministry of Education, responsible for family education and ecology; the Salvadoran Demographic Association; the Salvadoran Social Security Institute; the Foreign Affairs Ministry; the Ministry of Labor; and selected agencies such as rural agricultural cooperatives, the Child Welfare Council, the Community Development Organization (FOCCO), and the Office for Improvement of Marginal Communities (OMCOM).

#### 4. BENEFICIARIES

The primary target group of the project will be the fertile age members of the rural population, which make up 60% of the total population. Secondary emphasis will be placed on adolescents, who comprise 16% of the population, and marginal urban groups, estimated at 10% of the population. The project cost per family will be about \$10.

#### 5. CURRENT YEAR PROGRAM

Not applicable.

6. BUDGET YEAR PROGRAM

- a. contraceptive distribution points established in 1000 communities through use of rural health aides, malaria volunteers, agricultural extension agents and rural midwives
- b. demographic and population policy training designed and provided to 30 high and mid-level GOES officials
- c. adolescent fertility program designed and implemented
- d. sex education/ecology curricula established in primary schools
- e. pilot community development projects using family planning incentives established
- f. population component established in GOES community development programs
- g. nationwide family planning data system improved
- h. fertility determinants research program initiated with pilot projects in two regions
- i. sterilization, medical and audio-visual equipment installed
- j. 4 people trained in demography and family planning administration

7. MAJOR OUTPUTS

- a. 280 public service clinics offering FP services
  - (1) 15 rural posts with child-spacing methods
  - (2) 40 voluntary sterilization service points
- b. 1,500 community distribution sites established
- c. contraceptive commercial retail sales program established at a 75% self financing basis
- d. mass media family planning services promotional program established
- e. 10 people in Population Policy Coordinating Office staff trained in administration and demography
- f. sex education/ecology curricula established in primary school system (1,200 schools)
- g. fertility determinant operational research programs established

EL SALVADOR

TABLE IVA

POPULATION TECHNICAL SUPPORT

519-0181

(Continuing Grant)

1. PURPOSE

This project provides the Mission with the means for financing program development activities including program analysis, project design and evaluation within the population sector. It also funds training which is a pre-requisite for project development.

2. BACKGROUND AND PROGRESS TO DATE

This project is being established starting in FY 1979 to finance short term technical services required to develop the new Population Dynamics project. Services will include demography, sociology and data processing.

3. BENEFICIARIES

Not applicable.

CURRENT YEAR PROGRAM

- a. analysis of cultural barriers to family planning (2 pm - \$12,000)
- b. pre-planning seminars on identification of legal, educational and social barriers to greater acceptance of family planning (\$5,000)
- c. design of pilot community participation/development project in population (2 pm - \$12,000)

5. BUDGET YEAR PROGRAM

evaluation activities (\$10,000)

6. MAJOR OUTPUTS

Not applicable.

EL SALVADOR

TABLE IVA

RURAL HEALTH IMPROVEMENT

519-0218

(\$8,000,000 - Loan)

1. PURPOSE

To provide expanded community-based, rural health services, with emphasis on preventive and promotive measures.

2. BACKGROUND

The project builds logically on the FY 1978 Rural Health Aide and FY 1979 Rural Health Improvement grant projects which aim at improvement of the management, training, and logistical support aspects of rural health services. The project represents the third phase of AID's program to help the GOES upgrade rural health services by providing resources to implement large scale activities in rural water supply for the most marginal areas, improved sanitation, health education, vector control, and rural paramedical training.

3. PROJECT DESCRIPTION

The proposed project includes components that address the principal problems in rural health at the local, regional, and national levels. To address the key problem of preventable enteric and parasitic diseases, the project will first assist in development of the GOES' rural environmental sanitation program, including a major effort, to be carried out with other donors, to improve safe water supply, sewage and waste disposal, and to assess and improve the financing and administrative structure of rural water supply. A second component of the loan will support development of the vector control aspects of the GOES integrated malaria control program. The third component of the loan supports continued expansion of the rural health aide program to provide basic promotive and curative services on an outreach basis to areas underserved by the MOH health system. The fourth component, designed to support the above three, provides for improvement of the MOH National Health Training School and its regional facilities, including facility expansion and improvement of teaching capabilities. Finally, assistance will be provided

to implement plans developed under the Rural Health Improvement grant to improve MOH data gathering and analysis capacities.

4. BENEFICIARIES

The project will directly benefit an additional million rural poor families who presently are not receiving improved water, sanitation and health services from the MOH health system. Project cost per family is approximately \$12.

5. CURRENT YEAR PROGRAM

Not applicable.

6. BUDGET YEAR PROGRAM

- a. development of a viable financial and administrative structure for rural water supply
- b. 4 persons trained in entomology and epidemiology
- c. improvement of physical structure of National Health Training School
- d. development of plans for construction of regional health training facilities
- e. development of and initial implementation of plan to upgrade sanitation facilities
- f. improvement of water systems in remote rural areas
- g. development of vector control aspect of MOH malaria control program
- h. formulation of an operational plan for improved data gathering and analysis in the MOH.
- i. extension of rural health services through rural health aide program

7. MAJOR OUTPUTS

- a. MOH sanitation program upgraded.

- b. 500 water systems improved.
- c. 500 sewage systems installed.
- d. water supply administration/financing structure improved.
- e. vector control capacity developed.
- f. 950 Rural Health Aides trained and employed.
- g. rural health aide system institutionalized.
- h. MOH National Health Training School upgraded.
- i. MOH data system improved.

EL SALVADOR

TABLE IVA

RURAL POTABLE WATER DELIVERY

519-0209

(\$7,000,000 Loan)

1. PURPOSE

To provide potable water service to rural communities.

2. BACKGROUND

One of the principal objectives of the new GOES five-year development plan for 1978-1982 is to provide increased availability of potable water to rural sector inhabitants. Currently only about one-half of El Salvador's rural communities have systems which provide potable water. This project would contribute to the development of the rural sector by providing for the installation of house connection type potable water systems. In addition to the direct benefits of increased availability of potable water, related benefits of better health would accrue to project beneficiaries.

3. PROJECT DESCRIPTION

The proposed project would be composed of numerous sub-projects implemented at the small rural community level. In El Salvador the target rural communities would be cantones and caseríos, administrative units roughly corresponding to the township in the U.S. Given the unique makeup and nature of each community, it is expected that each subproject would be composed of different elements. The average type subproject would be composed of any or all of the following elements:

- a. water source utilization works - this would include deep wells, collection boxes, filtration systems and diversionary works;
- b. transmission systems - this would include simple pumps and pumping stations in addition to gravity system construction works, storage tanks and primary conducting pipe systems;

- c. distribution works - this would include quantity regulating tanks, purification units and piping for distribution to homes.

4. BENEFICIARIES

The target group will be the rural poor residing in and around small communities. Approximately 20,000 rural poor families representing over 140,000 persons would benefit from the proposed loan. It is expected that over 100 small rural communities would receive potable water under the loan. The project cost per family will be \$350.

5. CURRENT YEAR PROGRAM

The IDB is presently financing a second phase of a rural potable water project, and is considering financing a third phase in 1981. Upon completion of that third phase there will still remain approximately 700 small communities without potable water service. Given that situation, the GOES has requested assistance from AID during FY 1979 to provide potable water service to approximately 100 of those 700 communities still without potable water service. This project was not included in the FY 1979 Congressional Presentation. During the current year the following will be achieved:

- a. an estimated 20 communities will submit applications to the MOH for potable water systems.
- b. feasibility studies will be undertaken for all those applications currently on file, and project construction will be initiated.

6. BUDGET YEAR PROGRAM

- a. feasibility studies will be done for approximately 20 communities
- b. construction started on an estimated 5 community systems.

7. MAJOR OUTPUTS

- a. approximately 100 communities, comprising 140,000 rural poor persons (20,000 families), receiving potable water.
- b. water systems installed and functioning.

EL SALVADOR

TABLE IVA

RURAL HEALTH IMPROVEMENT

519-0193

(\$450,000 Grant)

1. PURPOSE

To expand and upgrade rural health services, with emphasis on preventive measures, through the improvement of the human resource component of the delivery system.

2. BACKGROUND

Sixty percent of El Salvador's 4.2 million population is rural and suffers substantially higher rates of infant mortality, malnutrition and morbidity than the urban population. Inadequate preventive health measures, such as basic personal hygiene, use of available health facilities, safe water, and sanitation are contributing factors. To resolve these problems, the Government of El Salvador (GOES) has launched a major effort entitled "Rural Penetration", which focuses on two complementary priorities: 1) the training and development of outreach agents to provide integrated health, family planning and nutrition services, which is currently being supported by the Rural Health Delivery Project; and 2) improvement of management, training and logistical support at national and regional levels which is necessary to extend the outreach and improve the quality of rural health delivery services. In preparation of the FY 78 Rural Health Aide grant, the Mission assisted the MOH in analysis of support systems for rural health delivery. That analysis and the recently completed Health Sector Assessment have underlined areas in which technical and training assistance are key to improving rural health delivery and, it is assumed, rural health status. This project is designed to support GOES efforts in the second component of its Rural Penetration program.

3. PROJECT DESCRIPTION

In order to reorient the rural health delivery system toward outreach and preventive activities, A.I.D. will assist the Ministry of Health (MOH) to strengthen its capabilities in management and planning, rural health training, and logistics and communications. This project is expected to develop the necessary institutional framework within the MOH to support a planned FY 80 loan which will focus on providing safe water, sanitary facilities, vector control and other preventive measures in rural areas.

This grant will upgrade MOH capabilities in health education, in administration particularly at the regional level, and in supply and maintenance. In addition, the Mission will work with the GOES to develop programs in environmental sanitation and vector control to be implemented largely under the follow-on Rural Health Improvement Loan. Training and technical assistance in those areas is also planned.

4. BENEFICIARIES

The improvement expected in the quality and acceptability of health services in existing rural facilities as a result of the maintenance, logistics and health education aspects of the project will eventually benefit an additional million rural poor inhabitants not being adequately served by the present system.

5. CURRENT YEAR PROGRAM

- a. 4 regional courses in administration, planning and budgeting
- b. Health administration course designed
- c. Health education curricula of all health professional training courses reviewed and upgraded
- d. 10 persons trained in health education/communication and evaluation
- e. Design and implementation of in-country training program in vector control and entomology
- f. 2 persons receiving training entomology and epidemiology
- g. design and implementation of in-country maintenance and logistics training programs
- h. upgrading of audiovisual capability of Health Education Division

6. BUDGET YEAR PROGRAM

- a. manpower assessment conducted and personnel policy recommendations developed
- b. plan developed and implemented to upgrade MOH information and data system to meet management needs for rural health delivery

- c. 10 persons trained in health education/communication and evaluation
- d. 2 persons trained in entomology and epidemiology

7. MAJOR OUTPUTS

- a. 20 MOH administrators trained in-country
- b. 20 MOH personnel trained in health education/communications and evaluation
- c. MOH health education curricula revised
- d. MOH logistic system upgraded
- e. MOH maintenance system upgraded
- f. 20 MOH personnel trained in vector control
- g. plans developed for upgrading of MOH information system

EL SALVADOR

HEALTH TECHNICAL SUPPORT

519-0178

(Continuing Grant)

1. PURPOSE

This project provides the Mission with the means for financing project development activities including program analysis, project design and evaluation within the health sector. It also funds training which is a prerequisite for project development.

2. BACKGROUND

Incumbent on any program to deliver rural health services effectively is the need to direct programs to root causes of health problems and to the development of technically and economically appropriate means of resolving them. Thus whereas programs have been developed with AID support to provide outreach health services and to improve the health delivery system, activities that address the primary cause of morbidity and mortality in rural areas, gastrointestinal illness related to the lack of adequate water supply and waste disposal, have only been outlined. This project will provide resources for project development in these and related areas.

3. BENEFICIARIES

Not applicable.

4. PROGRESS TO DATE

During FY 1978 project development activities under this project included technical experts in the preparation of various sections of the health sector assessment which have provided the basis for present and future health programming. In addition, consultant services were provided under this project for the design and preparation of the Rural Health Aide project.

5. CURRENT YEAR PROGRAM

In FY 1979, this project will provide financing for the short-term services of various technical experts for the design and development of a comprehensive health sector loan program.

6. BUDGET YEAR PROGRAM

In FY 1980 this project will continue to fund those activities related to new project development, particularly in the evaluative aspects of on-going activities as a base for the formulation of future project development. Financing will also be provided for technical services and invitational travel in the development of a loan project to upgrade MOH capabilities in occupational health and hygiene.

7. MAJOR OUTPUTS

Not applicable.

EL SALVADOR

TABLE IVA

HEALTH RESOURCES CENTER

OPG WITH DIRECT RELIEF FOUNDATION

519-0194

(\$250,000 Grant)

1. PURPOSE

To assist selected campesino groups to carry out independent self-supporting, permanent programs in intensive organic gardening.

2. BACKGROUND

During the 1970's Direct Relief Foundation (DRF) came to believe that an appropriate, low-technology food production program could help contribute to improved nutrition, employment, per capita income, and reduce farm to city migration. DRF's idea is to modify some domestic organic gardening approaches to make them more applicable to a variety of botanical environments, to use only spades and digging forks, composts and animal fertilizers, and natural pest control methods. The low technology techniques which have emerged have produced yields far beyond those of traditional farming methods. Properly applied, DRF believes that more people will be fed more nutritious food, income will be generated from the sale of surplus food, and job opportunities will result.

3. PROJECT DESCRIPTION

DRF is proposing a three year project to assist selected campesino groups in intensive garden-farming, nutrition, sanitation, income generation, and health services. To achieve this end DRF trained volunteers will establish Health Resources Centers (HRC) in selected communities in El Salvador and train local Salvadorans to operate them. HRC's will be located near established health facilities and will help to improve community health services emphasizing preventive care through better nutrition, pure water, and sanitation. Periodic curative care will be provided by DRF's medical staff and local associated hospitals. Some medical supplies will be provided. The volunteers will train poor campesinos how to increase food production through application of this intensive garden-farming technology.

4. BENEFICIARIES

The beneficiaries will be the inhabitants of those communities selected who will benefit improved health and income. Approximately 80 gardens will be established. Project cost per family \$25.

5. CURRENT YEAR PROGRAM

- a. 20 gardens in place
- b. 5 people trained in organic gardening
- c. 1 center and two satellite centers established

6. BUDGET YEAR PROGRAM

- a. 30 gardens in place
- b. 13 people trained in organic gardening
- c. 1 center and three satellite centers established

7. MAJOR OUTPUTS

- a. 3 and 9 central and satellite centers established
- b. 80 gardens in place
- c. 30 Salvadorans trained in organic gardening

EL SALVADOR

TABLE IVA

URBAN MARKET WOMEN

OPG with the Salvadoran Demographic Association

519-0208

(\$100,000 Grant)

1. PURPOSE

To provide improved health care and basic living skills including literacy and basic arithmetic to the urban market women of El Salvador.

2. BACKGROUND

The Salvadoran Demographic Association (SDA) is receiving funding from the IPPF for an integral family planning program for the markets of San Salvador. Over 95% of the 9,100 vendors in the five major markets are largely illiterate, poor women, who are accompanied by about 4,400 of their children.

3. PROJECT DESCRIPTION

The Mission plans to assist the SDA widen its range of activities to include maternal-child health, sanitary education, literacy and basic arithmetic. The project will be carried out in collaboration with the Ministries of Education, Health, Agriculture, Planning, and executed by the ADS and the Municipal Administration of Markets of El Salvador.

4. BENEFICIARIES

The beneficiaries of the project will be the 9,100 urban market women and their children of San Salvador who will receive maternal-child health, sanitation, and literacy education. Project cost per family is \$11.

5. CURRENT YEAR PROGRAM

- a. 3 market training coordinators trained
- b. 3 classes in maternal-child health, sanitation, and literacy held in each municipal market
- c. 3 market training coordinators appointed and functioning
- d. 3 educational and health supply kits in place in each municipal market

6. BUDGET YEAR PROGRAM

- a. 3 market training coordinators trained
- b. 3 classes in maternal-child health, sanitation, and literacy held in each municipal market
- c. 3 market training coordinators appointed and functioning
- d. 3 educational and health supply kits in place in each municipal market

7. MAJOR OUTPUTS

- a. capacity developed in ADS and Municipal Market Administration to carry out non-formal education program
- b. 6 market training coordinators appointed and functioning
- c. 6 classes in Maternal-Child Health, Sanitation, and literacy held regularly in each market
- d. 6 educational and health supply kits in place in each market

EL SALVADOR

TABLE IVA

BASIC AND OCCUPATIONAL SKILLS TRAINING

519-0172

(\$3,350,000 Loan, \$500,000 Grant)

1. PURPOSE

The specific purpose of the Basic and Occupational Skills Training Project is to further develop and expand a viable system of basic and occupational skills training for poor out-of-school youth and adults.

2. BACKGROUND

The GOES in recent years has assigned a high priority to the provision of relevant education and training programs for out-of-school youth and adults (e.g., accelerated primary education and free evening junior high schools). Especially emphasized was short-term, community-based beginning vocational training to permit unemployed or underemployed young adults to acquire entry-level occupational skills. A two year USAID grant funded pilot project (\$400,000 during 1976-77) with the Division of Adult Education, began developing the capability of the MOE to plan, manage, and evaluate a comprehensive program of occupational courses and related guidance services (i.e., personal counseling, job information and placement, and follow-up). Over 2,500 poor rural and urban persons (over 70% of whom were women) received 360 hour courses in such specialties as automechanics, welding, radio and TV repair, tailoring, sewing, cosmetology, and cooking and baking. The GOES plans to use additional AID grant and loan funding assistance over the next four years to further develop and expand this program into a nationwide system.

3. PROGRESS TO DATE

A Grant Project Agreement (\$100,000) for technical assistance, and a Loan Agreement (\$3,350 million) were signed with the MOE May 3, 1978. The expanded adult occupational training program will reach larger numbers of the rural and urban poor with more relevant courses, better trained administrators and teachers, better physical facilities, equipment, and supplies, and improved personal and vocational guidance services. These courses and services will enable more poor Salvadorans, with no or little previous formal education, to qualify for, acquire, and retain productive employment in permanent positions.

4. BENEFICIARIES

Over 12,500 direct beneficiaries will receive training and related occupational guidance services over the 4 year life of the project, while secondary beneficiaries include approximately 100,000 persons (families of the direct beneficiaries). The target group is the rural and urban poor of El Salvador, who can be described as having extremely low incomes, large families, little formal education, inadequate housing, poor diets, limited access to preventive and curative health and welfare services, and little or no marketable occupational skills. The total project cost per family benefitted is estimated at \$171.

5. CURRENT YEAR PROGRAM

- a. 10 job market analyses conducted and job performance criteria established
- b. administrators trained in national in-service courses (20 pm)
- c. teacher training in national in-service courses (15 pm)
- d. 5 new skills training courses developed, with appropriate materials, teaching guides, and evaluation procedures.
- e. 2,500 persons trained at the semi-skilled level
- f. counseling, job information, placement and follow-up systems implemented and/or revised
- g. 8 workshops renovated
- h. 6 persons trained abroad in vocational education specialities

6. BUDGET YEAR PROGRAM

- a. 20 job market analyses conducted
- b. administrators trained in national in-service courses (45 pm)
- c. 7 participants will receive training abroad
- d. 14 new skills training courses developed
- e. 4,000 persons trained at semi-skilled level for entry into occupations
- f. counseling, job information, placement, and follow-up systems implemented and/or revised.

g. 9 workshops renovated

7. MAJOR OUTPUTS

- a. job market analyses conducted and job performance criteria established
- b. administrators (160 pm) and teachers (141 pm) trained
- c. 36 new skills training courses developed, with appropriate materials, teaching guides, and evaluation procedures
- d. 12,400 persons trained at semi-skilled level for entry into occupations
- e. counseling, job information, placement, and follow-up systems functioning effectively
- f. 27 workshops renovated
- g. 20 persons trained abroad in vocational education

EL SALVADOR

TABLE IVA

IMPROVEMENT OF RURAL PRIMARY EDUCATION

519-0190

(\$10,750,000 Loan)

1. PURPOSE

Improve and expand primary rural education (grades one through six) being offered to El Salvador's poor majority.

2. BACKGROUND

The Government of El Salvador (GOES) is committed to providing universal, free, compulsory education from grades 1-9. An Education Sector Analysis conducted over the last three years with A.I.D. assistance outlines the major problems in rural education. First, there is a lack of adequate school facilities -- only 32% of rural schools offer all six years of primary education and only 12% of the rural population has successfully completed 4-6 grades of primary education. Second, when rural primary education is available, it is often inadequate and irrelevant to the needs of the rural population, because of a lack of instructional materials, poor teacher training and insufficient curriculum development. Finally, accurate data is unavailable for planning by the Ministry of Education (MOE)

3. PROJECT DESCRIPTION

This project will expand the number of classrooms and grades available in rural areas, and will emphasize curriculum revision based on the needs of the rural poor. Increased attention will be devoted to agricultural practices, health and nutrition, and population-related activities. The project will also assist educational planning, administration, teacher training, curriculum development, research, guidance, production of instructional materials, and data management.

4. BENEFICIARIES

An estimated 264,000 pupils (grades 1-6) will benefit from the new

classrooms constructed under the project, as well as the estimated total enrollment in grades 1-6 of 750,000 pupils who will benefit from improved curricula, administrative and teaching practices, and textbooks and other instructional materials. Total project cost per family is estimated to be \$5.

#### CURRENT YEAR PROGRAM

Difference between planned current year program and funding (\$10,750,000) and activity budget requested in CP of FY 79 (\$4.6) is attributed to increased scope and magnitude of Education sector activity recommended by AID/W and requested by USAID & GOES. FY 1979 ABS requested \$12.9 million for this activity. During the current year project inputs are expected to produce the following accomplishments:

- a. preparation of appropriate IFB documents for construction and equipment;
- b. recruitment of T.A. specialists;
- c. development of operational plans for curricula, in-service training of administrators and teachers, and instructional materials preparation and production;
- d. development of an operational plan for a new, modern MOE data management system.

#### BUDGET YEAR PROGRAM

The following accomplishments are expected during the budget year:

- a. construction, furnishing, and equipping of approximately 350 new rural primary classrooms;
- b. in-service training of approximately 500 administrators and 4,000 specialists and classroom teachers;
- c. training abroad in both short-term and long-term programs of approximately nine administrators, supervisors, and specialists;
- d. continuation of new procedures in the revised Ministry of Education data management system;
- e. curricula developed and/or revised for 10 courses;
- f. appropriate instructional materials developed for 10 courses.

7. MAJOR OUTPUTS

- a. construction of 3,300 primary rural education classrooms
- b. 2,000 administrators trained
- c. 15,000 instructors trained
- d. MOE data management system revised
- e. appropriate instructional materials for 30 courses developed or revised

EL SALVADOR

TABLE IVA

RURAL LIVING SKILLS

519-0211

(\$4,000,000 - Loan)

1. PURPOSE

To assist poor out-of school rural youth and adults improve their economic and social welfare through appropriate education and training activities.

2. BACKGROUND

Both the GOES and AID are focussing projects on the human needs of the large majority of the poor, especially those residing in rural areas and those who have little or no formal schooling. A major reason for their deprived status is the lack of saleable skills, which prevents them from acquiring and keeping jobs. The formal school system has neither the capacity nor the flexibility to meet the varied human needs of this poor majority. An alternative, cost-effective approach must be found to incorporate large numbers of the poor into the mainstream of Salvadoran life.

3. PROJECT DESCRIPTION

A comprehensive approach, using formal and non-formal education and training methodologies and technologies, to assist rural out-of-school youth and adults to participate more fully in the economic and social life of their communities. A range of education and training options will be available, including: Accelerated Formal Education, a wide range of vocational/cultural subjects; and short-term courses in agricultural related subjects, both for self-use and for job securing purposes. Extensive use will be made of radio, TV, programmed learning and self-teaching technologies through a coordinated effort with other GOES public and private entities.

4. BENEFICIARIES

An estimated 100,000 poor rural residents will be direct beneficiaries of courses and services. Secondary beneficiaries (estimated at 500,000) will include family members of the direct beneficiaries. Total project cost per family benefited is estimated to be \$40.

5. CURRENT YEAR PROGRAM

Not applicable.

6. BUDGET YEAR PROGRAM

The following accomplishments are expected during the budget year:

- a. approximately 20 classrooms and /or workshops constructed and equipped
- b. purchase and use of four mobile training units
- c. in-service training, through short courses, of approximately 100 administrators, specialists, and teachers
- d. approximately 50 community needs surveys conducted
- e. curricula developed for about 10 new short-term formal, general education courses and for about 15 occupational skills courses
- f. instructional materials developed for all new courses, and
- g. courses conducted for approximately 25,000 rural persons.

7. MAJOR OUTPUTS

- a. 80 classrooms and/or workshops constructed and equipped
- b. 500 administrators, specialists, and teachers trained
- c. 30 new short-term, formal, general education courses developed
- d. 50 new short-term occupational skills courses developed
- e. 50,000 persons trained in formal general education courses
- f. 200,000 persons trained in short-term non-formal adult education courses.

EL SALVADOR

TABLE IVA

EDUCATION TECHNICAL SUPPORT

519-0168

(Continuing Grant)

1. PURPOSE

This project provides the Mission with means for financing project development activities, including program analysis, project design and evaluation within the education and human resources development sector. It also funds training, which is a pre-requisite for project development.

2. BACKGROUND

For appropriate development of formal and non-formal education and training programs for the rural and urban poor of El Salvador, a series of basic research studies relating to education technologies, characteristics of beneficiaries, present education and training capabilities, etc. are required.

3. PROGRESS TO DATE

An Education Sector Analysis, completed in early 1978, has identified areas for further in-depth studies, which could lead to new joint USAID/GOES projects in education and training. Priority areas will be rural primary and junior high school education, and non-formal rural education and training programs for out-of-school youth and adults. In addition, short-term technical experts were financed to assist in design and development activities for two new proposed projects in rural living skills and primary education.

4. BENEFICIARIES

Not applicable

5. CURRENT YEAR PROGRAM

Two major areas for new project development will be studied in depth: Rural Primary Education and Adult Non-Formal Education with reference to physical and human resources needs, curricula revision, staff training needs, appropriate learning technologies, and the production and distribution of learning materials.

6. BUDGET YEAR PROGRAM

Project development activities for the expansion of a Junior High School Program.

7. MAJOR OUTPUTS

Not applicable

EL SALVADOR

TABLE IVA

DEVELOPMENT OF RURAL COMMUNITY SERVICES

519-0195

(\$700,000 Grant)

1. PURPOSE

To bring to the rural poor an improved level of basic community services.

2. BACKGROUND

There are 261 municipalities in El Salvador, of which about 240 are essentially rural farming communities. While there are deep historical roots and responsibilities for providing basic local public services, such as markets, slaughterhouses, potable water, refuse collection, public latrines, etc., municipalities have had increasingly serious difficulties in providing even minimum services. This is due primarily to inadequate human and financial resources especially at the municipal level, but also at the Ministry of Interior which is charged with supporting and assisting municipalities. The problem is further compounded by a rapidly growing population and by traditional centralization of political and economic powers in the central government.

3. PROJECT DESCRIPTION

The project in the initial phase will provide technical assistance to the Ministry of Interior's Directorate of Regional Development (DDR) to help identify the basic training and public service needs of selected municipalities and to provide advisory services to develop a national municipal development strategy and program. During the second phase, general advisory services will be provided to upgrade the DDR through in-service and participant training programs through a municipal employees training program established within the DDR and through pilot programs with selected municipalities.

4. BENEFICIARIES

The project will benefit the residents of the rural communities

that receive improved and expanded public services. For the most part, they are rural and poor. They will benefit economically as well as socially through improved markets, slaughterhouses, clean water, absence of refuse, etc. The cost per family benefitted will be \$9.35.

5. CURRENT YEAR PROGRAM

- a. baseline data for local communities selected
- b. financial, planning, and TA programs for strengthening DDR's institutional capacity underway

6. BUDGET YEAR PROGRAM

- c. DDR capable of training municipal employees in finance, management/planning
- d. operations and training manuals prepared
- e. selected DDR and municipal employees trained

7. MAJOR OUTPUTS

- a. baseline data for local communities selected
- b. financial, planning, and TA programs for strengthening DDR's institutional capacity underway
- c. DDR capable of training municipal employees in finance, management/planning
- d. operations and training manuals prepared
- e. selected DDR and municipal employees trained
- f. DDR loan portfolio increase by 25% and series of pilot projects implemented in low income municipalities.

EL SALVADOR

TABLE IVA

ENVIRONMENTAL IMPROVEMENT

519-0214

(\$665,000 Grant)

1. PURPOSE

To assist the GOES to establish an effective mechanism for preventing environmental degradation during the development process and, to the extent possible, improving environmental quality.

2. BACKGROUND

The problem of low environmental quality is very real in El Salvador and acceleration of the rate of deterioration can be expected to increase unless strong counter measures are taken. The most important factors in this deterioration are the high population growth rate 3.3% per year; the current population density of 550 persons per/square mile which is expected to increase to 1000 by the year 2000; the increased intensity of agricultural production with a greatly increased use of pesticides and fertilizers, and an expected quantum jump in industrial development. Preliminary Mission and Embassy contacts at the Presidential and Vice Presidential levels on the concept of an environmental protection mechanism indicate enthusiasm for the proposal.

3. PROJECT DESCRIPTION

An environmental protection office will be established in the office of the Presidency and the GOES would match all AID contributions to this program. Funding would be for technical assistance and commodities. The advisory services of at least one broad guaged environmentalist experienced in governmental measures for environmental protection will be needed for about twelve months to: (1) make a survey of the environmental situation describing the critical problems; (2) outline laws and regulations which may be required for the next two decades to cope with the situation; and (3) assist in the establishment of an environmental protection office with adequate staff and managerial capability. In addition specialized environmental testing equipment would be needed for such things as measuring exhaust emission, ambient air quality, and water pollution.

4. BENEFICIARIES

The beneficiaries will be all the inhabitants of El Salvador, but especially the poor majority who do not have the opportunity to provide themselves with private insulated environments or escape mechanisms to avoid the environmental degradation which will increasingly impact adversely on their lives.

5. CURRENT YEAR PROGRAM

This project is not included in the FY 1979 Congressional Presentation. However, it is being presented for FY 1979 funding, at this time, in response to a specific very high level GOES request. During the current year surveys and studies of the environmental situation and recommendations for regulations to prevent further deterioration will have been initiated and/or completed.

6. BUDGET YEAR

The environmental survey will be completed; recommendations for legal changes submitted; and an organization plan for the new environmental protection office submitted.

7. MAJOR OUTPUTS

- a. one comprehensive environmental study
- b. recommendations for a new legal structure to support environmental protection efforts
- c. establishment of an environmental protection office
- d. program of enforcement in effect.

EL SALVADOR

TABLE IVA

SMALL ENTERPRISE DEVELOPMENT

OPG with Technoserve

519-0197

(\$500,000 Grant)

1. PURPOSE

To facilitate the development of self help enterprises in El Salvador.

2. BACKGROUND

Technoserve (TNS) signed a contract with the Government of El Salvador (GOES) in 1975 to assist in the development of small enterprises for the purpose of creating employment, increasing income, and raising productivity and which commits the GOES to pay part of TNS costs. After an AID audit/evaluation in April 1977, it was recommended the USAID wait one year to observe TNS progress prior to considering a formally submitted OPG. TNS is asking for \$500,000 to continue the development of small enterprises through provision of technical assistance to carefully selected enterprises. Since TNS's principal activity is the provision of technical assistance through its personnel, the financial support of its personnel and facilities constitutes its primary expense and thus, in general, the grant to TNS is a grant mainly in support of its staff.

3. PROGRESS TO DATE

The USAID is currently reviewing the OPG proposal and is planning to sign a grant agreement with Technoserve by the end of FY 1978 if the results of the review are positive.

4. BENEFICIARIES

The target group is low-income people living in rural and urban areas characterized by a basic lack of economic and political leverage or options, high unemployment or underemployment, poor health and nutrition, and few opportunities to effect any change in their lives. For the most part, they will be members of cooperatives. Project cost per family is estimated to be \$10.

5. CURRENT YEAR PROGRAM

- a. four to six enterprises selected
- b. new jobs created as a result of enterprise expansion
- c. selection and placement of managers for enterprises selected in current year

6. BUDGET YEAR PROGRAM

- a. four to five enterprises selected
- b. Technoserve turn over operation of enterprises formed in 1978 to local managers
- c. selection and placement of managers for enterprises selected in budget year

7. MAJOR OUTPUTS

- a. 9-12 selected enterprises operating and self-sufficient
- b. jobs created, income generated
- c. Technoserve/El Salvador becomes completely locally operated institution

EL SALVADOR

TABLE IVA

CENTRAL MARKETING COOPERATIVE

OPG with the National Federation  
of Small Enterprises (FENAPES)

519-0216

(\$250,000 Grant)

1. PURPOSE

To establish a central marketing cooperative arm in the National Federation of Small Enterprise.

2. BACKGROUND

Recent GOES and authoritative statements including that by an AID-financed economist have come to the same conclusion - El Salvador's growing unemployment problem must be solved through increased emphasis on labor-intensive industrialization. In order to increase production that would result in more jobs, new external markets must be found. FENAPES, an association of small enterprises and cooperatives, has already established a committee for the promotion and export of industrial and artisan production of some of its member enterprises.

3. PROJECT DESCRIPTION

The project would provide technical assistance to FENAPES, especially in the area of marketing for export. A central export marketing function would be established in FENAPES so that it could better serve the interests of its 31 member small scale cooperatives and businesses. FENAPES' capacity would be developed in the following areas: design, marketing, production, pricing, warehousing, purchasing, and finance. A revolving fund will also be established with AID, FENAPES, and FIGAPE, or another GOES institutions, providing matching funds for short term production credit.

4. BENEFICIARIES

The beneficiaries will be 31 member cooperatives, largely made up of small, low-income, independent businessmen or cooperatives whose membership is comprised of urban poor workers, and those persons currently unemployed or

underemployed who will benefit from increased production. FENAPES will also benefit indirectly as an institution by improving its capability to deliver services to its members. Project cost per family is \$40.

5. CURRENT YEAR PROGRAM

- a. revolving fund established and operating
- b. operations plan completed
- c. initiation of export marketing program

6. BUDGET YEAR PROGRAM

- a. increases in member productions, sales and employment
- b. increase in exports by member enterprises
- c. four persons trained in small export development.

7. MAJOR OUTPUTS

- a. capacity established in FENAPES to serve production and marketing needs of member organizations
- b. revolving fund established
- c. production and employee increases within participating organizations
- d. viable export marketing program functioning
- e. four persons trained in export development

EL SALVADOR

TABLE IVA

SPECIAL DEVELOPMENT ACTIVITIES

519-0094

(Continuing Grant)

1. PURPOSE

To provide small high impact grants to cooperatives and communities made up of urban and rural poor people engaged in productive self-help activities.

2. BACKGROUND

The project is authorized through a non-funded project agreement with the Ministry of Planning mainly in support of direct, high impact grants to low income cooperatives and community groups engaged in activities to create employment, increase income, integrate women into the development process and otherwise improve their quality of life.

3. PROGRESS TO DATE

During FY 1977 and FY 1978, new projects have consisted of financing outboard motors, fishing nets, freezers, sewing machines, animal feed choppers, materials for animal pens, looms and other materials for weavers, and counters and refrigerators for small rural enterprises.

4. BENEFICIARIES

This project rapidly and directly reaches the rural and urban poor by assisting them in their own efforts to improve their socio-economic conditions. Annually, about 5-6,000 persons benefit from this project for a cost per beneficiary ratio of eight to ten dollars.

5. CURRENT YEAR PROGRAM

Beginning in late FY 1978 and in FY 1979, the Mission will focus on assisting groups that are able to contribute 25-40% of total project costs. Mission support will not normally exceed \$2,500 per project, thus the overall

number of projects will increase thus benefitting more groups. Projects whose purpose is to increase employment and income will receive priority attention. To the extent possible, emphasis will be placed on the use of appropriate technology to maximize social and economic benefits. It is estimated that 25-30 projects will be assisted during FY 1979.

6. BUDGET YEAR PROGRAM

The project will continue to support activities of the nature described above.

7. MAJOR OUTPUTS

20-25 small self-help grants per year to communities and cooperatives comprising rural and urban families.

EL SALVADOR

TABLE IVA

MULTI-PURPOSE HOUSEHOLD SURVEY

519-0176

(\$429,000 Grant)

1. PURPOSE

To establish a continuing national multipurpose household survey capacity in the Ministry of Planning.

2. BACKGROUND

The scarcity of reliable data on the socio-economic condition of rural and urban poor in developing countries is an obstacle to adequate planning and evaluation of development projects and policies. This project has offered the Government of El Salvador a cost-effective solution for this problem and will provide the most critical data needs for development planning and evaluation. In addition to maintaining reliable current indicators of the socio-economic status of the population through periodic surveys, trained and experienced survey personnel will carry out special studies required to develop development policies, programs and projects. The project will be in its final year in FY 1979.

3. PROGRESS TO DATE

A permanent survey unit of 88 professional and technical employees including statisticians, economists, supervisors and field interviewers, programmers, coders, key punchers, has been established. Two long-term and nine short-term participants have or are receiving specialized training in demography, statistics, mathematics, and operations of data gathering organizations. The sample was designed and the first survey began in February; it is expected that it will be completed in August, 1978.

4. BENEFICIARIES

The eventual beneficiaries of this project are the recipients of appropriately designed and implemented government development programs for which this project serves as an essential source of reliable, periodic socio-economic data.

5. CURRENT YEAR PROGRAM

In FY 1979, three sample surveys with supplements will be carried out, data processing will be functional, and previous surveys will be processed and analyzed.

6. BUDGET YEAR PROGRAM

Phase out of advisory services, initiation of quarterly survey operation, and completion of training of one long term statistician.

7. MAJOR OUTPUTS

- a. organization of operational unit to carry out survey
- b. design of a multipurpose sample of households
- c. 6 periodic household and supplemental surveys completed
- d. 16 participants trained

EL SALVADOR

TABLE IVA

SELECTED DEVELOPMENT PROBLEMS TECHNICAL SUPPORT

519-0177

(Continuing Grant)

1. PURPOSE

This project provides the Mission with the means for financing project development activities including program analysis, project design and evaluation within the Selected Development Problems (Section 106) area. It also may fund training which is a pre-requisite for project development.

2. BACKGROUND

The strategy of the Mission in this area is to attempt to develop projects that either do not fall into the traditional AID sectors or that are multisectoral in nature. This project has been used to finance technical experts, studies and invitational travel to promote and develop activities in those areas.

3. PROGRESS TO DATE

A consultant was contracted to hold a special techniques in coordination workshop for representatives of over twenty Salvadoran women's development organizations; a consultant was hired to review and update the municipal development situation; selected high ranking GOES officials were sent to observe municipal development institutes in other countries and to participate in a municipal conference prior to the development of a rural community services project.

4. BENEFICIARIES

Not applicable.

5. CURRENT YEAR PROGRAM

During FY 1979, technical services will be funded for the development of the Rural Community Services project. Selected GOES officials will continue to be sent to observe other countries' municipal development institutes and AID will fund an in-country seminar on municipal development.

6. BUDGET YEAR PROGRAM

A final evaluation of the Multipurpose Household Survey will be funded.

7. MAJOR OUTPUTS

Not applicable.

TABLE IVB ACTIVITY BUDGET DATA	NUTRITION IMPROVEMENT		EL SALVADOR		Minimum	1980
	PROJECT NUMBER	APPROPRIATION	INITIAL OBLIGATION	FY 1978	FINAL OBLIGATION	TOTAL COST
	519-0182 (340)	FN	June 1978	June 1978	FY 1980	\$475,000
ESTIMATED U.S. DOLLAR COST (\$ 000)						
	PY: 1978	CY: 1979	CY: 1980	DATE PP/REVISION	DATE LAST PAR	DATE NEXT PAR
	1978	1979	1980	June 1978	-	July 1979

ACTIVITY INPUTS	PY: 1978		CY: 1979		CY: 1980		EXPEN-DITURE	PIPE-LINE	OBLI-GATION	LIFE OF PROJECT	FOOTNOTES
	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	FUNDING PERIOD (FR-TO)					
TOTAL-	114	95	19		200		219	-	161	-	-
Technical Assistance	59	40	19	10/78-9/79	98		117	-	23		-
In country training	4	4	-	10/78-9/79	16		16	-	60		-
Third country training	1	1	-	10/78-9/79	5		5	-	-		-
Other Costs:	50	50	-	10/78-9/79	81		81	-	79		-
Data Processing	-	-	-		-		-	-	-		-
Commodities	-	-	-		-		-	-	-		-
Studies	-	-	-		-		-	-	-		-
Invitational Travel	-	-	-		-		-	-	-		-
HC AND OTHER DONOR	96				126				356		578
Ministry of Planning	96				126				356		

FUNDING	PERSONNEL WORKYEARS (XX, X)			PERSONNEL INTENSITY	PARTICIPANTS PROGRAMMED			FISCAL YEAR		
	1978	1979	1980		TYPE A=NONCONTRACT B=CONTRACT	TYPE A LONG-TERM	TYPE B SHORT-TERM		1978	1979
PROGRAM ACCOUNT	00.5	01.6	00.3	HIGH			1	3	-	-
TDY (NON-)	(-)	(-)	(-)	MEDIUM						
OPERATING EXPENSES	00.5	01.0	02.0	LOW						

<b>TABLE IVB ACTIVITY BUDGET DATA</b>		<b>ACTIVITY TITLE</b>		<b>DECISION UNIT</b>		<b>DECISION PACKAGE</b>		<b>BUDGET YEAR</b>	
INTENSIVE SMALL FARM MANAGEMENT		EL SALVADOR		Minimum		1980			
PROJECT NUMBER 519-0174 (070)		APPROPRIATION FN		INITIAL OBLIGATION FY 1976		FINAL OBLIGATION FY 1977		TOTAL COST \$1,169,000	
				DATE PP/REVISION Dec. 1975		DATE LAST PAR May 1978		DATE NEXT PAR Oct. 1979	

ACTIVITY INPUTS	CY: 1978				CY: 1979				BY: 1980			
	FY 1978		FY 1979		FY 1978		FY 1979		FY 1980		FY 1980	
	OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR- TO)	OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR- TO)	OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR- TO)
<u>AID-FINANCED</u>												
TOTAL-	-	412	380	-	-	320	60	-	-	60	0	-
Technical Assistance	-	352	230	10/78-9/79	-	230	-	-	-	-	-	-
Training	-	60	150	10/78-9/79	-	90	60	10/79-9/80	-	60	0	-
HC AND OTHER DONOR												
TOTAL-	144				96							
Administration	71				47							
Commodities	21				14							
Other Costs	52				35							

FUNDING	PERSONNEL WORKYEARS (XX.X)						PARTICIPANTS PROGRAMMED						FOOTNOTES
	FISCAL YEAR			PERSONNEL INTENSITY			TYPE A=NONCONTRACT			TYPE B=CONTRACT			
	1978	1979	1980	1981	1982	BEYOND	TYPE	TYPE	TYPE	TYPE	TYPE	TYPE	
PROGRAM ACCOUNT	05.0	03.0	-	-	-	-	X	A	A	A	A	A	
OPERATING EXPENSES	02.2	01.5	00.6	-	-	-		B	B	B	B	B	

ESTIMATED U.S. DOLLAR COST (\$ 000)

LIFE OF PROJECT

305

159

43

103

AID 1330-8 (3-78)

SMALL FARMER DEVELOPMENT		INITIAL OBLIGATION	FINAL OBLIGATION	TOTAL COST
PROJECT NUMBER		FY 1978	FY 1978	\$12,000,000
519-0192 (055)	APPROPRIATION	DATE PP/REVISION	DATE LAST PAR	DATE NEXT PAR
	FN	July 1978	N/A	October 1979

ESTIMATED U. S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	CY: 1978			CY: 1979			BY: 1980			LIFE OF PROJECT	
	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION		EXPEN-DITURE
<b>AID-FINANCED</b>											
<b>TOTAL-</b>	12,000	-	12,000	9/78-9/79	-	1,808	10,192	10/79-10/80	-	3,516	6,676
Technical Assistance	450	-	450	9/78-9/79	-	100	350	10/79-9/80	-	100	250
Participants	50	-	50	9/78-9/79	-	8	42	10/79-9/80	-	16	26
Land Credit Capital	11,500	-	11,500	9/78-9/79	-	1,700	9,800	10/79-9/80	-	3,400	6,400
<b>HC AND OTHER DONOR</b>											
<b>TOTAL-</b>	12,400				400					400	14,000
GOES Treasury	12,000				-					-	
Operating Expenses	400				400					400	

FUNDING	PERSONNEL WORKYEARS (XX, X)					PERSONNEL INTENSITY			PARTICIPANTS PROGRAMMED			FOOTNOTES
	1978	1979	1980	1981	1982	BEYOND	TYPE A	TYPE B	TYPE A	TYPE B	TYPE A	
PROGRAM	-	01.3	01.3	01.7	01.0	01.0						
ADJUST	(00.3)	(-)	(00.2)	(-)	(00.1)	(00.1)						
OPERATING EXPENSES	01.5	00.5	01.5	00.5	00.5	00.5						

AID 1330-8 (3-78)

<b>TABLE IVB ACTIVITY BUDGET DATA</b>		<b>ACTIVITY TITLE</b>		<b>DECISION UNIT</b>		<b>DECISION PACKAGE</b>		<b>BUDGET YEAR</b>	
GRAIN MARKETING AND STORAGE		EL SALVADOR		Minimum		1980		TOTAL COST	
PROJECT NUMBER 519-0165 (056)		APPROPRIATION FN		FY 1974		FY 1974		\$6,500,000	
				DATE PP/REVISION N/A		DATE LAST PAR N/A		DATE NEXT PAR May 1979	

ACTIVITY INPUTS	ESTIMATED U. S. DOLLAR COST (\$ 000)										OBLI- GATION	PIPE- LINE	EXPEN- DITURE	PIPE- LINE	EXPEN- DITURE	OBLI- GATION	FUNDING PERIOD (FR- TO)	BY:					
	CY: 19 78					CY: 19 79													CY: 19 80				
	OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR- TO)	OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR- TO)	OBLI- GATION	EXPEN- DITURE									PIPE- LINE	FUNDING PERIOD (FR- TO)	OBLI- GATION	EXPEN- DITURE	PIPE- LINE
<b>TOTAL-</b>	-	4,185	2,315	11/73-9/78	-	2,099	216	-	-	-	-	-	-	-	-	-	-	-	-	-			
Technical Assistance	-	600	49	11/73-9/78	-	49	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Commodities & Equipment	-	1,713	47	11/73-9/78	-	47	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Construction	-	1,800	875	11/73-9/78	-	875	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Participants	-	72	28	11/73-9/78	-	28	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Other	-	-	1,316	11/73-9/78	-	1,100	216	10/78-4/79	-	-	-	-	-	-	-	-	-	-	-	-			
<b>TOTAL-</b>	17,054	806	248																				
HC AND OTHER DONOR	17,054																						
Construction	806																						
Purchase Land	248																						
Working Capital	16,000																						

FUNDING	PERSONNEL WORKYEARS (XX, X)					PERSONNEL INTENSITY					PARTICIPANTS PROGRAMMED					FOOTNOTES					
	FISCAL YEAR					TYPE					TYPE										
	1978	1979	1980	1981	1982	A	B	C	D	E	LONG-TERM	SHORT-TERM	LONG-TERM	SHORT-TERM							
PROGRAM ACCOUNT	08.3	00.7	-	-	-																
TDY (NON-)	(-)	(-)	(-)	(-)	(-)																
OPERATING EXPENSES	01.0	00.5	-	-	-																

TABLE IV-D ACTIVITY BUDGET DATA		PROJECT NUMBER 519-0217 (090)		APPROPRIATION FN		INITIAL OBLIGATION FY 1979		FINAL OBLIGATION FY 1980		TOTAL COST \$280,000	
		DATE OF REVISION Oct. 1978		DATE LAST PAR N/A		DATE NEXT PAR Oct. 1979					

ESTIMATED U. S. DOLLAR COST (\$ 000)											
ACTIVITY INPUTS	PY: 19 78			CY: 19 79			BY: 19 80			PIPE-LINE	PIPE-LINE
	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION		
TOTAL-					155	155	-		125	125	-
Technical Assistance				11/78-9/79	30	30	-	10/79-9/80	30	30	-
In country Training				11/78-9/79	40	40	-	10/79-9/80	50	50	-
Commodities				11/78-9/79	85	85	-	10/79-9/80	45	45	-
HC AND OTHER DONOR					100	100			100	100	
TOTAL-					100	100			100	100	
GOES Salaries & Operating Exp.					100	100			100	100	

FUNDING	PERSONNEL WORKYEARS (XX, X)				PARTICIPANTS PROGRAMMED				FOOTNOTES
	FISCAL YEAR				FISCAL YEAR				
	19 78	19 79	19 80	19 81	19 78	19 79	19 80	19 81	
PROGRAM ACCOUNT	-	00.4	00.4	-	-	-	-	-	
TOY (NON-)	(-)	(-)	(-)	(-)	-	-	-	-	
OPERATING EXPENSES	-	00.2	00.7	00.3	-	-	-	-	

AID 1330-8 (3-78)

ACTIVITY TITLE		DECISION UNIT			DECISION PACKAGE			BUDGET YEAR
FARM TO MARKET ACCESS ROADS		EL. SALVADOR			Current			1980
PROJECT NUMBER 519-0204 (061)		APPROPRIATION FN			FINAL OBLIGATION FY 1980			TOTAL COST \$5,000,000
		DATE PP/REVISION August 1979			DATE LAST PAR N/A			DATE NEXT PAR Nov. 1980
ESTIMATED U. S. DOLLAR COST (\$ 000)								
ACTIVITY INPUTS		CY: 1979			CY: 1980			
AID-FINANCED	TOTAL-	PY: 1978	PY: 1979	PY: 1980	FUNDING PERIOD (FR-TO)	PIPE-LINE	OBLIGATION	EXPEN-DITURE
Technical Assistance	-	-	-	-	-	-	5,000	1,000 4,000
Equipment	-	-	-	-	10/79-9/80	-	200	50 150
Construction Materials	-	-	-	-	10/79-9/80	-	800	200 600
	-	-	-	-	10/79-9/80	-	4,000	750 3,250
TOTAL-								
HC AND OTHER DONOR								
TOTAL-								
GOES Operating Costs								
Community Labor								
LIFE OF PROJECT								
5,000 5,000								
2,000								
3,000								
FOOTNOTES								
PERSONNEL WORKYEARS (XX, X)		PERSONNEL INTENSITY			PARTICIPANTS PROGRAMMED			
FUNDING		FISCAL YEAR		TYPE A=NONCONTRACT	FISCAL YEAR			
	1978 1979 1980 1981 1982	BEYOND		B=CONTRACT	19 19 19			
PROGRAM ACCOUNT	- - - - -	00.6 01.0 01.0 00.4		LONG-TERM	- - -			
TDY (ADD-)	(00.1) (-) (-) (00.1)	(-) (-) (-)		SHORT-TERM	- - -			
OPERATING EXPENSES	- 00.5 01.0 00.5 00.5 00.5	00.5 00.5 00.5		LONG-TERM	- - -			
				SHORT-TERM	- - -			
AID 1330-8 (3-78)								

<b>ACTIVITY BUDGET DATA</b>		SMALL FARM TECHNOLOGY AND CREDIT (Grant/Loan)		INITIAL OBLIGATION		TOTAL COST	
PROJECT NUMBER		APPROPRIATION		FY 1980		\$12,500,000	
519-0206 (000)		FN		DATE PP/REVISION		DATE NEXT PAR	
				August 1979		Oct. 1980	
				N/A			

ESTIMATED U.S. DOLLAR COST (\$ 000)											
ACTIVITY INPUTS	FY 19 78		CY: 19 79		FY: 19 80		EXPEN-DITURE	PIPE-LINE	OBLI-GATION		
	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	EXPEN-DITURE	PIPE-LINE				FUNDING PERIOD (FR-TO)	EXPEN-DITURE
<b>TOTAL-</b>	-	-	-	-	-	-	-	-	9,700	2,150	7,550
Technical Assistance	-	-	-	-	-	-	-	-	700	450	250
In-country and Participant Trg.	-	-	-	-	-	-	-	-	750	50	700
Construction	-	-	-	-	-	-	-	-	750	-	750
Equipment and Materials	-	-	-	-	-	-	-	-	500	150	350
Credit	-	-	-	-	-	-	-	-	7,000	1,500	5,500

HC AND OTHER DONOR	TOTAL-	-	-	-	-	-	-	-	1,200	13,000
GOES: salaries and operating expenses, credit and construction		-	-	-	-	-	-	-	2,100	

PERSONNEL WORKYEARS (XX, X)	PERSONNEL INTENSITY			PARTICIPANTS PROGRAMMED		FOOTNOTES
	19 78	19 79	19 80	A=NONCONTRACT	B=CONTRACT	
FUNDING	19 78	19 79	19 80	TYPE	FISCAL YEAR	
PROGRAM ACCOUNT	-	-	06.3	TYPE	19 78	19 79
TOT (ADD)	(00.8)	(00.6)	(-)	A	-	-
OPERATING EXPENSES	-	02.2	01.1	B	-	-
				LONG-TERM	-	-
				SHORT-TERM	-	-
				LONG-TERM	-	2
				SHORT-TERM	-	4

AID 1330-8 (3-78)

<b>TABLE IVB ACTIVITY BUDGET DATA</b>		<b>ACTIVITY TITLE</b>		<b>DECISION UNIT</b>		<b>DECISION PACKAGE</b>		<b>BUDGET YEAR</b>	
FOOD AND NUTRITION TECHNICAL SUPPORT		EL SALVADOR		Current		1980			
PROJECT NUMBER		APPROPRIATION		INITIAL OBLIGATION		FINAL OBLIGATION		TOTAL COST	
519-0167 (200)		FN		FY 1974		Continuing		Continuing	
				DATE PP/REVISION		DATE LAST PAR		DATE NEXT PAR	
				N/A		N/A		N/A	

ACTIVITY INPUTS	CY: 1978				CY: 1979				CY: 1980						
	OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR-TO)	OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR-TO)	OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR-TO)	OBLI- GATION	EXPEN- DITURE	PIPE- LINE
	ESTIMATED U. S. DOLLAR COST (\$ 000)														
TOTAL-	100	134	28		100	105	23		100	75	48		100	75	48
Technical Assistance	88	119	23	10/78-9/79	100	100	23	10/79-9/80	100	75	48		100	75	48
Participant Training	-	5	-	-	-	-	-	-	-	-	-		-	-	-
Other Costs	12	10	5	10/78-3/79	-	5	-	-	-	-	-		-	-	-
HC AND OTHER DONOR	-				-										
N/A															

FUNDING	PERSONNEL WORKYEARS (XX, X)				PERSONNEL INTENSITY	PARTICIPANTS PROGRAMMED				FOOTNOTES
	FISCAL YEAR					FISCAL YEAR				
	1978	1979	1980	1981		1978	1979	1980	1981	
PROGRAM ACCOUNT	01.6	01.3	01.3	01.1	<input checked="" type="checkbox"/> HIGH	A=NONCONTRACT	B=CONTRACT	LONG-TERM	SHORT-TERM	
TDY (NON- ADD)	(-)	(-)	(-)	(-)	<input type="checkbox"/> MEDIUM	LONG-TERM	SHORT-TERM	LONG-TERM	SHORT-TERM	
OPERATING EXPENSES	00.8	01.0	01.0	00.9	<input type="checkbox"/> LOW	LONG-TERM	SHORT-TERM	LONG-TERM	SHORT-TERM	

PROJECT NUMBER		APPROPRIATION		DATE PP/REVISION		DATE LAST PAR		DATE NEXT PAR			
519-0184 (064)		FN		June 1978		N/A		Oct. 1979			
ESTIMATED U. S. DOLLAR COST (\$ 000)											
ACTIVITY INPUTS	FY 1978			CY: 1979			BY: 1980				
	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	EXPEN-DITURE	PIPE-LINE
<b>TOTAL-</b>	2,250	-	2,250	-	-	400	1,850	-	-	307	1,543
Technical Assistance	270	-	270	10/78-9/79	-	30	240	10/79-9/80	-	60	180
Training	70	-	70	10/78-9/79	-	25	45	10/79-9/80	-	25	20
Construction materials, Equipment and Vehicles	1910	-	1910	10/78-9/79	-	345	1565	10/79-9/80	-	222	1343
<b>TOTAL-</b>	-	-	-	-	282	-	-	-	575	3,191	-
HC AND OTHER DONOR	-	-	-	-	229	53	-	-	447	107	21
GOES and Community Labor Personnel Administration Other Costs	-	-	-	-	-	-	-	-	-	-	-
PERSONNEL WORKYEARS (XX.X)											
FUNDING	FISCAL YEAR			PERSONNEL INTENSITY	PARTICIPANTS PROGRAMMED			FOOTNOTES			
	1978	1979	1980		1981	1982	1983	1978	1979	1980	
PROGRAM ACCOUNT	-	00.4	00.8	01.0	01.0	-	-	2	2	-	
TDY (ADD)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	
OPERATING EXPENSES	01.5	00.5	01.0	00.5	00.5	00.5	00.5	00.5	00.5	00.5	
AID 1330-8 (3-78)											

1/ Not included as separate project in FY 1979 C.P.

<b>TABLE IVB ACTIVITY BUDGET DATA</b>	<b>ACTIVITY TITLE</b>		<b>DECISION UNIT</b>		<b>DECISION PACKAGE</b>		<b>BUDGET YEAR</b>
	CARITAS - OPG		EL SALVADOR		Minimum		1980
	PROJECT NUMBER 519-0203 (320)		APPROPRIATION FN		INITIAL OBLIGATION FY 1978		TOTAL COST \$100,000
				DATE PP/REVISION N/A		DATE NEXT PAR November 1979	

ESTIMATED U. S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	FY 19 78		CY: 19 79		FY: 19 80		PIPE-LINE	EXPEN-DITURE	OBLI-GATION	PIPE-LINE	EXPEN-DITURE	OBLI-GATION
	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	EXPEN-DITURE	PIPE-LINE						
<b>AID-FINANCED</b>												
TOTAL-	100	-	100 1/				23	77	-	23	23	-
Technical Assistance	66	-	66	10/78-9/79			18	48	-	18	18	-
Commodities	24	-	24	10/78-9/79			5	19	-	5	5	-
Participant Training	10	-	10	10/78-9/79			-	10	-	-	-	-
HC AND OTHER DONOR												
TOTAL-	35											
CARITAS Catholic Relief Service	25											
	10											

FUNDING	PERSONNEL WORKYEARS (XX.X)				PARTICIPANTS PROGRAMMED				FOOTNOTES
	1978	1979	1980	1981	1978	1979	1980	1980	
PROGRAM ACCOUNT TDY (ADB)	00.9	-	-	-	-	-	-	-	1/ Late FY 78 Obligation
OPERATING EXPENSES	(00.1)	(-)	(-)	(-)	-	-	-		
TOTAL	00.1	00.1	00.1	-	-	-	-		

**TABLE IV  
ACTIVITY BUDGET  
DATA**

INITIAL OBLIGATION FY 1979 1/ DATE PP/REVISION July 1979	FINAL OBLIGATION FY 1981 DATE LAST PAR N/A	TOTAL COST \$3,225,000 DATE NEXT PAR Oct. 1979
PROJECT NUMBER 519-0212 (210)	APPROPRIATION FN	

ACTIVITY INPUTS	CY: 19 78		CY: 19 79		CY: 19 80		LIFE OF PROJECT
	OBLI- GATION	EXPEN- DITURE	OBLI- GATION	EXPEN- DITURE	OBLI- GATION	EXPEN- DITURE	
TOTAL-	-	-	3,075	1,015	2,060	1,075	75
Technical Assistance	-	-	75	15	60	75	75
Credit for Community based Projects	-	-	3,000	1,000	2,000	1,000	-
HC AND OTHER DONOR	-	-	3,023				23
Ministry of Interior	-	-	3,023				23

PERSONNEL WORKYEARS (XX, X)	FISCAL YEAR			PERSONNEL INTENSITY	PARTICIPANTS PROGRAMMED		FOOTNOTES	
	19 78	19 79	19 80		A=NONCONTRACT B=CONTRACT	FISCAL YEAR 1978		
FUNDING	19 78	19 79	19 80	19 81	19 82	19 79	1980	1/ Not included in FY 1979 C.P.
PROGRAM ACCOUNT	-	00.2	01.0	01.0	-	-	-	
TIDY (NON- OPERATING)	(-)	(00.2)	(00.3)	(-)	(-)	-	-	
EXPENSES	00.2	00.5	00.6	00.3	00.3	-	-	

<b>TABLE IVB ACTIVITY BUDGET DATA</b>	<b>ACTIVITY TITLE</b>	<b>DECISION UNIT</b>	<b>DECISION PACKAGE</b>	<b>BUDGET YEAR</b>
	INTEGRATED RURAL DEVELOPMENT - OPG (Community Development Foundation)	EL SALVADOR	Minimum	1980
	<b>PROJECT NUMBER</b>	<b>INITIAL OBLIGATION</b>	<b>FINAL OBLIGATION</b>	<b>TOTAL COST</b>
	519-0215 (200)	FY 1979	FY 1979	\$500,000
	<b>APPROPRIATION</b>	<b>DATE PP/REVISION</b>	<b>DATE LAST PAR</b>	<b>DATE NEXT PAR</b>
	FN	N/A	N/A	October 1979

ESTIMATED U. S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	FY 19 78		CY: 19 79		FY: 19 80		PIPE- LINE	EXPEN- DITURE	PIPE- LINE	EXPEN- DITURE	PIPE- LINE	OBLI- GATION	FUNDING PERIOD (FR- TO)	OBLI- GATION	FUNDING PERIOD (FR- TO)	OBLI- GATION	LIFE OF PROJECT
	OBLI- GATION	EXPEN- DITURE	OBLI- GATION	EXPEN- DITURE	OBLI- GATION	EXPEN- DITURE											
<b>TOTAL-</b>	-	-	150	95	150	55	55	150	150	150	55	150		150		150	126
Technical Assistance	-	-	125	75	125	50	50	125	125	125	50	125	10/78-9/79	125	10/79-9/80	125	50
Training (in country/ Participants)	-	-	15	10	15	5	5	15	15	15	5	15	10/78-9/79	15	10/79-9/80	15	5
Commodities	-	-	10	10	10	-	-	10	10	10	-	10	10/78-9/79	10	10/79-9/80	10	-
<b>TOTAL-</b>	-	-	38		38			38	38	38		38		38		38	126
HC AND OTHER DONOR	-	-	38		38			38	38	38		38		38		38	126
Commodity Development Foundation	-	-	38		38			38	38	38		38		38		38	126

FUNDING	PERSONNEL WORKYEARS (XX, X)					PERSONNEL INTENSITY	PARTICIPANTS PROGRAMMED		FOOTNOTES
	19 78	19 79	19 80	19 81	19 82		A=NONCONTRACT	B=CONTRACT	
PROGRAM ACCOUNT	-	01.1	01.7	01.7	-	HIGH	1978	1979	1980
TDY (NON- ADJ)	(-)	(00.1)	(00.1)	(-)	(-)	MEDIUM	-	-	-
EXPENSES	00.2	00.2	00.3	00.3	00.1	LOW	-	2	2
					00.1		-	-	-

**TABLE IVB**  
**RURAL ENTERPRISE AND COOPERATIVE DEVELOPMENT -**  
**ACTIVITY BUDGET DATA**

PROJECT NUMBER	APPROPRIATION	EL SALVADOR		Proposed		TOTAL COST
		INITIAL OBLIGATION	FINAL OBLIGATION	FY 1980	FY 1982	
519-0213 (250)	FN	June 1980	N/A	DATE LAST PAR	DATE NEXT PAR	Oct. 1980
ESTIMATED U. S. DOLLAR COST (\$ 000)						
		CY: 1979		BY: 1980		
		1978	1979	1980	1981	1982
ACTIVITY INPUTS	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLIGATION	EXPENDITURE	PIPE-LINE	EXPENDITURE
AID-FINANCED	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLIGATION	EXPENDITURE	PIPE-LINE	EXPENDITURE
TOTAL-	-	-	-	-	-	-
Technical Assistance	-	-	-	-	-	-
Training & Reference Materials	-	-	-	-	-	-
Participant Training	-	-	-	-	-	-
Other Costs	-	-	-	-	-	-
Credit for Small Enterprise and Cooperatives	-	-	-	-	-	-
HC AND OTHER DONOR	-	-	-	-	-	-
GOES - ICI (to be determined)	-	-	-	-	-	-
Salvadoran Foreign Trade Institute	-	-	-	-	-	-
TOTAL-	-	-	-	-	-	-

FUNDING	PERSONNEL WORKYEARS (XX, X)			PERSONNEL INTENSITY	PARTICIPANTS PROGRAMMED			FOOTNOTES
	1978	1979	1980		A=NONCONTRACT	B=CONTRACT	FISCAL YEAR	
PROGRAM ACCOUNT	19.78	19.79	19.81	HIGH	1978	1979	1980	
TDY (ADD)	-	-	02.0	MEDIUM	LONG-TERM	-	-	
OPERATING EXPENSES	(00.2)	(00.4)	(00.1)	LOW	SHORT-TERM	-	3	
	00.3	00.7	00.8		LONG-TERM	-	-	
			00.8		SHORT-TERM	-	-	

LIFE OF PROJECT 4,067 4,203

4,000 60 7

8,150 1,111 7,039

105 80 25

10 10 -

22 15 7

13 6 7

8,000 1,000 7,000

<b>TABLE IVB ACTIVITY BUDGET DATA</b>		<b>ACTIVITY TITLE</b> FAMILY PLANNING & POPULATION		<b>DECISION UNIT</b> EL SALVADOR		<b>DECISION PACKAGE</b> Minimum		<b>BUDGET YEAR</b> 1980	
<b>PROJECT NUMBER</b> 519-0149 (440)		<b>APPROPRIATION</b> PN		<b>INITIAL OBLIGATION</b> FY 1966		<b>FINAL OBLIGATION</b> FY 1979		<b>TOTAL COST</b> \$5,019,000	
<b>DATE OF REVISION</b> July 1978		<b>DATE OF REVISION</b> July 1978		<b>DATE OF REVISION</b> June 1976		<b>DATE OF REVISION</b> June 1976		<b>DATE NEXT PAR</b> July 1978	

ESTIMATED U.S. DOLLAR COST (\$ 000)															
ACTIVITY INPUTS	FY 19 78		CY: 19 79		CY: 19 80		PIPE-LINE	EXPEN-DITURE	OBLI-GATION	PIPE-LINE					
	OBLI-GATION	EXPEN-DITURE	FUNDING PERIOD (FR-TO)	PIPE-LINE	FUNDING PERIOD (FR-TO)	PIPE-LINE					FUNDING PERIOD (FR-TO)	PIPE-LINE			
<b>TOTAL-</b>	575	491	671	600	720	551									
Technical Assistance	35	33	35	40	40	35	10/78-9/79	10/79-9/80							
Commodities	77	170	137	160	150	147	10/78-9/79	10/79-9/80							
Participants	25	10	18	40	50	8	10/78-9/79	10/79-9/80							
Other Costs	438	278	481	360	480	361	10/78-9/79	10/79-9/80							
<b>TOTAL-</b>	4,178			3,947											
HC AND OTHER DONOR	3,579			3,247											
Ministry of Health	336			400											
SDA	263			300											
ISSS															
<b>PERSONNEL WORKYEARS (XX.X)</b>															
FUNDING	19 78			19 79			19 80			19 81			19 82		
	PROGRAM	00.4	00.5	00.5	00.5	00.5	00.5	00.5	00.5	00.5	00.5	00.5	00.5	00.5	00.5
ACCOUNT	(-)	(00.2)	(00.1)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	
OPERATING EXPENSES	02.7	02.7	00.2												

PARTICIPANTS PROGRAMMED	FISCAL YEAR	
	19 78	19 79
A=NONCONTRACT	1	2
B=CONTRACT	3	2
LONG-TERM	-	-
SHORT-TERM	-	-

FOOTNOTES

LIFE OF PROJECT: 2,600 10,725

2,000  
300  
300

AID 1330-8 (3-78)

<b>ACTIVITY BUDGET DATA</b>		ESTIMATED U.S. DOLLAR COST (\$ 000)	
PROJECT NUMBER	APPROPRIATION	DATE PP/REVISION	DATE LAST PAR
519-0210 (400)	PN	May 1979	N/A
CY: 1978		CY: 1979	
BY: 1980		BY: 1980	
FINAL OBLIGATION	FINAL OBLIGATION	DATE NEXT PAR	DATE NEXT PAR
\$2,050,000	\$2,050,000		Feb. 1981

ACTIVITY INPUTS	PY: 1978			CY: 1979			BY: 1980				
	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	EXPEN-DITURE	PIPE-LINE
TOTAL-	-	-	-	-	-	-	-	-	700	530	170
Technical Assistance	-	-	-	-	-	-	-	1/80-1/81	70	70	-
Commodities	-	-	-	-	-	-	-	1/80-6/81	170	130	40
Participants	-	-	-	-	-	-	-	1/80-1/81	45	30	15
Other Costs	-	-	-	-	-	-	-	1/80-1/81	415	300	115

HC AND OTHER DONOR	TOTAL-		LIFE OF PROJECT	
Ministry of Health			1,430	4,485
SDA			1,300	
National Population Commission			100	
			30	

FUNDING	PERSONNEL WORKYEARS (XX, X)					PERSONNEL INTENSITY			PARTICIPANTS PROGRAMMED			FOOTNOTES
	FISCAL YEAR					TYPE A=NONCONTRACT B=CONTRACT			FISCAL YEAR			
	1978	1979	1980	1981	1982	BEYOND	TYPE	LONG-TERM	SHORT-TERM	1978	1979	
PROGRAM ACCOUNT	-	-	01.0	-	-	-	<input checked="" type="checkbox"/> HIGH	<input type="checkbox"/> MEDIUM	<input type="checkbox"/> LOW	-	-	2
TOTAL	(-)	(00.1)	(00.1)	(-)	(-)	(-)				-	-	2
OPERATING EXPENSES	-	01.0	04.1	03.0	02.5	02.0				-	-	-

<b>TABLE IVB ACTIVITY BUDGET DATA</b>		<b>ACTIVITY TITLE</b>		<b>DECISION UNIT</b>	<b>DECISION PACKAGE</b>	<b>BUDGET YEAR</b>
POPULATION TECHNICAL SUPPORT		EL SALVADOR		Current		1980
PROJECT NUMBER 519-0181 (400)		APPROPRIATION PN		INITIAL OBLIGATION FY 1979	FINAL OBLIGATION Continuing	TOTAL COST Continuing
				DATE PP/REVISION N/A	DATE LAST PAR N/A	DATE NEXT PAR N/A

ESTIMATED U.S. DOLLAR COST (\$ 000)										
ACTIVITY INPUTS	FY 19 78		CY 19 79		FY 19 80		OBLI-GATION	PIPE-LINE	EXPEN-DITURE	PIPE-LINE
	OBLI-GATION	EXPEN-DITURE	FUNDING PERIOD (FR-TO)	PIPE-LINE	FUNDING PERIOD (FR-TO)	PIPE-LINE				
TOTAL-	-	-	-	-	29	-	29	-	29	-
Technical Assistance	-	-	10/78-9/79	-	29	-	29	-	29	-
HC AND OTHER DONOR	-	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-	-

FUNDING	PERSONNEL WORKYEARS (XX, X)				PERSONNEL INTENSITY				PARTICIPANTS PROGRAMMED			
	19 78	19 79	19 80	19 81	19 82	BEYOND	TYPE A	TYPE B	TYPE A	TYPE B	TYPE A	TYPE B
PROGRAM ACCOUNT TDY (ADD)	-	00.4	00.1	-	-	-	00.1	00.1	00.1	00.1	00.1	00.1
OPERATING EXPENSES	-	00.2	00.6	00.1	00.1	00.1	00.1	00.1	00.1	00.1	00.1	00.1

AID 1330-8 (3-78)

**ACTIVITY BUDGET DATA**

PROJECT NUMBER 519-0218 (500)	APPROPRIATION HE	INITIAL OBLIGATION FY 1980 June 1979	FINAL OBLIGATION FY 1980 N/A	TOTAL COST \$8,000,000 Nov. 1981
----------------------------------	---------------------	--	------------------------------------	--

ESTIMATED U. S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	CY: 1978			CY: 1979			CY: 1980			LIFE OF PROJECT		
	OBLI - GATION	EXPEN - DITURE	PIPE - LINE	FUNDING PERIOD (FR - TO)	OBLI - GATION	EXPEN - DITURE	PIPE - LINE	FUNDING PERIOD (FR - TO)	OBLI - GATION		EXPEN - DITURE	PIPE - LINE
	TOTAL-											
Technical Assistance	-	-	-	-	-	-	-	10/79-9/80	8,000	1,150	6,850	
Training	-	-	-	-	-	-	-	10/79-9/80	400	100	300	
Commodities	-	-	-	-	-	-	-	10/79-9/80	275	50	225	
Sanitation Improvement	-	-	-	-	-	-	-	10/79-9/80	3,925	250	3,675	
Water Supply, Vector Control	-	-	-	-	-	-	-	10/79-9/80	960	300	660	
Other Costs	-	-	-	-	-	-	-	10/79-9/80	2,000	300	1,700	
Rural Health Aide Salaries	-	-	-	-	-	-	-	10/79-9/80	440	150	290	
Subsistence Costs of Rural Health Training Programs	-	-	-	-	-	-	-	10/79-9/80	440	150	290	
Construction	-	-	-	-	-	-	-	10/79-9/80	440	150	290	
National Health Training School and Regional Training Centers	-	-	-	-	-	-	-	10/79-9/80	440	150	290	
Vehicles in Support of Sanitation Improvement, Vector Control, Water Supply	-	-	-	-	-	-	-	10/79-9/80	440	150	290	
HC AND OTHER DONOR	-	-	-	-	-	-	-	10/79-9/80	2,000	300	1,700	
Ministry of Health ANDA (Water Company)	-	-	-	-	-	-	-	10/79-9/80	440	150	290	

FUNDING	PERSONNEL WORKYEARS (XX, X)			PERSONNEL INTENSITY	PARTICIPANTS PROGRAMMED			FOOTNOTES
	FISCAL YEAR				FISCAL YEAR			
	19 78	19 79	19 80		19 78	19 79	19 80	
PROGRAM ACCOUNT	00.2	01.5	01.5					
TOTAL (NON-)	(-)	(-)	(00.5)					
OPERATING EXPENSES	00.2	01.5	01.5					

AID 1330- 8 (3-78)

<b>TABLE IVB ACTIVITY BUDGET DATA</b>		<b>ACTIVITY TITLE</b>		<b>DECISION UNIT</b>		<b>DECISION PACKAGE</b>		<b>BUDGET YEAR</b>	
RURAL POTABLE WATER DELIVERY		EL SALVADOR		Minimum		1980		TOTAL COST	
PROJECT NUMBER		APPROPRIATION		DATE PP/REVISION		DATE LAST PAR		DATE NEXT PAR	
519-0209 (545)		HR		March 1979		N/A		July 1980	
ESTIMATED U.S. DOLLAR COST (\$ 000)									

ACTIVITY INPUTS	CY: 1978			CY: 1979			BY: 1980			LIFE OF PROJECT	
	OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR-TO)	OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR-TO)	OBLI- GATION		EXPEN- DITURE
<b>AID-FINANCED</b>											
TOTAL-	-	-	-		7,000	500	6,500		-	1,500	5,000
Technical Assistance	-	-	-	7/79-6/80	1,500	100	1,400	7/80-6/81	-	500	900
Commodities	-	-	-	7/79-6/80	5,500	400	5,100	7/80-6/81	-	1,000	4,100
HC AND OTHER DONOR	-	-	-		7,000	-	-		-	7,000	-
Ministry of Public Works	-	-	-		-	-	-		-	-	-

FUNDING	PERSONNEL WORKYEARS (XX, X)			PERSONNEL INTENSITY	PARTICIPANTS PROGRAMMED			FOOTNOTES
	FISCAL YEAR				FISCAL YEAR			
	1978	1979	1980		A=NONCONTRACT	B=CONTRACT		
PROGRAM	19	79	80	HIGH			1980	
ACCOUNT	-	01.3	07.0	MEDIUM				
TOT (NON-)	(-)	(00.2)	(-)	LOW				
OPERATING	00.1	01.0	01.5					
EXPENSES								

AID 1330-8 (3-78)

1/ not included in  
FY 1979 C.P.

RURAL HEALTH DELIVERY SYSTEM		EL SALVADOR		Minimum		1980	
ACTIVITY BUDGET DATA		INITIAL OBLIGATION		FINAL OBLIGATION		TOTAL COST	
PROJECT NUMBER		FY 1978		FY 1978		\$652,000	
519-0179 (510)		HE		DATE PP/REVISION		DATE NEXT PAR	
				July 1978		N/A	
				N/A		Sept. 1979	

ACTIVITY INPUTS	ESTIMATED U. S. DOLLAR COST (\$ 000)											
	CY: 19 78				CY: 19 79				CY: 19 80			
	OBLI - GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR- TO)	OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR- TO)	OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR- TO)
<b>TOTAL-</b>	652	152	500		-	395	105		-	-	105	
Technical Assistance	40	15	25	8/78-8/79	-	15	10	9/79-3/80	-	-	10	-
Commodities	150	32	118	8/78-8/79	-	98	20	9/79-3/80	-	-	20	-
Other Costs - RHA's Salaries	320	70	250	8/78-8/79	-	200	50	9/79-3/80	-	-	50	-
Local Training Costs	142	35	107	8/78-8/79	-	82	25	9/79-3/80	-	-	25	-
<b>HC AND OTHER DONOR TOTAL-</b>	30				300				470		800	
Ministry of Health	30				300				470			

FUNDING	PERSONNEL WORKYEARS (XX, X)											
	PERSONNEL INTENSITY						PARTICIPANTS PROGRAMMED					
	19 78	19 79	19 80	19 81	19 82	BEYOND	TYPE	A=NONCONTRACT	B=CONTRACT	19/8	19 79	19 80
PROGRAM ACCOUNT	00.2	00.2	00.1	-	-	-						
TDY (NON-)	(00.1)	(00.2)	(-)	(-)	(-)	(-)	A	LONG-TERM				
OPERATING EXPENSES	02.0	02.4	02.0	-	-	-	B	LONG-TERM				
								SHORT-TERM				

AID 1330-8 (3-78)

<b>TABLE IVB ACTIVITY BUDGET DATA</b>	<b>ACTIVITY TITLE</b>		<b>DECISION UNIT</b>		<b>DECISION PACKAGE</b>		<b>BUDGET YEAR</b>				
	RURAL HEALTH IMPROVEMENT		EL SALVADOR		Minimum		1980				
	PROJECT NUMBER 519-0193 (500)		APPROPRIATION HE		DATE PP/REVISION May 1979		DATE NEXT PAR Jan. 1980				
ESTIMATED U. S. DOLLAR COST (\$ 000)											
		<b>PY 1978</b>	<b>CY 1979</b>	<b>BY 1980</b>							
<b>ACTIVITY INPUTS</b>	<b>OBLI - GATION</b>	<b>EXPEN- DITURE</b>	<b>PIPE- LINE</b>	<b>FUNDING PERIOD (FR- TO)</b>	<b>OBLI- GATION</b>	<b>EXPEN- DITURE</b>	<b>PIPE- LINE</b>	<b>FUNDING PERIOD (FR- TO)</b>	<b>OBLI- GATION</b>	<b>EXPEN- DITURE</b>	<b>PIPE- LINE</b>

<b>AID- FINANCED</b>											
<b>TOTAL-</b>											
Technical Assistance				1/79-12/79	200	150	50	1/80-12/80		50	
Third country Training				1/79-12/79	70	50	20	1/80-12/80		20	
Commodities				1/79- 6/80	45	30	15	1/80- 6/81		15	
Other Costs Training Data Processing				1/70-12/79	135	100	35	1/80-12/80		35	

<b>HC AND OTHER DONOR</b>											
<b>TOTAL-</b>											
Ministry of Health					80					80	
					80					65	145

<b>PERSONNEL WORKYEARS (XX, X)</b>		<b>PERSONNEL INTENSITY</b>		<b>PARTICIPANTS PROGRAMMED</b>		<b>FOOTNOTES</b>
<b>FUNDING</b>	<b>19 78</b>	<b>19 79</b>	<b>19 80</b>	<b>19 81</b>	<b>19 82</b>	
PROGRAM ACCOUNT	-	02.1	00.7	-	-	
TDY (ADD)	(-)	(00.5)	(00.3)	(-)	(-)	
<b>OPERATING EXPENSES</b>	<b>00.5</b>	<b>01.5</b>	<b>01.0</b>	<b>00.5</b>	<b>-</b>	

<b>PERSONNEL CONTRACT</b>		<b>FISCAL YEAR</b>	
		19 78	19 80
		-	2
		-	10
		-	-
		-	-

HEALTH TECHNICAL SUPPORT		HE		ESTIMATED U. S. DOLLAR COST (\$ 000)			
PROJECT NUMBER	APPROPRIATION	CY: 1978		CY: 1979		CY: 1980	
519-0178	(500)	PY1	EXPEN-DITURE	PY2	EXPEN-DITURE	PY3	EXPEN-DITURE
ACTIVITY INPUTS		OBLI - GATION	PIPE- LINE	FUNDING PERIOD (FR- TO)	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR- TO)
TOTAL-		16	23		90	-	40
AID-FINANCED		16	19	10/78-9/79	78	-	10/79-9/80
Technical Assistance		-	4	10/78-9/79	12	-	10/79-9/80
Other Costs including Invitational travel							
HC AND OTHER DONOR		LIFE OF PROJECT					
N/A		-					

FUNDING	PERSONNEL WORKYEARS (XX, X)			PERSONNEL INTENSITY		PARTICIPANTS PROGRAMMED			FOOTNOTES	
	19 78	19 79	19 80	19 81	19 82	FISCAL YEAR		19 78		19 79
PROGRAM ACCOUNT	00.2	01.1	00.5	00.5	00.5	TYPE	A=NONCONTRACT	B=CONTRACT		
TDY (ADD)	(-)	(00.1)	(00.2)	(00.1)	(00.1)	TYPE	LONG- TERM	LONG- TERM		
OPERATING EXPENSES	00.1	00.3	00.2	00.3	00.3	TYPE	SHORT- TERM	SHORT- TERM		
AID 1330- 8 (3- 78)										

<b>TABLE IVB ACTIVITY BUDGET DATA</b>	<b>ACTIVITY TITLE</b>	<b>DECISION UNIT</b>	<b>DECISION PACKAGE</b>	<b>BUDGET YEAR</b>
	HEALTH RESOURCES CENTER - OPG (DIRECT RELIEF FOUNDATION)	EL SALVADOR	Minimum	1980
	<b>PROJECT NUMBER</b>	<b>INITIAL OBLIGATION</b>	<b>FINAL OBLIGATION</b>	<b>TOTAL COST</b>
	519-0194 (549)	FY 1979	FY 1981	\$250,000
	<b>APPROPRIATION</b>	<b>DATE PP/REVISION</b>	<b>DATE LAST PAR</b>	<b>DATE NEXT PAR</b>
	FY	N/A	N/A	November 1979

ESTIMATED U. S. DOLLAR COST (\$ 000)										
ACTIVITY INPUTS	FY 19 78		CY 19 79		FY 19 80		PIPE-LINE	EXPEN-DITURE	OBLI-GATION	FUNDING PERIOD (FR- TO)
	OBLI-GATION	EXPEN-DITURE	OBLI-GATION	FUNDING PERIOD (FR- TO)	OBLI-GATION	FUNDING PERIOD (FR- TO)				
<b>AID-FINANCED</b>										
TOTAL-	-	-	-	-	75	50	25	100	100	25
Volunteers and Benefits	-	-	11/78-9/79	60	40	20	20	80	80	20
Tools and Supplies	-	-	11/78-9/79	15	10	5	5	20	20	5
HC AND OTHER DONOR										
TOTAL-	-	-	-	34	30	4	45	113	113	
Direct Relief Foundation	-	-	-	30	4			40	5	
Selected Communities	-	-	-							

FUNDING	PERSONNEL WORKYEARS (XX, X)				PERSONNEL INTENSITY		PARTICIPANTS PROGRAMMED		FOOTNOTES
	19 78	19 79	19 80	19 81	19 82	19 78	19 79	19 80	
PROGRAM ACCOUNT	-	10.0	15.0	20.0	20.0				
TDY (ADD)	(-)	(00.1)	(00.1)	(-)	(-)				
OPERATING EXPENSES	00.2	00.2	00.2	00.2	00.1				

<b>TABLE IVB ACTIVITY BUDGET DATA</b>		URBAN MARKET WOMEN - SALVADORAN DEMOGRAPHIC ASSOCIATION - OPG		EL SALVADOR		Minimum		1980	
PROJECT NUMBER 519-0208 (563)		APPROPRIATION EN		FY 1979		DATE LAST PAR		FY 1979	
ESTIMATED U. S. DOLLAR COST (\$ 000)		CY: 1979		CY: 1980		DATE LAST PAR		DATE NEXT PAR	
519-0208 (563)		EN		N/A		N/A		Oct. 1979	

ACTIVITY INPUTS	FY 1978		CY: 1979		CY: 1980		FY 1979		FY 1980		TOTAL COST
	OBLI- GATION	EXPEN- DITURE	FUNDING PERIOD (FR- TO)	PIPE- LINE	EXPEN- DITURE	OBLI- GATION	FUNDING PERIOD (FR- TO)	PIPE- LINE	EXPEN- DITURE	OBLI- GATION	
	TOTAL-		-		-		-		-		
Technical Assistance	-	-	10/78-9/79	-	50	50	10/79-9/80	25	25	-	\$100,000
Education Materials	-	-	10/78-9/79	-	5	5	10/79-9/80	5	5	-	
Health Clinical Equipment	-	-	10/78-9/79	-	15	15	10/79-9/80	15	15	-	
Participant Training	-	-	10/78-9/79	-	5	5	10/79-9/80	5	5	-	
<b>HC AND OTHER DONOR</b>	<b>TOTAL-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84</b>	<b>84</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>LIFE OF PROJECT</b>
IPPF	-	-			34	34					84
Ministry of Health, Education	-	-			25	25					
Municipality of San Salvador	-	-			25	25					

FUNDING	PERSONNEL WORKYEARS (XX, X)			PERSONNEL INTENSITY		PARTICIPANTS PROGRAMMED			FOOTNOTES
	FISCAL YEAR			TYPE		FISCAL YEAR			
	1978	1979	1980	A	B	1978	1979	1980	
PROGRAM ACCOUNT	00.3	00.3	00.3						
TDY (ADP)	(-)	(-)	(-)	X			3	3	
OPERATING EXPENSES	00.1	00.2	00.2						

AID 1330-8 (3-78)

<b>TABLE IVB ACTIVITY BUDGET DATA</b>	<b>ACTIVITY TITLE</b>	<b>DECISION UNIT</b>	<b>DECISION PACKAGE</b>	<b>BUDGET YEAR</b>
	BASIC AND OCCUPATIONAL SKILLS TRAINING	EL SALVADOR	Minimum	1980
	PROJECT NUMBER 519-0172 (635)	APPROPRIATION EH	INITIAL OBLIGATION FY 1978	FINAL OBLIGATION FY 1982
		DATE PP/REVISION April 1978	DATE LAST PAR N/A	DATE NEXT PAR June 1979

ACTIVITY INPUTS	CY: 1978				CY: 1979				CY: 1980			
	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)
	3,450	50	3,400	-	180	731	2,849	-	125	2,021	953	-
<b>TOTAL</b>												
Technical Assistance	310	50	260	10/78-9/79	180	250	190	10/79-9/80	125	275	40	10/79-9/80
Participant Training	188	-	188	10/78-9/79	-	75	113	10/79-9/80	-	100	13	10/79-9/80
Commodities & Materials	1,598	-	1,598	10/78-9/79	-	300	1,298	10/79-9/80	-	1,200	98	10/79-9/80
Renovation	730	-	730	10/78-9/79	-	58	672	10/79-9/80	-	61	611	10/79-9/80
Other Costs	624	-	624	10/78-9/79	-	48	576	10/79-9/80	-	385	191	10/79-9/80
<b>TOTAL</b>	174				817				1,028	4,330		
HC AND OTHER DONOR	174				817				1,028	4,330		
Ministry of Education	174				817				1,028	4,330		

FUNDING	PERSONNEL WORKYEARS (XX, X)				PERSONNEL INTENSITY	PARTICIPANTS PROGRAMMED				FOOTNOTES
	FISCAL YEAR					FISCAL YEAR				
	1978	1979	1980	1981		1978	1979	1980	1981	
PROGRAM ACCOUNT	00.7	03.5	01.7	02.7	A	2	2	2		
TDY (ADD)	(-)	(-)	(-)	(-)	B	4	5	5		
OPERATING EXPENSES	03.2	02.1	02.0	01.5	A	4	5	5		
					B	-	-	-		

ESTIMATED U. S. DOLLAR COST (\$ 000)

LIFE OF PROJECT

AID 1330-8 (3-78)

TABLE IVB ACTIVITY BUDGET DATA	IMPROVEMENT OF RURAL PRIMARY EDUCATION		EL SALVADOR	MINIMUM	1700
	PROJECT NUMBER 519-0190 (636)	APPROPRIATION EH	DATE PP/REVISION Dec. 1978	DATE LAST PAR N/A	DATE NEXT PAR June 1980

ESTIMATED U. S. DOLLAR COST (\$ 000)											
ACTIVITY INPUTS	FY 1978			CY: 1979			FY: 1980			TOTAL OBLIGATION	TOTAL COST
	OBLIGATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLIGATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLIGATION		
<b>AID-FINANCED</b>	-	-	-		10,750	50	10,700		-	3,775	6,925
Technical Assistance	-	-	-	6/79-9/79	500	50	450	10/79-9/80	-	200	250
Participant Training	-	-	-	6/79-9/79	250	-	250	10/79-9/80	-	75	175
Commodities	-	-	-	6/79-9/79	4,000	-	4,000	10/79-9/80	-	1,000	3,000
Construction	-	-	-	6/79-9/79	6,000	-	6,000	10/79-9/80	-	2,500	3,500
<b>HC AND OTHER DONOR</b>	-	-	-		14,800						
Ministry of Education (GOES)	-	-	-		14,800						
<b>TOTAL</b>	-	-	-		14,800						

FUNDING	PERSONNEL WORKYEARS (XX.X)					PERSONNEL INTENSITY		PARTICIPANTS PROGRAMMED		FOOTNOTES
	1978	1979	1980	1981	1982	TYPE A	TYPE B	1978	1980	
PROGRAM ACCOUNT	-	00.7	02.7	01.7	01.7	HIGH	LONG-TERM	-	-	
TOY (ADD)	(-)	(00.2)	(00.2)	(00.2)	(00.1)	MEDIUM	SHORT-TERM	-	-	
OPERATING EXPENSES	00.5	01.2	01.9	01.3	01.3	LOW	LONG-TERM	-	-	

<b>TABLE IVB ACTIVITY BUDGET DATA</b>	<b>ACTIVITY TITLE</b>		<b>DECISION UNIT</b>		<b>DECISION PACKAGE</b>		<b>BUDGET YEAR</b>
	RURAL LIVING SKILLS		EL SALVADOR		Current		1980
	PROJECT NUMBER 519-0211 (610)		APPROPRIATION EH		INITIAL OBLIGATION FY 1980		TOTAL COST \$4,000,000
				DATE PP/REVISION July 1979		DATE NEXT PAR October 1980	

ACTIVITY INPUTS	ESTIMATED U.S. DOLLAR COST (\$ 000)												LIFE OF PROJECT		
	FY 1978			CY 1979			BY 1980			EXPEN-DITURE	PIPE-LINE	OBLI-GATION			
	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION					EXPEN-DITURE	PIPE-LINE
<b>TOTAL-</b>	-	-	-	-	-	-	-	-	-	-	-	4,000	756	3,244	
Technical Assistance	-	-	-	-	-	-	-	-	-	-	-	720	150	570	
Construction (classrooms)	-	-	-	-	-	-	-	-	-	-	-	500	100	400	
Commodities	-	-	-	-	-	-	-	-	-	-	-	2,500	500	2,000	
Participant Training	-	-	-	-	-	-	-	-	-	-	-	252	-	252	
Other Costs	-	-	-	-	-	-	-	-	-	-	-	28	6	22	
<b>TOTAL-</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

FUNDING	PERSONNEL WORKYEARS (XX, X)					PERSONNEL INTENSITY			PARTICIPANTS PROGRAMMED			FOOTNOTES
	FISCAL YEAR					TYPE			TYPE			
	1978	1979	1980	1981	1982	A	B	LONG-TERM	SHORT-TERM	LONG-TERM	SHORT-TERM	
PROGRAM	-	-	02.1	03.1	02.7	<input checked="" type="checkbox"/>	<input type="checkbox"/>	-	-	-	-	
AGENCY	-	-	(00.2)	(00.3)	(00.2)	<input type="checkbox"/>	<input type="checkbox"/>	-	-	-	-	
TOTAL	-	-	(00.2)	(00.3)	(00.2)	<input type="checkbox"/>	<input type="checkbox"/>	-	-	-	-	
OPERATING EXPENSES	00.2	01.2	01.4	01.4	01.4	<input type="checkbox"/>	<input type="checkbox"/>	-	-	-	-	

<b>ACTIVITY BUDGET DATA</b>	EDUCATION AND HUMAN RESOURCES	INITIAL OBLIGATION	TOTAL COST
	DEVELOPMENT TECHNICAL SUPPORT	FY 1974	Continuing
PROJECT NUMBER	APPROPRIATION	DATE PP/REVISION	DATE NEXT PAR
519-0168 (600)	EH	N/A	N/A

ESTIMATED U.S. DOLLAR COST (\$ 000)											
ACTIVITY INPUTS	PY: 1978			CY: 1979			BY: 1980			TOTAL COST	
	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	EXPEN-DITURE	PIPE-LINE
<b>AID-FINANCED</b>	<b>TOTAL-</b>	50	68	8	-	85	79	14	105	106	12
Technical Advisor Services		41	53	8	10/78-9/79	80	75	13	100	103	10
Other Costs		9	15	-	10/78-9/79	5	4	1	5	3	2
English Language Training											
<b>HC AND OTHER DONOR</b>	<b>TOTAL-</b>	-	-	-	-	-	-	-	-	-	-

FUNDING	PERSONNEL WORKYEARS (XX, X)				PERSONNEL INTENSITY		PARTICIPANTS PROGRAMMED				FOOTNOTES		
	1978	1979	1980	1981	1982	BEYOND	TYPE A	TYPE B	TYPE A	TYPE B		FISCAL YEAR	
PROGRAM ACCOUNT	00.7	01.1	01.4	01.0	01.0	-	<input checked="" type="checkbox"/> HIGH	<input type="checkbox"/> MEDIUM			1978	1979	1980
TOT (ADD)	(00.1)	(00.2)	(00.2)	(00.2)	(00.2)								
OPERATING EXPENSES	00.5	00.5	00.7	00.7	00.7		<input type="checkbox"/> LOW						

<b>TABLE IVB ACTIVITY BUDGET DATA</b>		<b>ACTIVITY TITLE</b>		<b>DECISION UNIT</b>		<b>DECISION PACKAGE</b>		<b>BUDGET YEAR</b>	
DEVELOPMENT OF RURAL COMMUNITY SERVICES		EL SALVADOR		Minimum		1980			
PROJECT NUMBER 519-0195 (240)		APPROPRIATION SD		INITIAL OBLIGATION FY 1979		FINAL OBLIGATION FY 1981		TOTAL COST \$700,000	
				DATE PP/REVISION May 1979		DATE LAST PAR N/A		DATE NEXT PAR September 1980	

ESTIMATED U. S. DOLLAR COST (\$ 000)											
ACTIVITY INPUTS	FY 19 78		CY: 19 79		FY: 19 80		OBLI-GATION	EXPEN-DITURE	PIPE-LINE		
	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	EXPEN-DITURE				PIPE-LINE	FUNDING PERIOD (FR-TO)
<b>AID-FINANCED</b>											
TOTAL-	-	-	-	-	200	75	125 1/2	200	196	129	
Technical Advisors	-	-	-	6/79-5/80	136	25	111	10/79-9/80	136	105	
Participant Trg.	-	-	-	6/79-5/80	64	50	14	10/79-9/80	60	24	
HC AND OTHER DONOR	-	-	-		120						
Ministry of Interior	-	-	-		120						

FUNDING	PERSONNEL WORKYEARS (XX, X)				PERSONNEL INTENSITY	PARTICIPANTS PROGRAMMED			FOOTNOTES
	FISCAL YEAR					FISCAL YEAR			
	19 78	19 79	19 80	19 81		19 78	19 79	19 80	
PROGRAM ACCOUNT TDY (ADD)	00.3	01.9	01.9	-	BEYOND	-	-	-	1/ Project to begin towards end of FY 1979
OPERATING EXPENSES	(-)	(00.1)	(00.1)	(-)	A LONG-TERM	20	20		
	00.2	00.3	00.3	-	B SHORT-TERM	-	-		

ENVIRONMENTAL IMPROVEMENT		INITIAL OBLIGATION	FINAL OBLIGATION	TOTAL COST
PROJECT NUMBER		FY 1979	FY 1981 1/	\$665,000
519-0214 (850)		DATE PP/REVISION	DATE LAST PAR	DATE NEXT PAR
SD		Dec. 1978	N/A	Dec. 1980

ACTIVITY INPUTS	CY: 19 78		CY: 19 79		CY: 19 80		PIPE-LINE	EXPEN-DITURE	OBLI-GATION	FUNDING PERIOD (FR-TO)	OBLI-GATION	EXPEN-DITURE	PIPE-LINE
	OBLI-GATION	EXPEN-DITURE	OBLI-GATION	EXPEN-DITURE	OBLI-GATION	EXPEN-DITURE							
TOTAL-	-	-	-	-	-	-	10	90	100	10/79-9/80	285	222	73
Technical Assistance	-	-	1/79-9/79	-	-	-	-	72	72	10/79-9/80	98	70	28
Participant Training	-	-	1/79-9/79	-	-	-	10	18	28	10/79-9/80	56	46	20
Commodities	-	-	-	-	-	-	-	-	-	10/79-9/80	125	100	25
Other Costs	-	-	-	-	-	-	-	-	-	10/79-9/80	6	6	-
HC AND OTHER DONOR									40				
Ministry of Planning									40				

PERSONNEL WORKYEARS (XX, X)	FISCAL YEAR			PERSONNEL INTENSITY	PARTICIPANTS PROGRAMMED			FOOTNOTES
	19 78	19 79	19 80		A=NONCONTRACT	B=CONTRACT	FISCAL YEAR	
FUNDING	19 78	19 79	19 80	HIGH	1978	1979	1980	1/ Not included in FY 1979
PROGRAM ACCOUNT	-	01.0	01.0	<input checked="" type="checkbox"/>	2	4	4	
OPERATING EXPENSES	(-)	(-)	(-)	MEDIUM	LONG-TERM	SHORT-TERM	LONG-TERM	
	00.1	00.1	00.1	LOW	SHORT-TERM	SHORT-TERM	SHORT-TERM	

ESTIMATED U. S. DOLLAR COST (\$ 000)

AID 1330-8 (3-78)

<b>TABLE IVB ACTIVITY BUDGET DATA</b>		<b>ACTIVITY TITLE</b>		<b>DECISION UNIT</b>		<b>DECISION PACKAGE</b>		<b>BUDGET YEAR</b>	
SMALL ENTERPRISE DEVELOPMENT (TECHNO SERVE) - OPG		EL SALVADOR		Minimum		1980		TOTAL COST \$500,000	
PROJECT NUMBER 519-0197 (247)		APPROPRIATION SD		INITIAL OBLIGATION FY 1978		FINAL OBLIGATION FY 1980		DATE NEXT PAR Oct. 1979	
				DATE PP/REVISION N/A		DATE LAST PAR N/A			

ESTIMATED U. S. DOLLAR COST (\$ 000)										
ACTIVITY INPUTS	CY: 19 78			CY: 19 79			CY: 19 80			PIPE-LINE
	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	
<u>AID-FINANCED</u>										
TOTAL-	140	35	105		180	220	65		180	200
Technical Advisors and Backup Support	140	35	105	10/78-9/79	180	220	65	10/79-9/80	180	200
HC AND OTHER DONOR	136				180				180	
Ministry of Planning	136				180				180	
TOTAL-										

FUNDING	PERSONNEL WORKYEARS (XX.X)				PARTICIPANTS PROGRAMMED				FOOTNOTES
	FISCAL YEAR				FISCAL YEAR				
	1978	1979	1980	1981	1978	1979	1980	1981	
PROGRAM ACCOUNT	05.0	03.1	02.7	-	-	-	-	-	-
TDY (NON-)	-	-	-	-	-	-	-	-	-
OPERATING EXPENSES	00.2	00.3	00.3	00.1	-	-	-	-	-

PERSONNEL INTENSITY	TYPE A = NON-CONTRACT		TYPE B = CONTRACT	
	LONG-TERM	SHORT-TERM	LONG-TERM	SHORT-TERM
HIGH <input checked="" type="checkbox"/>	-	-	-	-
MEDIUM <input type="checkbox"/>	-	-	-	-
LOW <input type="checkbox"/>	-	-	-	-

TABLE IVB ACTIVITY BUDGET DATA		CODECAVOL - OPG		LL SALVADOR		MINIMUM		TOTAL COST	
PROJECT NUMBER 519-0202 (700)		APPROPRIATION SD		FY 1978		FY 1978		\$47,000	
DATE PP/REVISION N/A		DATE PP/REVISION N/A		DATE LAST PAR N/A		DATE NEXT PAR Oct. 1979			

ESTIMATED U.S. DOLLAR COST (\$ 000)										
ACTIVITY INPUTS	CY: 19 78			CY: 19 79			CY: 19 80			PIPE-LINE
	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	
TOTAL-	47	10	37		37					
Personnel and Support	29	9	20		20	10/78-9/79				
Commodities	3	1	2		2	10/78-9/79				
Participant Training	15	-	15		15	10/78-9/79				
HC AND OTHER DONOR	19									
CODECAVOL, Ministry of Education Salvadoran Demographic Association	19									

FUNDING	PERSONNEL WORKYEARS (XX.X)				PERSONNEL INTENSITY				PARTICIPANTS PROGRAMMED				FOOTNOTES	
	FISCAL YEAR				TYPE				TYPE					
	1978	1979	1980	1981	1982	BEYOND	HIGH	MEDIUM	LOW	A=NONCONTRACT	B=CONTRACT	1978		1979
PROGRAM ACCOUNT	00.1	00.3	-	-	-	-	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>					
TOTAL	(-)	(-)	(-)	(-)	(-)	(-)								
OPERATING EXPENSES	00.1	00.1	-	-	-	-								

AID 1330-8 (3-78)

<b>TABLE IVB ACTIVITY BUDGET DATA</b>	<b>ACTIVITY TITLE</b>	<b>DECISION UNIT</b>	<b>DECISION PACKAGE</b>	<b>BUDGET YEAR</b>
	<b>CENTRAL MARKETING COOPERATIVE - OPG (FENAPES)</b>	EL SALVADOR	Minimum	1980
	<b>PROJECT NUMBER 519-0216 (721)</b>	<b>APPROPRIATION SD</b>	<b>DATE PP/REVISION N/A</b>	<b>DATE NEXT PAR Oct. 1979</b>
		<b>INITIAL OBLIGATION FY 1979</b>	<b>FINAL OBLIGATION FY 1980</b>	<b>TOTAL COST \$250,000</b>

ACTIVITY INPUTS	ESTIMATED U. S. DOLLAR COST (\$ 000)														
	FY 1978			CY 1979			FY 1980			BY 1980					
	OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR- TO)	OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR- TO)	OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR- TO)	OBLI- GATION	EXPEN- DITURE	PIPE- LINE
<b>AID-FINANCED</b>															
TOTAL-	-	-	-		125	100	25		125	115	35		125	115	35
Technical Assistance	-	-	-	10/78-9/79	75	50	25	10/79-9/80	80	75	30		80	75	30
Participant Training	-	-	-	-	-	-	-	10/79-9/80	20	15	5		20	15	5
Revolving Fund	-	-	-	1/79-2/79	50	50	-	-	-	-	-		-	-	-
Other Costs	-	-	-	-	-	-	-	10/79-9/80	25	25	-		25	25	-
HC AND OTHER DONOR	-	-	-		38				38				38	76	
FIGAPE	-	-	-		26				26				26		
FENAPES	-	-	-		12				12				12		

FUNDING	PERSONNEL WORKYEARS (XX, X)												FOOTNOTES		
	PERSONNEL INTENSITY						PARTICIPANTS PROGRAMMED								
	HIGH		MEDIUM		LOW		A=NONCONTRACT		B=CONTRACT		FISCAL YEAR				
	1978	1979	1980	1981	1982	BEYOND	<input checked="" type="checkbox"/>					1978	1979	1980	
PROGRAM	-	00.7	01.0	-	-	-						-	-	-	
ACCOUNT	-	(-)	(-)	(-)	(-)	(-)						-	-	-	
OPERATING EXPENSES	00.1	00.2	00.2	-	-	-						-	-	-	

<b>TABLE IVB ACTIVITY BUDGET DATA</b>		<b>SPECIAL DEVELOPMENT ACTIVITIES</b>		<b>EL SALVADOR</b>		<b>Proposed</b>		<b>1980</b>	
<b>PROJECT NUMBER</b> 519-0094 (200)		<b>APPROPRIATION</b> SD		<b>INITIAL OBLIGATION</b> FY 1970		<b>FINAL OBLIGATION</b> Continuing		<b>TOTAL COST</b> Continuing	
<b>DATE PP/REVISION</b> N/A		<b>DATE LAST PAR</b> March 1978		<b>DATE PP/REVISION</b> N/A		<b>DATE LAST PAR</b> March 1978		<b>DATE NEXT PAR</b> Oct. 1979	

ESTIMATED U.S. DOLLAR COST (\$ 000)										
ACTIVITY INPUTS	FY 1978		CY: 1979		FY: 1980		PIPE-LINE	EXPEN-DITURE	OBLI-GATION	LIFE OF PROJECT
	OBLI-GATION	EXPEN-DITURE	FUNDING PERIOD (FR-TO)	PIPE-LINE	FUNDING PERIOD (FR-TO)	PIPE-LINE				
<b>AID-FINANCED</b>										
<b>TOTAL-</b>	50	42	10	10	50	55	5	50	55	-
Commodities	50	42	10	10	10/78-9/79	55	5	50	55	-
<b>HC AND OTHER DONOR</b>										
<b>TOTAL-</b>	15				15			15		15
Selected Communities and Cooperatives	15				15			15		15

FUNDING	PERSONNEL WORKYEARS (XX, X)				PARTICIPANTS PROGRAMMED				FOOTNOTES
	FISCAL YEAR				FISCAL YEAR				
	1978	1979	1980	1981	1978	1979	1980	1981	
PROGRAM ACCOUNT TOY (NON-)	-	-	-	-	-	-	-	-	
OPERATING EXPENSES	00.1	00.1	00.1	00.1	00.1	00.1	00.1	00.1	

AID 1330-B (3-78)

<b>TABLE IVB ACTIVITY BUDGET DATA</b>		<b>ACTIVITY TITLE</b>		<b>DECISION UNIT</b>		<b>DECISION PACKAGE</b>		<b>BUDGET YEAR</b>	
MULTI-PURPOSE HOUSEHOLD SURVEY		EL SALVADOR		Minimum		1980		TOTAL COST	
PROJECT NUMBER 519-0176 (720)		APPROPRIATION SD		FY 1977		FY 1979		\$429,000	
DATE PP/REVISION Oct. 1976		DATE LAST PAR N/A		DATE NEXT PAR Oct. 1978					

ACTIVITY INPUTS	ESTIMATED U. S. DOLLAR COST (\$ 000)														
	FY 19 78					CY 19 79					BY: 19 80				
	OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR- TO)	OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR- TO)	OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR- TO)	OBLI- GATION	EXPEN- DITURE	PIPE- LINE
<b>TOTAL-</b>	167	187	21		127	136	12								
Long and Short-Term U.S. technical advisors to assist SIM organization	135	135	15	10/78-9/79	101	108	8	10/79-2/80						8	
Increased technical capacity of SIM's personnel	26	46	6		26	28	4							4	
Reproduction equipment	3	3	-		-	-	-							-	
Reference Materials	3	3	-		-	-	-							-	
<b>TOTAL-</b>	316				342										
HC AND OTHER DONOR	316				342										
Ministry of Planning	316				342										

FUNDING	PERSONNEL WORKYEARS (XX.X)										PARTICIPANTS PROGRAMMED				FOOTNOTES	
	PERSONNEL INTENSITY					TYPE A=NON-CONTRACT B=CONTRACT					FISCAL YEAR					
	19 78	19 79	19 80	19 81	19 82	BEYOND	HIGH	MEDIUM	LOW	TYPE A	TYPE B	LONG-TERM	SHORT-TERM	1978		19 79
PROGRAM ACCOUNT	01.9	01.5	00.1	-	-	-	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A	A	LONG-TERM	SHORT-TERM	1	1	-
TDY (ADD)	(-)	(-)	(-)	(-)	(-)	(-)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	B	B	LONG-TERM	SHORT-TERM	-	-	-
OPERATING EXPENSES	00.2	00.2	00.1	-	-	-	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					-	-	-

ACTIVITY BUDGET DATA		NATIONAL CADASTER		INITIAL OBLIGATION	FINAL OBLIGATION	TOTAL COST
PROJECT NUMBER	519-0171 (790)	APPROPRIATION	SD	FY 1976	FY 1978	\$477,000 1/
				DATE PP/REVISION	DATE LAST PAR	DATE NEXT PAR
				June 1978	July 1977	July 1979

ESTIMATED U.S. DOLLAR COST (\$ 000)											
ACTIVITY INPUTS	FY 19 78			CY: 19 79			FY: 19 80			PIPE-LINE	TOTAL COST
	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION		
<b>AID-FINANCED</b>											
<b>TOTAL-</b>	210	71	195		-	170	25		-	25	-
Technical Advisors	210	68	195	10/78-9/79	-	170	25		-	25	-
Other Costs	-	3	-	-	-	-	-		-	-	-
<b>HC AND OTHER DONOR</b>											
<b>TOTAL-</b>	85				-				-		
Ministry of Finance	60				-				-		
Instituto Geográfico Nacional	25				-				-		

FUNDING	PERSONNEL WORKYEARS (XX, X)			PERSONNEL INTENSITY			PARTICIPANTS PROGRAMMED			FOOTNOTES
	FISCAL YEAR			TYPE			FISCAL YEAR			
	1978	1979	1980	A	B	BEYOND	1978	1979	1980	
PROGRAM ACCOUNT	00.9	02.3	00.3	<input checked="" type="checkbox"/>	<input type="checkbox"/>		-	-	-	1/ Total cost of Project increased by \$210,000 Project extended for one additional year.
ADJ (NCP)	(-)	(-)	(-)	<input type="checkbox"/>	<input type="checkbox"/>		-	-	-	
OPERATING EXPENSES	00.2	00.2	00.1	<input type="checkbox"/>	<input type="checkbox"/>		-	-	-	

<b>TABLE IVB ACTIVITY BUDGET DATA</b>		<b>ACTIVITY TITLE</b> SELECTED DEVELOPMENT PROBLEMS TECHNICAL SUPPORT		<b>DECISION UNIT</b> EL SALVADOR		<b>DECISION PACKAGE</b> Current		<b>BUDGET YEAR</b> 1980	
<b>PROJECT NUMBER</b> 519-0177 (200)		<b>APPROPRIATION</b> SD		<b>INITIAL OBLIGATION</b> FY 1976		<b>FINAL OBLIGATION</b> Continuing		<b>TOTAL COST</b> Continuing	
				<b>DATE PP/REVISION</b> N/A		<b>DATE LAST PAR</b> N/A		<b>DATE NEXT PAR</b> N/A	

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	FY 19 78		CY: 19 79		FY: 19 80		PIPE- LINE	EXPEN- DITURE	OBLI- GATION	PIPE- LINE	EXPEN- DITURE	OBLI- GATION	PIPE- LINE
	OBLI- GATION	EXPEN- DITURE	FUNDING PERIOD (FR- TO)	PIPE- LINE	FUNDING PERIOD (FR- TO)	PIPE- LINE							
<u>AID- FINANCED</u>													
TOTAL-	33	50	5	5	75	60	20	75	76	75	75	76	21
Technical Assistance	18	27	5	5	10/78-9/79	10/78-9/79	20	25	40	20	25	71	21
Invitational Travel	10	18	-	-	10/78-9/79	10/78-9/79	-	30	30	-	30	5	-
Other Costs	5	5	-	-	10/78-9/79	10/78-9/79	-	5	5	-	5	-	-
HC AND OTHER DONOR	-	-	-	-	-	-	-	-	-	-	-	-	-
N/A													

FUNDING	PERSONNEL WORKYEARS (XX, X)				PERSONNEL INTENSITY	PARTICIPANTS PROGRAMMED			FOOTNOTES
	19 78	19 79	19 80	19 81		TYPE A=NONCONTRACT B=CONTRACT	19 78	19 79	
PROGRAM ACCOUNT	00.4	00.5	01.0	01.0	HIGH	A	-	-	
TDY (NON- OPERATING EXPENSES)	(-)	(-)	(-)	(-)	MEDIUM	B	-	-	
	00.1	00.1	00.1	00.1	LOW	A	-	-	
	00.1	00.1	00.1	00.1		B	-	-	

AID 1330-8 (3-78)

**TABLE IVB  
ACTIVITY BUDGET  
DATA**

PL 480 TITLE II

PROJECT NUMBER: N/A  
APPROPRIATION: FN  
DATE PP/REVISION: N/A  
DATE LAST PAR: June 1978  
DATE NEXT PAR: June 1979

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	FY 1978			CY: 1979			BY: 1980			TOTAL COST		
	OBLI - GATION	EXPEN - DITURE	PIPE - LINE	FUNDING PERIOD (FR - TO)	OBLI - GATION	EXPEN - DITURE	PIPE - LINE	FUNDING PERIOD (FR - TO)	OBLI - GATION		EXPEN - DITURE	PIPE - LINE
	TOTAL-				TOTAL-				TOTAL-			
AID-FINANCED	2,272	1,752	1,078		1,440	2,227	291		2,234	2,296	229	
Commodities	2,272	1,752	1,078	10/78-9/79	1,440	2,227	291	10/79-9/80	2,234	2,296	229	
HC AND OTHER DONOR	1,858				1,428							
GOES	461				810							
PVO	547				250							
Local Support	850				368							
LIFE OF PROJECT												
1,470 (Cont.)												
810												
270												
390												
FOOTNOTES												
PARTICIPANTS PROGRAMMED												
TYPE A=NONCONTRACT B=CONTRACT												
TYPE LONG-TERM SHORT-TERM												
TYPE A SHORT-TERM												
TYPE B LONG-TERM												
PERSONNEL INTENSITY												
HIGH MEDIUM LOW												
PERSONNEL WORKYEARS (XX.X)												
FISCAL YEAR												
1978 1979 1980 1981 1982 BEYOND												
PROGRAM ACCOUNT TOY (AGB - )												
OPERATING EXPENSES												

AID 1330-8 (3-78)

Decision Unit Overview  
Country Development Strategy Statement  
(CDSS)

COUNTRY DEVELOPMENT STRATEGY STATEMENT

TABLE OF CONTENTS

	Page
I. INTRODUCTION	116
II. ANALYSIS	117
A. Political Overview	
B. Profile of the Poor Majority	
C. Economic Overview	
D. GOES Commitment and Development Progress	
E. GOES Development Plan 1978-1982	
F. Impact of Defense Expenditures	
G. Other Donors	
III. MISSION STRATEGIES	150
A. Background	
B. Basic Objectives	
C. Program Strategies	
D. Summary of Strategy	
Appendix A - Sector Overviews	158
1. Agriculture	
2. Health and Nutrition	
3. Education	
4. Population	
Appendix B - Data Tables	182
Appendix C - FY 1980 Mission Operating Expense Budget and Narrative	221

## I. INTRODUCTION

The Country Development Strategy Statement (CDSS) exercise was begun as a result of the guidance received this year for the FY 1980 Annual Budget Submission (ABS). According to that guidance beginning in FY 1981 the Agency is proposing to replace the DAP with a CDSS which will be a rolling five-year strategy document updated annually.

In the absence of any formal guidance for the preparation of the CDSS document, and given the need for USAID/El Salvador to prepare a country strategy paper, it was decided by the Mission that a preliminary version of a CDSS would be prepared and submitted with the FY 1980 ABS. The Mission is submitting the document at this time to allow AID/W to review the proposed FY 1980 program within the context of an overall country strategy and welcomes any constructive comments from AID/W.

It should also be noted that during FY 1979 the Mission plans to prepare profiles in such areas as housing, small scale industry, environment and energy. These studies, together with the education, health, agriculture and population sector assessment completed during FY 1978, will form the basis for the final CDSS to be submitted for FY 1981.

## II. ANALYSIS

### A. Political Overview

El Salvador does not have a tradition of strong democratic institutions. As elsewhere in Central America, frequent revolutions have marked El Salvador's history as an independent state, although relative stability was achieved in the period 1900-1930 and in the 1950's. Since the 1931 election of General Maximiliano Hernandez Martinez, every succeeding President has been an army officer with the exception of one provisional executive who served four months. A peasants' revolt in January 1932, partly instigated by the Communist Party of El Salvador, contributed to this continued predominance of the military and the fear of a similar recurrence of a revolutionary uprising has colored the country's politics ever since.

El Salvador's 1962 Constitution provides for a highly centralized, republican form of government with theoretically independent executive, legislative and judicial branches. Executive power in El Salvador is vested in a President, elected for a single five-year term, and a Council of Ministers appointed by the President. The unicameral Legislative Assembly has 54 Deputies popularly elected to two-year terms on the basis of proportional representation. The Supreme Court is the apex of the judicial system; its 10 Justices are appointed by the Legislative Assembly for three-year terms. El Salvador is divided into fourteen Departments headed by Governors appointed by the President. Municipal councils elected by popular vote are responsible for local government.

The National Conciliation Party (PCN), a centrist party enjoying the support of the military, has remained in power since its founding in 1961. The principal opposition party since 1964 has been the Christian Democratic Party (PDC). Related ideologically to the Christian Democratic Movement, which is active in other parts of Latin America, the PDC advocates social reform from a position to the left of the PCN. It is aligned with the National Revolutionary Movement (MNR) and the communist-dominated Nationalist Democratic Union (UDN) in a coalition called the United National Opposition (UNO). The UNO declined to participate in the 1976 and 1978 municipal and legislative elections, claiming that they would be fraudulent. It did participate in the controversial 1977 Presidential election (won by the PCN), with its candidate afterwards going into exile in Costa Rica.

The present government is headed by General Carlos Humberto Romero, who assumed office on July 1, 1977, after a controversial election. Reactions to the election included demonstrations alleging fraud, mass arrests, some killings, exile of opposition political leaders, and imposition of a state of siege (which lasted until the Romero Government took office). There are increasing pressures from dissatisfied sectors of Salvadoran society demanding socioeconomic

reforms. More conservative sectors, including many of the wealthy elite, oppose change. There has also been an upsurge of terrorism by extremists of both the left and right, including the murders of a Foreign Minister, the Rector of the National University, a former President, and two Catholic priests.

In late 1977, the Government took a number of socio-economic and security measures. The Property Tax Law on Rural Land includes provisions for improving the lot of low-income peasants, although doubts have been expressed by certain opposition elements that these provisions will be enforced. In November 1977, the Legislative Assembly passed the Law for the Defense and Guarantee of Public Order, which sets forth stricter penalties and more sweeping legal procedures for limiting some political activities.

The Government permitted a visit by the Inter-American Human Rights Commission (IAHRC) in January 1978. The IAHRC has not yet issued a final report on its visit. The present government appears to have improved on the human rights record of the previous administration. Some abuses, however, have occurred, particularly in rural areas. Elements of the security forces, ORDEN (a rural organization with close ties to the government and PCN), and rural police have been charged by members of the opposition with responsibility for disappearances and killings in some rural communities. No disciplinary action appears to have been taken against these groups. Many "campesinos" have been arrested and detained under the Law of Defense and Guarantee of Public Order as a result of the recent Holy Week disturbances in San Pedro Perulapan and other areas.

During 1977 there were a number of arrests with political overtones and without prompt indictment and trial. The Government considered those arrested to be involved in terrorist or subversive activities. Most of the arrests took place during the Molina Administration. Some of those detained have been neither acknowledged as prisoners by the Government nor otherwise accounted for.

During 1977 there was some mistreatment of detained American citizens. The United States Government also found it necessary to protest the failure of Salvadoran authorities to comply with the provisions of the Vienna Convention on Consular Relations with regard to notification or right of access to consular agents. The Romero Government has given assurances of compliance with the Convention but a few abuses have continued.

As for respect for civil and political liberties, freedom of religion is possibly being inhibited in the countryside as a result of official and even some public belief that there are

priests who exhort the people to what are considered to be illegal acts. Archbishop Oscar Alfonso Romero (no relation to president) has become the leader of elements within the Church critical of the Government for its human rights and other practices. In times of tension, the otherwise generally respected rights of peaceful assembly have been restricted. However, the Romero Government has allowed, on occasions, large demonstrations by worker groups demanding, among other things, increased wages. The most recent labor demonstration allowed by the Government was the one held May 1, 1978 in San Salvador by the leftist Confederation of Salvadoran Workers (CUTS).

The Law of Defense and Guarantee of Public Order authorizes prison sentences for persons guilty of disturbing any form of public order and for those who profess and propagandize political doctrines "contrary to democracy." Its sweeping nature has been criticized as jeopardizing civil and political liberties and in April 1978, a group of lawyers, mainly from the Christian Democratic Party (PDC), presented a petition to the Supreme Court asking it to declare the law unconstitutional.

With the lifting of the state of siege in July 1977, one closed newspaper was permitted to reopen and has continued its outspoken criticisms of the Government. There is presently no media censorship on political grounds, but press organs often practice self-censorship.

Labor organization is permitted, but the Government has often attempted to influence the unions and make them dependent on official approval. Some labor leaders, particularly of such nationwide unions as the teachers' association (ANDES 21 de Junio), and some peasant organizations have been harassed and detained.

B. Profile of the Poor Majority

The majority of Salvadorans are hungry, illiterate, infested with parasites, malnourished, poorly housed, underemployed, and generally subsist from day to day in an over-crowded country with little opportunity to improve their lot in life. Illiteracy is as high as 70% in some rural areas; the seriousness of parasitic illness and malnutrition is equal to that of Bangladesh, Haiti, or Ethiopia; housing in some cases is virtually non-existent; and unemployment and underemployment (47%) is the highest in the Hemisphere. El Salvador is basically an agrarian society with dominant economic and social values at all levels very similar to what they were a century ago. Whereas commerce and manufacturing play an important role in terms of GNP, investment, income, and employment, the culture and social patterns of the country are basically rural reflecting the overall importance of its agrarian based and agriculture export-oriented economy.

1. Income Distribution

Two-thirds of the 4.5 million Salvadorans would easily fit in AID's target group. These people fall into three categories: (1) small farmers cultivating twohectares of land or less; (2) landless rural workers; and (3) the urban poor. The most outstanding characteristic commonly shared by this group is their low income; the lowest 40% earn only 7% of the total income. In the rural areas the distribution of income is determined primarily by the distribution of agriculturally productive land. The 1971 census revealed that while 64% of the land belonged to 4% of the total farms, the lowest 70% of total farms contained less than 11% of the land. Moreover, most of the quality land belongs to the larger farms leaving the marginal land to the small farmer. Further analysis of the land situation shows that about 70% of target group farmers who till farms of two hectares or less do not own their land. They either rent or have some type of sharecropping arrangements.

AID Target Population in 1976

	Per Capita Income (all earnings)	No. of People Affected (In Millions)	No. of Households (In Thousands)
<u>Small Farmers</u>			
0.5 - 1.0 hectares	\$111		
1.0 - 2.0 hectares *	\$142	1.32	225
<u>Landless</u>	\$ 70	.72	120
<u>Urban Poor</u>	\$ 99	0.87	145
<b>TOTAL</b>		2.91	490

SOURCE: Agriculture Sector Assessment 1977 and Economics Office USAID/  
El Salvador

\* In the eastern part of El Salvador where soil is poor, it may take as much as 8 hectares.

From a sample survey taken in the area of San Salvador in September 1974, at least half of the urban dwellers are likely to earn less than \$225 per capita. With respect to urban income, people in the top 10% income bracket earn 51% of total income with the lowest 60% earning only 20% of total income. Whereas about half of all workers have per capita incomes of less than \$225 per year, the top 1% enjoy more than \$2,828 per year. One of the reasons for this wide income differential is the shortage of unskilled jobs in urban areas. Most unskilled workers must find work as gardeners, lottery ticket salesmen, drivers, neighborhood watchmen, common laborers, factory workers, street vendors, and maids. The basic wage for this kind of work is the minimum wage of about \$2.50 a day which falls below the income required for subsistence living.

## 2. Population

Demographically the situation in El Salvador is grim and affects the poor most seriously. El Salvador is the smallest country in Central America with an estimated 60% of the 4.5 million population living in rural areas. Population pressure has been increasing steadily since the early 1960s with the population density now at about 530 persons per square mile - one of the highest densities in Latin America and ten times the density of any of El Salvador's Central American neighbors. The population growth rate in 1977 was estimated at about 3.3% per annum, and it has fluctuated from an average rate of 1.3% during the period 1930-50 to 2.8% during 1950-60, to 3.1% during 1960-65, and to 3.6% during 1965-70.

One of the disturbing aspects of the population problem is the growth rate disparity between the urban and rural areas. As is commonly observed in many developing countries, the population growth rate is much higher in the rural areas than in urban. A 1975 sample survey conducted by the Salvadoran Demographic Association revealed that while the crude birth rate in the urban areas was about 34-35 per 1,000 population, in the rural areas it was found to be 46-47 per 1,000 population. This means that the population growth rate in the urban areas may be as low as 2.5 per year, while the growth rate in rural areas is at least 3.5% per annum. At this rate of increase the rural population will double in twenty years, leaving more than five million rural residents by the year 2000 assuming no large outmigration, major wars, famine or outbreak of pestilence. The major impact of this excessive growth rate is that the creation of job opportunities cannot keep pace with the number of new job entrants. It is estimated that for every job created, four workers are available to fill it.

As is the case in many other countries, the world of the poor in El Salvador is very different from that of the rich. Although there are differences between the rural and urban poor, a profile of the poor in the rural areas of the country serves to a great extent to describe

the social-psychological makeup of the urban poor as well. In general, it can be said that Salvadoran society is a highly homogeneous one. Of note is the virtual absence, even in rural areas, of linguistically and culturally distinct sub-groups of the population. Spanish is the common language embracing all socio-economic levels. Unlike the majority of Latin American countries in which dual societies of persons of European and Indian heritage coexist, often with little integration, the population of El Salvador is almost totally ladino or racially mixed.

### 3. The Rural Poor

Compared to other peasantries, the Salvadoran rural culture should be understood as a transitional peasantry, with very few remaining traditional institutions and values.

Although the Salvadoran small farmer may be modern in the sense that he is entrepreneurial and is not bound by deep-rooted traditions and tribal culture, he nevertheless is in the paradoxical situation of farming his land in about the same way his Mayan predecessors did centuries ago, living in the same type of home, and eating the same type of food. The irony of this situation has had important social and psychological consequences for Salvadoran society and is important for understanding the basis for any development strategy. Essentially the small farmer is very much aware of modern technology and the benefits it could bring him and his family. He is not ignorant; he uses fertilizers, insecticides, and machinery when he can afford them. He is not lazy. He understands the market and the money economy. He wants his children educated. Only his limited resources, land and capital, hold him back from a better life.

The world of the rural poor in El Salvador is characterized by a lack of social integration. The target group man lives in a nuclear family and is highly independent. He has almost no extended family ties, no functional godparent obligations, and receives little help from friends and distant relatives. Cooperation and reciprocal relations between friends and neighbors are almost totally lacking. From an early age the rural Salvadoran learns to be autonomous, self-reliant, and industrious. The family unit is also the basic social and economic unit, and beyond this there is relatively little social, economic, political, or religious structuring. There is little concern with so-called community affairs; in fact there are few community affairs. Contrary to most peasantries, fiestas (religious or secular) are few and arouse only casual interest and involvement. There are few social or recreational clubs and near zero participation in traditional politics at any level. In spite of this rather austere picture, it should be understood that the community level rural inhabitant does often depart from this pattern of life to join with others to solve specific economic problems. Credit and marketing cooperatives and water associations have

been successful in a number of cases. Even people not formally joined to a cooperative often form solidarity groups in order to qualify for credit from the Agricultural Development Bank (BFA).

Although there are certainly legitimate, legal, and religious marriages in the rural areas, marriage is unusual. People say they respect matrimony in the traditional sense, but they do not practice it. The relationship between a man and woman is that of "companionship". The resulting family structure, when it becomes stabilized, is called an "accompanied family". Most males frankly and openly admit they do not want to get married because they do not want to be bound or because it is too expensive. When a man becomes prosperous, he may have more than one companion or "wife". While many such arrangements are temporary, some develop a degree of stability and in effect form a pattern of plural wives and plural households with the attendant children.

To the outsider it might seem that the rural poor family is chaotic or loosely structured. Although there are many failures, in time the family unit which stabilizes, however, becomes a strong unit of economic and psychological security. There is little else in the contemporary rural society and culture for the poor. The family is a tightly structured economic operation. Male-female division of labor is well defined and complementary. Every child and every adult has specific responsibilities and everyday work activity proceeds more or less in an orderly and effective way. The mother often is the anchor point of the family; she is responsible, hardworking, and a symbol of stability and security. Among the poorest of the poor this is especially typical. The father, while hardworking and fond of his children, seems to feel less responsible and often has sexual affairs and children with other women.

All who have studied rural Salvadoran society agree that religion is of minor significance in the culture of the rural poor. Their attitudes and perspectives are highly secularized and pragmatic. Although most people attend church, organized religion is of little relevance as an integrative institution either structurally or ideologically. Compared to most peasant societies, the Salvadoran is not constrained by traditional religious beliefs, either Indian or Christian, which often impede rapid technological change. In general, the Salvadoran small farmer is viewed as rational, utilitarian, non-mystical and pragmatic.

#### 4. Value Systems

Four things stand out strongly in the value system of the Salvadoran rural poor. These are the desire for a piece of land, desire for education, an all-embracing concern for subsistence security, and

an attachment to a rural instead of an urban environment. The first thing any farmer, day worker or squatter, wants is land. When asked what else he wants, it is more land for cash crops and thus for self-improvement. Although 50% of the small farmers rent the land they are working, considerably more people have no land at all and simply scratch out a living along the side of the road or are employed on a part-time basis by those who own land outright or by those who rent.

Second in the value system of the Salvadoran rural dweller is a desire for education for his children. Nonetheless, a sample survey of households conducted in 1975 revealed that in rural areas only 20% of students enrolled in the first grade finished six grades of school, compared with 70% of urban children. Shortages of teachers and facilities are major impediments to increased school attendance as is the fact that many rural schools offer only the first three years of school. Moreover, many families cannot afford clothing or school supplies. As a result, illiteracy is high, up to 70% in rural areas. Yet parents see to it that children take advantage of all educational opportunities, meager as they may be. The only compromise with this high regard for education appears at peak work periods when all members of the family must join together in a common effort.

Third in the value system, and closely related to the desire for land, is an all-encompassing concern for day-to-day security. Most of the rural poor have no access to land of any kind unless they are employed as day workers or live along the fence posts of large farms. Even small farmers who rent their land and have been doing so for several years know that next year the owner may decide to rent to someone else or perhaps want to convert to sugar cane or coffee. Thus, land becomes a means to an end, or immediate survival. One hectare or less would be all many people would desire in order to subsist on corn and beans. To fantasize would be to hope for another hectare for cash crops and an additional layer of security. For those, however, who have given up hope of ever having access to land, the immediate concern is with food, shelter, jobs, and whatever dignity may go with these basic necessities as given out at the lowest levels of society.

Finally, the Salvadoran small farmer and the rural poor almost always express a preference for rural life as opposed to urban living. This is true even though people in the rural areas are unfettered with traditional values and in fact exhibit patterns of consumerism similar to urban dwellers. Thus such migration to the cities as there has been over the years has been as a result of the push of economic necessity rather than the lure of greater living opportunities and the "Dolce Vita". But one should not believe that a preference for rural living means the small farmer is immobile. In fact, due to good roads and cheap transportation, most individuals have traveled throughout the

country mostly as migrant workers following the harvest cycles for cotton, coffee, and sugar cane. \*

## 5. Health

For the typical campesino, life is viewed as a source of suffering in which people are at the mercy of forces that cannot be influenced or affected. A pervasive sense of environmental fatalism exists in which it is believed that the nature of the milieu in which one lives makes illness inevitable. Ultimately children will live or die, according to the will of God. One recent anthropological study showed that a majority of campesinos feel they have only fair health and that more than half of their children suffer poor health, a perception borne out by the very high rates of infant and child mortality. While 55% of the men judged their children's health to be poor, only 15% of the women shared this view. The discrepancy is important since women have primary responsibility for child care and determining when to seek medical care.

Numerous personal hygiene practices contribute to these adverse environmental forces on health, including the collection, storage and use of water. Although there does appear to be a differentiation between water for drinking and that for washing, bathing, etc., in the rural areas, the concept of potable water is not well understood. For many families, potable water means merely that water which is taken from a tap or pipe. Thus, polluted water may actually be used for drinking simply because it came from a pipe.

Logistical problems of obtaining water in many rural areas make it a most treasured and sparingly used commodity. Collection of water from local sources to meet adequate daily family needs requires an average of three to four trips by women or young female children. It is not uncommon, however, for people to have to walk as much as several hours to obtain water.

All water is stored in the kitchen area of the house, thus exposing it to the use of numerous animals moving freely in the house. Containers vary widely within a community but tin jugs in which the water is originally collected are the most popular form of storage. Water for other than drinking purposes is generally stored in large basins which are uncovered.

---

\* Much of the information in this section is taken from the USAID/El Salvador Agricultural Assessment (1977) and the Health Assessment (1978) and from studies made as a part of their development, principally including Dr. Polly Harrison's study, The Social and Cultural Context of Health Delivery in Rural El Salvador, 1976.

Boiling of drinking water is rare in rural areas. While often fuel shortages are an underlying cause, there is also a substantial reticence to boil water because of reportedly bad taste and belief that it can actually cause physical damage to a person.

Neither adult nor child bathing usually is undertaken daily. A weekly plunge in the local river is judged more than adequate for health purposes. The main exception is that of infants who are washed daily at home. Because of a general mistrust of cold water, bathing is stopped when one has a cold, during menstruation, or the immediate postpartum period.

Young children will frequently crawl naked on the ground, and the dirt on their hands will frequently enter the mouth and eyes. Such conditions are basic underlying causes of the prevalence of eye infections. It does appear to be recognized by some campesinos that diarrhea becomes more frequent once the child begins to crawl, but the relationship is not understood.

Campesinos are, however, aware of syndromes or symptoms of diverse ailments but find difficulty in conveying this illness to health professionals. Coughs, malnutrition, and diarrhea are so common as to often be regarded not as symptoms of illness but rather as a routine part of life. Thus, children are often not perceived as ill when they actually are; this is observed often in health clinics in which the large percentage of children are first seen only after they are gravely ill. The seriousness of an illness seems to be judged by duration, with a minimum of three days' suffering required before medical help is sought.

Traditional self-medication revolves around the use of numerous home remedies without consulting either traditional or modern medical personnel. Adoption of special diets commonly complements use of medications for specific illnesses. Foods are categorized as having "hot" or "cold" qualities, conditions which are not necessarily descriptive of temperature, but rather of inherent properties which harmonize or violate certain bodily functions, thereby maintaining or disturbing the equilibrium of the body.

In recent years, studies appear to indicate that the campesino's values and attitudes toward health in general is becoming more modern. He appears to be using a combination of traditional and modern services to resolve his health problems. Anthropological research in El Salvador in the 1960s estimated that the relevant sequence of health management by the typical campesino was as follows:

(1) home treatment; (2) treatment by curanderos (curers); (3) utilization of the pharmacy; and (4) contact with the modern deliverers of health care. The 1976 study by Dr. Polly Harrison outlines the following sequence: (1) the pharmacy; (2) the clinic; (3) the hospital; (4) the curandero. Thus, there is a noticeable trend toward increased utilization of the modern health care provider.

## 6. Housing

Housing throughout El Salvador, as a whole, is deficient. The census data point out the significant variations in quality of housing and living conditions for the urban and rural population as a whole. No data, however, are available which are disaggregated by income level, so that one can determine the precise conditions of the urban and rural target populations of this study. Nevertheless, several studies undertaken in specific parts of the country provide a useful basis for analysis of the overall living standards of the poor majority.

A 1976 study of urban persons living in the second largest city, Santa Ana, indicated that almost 70% of all families live in one of three types of housing, termed "popular housing": rented rooms in mesones (accounting for almost 80% of all urban marginal poor housing); illegal settlements or lotifications; or central urban slums or tugurios.\* This pattern can be assumed to be fairly representative of other urban areas as well.

Mesones, which house an estimated 10,000 families in Santa Ana, are rented rooms generally found in older, converted middle class housing and thus tend to be in the center of the city, accessible to schools and other social services. The original construction was generally adequate with either clay, asbestos or laminated roofs and tiled floors. More than 90% of these mesones, as well as illegal settlements, have walls of permanent materials, most commonly adobe, cement or wood. Most have deteriorated considerably over the years, however, and maintenance is virtually nonexistent. Almost all families have both communal potable water via standpipes and communal toilets, thus creating ideal situations for disease transmission. Eighty-seven percent of mesones have electricity; almost two-fifths (39%) have two or more rooms with an average of 3.1 persons per room. Three-fourths of meson residents pay \$10 or less monthly rent; nevertheless, for 40% of this population this represents more than 10% of their total income. Despite the closeness

---

\* Information for this section is from the following study: Fundación Salvadoreña de Desarrollo y Vivienda Mínima, Unidad de Evaluación Socio-Económica, "Estudio Socio-Económico de Santa Ana". Volúmen 2. "Los Resultados de la Investigación y sus aplicaciones para la política de la Fundación en Santa Ana". Febrero 1977. The actual study was conducted in June - July, 1976.

of living quarters, there is little sense of community or resolve to share common problems.

Illegal settlements, most commonly located on the urban fringes, are developed on land which was divided into lots and sold for housing without legal permission. The majority (60%) are privately owned; most are constructed similarly to mesones, although one-third have dirt floors and about one-fourth are constructed of adobe. Half have a potable water system (43% from standpipes and 7% from wells); the balance of families either buy water (27%) or carry it from a public standpipe (13%). Ninety-five percent have their own sanitary facilities; most common are latrines although some do have toilets. Almost 80% have electricity. The average number of rooms per house varies considerably; between 1 to 2.6 persons per room. The normal pattern of land acquisition is through rental with promise of sale. Although such basic sanitation services as water drainage and garbage collection are often seriously lacking, the lot size is commonly two to three times that of other housing and thus is preferred by many families despite their tenuous residence rights.

Central urban squatter settlements or tugurios are less common in El Salvador than many other Latin American countries. Dwellings are commonly of inferior scrap material, often cardboard, or adobe with straw roofs and dirt floors. Only 4% of such families in Santa Ana are supplied water by standpipes; the balance either carry it from a nearby river or purchase it from a truck. In contrast to the prevalence of sanitary services in the other popular forms of housing, 84% of slum dwellers have no sanitation and only 2% have any electricity. Only one-fifth of such residences has two or more rooms; the average number of persons living in each room is 4.3 or almost 40% more crowded than the next most densely occupied form of housing.

Throughout the rural areas, the lack of adequate housing constitutes a serious health threat. A census in 1975 by the Ministry of Planning and the Bureau of Statistics and Census indicated that the "typical" home for almost 80% of the rural residents is adobe, of one room, with a dirt floor and a tile roof. All materials utilized for housing construction are made by hand from materials available locally.

### C. Economic Overview

The aggregate economy of El Salvador has undergone some drastic changes since 1960 after the formation of the Central American Common Market (CACM). During the period 1961-67, the gross domestic product (GDP) grew at an average annual rate of 6.7%. This relatively high rate of growth was realized mainly from industrialization that took place in response to the captive industrial products market behind the protection of the newly formed CACM. El Salvador, a country with very limited land-space and few natural resources but with an abundant labor force, established many manufacturing industries to produce import substitute goods for the CACM. As a result, the industrial sector exhibited a rapid real growth rate of 10.4% per year during the expansion period 1960-67. However, by 1968, the CACM began to show signs of regional trade difficulties resulting from uneven economic growth of member countries and consequent balance of payments problems experienced by some of them. The GNP growth rate during 1968-75 slowed down considerably to about 4.6% per annum. The Honduran-El Salvador war of 1969, the worldwide crop failure of 1972, and the oil crisis of 1973-74 help explain a part of the economic slowdown. In 1976 and 1977, however, the economy rebounded and grew at about a 5% annual rate mainly due to high world coffee prices.

#### 1. The Agricultural Sector

Although the agricultural sector exhibited its typical fluctuations, its real output has grown on the average about 3.9% per year since 1960. During the early 1960s much of this growth came from traditional export crops, while basic grains production grew at about 2.0% per annum.

Since the agricultural sector GDP grew at a slower pace than the overall GDP, agriculture as a share of GDP declined steadily from about 32% in 1960 to about 23% in 1975. Although the relative importance of agricultural production to total domestic output decreased, the agricultural sector is still the backbone of the Salvadoran economy. In addition to providing a partial livelihood for about 60% of the population, the agricultural sector plays a central role in Salvadoran economic development through the export of traditional crops--coffee, cotton, and sugar-- which amounted to about 60% of all exports during the last 10 years. In addition to accommodating luxury imports and capital flight for the upper segment of the society, the earned foreign exchange is utilized for imports of essential raw materials and machinery that are needed mainly for the development of the industrial sector. In essence, the agricultural sector has provided the foundation for the development of the industrial sector.

Although the agricultural sector has played a crucial role in establishing the industrial sector, several structural problems exist which seriously affect the whole economy. First, the very dependency of the industrial sector on the foreign exchange earned through traditional agricultural exports has become a source of economic instability due to continual commodity price fluctuations in the international market. When world coffee, cotton and sugar prices were high, the Salvadoran economy rode the high tide to prosperity, but when the commodity prices were low, the internal economy withered. Second, since most of the large and fertile farms are devoted to the production of exportable products, basic grains production is primarily left to small farmers with marginal lands. One result is that cereal production lagged behind increases in the population, necessitating imports of staple grains. This itself is not necessarily bad, but the long term consequence of this structural problem is continuous soil erosion caused by the intensive cultivation of annual crops on marginal hilly lands. Third, the severe under-employment problem in rural areas has appeared due to the seasonal nature of traditional crops.

These structural problems have been developed gradually over the last 25 years. Before 1950, when there were few industries and the population growth rate was low, most of the farm workers lived on large farms, and their jobs were more or less guaranteed all year. Earned foreign exchange was mostly used to import consumption goods, rather than raw materials for industry. When a shortage of foreign exchange occurred, some luxury imports had to be curtailed, which has little effect on the growth of the industrial sector. At the same time, since death rates were high enough to check population growth, unemployment was not a big issue. In other words, the economy was generally in a static equilibrium. Today all of this has changed. El Salvador is now faced with some major problems, such as extremely skewed distribution of land, increasing population pressure with high unemployment and under-employment, and continuous erosion of the marginal land. These are serious threats to the well-being of a majority of the population and the country's socio-economic stability.

## 2. The Industrial Sector

The industrial sector grew rapidly after 1960 to supply manufactured goods to the newly-formed CACM, which was protected from outside competition by high common external tariffs. The real industrial output grew at about 10.8% per year during the early years of the formation of the common market. However, the growth rate of the industrial output has slowed down considerably, to about 5.6% per annum in recent years. The main reason for this slowdown is the rise and fall of El Salvador's exports to the CACM. El

Salvador's exports to the regional market increased at an annual rate of more than 27% during the period 1962-68 immediately after the formation of the CACM, but declined to about 4% per year during 1969-74. This slowdown of the regional trade growth rate is not accidental; it was to be expected. The early rise of regional trade was mainly derived from the exclusion of extraregional competition by establishing the common tariff wall. Thus, a new market for the regional industry was artificially created and new investments responded to the demand. Regional trade invariably increased due to the lower price of common market products compared to the world market prices plus the added tariff.

After a few years, however, when manufacturing capability caught up with the increased regional demand, there was no more incentive to invest except to accommodate the secular equilibrium growth of the CACM economy. The resulting slowdown in regional trade in the late 60's had a serious impact on the growth of El Salvador's industrial sector. The composition of GDP by sectors shows that the manufacturing sector's share increased steadily from 11.5% in 1950 to 17.7% in 1965, but has failed to increase its share in recent years. The manufacturing sector has reached an equilibrium level where it contributes about 17%-18% of the GDP.

There are several reasons for this inevitable outcome. First, the manufacturing sector is primarily aimed at the CACM. Although the CACM is larger than any individual member market, it is still very small when compared to the required size of manufacturing firms if they are to become competitively efficient in the world market. Consequently, Salvadoran manufacturing firms are generally small and inefficient, and as a result most of their products are not competitive in the world market. When the protected regional CACM market became saturated, industrial growth began to slow down as well. The untimely Honduran-El Salvador war of 1969 has aggravated the situation.

Second, since the manufacturing sector now produces goods that used to be imported before the establishment of the CACM, it must import raw materials and capital equipment. The result is the above mentioned dependency of the industrial sector on the export of traditional crops. The industrial sector thus became a user rather than an earner of foreign exchange.

Third, the change in trade patterns behind the tariff walls has produced a manufacturing sector that uses more capital per unit of output than would have been the case if these industries had been allowed to develop without the protection. Investment capital and raw material imports are exempt

from paying tariffs up to 10 years (the number of years depends on the kind of goods) and thereafter taxed at low rates. Although the idea behind this discrimination was to promote domestic investment and production, the result has been the development of capital intensive industry producing import substitute goods. This came about in part due to the lower price of capital relative to labor as compared to price relationships that would have prevailed if tariffs had been applied equally to all imports. The 1977 World Bank Report on El Salvador stated the problem as follows:

"Industrial Policy: During the 1970's two important laws aimed at the promotion of industrial production went into effect: ratified in 1969, the Central American Agreement of Fiscal Incentives for Industrial Development issued regulations (REINFALDI) on September 1971; and the Salvadoran export Promotion Law of 1974. The Central American Agreement superseded a 1961 industrial promotion law. Although both this law and the Agreement established among their goals the creation of gainful employment, most of the incentives granted favored capital intensive enterprises. A number of problems have risen which at least in part can be attributed to this legislation. Few jobs have been created in manufacturing, excess capacity in many lines of production has developed and the Government has foregone substantial revenues to import exemption. At present a revision of the industrial promotion legislation is under study to ensure the development of labor intensive industries."

Fourth, the development of capital intensive industry since 1960 has created a rapidly rising demand for skilled workers. However, since the country's educational system has not progressed as fast as the demand for highly educated technicians, a shortage of skilled workers has developed, leading to artificially high wages for those skilled workers available. On the other hand, the majority of unskilled workers have not enjoyed the wage escalation of the modern sector, creating a worsening income distribution between the modern and traditional sector worker.

The industrial sector has failed to provide job opportunities for the majority of unskilled workers. If the manufacturing sector is to help promote socio-economic development, it must accomplish two things: one is to increase its GDP share to about 25% from the current 17%-18%; the other is to become more labor intensive.

### 3. The Public Sector

The size of public sector expenditures in relation to the GDP level has been relatively small in the past. Before 1971, the share of central government expenditures as a percent of GDP registered between the 11%-12% level, a low percentage in view of public investment needed in a developing country. An adequate level of public sector shares of GDP for El Salvador should be in the range of 14%-16%. However, in recent years the percentage of the public sector expenditures has increased from 12% of GDP in 1971 to an estimated 19.6% in 1977, mainly due to increased expenditures on a few large public investment projects (e.g., the Cerron Grande hydroelectric plant construction).

Table A shows Central Government Investment expenditures in the rural poor sector in recent years. Although the investment, undertaken by various Ministries, increased from \$2.8 million in 1973 to \$31.7 million in 1977, the proportion of the investment expenditures in the rural poor sector as a percent of total Central Government investment expenditures was only 11.5% in 1973 and 13.3% in 1974. This proportion increased to 27.0% in 1975 and maintained that level in 1976 and 1977. Considering the fact that 60% of the population resides in the rural area, the rural investment of \$31.7 million out of \$117.2 million total investment expenditure in 1977 is not enough to meet the long neglected social development investment in rural areas. Clearly the GOES has not allocated sufficient resources for the rural sector SOC\* investment in the past. As a result, secondary and feeder roads are woefully inadequate. About 61% of rural access roads are impassable during the rainy season. SOC investment of electrification, health, sanitation, and water supply in rural areas is far from satisfactory. The low level of SOC investment, which by its nature will not be undertaken by the private sector, has been caused primarily by the small public sector budget and misallocation of the public investment expenditures.

Monetary policy is mainly in the hands of the Monetary Board, which is chaired by the President of the Republic and consists of the Ministers of Economy, Planning, Finance, Agriculture and the President of the Central Bank. Actual recommendations, however, for monetary policy changes are made by a few professional economists working for the Monetary Board.

Before 1961, the GOES virtually had no monetary policy. El Salvador did not even have a "National Central Bank." Money was issued by three commercial banks: Salvadoreño, Occidental, and Agrícola Comercial until 1934 when the Banco Agrícola Comercial became the "Private Central Bank," acting as the "bank of banks." The

---

\* Social Overhead Capital.

commercial banking system in El Salvador was mainly concerned with the credit needs of traditional export crops, and the Private Central Bank in turn adapted itself to the needs of the commercial banks. However, in 1959-60 while the economy plunged to a state of near depression, mainly due to falling foreign exchange earnings, the commercial banking system expanded its credit largely throughout a system of rediscounts from the private Central Bank. Since there were no foreign exchange controls at that time, the result was not only large imports, but capital flight and near financial disaster. To restore equilibrium, the military junta nationalized the private Central Bank and imposed a number of restrictions including exchange controls and limits to total Central Bank credit available for rediscounts.

In summary, as long as world coffee prices were reasonably high, this economic system worked fairly well before 1960. There was virtually no unemployment problem; population growth was low; and most landless agricultural workers had jobs which, while not providing wages, paid wages-in-kind. Typically they received room and board for their families and often small plots of land to till. However, the rapid development of a manufacturing industry, a faster population growth due to a lower death rate, and increased migration to urban areas created unemployment and social development problems. The traditionally small public sector was not able to cope with the increased demand for SOC investment in infrastructure, education, public health, sanitation and nutrition. An important result of this passive public sector participation in the country's economic progress has been the extreme disparity in the distribution of natural and human resources. The uneven distribution of wealth and income has contributed in part to much of today's social and political instability.

D. GOES Commitment and Development Progress

The social and physical infrastructure development necessary to improve the standard of living of the AID target population in El Salvador is so enormous that no immediate-term solution is in sight. However, in recent years, the GOES has been actively committed to provide the necessary social overhead capital investment. This can be seen from the pattern of central government expenditures. Table 1\* shows that during the period 1972-77, the GOES allotted on the average about 40% of its expenditures to social development in education, health, social assistance, social security and housing. Education and health expenditures alone accounted for more than 30%, an unusually high proportion for a developing country, of the total central government expenditures in all years except 1976.

The next biggest category of central government expenditures is in infrastructure development which averaged 18-20% of the total. Transportation, communications, energy, water, and sewage, and urban community development are the major areas in which the GOES has concentrated to expand and modernize facilities to provide better living conditions for all Salvadorans. Both social and infrastructure development expenditures account for about 60% of all GOES expenditures. In the production development category, the GOES has allotted on the average 10% of its total expenditures, of which Agriculture expenditures accounted for about 7%.

In terms of growth rates, the social development expenditures increased at the annual rate of 21.9%, the infrastructure development expenditures at 28.6% and production development at 39.7%, while the average annual inflation rate during the period 1972-77 was put at 12.1%. Therefore, there has been a substantial real gain in the GOES effort to provide more social services.

Table 2\* shows GOES investment, both planned and actual, during the 1973-1977 Five Year Plan period. Since investment expenditures exclude current expenditures, investment figures in Table 2 give a better approximation of social services delivered to Salvadorans.

Every year, except 1973, actual investment exceeded planned investment. Total actual investment in infrastructure during 1973-77 was 37.9% more than planned expenditure. Similarly, actual social development investment was 38.9% more than the planned investment expenditure. Although the average annual growth rate in infrastructure development investment was planned at 6.8%, actual investment grew at a 31.2% annual rate. Likewise, the social developmental investment was planned to grow at 15.1% per year, **although actual investment expenditures registered an annual growth rate of 39.4%**. These figures clearly indicate that past GOES commitment to provide necessary social services

---

\* Tables 1-15 mentioned here and below can be found in Appendix B.

was more than fulfilled.

The importance of public sector participation in the economy can be seen from the last line of Table 1. It shows that central government expenditures as a proportion of GDP increased from 13.3% in 1972 to 18.8% in 1976 and to an estimated 19.6% in 1977. These recent increases indicate a significant rise in GOES commitment and interest in development progress, considering the fact that this proportion never exceeded 12% during the period 1960-71.

While central government expenditures have increased from \$153.5 million in 1972 to \$496.8 million in 1977, an average annual growth rate of 26.5%, it is not clear to what extent increased government expenditure in social, infrastructure, and production development has actually benefitted the AID target population -- the small farmers, landless rural workers, and the urban poor. Data to show improvement of living conditions of the poor majority are scarce and at best fragmentary. To assess evidence of the progress toward betterment of the AID target population, the following criteria suggested by AID/W have been followed here.

1. The Extent of Participation in Economic Development by the Poor

The poor are defined as those people whose per capita income in 1976 was less than \$225. Under this criterion, Table 3 shows that there were an estimated 2.91 million people who were considered as "poor", more than 67% of 4.34 million population in 1976. Out of the 2.91 million AID target population, 2.04 million (70%) lived in rural areas and engaged in farming directly or indirectly. The rest, 0.87 million, resided in urban areas mostly as unskilled workers. Their estimated per capita income has ranged from \$412 for the better-off small farmers to \$70 for the landless rural workers.

How well did the poor fare in improving their condition during the period of recent economic progress? Evidence shows that they have not done very well economically during this period. Table 4 shows data for 1960-1976 for GDP, NI, Per Capita NI, and the annual growth rates of each. Real per capita NI expressed in 1971 prices has increased from \$200 in 1960 to \$272 in 1976, an average annual growth rate of 1.9%. The same growth rate during the recent 1971-77 period registered less than 1.2% per year. This low growth of per capita NI indicates that the National Income has barely kept up with the rate of population growth and left little room for the improvement of standard of living of the general populace.

Moreover, the economy has not grown fast enough to absorb 40,000 to 60,000 annual new labor entrants who are largely unskilled. The low growth rate in per capita NI has impacted most adversely on the AID target population through increased unemployment and underemployment of the unskilled poor. As a result, the unemployment rate is estimated to have increased from 10% in 1971 to 18% in 1976. Since most of the unemployed workers are from the AID target population, the income gap between the unskilled poor and skilled workers has probably widened in recent years.

Because of lack of time series data on incomes of the poorest 40% of the population, it is not possible to show how the real per capita income of the poor has changed over time. However, the 1974 labor survey\* of Metropolitan San Salvador reveals that the lowest 40% of the income ladder received approximately 7.7% of total income in the sample, and the highest 1% received 15.4%, one of the most uneven income distributions in the world.

Participation by the poor, including women, in development related decisionmaking at the local and national levels has been minimal, if not non-existent. Recently the GOES has shown interest whether out of self-interest or self-protection, in stimulating the formation of local community associations and cooperatives with decisionmaking authority on a pilot basis in a limited area. Whether this will be successful and whether<sup>t</sup><sub>w</sub> will be replicated remains to be seen. Nevertheless, it is a small step in the right direction.

## 2. The Extent to which Government Policies Contribute to Sustained Economic Growth

As regards economic development strategy, the GOES basically has followed a policy of Import Substitution (IS) since 1960. This policy sets the overall economic development environment of the country in terms of growth rates, income distribution, employment, international trade and so forth. The IS development policy would have been adequate if it were not for the rapid growth rate of population and workforce and the small size of the internal market. As it turned out, despite the adequate overall economic growth (GDP grew at an average of 5.2% per annum since 1971), unemployment and underemployment rates have increased and income distribution has become worse in recent years.

The fiscal policy of the GOES has been conservative in the past. Until 1972, Central Government expenditures as a percent of the gross domestic product (GDP) did not exceed the 12%

---

\* Ministry of Planning, Labor Force Survey, September 1974

level. Similarly, Central Government revenues stayed at about 11-12% of the GDP, securing a balanced budget for the Central Government revenues and expenditures. However, in recent years, the GOES has become more actively interested in economic problems and consequently its expenditures began to increase faster than the GDP growth rate. In 1976, total Central Government expenditures rose to 18.8% of the GDP and in 1977 reached about a 19.6% level. It is expected that the GOES share will stay at about this level in 1978.

As GOES expenditures increased, so have Central Government receipts. Table 5 shows Central Government current and capital receipts during the period 1972-77. Total receipts have increased from \$156.9 million in 1972 to \$500.9 million in 1977, registering an average annual growth rate of 26.1%. However, the structure of revenue sources has changed little. The most important source of government revenue has been trade taxes, particularly the export taxes from coffee exports. In 1977, taxes from the foreign trade sector reached \$249.5 million, which accounted for 49.8% of total Central Government revenues. Although trade tax revenues were unusually high in 1977 due to the high world coffee price in that year, trade taxes, even in a normal year, are the major sources of the government revenues. The next major sources of public receipts are income and consumption taxes, contributing about 30-35% of the total revenue. While income tax revenues rose on the average 25.7% during the period 1972-77, consumption tax increased at about 17.7% per year. The capital receipts consist mostly of direct foreign loans and domestic bond sales, which are primarily used as safety valves, open when needed and closed when other financial sources are available. For instance, bond sales were not needed in 1977 mainly due to the increased coffee export taxes. Overall capital receipts declined in that year to \$28.4 million from \$70.8 million in 1976.

The future financial resources of the GOES are sound. Although fluctuations in the coffee export tax have produced uncertainty in the level of total government tax receipts, the GOES's conservative fiscal policy has always required that Central Government expenditures stay within a reasonable balance with total government receipts. A net result has been that there was little need for deficit financing through Central Bank loans. It is expected that the economy will grow at an adequate yearly real growth rate of about 4-6%\* and that public revenue will keep up at a rate no less than

---

\* In relation to its development needs, El Salvador ought to have an 8-10% real growth rate for a ten year period.

the growth rate of the economy. Furthermore if necessary, the GOES will be able to increase substantially its capital receipts through foreign loans and bond sales, both of which have been utilized sparingly in the past.

Partly due to the conservative fiscal policy of the GOES, the economy experienced only 1-2% annual inflation during the 1960-72 period. However, in recent years, El Salvador could not avoid the external inflationary pressure caused by the worldwide crop failure of 1972, the quadrupling of oil price in 1973, and the unanticipated coffee price windfall in 1976. As a result, the average annual rate of inflation registered more than 12% since 1972. However, if the GOES maintains its basic policy of a balanced budget, it is expected that inflation can be brought under control in the second half of 1978. To do this, the GOES must act to either increase its revenues or reduce its expenditures. Since the new 1978-82 Five Year Plan has projected a rise in Public Investment, it would seem that the GOES should raise its revenues if inflation is going to be contained.

Another important factor that should be kept in mind in conjunction with the problem of sustainable economic growth is the growth rate of private investment. Between 1971 and 1976, private investment grew half as fast as the public investment. The primary reason for the reluctance of the private sector to invest in El Salvador has been, rightly or wrongly, political uncertainty and stepped-up terrorists activities. Unless private investment increases rapidly, faster economic growth is not in the offing.

### 3. The Extent to which Government Policies Increase the Productivity and Utilization of Labor

Under the general umbrella of the Import Substitution development policy, El Salvador's demand for semi and unskilled labor has not increased as fast as the labor supply rate. Except for establishing import tariffs and export taxes, the GOES took few macro-economic policy changes to remedy the increasing rate of unemployment and underemployment. Many GOES policy makers are proud that El Salvador has maintained the same exchange rate against the dollar for the last 40 years. Interest rates have been kept low during the recent inflationary period, rendering negative real interest rates. Protection of domestic market and differential tariff rates for imports of consumer and capital goods encouraged the manufacturing industry to become capital intensive and consequently increased the demand for skilled workers, while large numbers of unskilled workers remained unproductively idle.

One simple measure that relates investment to real growth is the Incremental Capital Output Ratio (ICOR). It is also a measure of capital intensity of capital investment. Thus, if the ICOR value is 4 or more, the investment is considered very capital intensive. If the ICOR is 2 or less, it tends to be labor intensive. Table 6 shows the calculated values of the ICOR of the industrial sector. The 5 year moving average of the ICOR values is more than 3.5, indicating a high capital intensity of the industrial sector. In short, the Import Substitution development policy has produced an economy where, although productivity of semi and unskilled workers is low and unemployment high, skilled workers' productivity is high and unemployment and under-employment low, exacerbating polarization of the economy and the nation.

#### 4. The Appropriateness of Policies to Increase Small-Farm Productivity

Two of the prime objectives of GOES agricultural policy are to achieve a self-sufficiency in basic grains production and to establish a land purchase program whereby small landless farmers could purchase farms on long-term mortgages.

Since 1960, basic grains (corn, beans, rice and sorghum) production has increased at the average annual rate of 2%, which is less than the estimated population growth rate of 3.3%. As a result, El Salvador had to import a substantial amount of basic grains. To rectify the situation, the GOES set up an autonomous agency, IRA (Commodity Stabilization Institute). The GOES encourages basic grains production by announcing IRA support prices at the beginning of each planting year. The IRA support price is generally higher than the market price to encourage basic grains production and to increase incomes of small farmers who produce more than 60% of total grains in El Salvador. On the other hand, the IRA sells the grains at a price lower than the market price to insure that low income population groups will not be adversely affected by the resulting price increase brought about by the IRA support policy. A net consequence of such a policy has been a financial loss to the GOES, but it is willing to subsidize both the producer and consumer of basic commodities in order to achieve the two competing objectives of self-sufficiency and low consumer prices.

One of the bottlenecks of attaining self-sufficiency in basic grains production is that more than 69% of small farmers with 2 hectares or less do not own their land. Consequently they have little incentive to invest in the farm to make it more productive. In order to resolve this bottleneck and to mitigate the inequity

of distribution of wealth, the GOES is making an attempt at land reform. The first comprehensive land reform pilot project was attempted in 1976, but because of a strong opposition from the private sector was modified substantially and reduced to a voluntary land scales project. Nevertheless, the new Five Year Plan 1978-82 shows that the GOES plans to provide funding for the purchase of lands to distribute to the landless small farmers.

Table 1 shows that the proportion of central government expenditures on Agriculture has averaged over the last 3 years at about 7%. However, actual resources devoted to agricultural development are much higher. For instance, more than 40% of the Central Bank credit has been allocated to the Agriculture Sector every year, mainly for the production, storage and maintenance of traditional crops. Furthermore, the GOES allocates more than 20% of its public investment funds to Agriculture through autonomous agencies, such as the Agriculture Development Bank, IRA, and ISTA, a land reform institution.

To help increase land productivity and incomes of small farmers, the GOES, with USAID assistance, devotes a significant amount of its resources in providing extension, production credits and new improved seeds to small farmers. Multiple cropping is practiced by small farmers leading to higher income.

The above GOES agricultural policies to increase productivity of small farmers are appropriate and, if successful, will increase the standard of living of the AID target population.

##### 5. The Extent to which Health Services and Policies Encourage Low-Cost, Accessible Delivery

The GOES is keenly aware of health problems in the country and regularly allocates 15-18% of its budget to health and health related expenditures every year, which is high compared to those of other developing countries. Published statistics show that the country-wide Infant Mortality Rate (IMR), has declined from about 76/1000 in 1960 to 58/1000 in 1975 (Table 7). Although this result seems to indicate progress in overall health status, the Health Sector Assessment and the Population Strategy Paper refute the above statistics by pointing out that when under-reporting is taken into account, the IMR in the rural area is at a level of 95 to 120/1000. Similarly, recent studies have shown El Salvador to be seriously affected by malnutrition. Approximately 74% of all children under five are found to have some signs of protein-caloric

malnutrition. An implication of this finding is that it is reasonable to conclude that almost all children under five years of age of the AID target population would show signs of malnutrition.

This seemingly contradictory situation -- high public health expenditures seem to be positively correlated with worsening health status -- underscores the fact that the basic causes of malnutrition and poor health are low income and low health-nutrition education. This in turn relates to the problem of providing job opportunities to the unskilled poor -- both rural and urban.

In the meantime, the main GOES strategy is to extend health services where the need is greatest, i.e., in the rural area. The Rural Penetration Program has been designed to deliver simple curative and preventive medicine to remote areas of the country as well as to provide a referral system to modern hospitals in urban areas (for details, see Health Sector Assessment -- Analyses and Strategy Chapters). The approach, if successful, will go a long way towards meeting the health problems of the target group.

#### 6. The Extent of Attention to Accessible Family Planning Services and Motivation for Smaller Families

The most urgent problem in El Salvador today is probably the high population growth rate estimated at 3.2% - 3.3% in 1976. Despite some evidence that this accelerated growth rate has slowed down in recent years, the total population should double in about 20 years if the current condition is maintained without change. This is supported by various studies. A sample survey in 1975 revealed that only about 9.1% of women in the fertile ages were using contraceptives in rural areas as compared to 29.2% in Metropolitan San Salvador. Furthermore, census data for 1961 and 1971 show that while the general fertility rate of women, between 15 and 44 years of age, decreased in Metropolitan San Salvador by 22.6%, it was reported to have increased in the rural area by 1% (Table 8 and 9).

Fortunately, the GOES and concerned private organizations strongly support family planning programs in El Salvador. The GOES proclaimed a national population program supported by annual implementation plans. Recently, the GOES reorganized the Population Technical Committee and placed it within the jurisdiction of the Vice-President, Dr. Julio E. Astacio, a former Health Minister and a strong advocate of family planning (for detail, see the Population Strategy Paper). This strengthened foundation for family planning in the GOES and a growing awareness of the interrelationship of programs and policies in other sectors to reduced fertility provide a basis for optimism regarding the GOES's ability to gain control of this major problem.

## 7. The Access to Education for Basic Life Skills

The GOES allocates the largest share (20-24%) of its budget to education every year. The education expenditure in 1977 was more than \$113 million. As a result, school enrollments have increased significantly since 1960. Table 10 gives published school enrollments in the elementary, junior and senior high, and university. It shows that the average annual growth rate of enrollments in the elementary school is 4.6%, junior high 12.5%, high school 12.2%, and university 16.1%. Since these rates are larger than the population growth rate, El Salvador has made some progress in educating its population.

However, as in health, disparity between rural and urban enrollments stands out prominently. The Education Sector Analysis revealed that most rural primary schools have classes for only the first 3 grades, which forces rural pupils to commute to the nearest urban school. Furthermore, out of 863 secondary schools existing in 1970, only 14 (1.6%) were located in rural areas. Lack of readily available primary and secondary schools in rural areas has contributed to the high illiteracy rate among rural residents (55%).

In conjunction with the problems of levels of education is the level of economic incentives to get educated. A recent study conducted by the Mission indicated that the private rate of return to obtain primary school education is minus 46%. Similar calculations showed 268% for secondary school education, and 390% for university. These results show that there is a huge negative economic incentive for sending a child to the elementary school if the child is not in a position to continue on to the secondary school. Since most of the AID target population cannot afford to send their children on to higher education, there is a good reason for them not to send their children beyond about 3 years of primary school, enough to read and write simple papers.

A main reason that the rate of return to elementary education became negative is that the income difference between the primary school graduate and the illiterate was found to be virtually nil. In other words, the economy does not create enough jobs that require just grade school education. The basic cause for the primary education disincentives goes back to the inability of the economy, to provide more unskilled jobs, which is, as explained earlier, closely linked to the import substitution development policy followed by the GOES.

E. GOES Development Plan 1978-1982

The National Plan for the Welfare of Everyone, 1978-82, states the following objectives:

1. To modernize and humanize the social progress of all Salvadorans at all levels, particularly the middle and low income sectors.
2. To assure the socio-economic foundation to obtain the most dynamic and self-sustaining growth.
3. To obtain a better and larger use of the human and natural resources.
4. To maintain and to fortify a social justice system that offers more job opportunities and stimulates the development of productive activities.
5. To expand and to strengthen the economy in less developed areas and to get the maximum use of the economic land resources.
6. To create the needed confidence and stable environment in order to obtain a substantial increase in investment; to invigorate social-economic organizations and to promote its efficient participation in the development process.
7. To strengthen Salvadoran international relations and to contribute to the improvement of the Central American Integration.

Specific objectives in terms of global growth rates of macro-variables are given in the following table. It shows that the planned growth rates are higher than their historical values except in the construction sector. The GDP is projected to grow at 7.5% annually. In view of the fact that El Salvador has never experienced in the past fifteen years a sustained average GDP growth rate of 7.5%, this target must be considered as ambitious. Unless a drastic change in the economic performance takes place soon, the projections given in the Development Plan will be difficult to achieve. In order to attain growth in the GDP of 7.5%, the investment growth rate in fixed capital is forecast to grow at the average annual rate of 6.9%, private and public consumption at 7.3% and 8.5% respectively, and imports and exports at 7.1% each. These growth rates are mutually incompatible in the sense that the required fixed capital investment is projected to grow slower than both the GDP and the consumption. Experts agree that if El Salvador is to attain the 7.5%

GDP growth rate objective, it would have to reduce the consumption growth rate and increase the export and investment growth rate substantially.

GDP GROWTH RATES BY SECTORS

	1960-65	1965-70	1970-75	New 5 Year Plan 1978-82
Agriculture	3.9%	3.9%	4.7%	5.0%
Manufacturing Industry	10.7	5.7	5.6	9.3
Construction	8.3	1.2	13.9	9.5
Electricity	12.2	10.1	9.4	10.1
Commerce	8.9	2.0	4.5	7.0
Public Administration	4.1	5.9	5.9	8.5
<u>G D P</u>	<u>6.8</u>	<u>4.4</u>	<u>5.4</u>	<u>7.5</u>

An interesting feature of the Five Year Plan is that the agricultural sector share of GDP is forecast to decline from 21.1% in 1977 to 18.8% in 1982, while the GDP share of manufacturing industry is planned to increase from 20.7% in 1977 to 22.5% in 1982 as shown in the table below. The new Five Year Plan depicts a structural change in the economy, i.e., industry will replace

GROSS DOMESTIC PRODUCT BY SECTORS  
(Structural Percent)

	1977	1978	1982
Agriculture	21.1	20.7	18.8
Manufacturing Industry	20.7	20.9	22.5
Construction	4.6	5.1	5.0
Electricity	1.3	1.3	1.5
Commerce	24.0	23.7	23.4
Public Administration	9.5	9.8	10.0

GROSS DOMESTIC PRODUCT BY SECTORS  
(Structural Percent)

Cont.

---

	1977	1978	1982
Others	18.8	18.5	18.8
T O T A L	100.0	100.0	100.0

---

agriculture as the dominant production sector. Such a structural change, if finalized, will be a step in the right direction for the economy because of El Salvador's relative advantage vis-a-vis other countries in the development of labor intensive industry. However, the projected industrialization does not seem to be of the labor intensive kind. This can be seen from the projected investment in physical capital. The calculated ICOR value from the Five Year Plan is on the average 3.3., implying the planned investment to be quite capital intensive. This is a disappointing aspect of the new plan, for it does not appear to be structured to fully utilize El Salvador's abundant labor resources.

The New Five Year Plan's emphasis on the development of manufacturing industry can be seen readily by comparing the Public Investment Plan 1978-1982 with that of 1973-77. Table 11 shows the 1978-82 Public Investment Plan. The productive sector is to receive 42.9% of total funds, of which 20.2% will be allocated to industry. In contrast the 1973-77 Public Investment Plan (Table 12) projected to allocate only 37.0% of its funds to the productive sector, of which only 11.9% was to be used in the development of industry. While in the old plan social development expenditures were to receive 18.8% of the total investment funds, the new plan allocates only 11.8% of its investment funds to the development of social services, such as health, education, housing, and community development. The new Five Year Plan seems to emphasize a rapid growth of capital intensive industry at the expense of the development of social services.

Out of \$146 million planned to invest in industrial development, two projects -- a steel mill and a chemical complex -- will cost \$83 million, 57% of all public industrial development funds. This is particularly disturbing, because development of capital intensive industries will create few unskilled jobs and thus generate little direct benefit for the poor segment of the economy.

F. Impact of Defense Expenditures on the Economy

Total armed forces in 1976, including National Police, National Guard and Defense, number about 12,000 persons out of a total available workforce of 1.3 million, or 0.9%. Of total military manpower 5,800 are Army, Navy and Air Force personnel and about 6,000 belong to paramilitary groups, primarily the National Guard and National Police. This relatively small proportion of manpower devoted to national security as opposed to the rest of the economy indicates the general picture of the current low level of impact of defense expenditures on the economy in El Salvador.

Tables 13 and 14 show the expenditures and obligations by function of the Ministry of Defense and the police and other paramilitary forces, respectively, as reported by the Ministry of Finance. They show that although the absolute amount has increased during the 1971-77 period, the proportion of military expenditures as a percent of total government expenditures has declined. The ratio for defense expenditures declined from the high value of 6.3% in 1972 to 5.3% in 1977. Similarly, the proportion for Public Security expenditures declined from 3.2% in 1971 to 2.2% in 1977. This declining trend is attributable to the allocation of larger amounts of public expenditure to social overhead investment. Data show that during 1971-76 public investment has increased by more than 327% and private investment by about 160%. However, defense expenditures rose during the same period only 121% and the public security expenditures by 67%. These results arise from the rapid growth of public investment in large infrastructure projects undertaken beginning in the first half of the current decade. The above figures on military expenditures in the GOES budget probably underestimate, somewhat, military expenditures since an unknown portion of defense expenditures are carried in other sections of the budget presentation. It should also be noted that GOES military expenditures will probably increase significantly in the 1979-1980 time frame as the GOES purchases more advanced aircraft and other equipment to replace its present, aging inventory.

Tables 13 and 14 also show the magnitude of the impact of defense and defense related expenditures on the aggregate economy. The proportion of defense expenditures as a percent of the Gross National Product is less than 1% during 1971-76. The same ratio for the Public Security expenditures is 0.4%. Total goods and services diverted to defense and defense related expenditures in El Salvador are relatively small compared to those of other countries.

Another impact of military expenditures on the economy is via foreign exchange bottlenecks. Imports of military equipment would

have an impact on the growth of the economy through diversion of foreign exchange from imports of economic goods to military goods which may or may not have economic benefits. Table 15 gives estimated imports of military equipment during 1971-76. Since 1970, all imports of firearms have come from third countries. Payments for imports of military equipment during 1971-76 amounted to \$10.7 million out of total imports of \$3.2 billion. The proportion is only about 0.3%. El Salvador also received some military grants from the U. S. Although El Salvador did not pay for the military grant aid, it has been included in Table 15 under the assumption that El Salvador would have purchased the goods and services if there were no grant aid program. In any event, average yearly military imports as a proportion of total imports are less than 1/2 of 1% as shown in Table 15. The impact of defense and defense related expenditures on the national economy as such, has not impeded economic progress in recent years.

G. Other Donors

El Salvador received assistance from other international organizations in various amounts both in grants and loans. Total grants in 1975 were about \$8.3 million and increased to \$12.8 million in 1976. The money was granted primarily for projects in Agriculture and Education. Main contributors were the United States, U.N., West Germany, Canada, and United Kingdom.

El Salvador's foreign borrowing registered \$137.9 million in 1975 on account of large infrastructure development investments undertaken that year, \$69.5 million in 1976, and only \$19.1 million in 1977. The low level of foreign borrowing in 1977 was in part due to large foreign exchange earnings from coffee exports.

Of the \$137.9 million borrowed by the GOES in 1975, 40% came from the Canadian American Bank and another 31% from the Inter-American Development Bank. Fourteen percent came from CABEI and 13.4% from the EXIMBANK. In 1976 the source of borrowing shifted to the World Bank which provided 56% of the \$69.5 million with the Venezuelan investment fund and several unspecified sources providing the remaining 44%. In 1977 the \$19.1 million borrowed by the GOES came from the World Bank (35%), IFC (31%), and the Federal Republic of Germany (11%).

By sector in 1975 transportation absorbed 38% of all foreign borrowing, energy 29%, water and sewage 21.8%, and agriculture 11%. In 1976 energy took 71% of all foreign borrowing, transportation 15.8%, and agriculture 12.6%. In 1977 urban development took 66.4%, communications 22.5%, and industry 11.1%.

So far in 1978 the GOES has signed a \$90 million loan with the IDB for a hydro-electric project and a three million loan with AID for development of vocational education. The final figure for 1978 borrowing cannot be predicted; however, an additional \$137 million in loans is being negotiated by the GOES for this year.

### III. MISSION STRATEGY

#### A. Background

El Salvador's major economic and social problems center around the low level of income and general living standards for a large part of the population, primarily in the rural areas. Since the beginning of the 1960s, the GOES has been striving to increase economic growth rates and reduce income distortions, but despite these efforts, the situation has worsened.

As indicated throughout the Country Development Strategy Statement (CDSS), El Salvador is a very poor country despite its "veneer" of modernization. Its amenities, including beach resorts, supermarkets, and shopping centers, are far removed from the reach - if not the glimpse - of the majority of Salvadorans. Present or future accessibility to these advantages are severely constrained by low incomes, high un- and underemployment, low literacy, high fertility, and poor health conditions. Many of these constraints reflect the traditional and continuing maldistribution of income regarded by many observers as one of the worst in Latin America. Particularly affected by the situation are the landless rural workers whose estimated per capita income in 1976 was about \$70 while that of the urban poor was \$99. The plight of the rural poor is further exacerbated by the extremely unequal distribution of land ownership. Approximately 5% of the largest farms control about 70% of the land while the smallest 20% till less than 1%. Given the country's limited land resources, even programs of structural change (such as land tenure) offer limited hope of satisfying the income needs of the rural poor.

Population pressures adversely affect the situation at the national and individual levels. The 3.3% annual growth rate reflects an increase in job seekers of 50,000 per year, a growing number of women entering the reproductive period annually, and a potential doubling of the population from a present 4.5 million to 9 million within twenty years. At an individual level, this implies an average of five to six children per family which probably has no steady income earner. There is little opportunity for education for the children beyond the third grade since even if schools are available, funds for clothing and supplies are not, and child labor is a source of income, albeit meager.

Consequent lack of income and education are continuing obstacles to escape from the omnipresent threats to health in the rural areas due to extremely poor environmental conditions. As a result, nearly half of the children born in rural El Salvador die before the age of 5, and more than one in ten dies before his first birthday. The principal cause of such wastage of life, gastro-intestinal illness or diarrhea, is directly related to the lack of water and adequate waste disposal as well as to poor personal habits of hygiene. Moreover, the low income levels and ubiquitous parasites

cost health delivery services, reducing the population growth rate and providing educational opportunities, have not been correctly formulated so as to increase the productivity and utilization of its surplus labor economy.

#### B. Basic Objectives

The primary objectives of AID in El Salvador can be summarized as follows:

1. reduction in the population growth rate
2. increased productivity and employment opportunities for the poor majority
3. more equitable distribution of income
4. expand socio-economic services necessary to improve the living standards of AID's target group.

In brief, the goal is more rapid and equitable socio-economic development. Within this context, AID's objectives in FY80 and beyond will be to improve the standard of living of the poor majority of El Salvador through multiple interventions in development planning, agriculture, labor intensive export oriented enterprises, education, health, nutrition, population and family planning, as well as the development of local private voluntary or non-profit institutions. Programs, projects and activities in all of these areas will address basic human needs of the poor majority. Many of these activities by their nature will also contribute to and foster improvement of human rights, particularly in terms of increased economic and social equity and greater popular participation in the development process.

El Salvador represents a classic case of the need for equity with growth, with only limited resources and time available before present very conservative economic and social policies result in an explosive situation. Given the country's 3.3% population growth rate, and an insufficient land base necessary to absorb productively that rate of growth, most economists who are familiar with El Salvador now agree that the only chance the country has to bring about a sufficiently rapid rise in the standard of living of the majority of its population and to ensure continued development within the framework of a quasi-democratic system is to accelerate substantially the present rate of job creation opportunities in labor-intensive, export-oriented enterprises. Ideally El Salvador would pursue, and AID would participate in, the implementation of such a strategy. However, given the long run nature of a labor intensive industrial development strategy, the difficulty in bringing about changes in economic policies, the

contribute to poor nutritional status, cause one-third of the child mortality, and contribute heavily to mortality and morbidity from diarrhea and respiratory ills.

This catalogue of disquieting factors clearly shows how misleading aggregate economic data can be as an indicator of need for development assistance. The national per capita income figure of approximately \$426 obviously does not describe the vast socio-economic problems confronted by the majority of Salvadorans, especially those who constitute the AID target group.

While a number of forces undoubtedly contribute to the poor quality of life suffered by a majority of Salvadorans at least two have had a major influence: (1) inappropriate economic policies related particularly to job creation, and (2) inefficient investment in human asset development. Complementing these influences are two other critical problems that have to be considered simultaneously but will take somewhat longer to redress: (3) rapid population growth, and (4) the unequal distribution of non-human wealth.

The current situation is bad and getting worse. The cumulative dynamics of the above described factors could lead El Salvador to disaster. Inflation will continue to erode the already inadequate income level of the poor majority. Unsatisfied rising expectations brought about by limited improved public services and government promises are already causing a marked increase in violence, the second largest cause of mortality in the country. As matters worsen and frustration levels increase political stability must in fact become threatened, affecting both income stability and existing institutions. Socio-economic instability, population pressures and continuous erosion of marginal land make El Salvador a living time bomb, with time to defuse it running out. Moreover, the recently unprecedented earnings from coffee exports, which distort aggregate economic data as an indicator of progress, have obscured the long term pattern of social and economic decline.

The present administration appears to be trying to resolve the vast development problems confronting the country with its limited resources and freedom to act, but it does not appear to have the capacity to solve at least the most pressing problems fast enough. Although the necessary social and infrastructure investments required to improve the standard of living of the poor majority are of a magnitude which does not permit an early solution, the GOES has, as indicated previously, made an attempt to provide the necessary social overhead capital investment. Unfortunately, these investments have not resulted in a greater participation by the poor majority in any economic gains achieved by the country, particularly the recent economic wind-fall from coffee exports. GOES policies, although properly directed to such areas as increasing small farm productivity, encouraging low

the requirement for promoting government awareness, the gestation period before skill training programs take effect, the levels of funding required, and the restraints imposed upon the Mission by the Congressional Mandate and the human rights issue in El Salvador, it is not realistic to fashion a medium term AID strategy tied principally to labor-intensive, export-oriented industrial development. Therefore, the Mission's near term strategy will be one which concentrates its resources on the following:

1. Initiation of a dialogue with the GOES, complemented by technical assistance, studies, training and encouragement of the donor collaboration calculated to:
  - a. influence GOES thinking in terms of economic policy reform
  - b. improve GOES performance in addressing basic human rights.
2. Activities which place a major emphasis on projects having a direct impact on ameliorating the social problems affecting the poor majority, primarily those in the rural areas. In terms of the problems cited earlier, this suggests activities in family planning, health, nutrition and education.
3. Activities which contribute directly to increased rural production and the development of labor-intensive rural enterprises, both of which impact on job creation and income.
4. Activities which encourage the development or expansion of private voluntary development oriented organizations, thus creating a private sector interest group capable of transmitting the concerns and the felt needs of the poor majority.

#### C. Program Strategies

##### 1. Reduction in Population Growth Rate

AID's population program in El Salvador is designed ultimately to assist the GOES in its efforts to reduce the birth rate to a designated lower level. This is to be accomplished through a combination of family planning and promotional activities to increase contraceptive prevalence and to encourage reduced desired family size leading to adoption of effective means of contraception. Project activities will emphasize: (1) an operational services program, including community and commercial distribution; encouragement of liberalization of regulations governing the distribution of oral contraceptives;

commercial retail sales; clinic service improvement; voluntary sterilization; and adolescent fertility programs; 2) population policy development, including demography and research and evaluation, utilization of other Mission projects to maximize impact on reducing fertility, consideration of GOES requests for assistance in facilitating broader and more systematic migratory transfers; and 3) coordination of U.S. resources, including maximizing country team and other donor efforts.

2. Improved Living Conditions of the Rural Poor

To address the social ills of the poor majority, primarily those in the rural area, the Mission has developed a multi-faceted program to improve their health and nutritional status. The program will channel assistance to the GOES to formulate and implement an integrated rural health delivery system, utilizing a trained corps of community based para-medical outreach workers. This system is aimed at delivering basic health and family planning services to the more remote areas of the country and improving the health and social conditions of those rural inhabitants who do not now have access to basic health care, especially as it relates to care and prevention of enteric and parasitic diseases. Also in the health area the Mission will be focusing on: 1) health education, 2) rural environmental sanitation, including potable water for smaller communities, sewage and waste disposal; 3) development of the vector control aspects of the GOES malaria control program; 4) improvement of the National Health Training School, and 5) health planning and administration. In addition, the Mission will be providing assistance in the implementation of a National Nutrition program.

3. Small Farmer Productivity and Rural Enterprise Development

To assist in the development of a more productive labor intensive small farm agricultural sector in El Salvador, the Mission has designed a program which supports GOES efforts in the implementation of a land purchase project, as it attempts to increase small farmer production and income while helping to change existing land tenure patterns. The Mission will also continue to emphasize small farmer technology and credit activities including: 1) introduction of new perennial and horticultural crops to encourage small farmers into the highest profit areas while increasing the degree of labor intensity; 2) new programs in small species livestock; 3) research and development to identify, adapt, test and demonstrate the feasibility of small farm light capital technologies; 4) extension and small farmer training; and 5) small farm sector planning and administration. The Mission will also focus attention on self help small farm irrigation and farm to market access roads and natural resources management.

Given El Salvador's land scarce/labor surplus crisis, the Mission proposes to initiate new activities in the area of rural enterprise

and cooperative development in order to increase small farmer production, incomes and employment opportunities for the rural landless poor. The Mission also plans to identify opportunities and initiate activities aimed at increasing the number and volume of labor intensive export-oriented enterprises as another means of affecting employment creation and increased income for the poor majority. An important element of these last two emphases will be a sharper focus on the concept of appropriate technology.

In support of the above, and to help improve the status of both formal education and skills training for El Salvador's poor majority, the Mission will be providing assistance in rural primary education, and occupational and rural living skills training. The Mission will also attempt to initiate a regional development program in one of the country's poorest and most neglected regions, the Department of Morazán, with the purpose of raising agricultural-based incomes and living standards of the poorest inhabitants of this area.

#### 4. Stimulation of Local Private Voluntary Organizations (PVOs)

To stimulate more local participation in El Salvador's development program increased emphasis will be placed on the development of grants to local private voluntary organizations. This approach offers possibilities for the creation of an indigenous lobby for development; a local voice for the poor majority where previously one was practically non-existent. Emphasis will be placed on local institutional development as well as specific projects which have direct impact on the AID target group. Activities in this area will include: (1) small enterprise and cooperative development; (2) preventive health and sanitation; (3) nutrition (including education, improved feeding programs and home gardens); and (4) expanding the role of women in development.

#### 5. Environmental, Energy and Resource Conservation

Given El Salvador's excessive population growth, and lack or awareness of its effect on such related areas as environment, energy, and resource availability, the country faces a much greater problem than others in the region. The Mission proposes to support efforts by the GOES to redirect its programs so as to concentrate more on those areas which most directly affect the quality of life of the poor majority. Included in this area of policy and program change are activities addressing the problem of the environment, energy and resource conservation. The Mission proposes to provide technical assistance to stimulate GOES interest in this area. Initially, AID assistance will take the form

of participation in environment and energy surveys and encouragement for the establishment of an environmental affairs office perhaps within the Ministry of Planning. It is expected that specific future activities will be forthcoming as a result of the studies initiated under these AID promotional activities.

#### 6. Economic Policy Changes

Achievement of AID's objectives in many of the above areas will depend on changes in GOES attitudes and economic policies, e.g., a more imaginative and dynamic population policy, incentives for large land holders to sell part of their holdings, incentives to stimulate increased investments in labor-intensive agro-industrial and export-oriented enterprises as well as those that generally encourage a transfer of wealth from the land to industry. Specifically the GOES should create a new economic environment which will promote a vigorous private sector investment and raise demand for semi and unskilled workers in light industry. This implies that there should be a fundamental change in the economic policy from an inward looking protectionist approach of the past to an outward looking competitive strategy of the future.

To develop a labor intensive industry, the GOES must abandon the import substitution policy it has been following since 1960 in favor of an export substitution policy. From the export substitution policy point of view, the GOES should encourage establishment of those industries whose products will be competitive in the world market in terms of price and quality with similar products from other countries. Such a policy naturally excludes heavy industries such as steel mills, and chemical complex industries, but includes light industries, such as textiles, shoes, rugs, and electronic products, that use proportionately more labor than capital.

To initiate an industrial development program, the GOES must modify and revise: (1) the current foreign exchange rate to make Saldavoran products more competitive in the world market; (2) the interest rate structure to bring the capital costs in line with the inflation rate so as to increase domestic savings as well as encourage investment in more productive projects, and (3) the tax structure so as to raise tax revenues sufficiently to increase public sector investment in the area of social development.

The GOES must also provide, concomitant with changes in policy, various subsidies to non-traditional exports such as establishing industrial parks in various parts of the country to accommodate labor intensive industries. Such measures could make Salvadoran products competitive in the world market during the early stages of export substitution program.

The GOES must also seriously consider amending the current tariff structure where capital goods are imported duty free while consumer goods bear extremely high tariff rates. This policy tends to make the cost of capital goods relatively inexpensive and thus encourages the unnecessary imports of capital. However, an overall tariff rates reduction should not be undertaken early. It should be revised at a point when El Salvador shows a balance of payments surplus due to a rapid increase in exports of non-traditional goods.

Given the importance of the above, and its potential impact on increasing the productivity and employment opportunities of the poor majority, AID plans to seek opportunities as part of or apart from its other program activities to affect needed changes in GOES attitudes and policies.

#### D. Summary of Strategy

El Salvador's economy over recent decades has been characterized by severe income distortions and low income levels for a very large part of the population. These income patterns reflect (1) inadequate economic growth, (2) relatively low demand for unskilled labor, (3) insufficient amounts of well trained labor, (4) large population growth rates which result in a greatly expanding supply of labor, and (5) distortions in land ownership. The GOES has been and is trying to reverse past trends and bring about improved conditions for the lower income earners in both the absolute and relative sense. To accomplish this El Salvador must increase its investments in people and revise its major economic policies.

Equity-oriented economic policy reform is a must if dramatic increases in growth rates and in the demand for labor are to be achieved. This would directly benefit the lower income earners. However, these policies are always difficult to change, and, when tied to a five-country agreement, they are almost impossible to change in any short period of time. Nevertheless, our strategy is to provide assistance in this area, when the opportunity arises, to maximize economic growth and labor demand under current exchange rate and tariff constraints and to encourage initiatives which will lead to an eventual change in policies.

At the same time, and to maximize the benefits to the poor majority under these constraints, our strategy also includes direct investment in people -- education, health, nutrition, and population -- to hold down the growth of the labor force and increase its effectiveness. By this technique labor will become more valuable and standards of living will improve.

Appendix A  
Sector Overviews

1. Agriculture Sector

a. Overview of the Sector

The agriculture sector is characterized mainly by a small number of medium and large farms that grow traditional export crops and a large number of small farms that produce basic grains and other subsistence crops.

The small farm subsector produces primarily for the domestic market; the primary products produced by the small farmer include basic grains, poultry, and pork. The small farmer operates about 92% of all farms units which in turn account for 44% of the arable land in the country. Small farmers produce 31% of the sector GDP or about 7.75% of total GDP. This group of small farmers and their families represent about 2.0 million people or about 55 percent of the total population. In addition there are about 720,000 landless rural poor who live on large farms, in rural towns and ravines, or along the roadside and who provide much of the agricultural labor force.

The principal conclusion drawn from the sector assessment is that under present conditions continued emphasis on the production of basic grains alone offers almost no hope to the small farmer for increasing his income or to the landless poor for improving their living standards.

A major bottleneck for improving income and income distribution is the highly skewed land tenure pattern in El Salvador. Should small farmers be able to acquire additional land to farm, they would be able to increase their incomes significantly. However, their acquisition of land is not likely to take place to a significant degree in the short term. Thus the problem of highly skewed land tenure remains as a serious "constraint" for development of the sector. (For detailed information, see Agriculture Sector Assessment, USAID/El Salvador, 1977.)

In June 1975 the GOES passed a law creating the Salvadoran Institute of Agrarian Transformation (ISTA). Its aim is to improve the social and economic conditions of the rural poor by establishing more equitable and secure land tenure rights for lower income farm families. However, private sector opposition to the first transformation project encompassing about 58,000 hectares forced an amendment to the law which weakened ISTA considerably by eliminating its power to expropriate land and by restricting its actions to making cash payments on voluntary land sales. The amended law permits expropriation of farms only in the event they do not comply with certain broadly

defined "social functions" and maximum productivity standards.

Even if land tenure and land availability were not issues, the reliance of small farmers on production of basic grains is in itself another major constraint on increased income and employment. Unlike his counterpart in many other Latin American countries, the Salvadoran small farmer does not cultivate high value and labor intensive vegetable or specialty crops. Ninety-five percent of all small farms under 10 hectares cultivate basic grains almost exclusively. Small farms under 5 hectares produce 64% of the country's grain supply. If small farmers were to diversify their crop mix and add some specialty and permanent type crops such as fruit trees, tomatoes, or melons, both their nutritional level as well as their incomes would increase over the long run. But such investments of time, money, and effort are difficult for people maintaining subsistence level standards of living with little or no savings to invest. The acute land tenure problem is important since more than half of all small farmers rent their land and are therefore not willing to make the necessary investments since the equity arising from the investments will generally accrue to landlord-owners.

If the tenure problem could be solved, the limited availability of production credit for small farm operators would continue to be a serious constraint to development since there is a chronic shortage of funds available for all credit purposes in the country and even more so to the small farm sector since it is perceived as a very high risk.

Another problem area is the GOES institutional capability to deal with the constraints that limit improvements in the life of the AID target group. As previously mentioned, the lack of trained and experienced personnel is a problem within the public agricultural sector agencies. Fewer than 250 students have graduated from the National University of El Salvador in agriculture since 1949. In addition, only about 900 agronomists have graduated from the three year post-high school vocational center for agriculture. There exists no school in El Salvador or in all of Central America, for that matter, to train home economics agents; and neither the National University nor the national vocational school trains technicians in extension methodology or practice.

Another broad area of concern is the policy and program formulation and evaluation process in the Ministry of Agriculture (MAG) which is seriously constrained by deficient data collection and analysis capability. With technical assistance from the USDA, the MAG has designed an area sampling frame to generate reliable estimates of crop production and livestock inventories. It is also adaptable to diverse special purpose data collection efforts such as food consumption

surveys, costs of production studies, farm credit studies, and other socio-economic investigations where randomly sampled farm producers or households are the desired observation units. The MAG has used the frame to conduct four surveys to date. However, the MAG's capability seriously needs improvement both in the areas of data management and analysis and policy and program formulation.

Institutional Strengths and Weaknesses: The institutional strength of those public sector organizations involved in agricultural development is reasonably good. Most of the institutional problems that exist result from inadequate funding, duplication of responsibility, lack of coordination toward common objectives, confusion at priorities, and lack of adequately trained and experienced people.

MAG has the primary responsibility for programs effecting development of the agricultural sector. It is directly responsible for agricultural research and extension, plant and animal sanitation, national parks, forestry, fisheries, irrigation, soil conservation, livestock development, the weather service and coordination with the Ministry of Planning for sector planning. These responsibilities are organized within six "general directorates" of the MAG. In addition the MAG has general responsibility for four "autonomous" organizations which have important agricultural development responsibilities. These are the Coffee Research Institute, the Price Stabilization Institute (basic grains), the Agrarian Reform Institute (ISTA), and the Agricultural Development Bank (BFA). Public funding for the agricultural sector has increased significantly over the past ten years. Budget allocations and subsequent expenditures have more than tripled in real terms, from 9.6 million dollars in 1966 to 31.6 million dollars in 1975 (using 1975 dollars).

The MAG has engaged in a number of activities designed to strengthen the institutional capability of various internal entities. The research and extension agency (CENTA) was internally reorganized creating a separate Center for Agricultural Education (CENCAP) which had the effect of giving agricultural education a higher priority and greater budgetary strength. A division of seed technology was also established which led to an increase in production of improved seed for basic grains. In addition, the MAG independently upgraded the salaries for CENTA staff thus sharply reducing the high rate of personnel turnover. The BFA increased credit for production of basic grains to small and medium farmers, especially members of cooperatives and the GOES initiated a new grain storage and price stabilization program, to encourage and support the basic grain production objectives.

Overview of the Five-Year Plan (1978-82): The objectives of the Government of El Salvador (GOES) for the agriculture

sector as cited in the new Five-Year Plan are: (1) to increase income and achieve more equitable income distribution; (2) expand employment; (3) increase both traditional and non-traditional exports; (4) promote import substitution, principally in basic food commodities; (5) promote social mobility; (6) conserve and develop renewable natural resources; and (7) promote balanced development among the various regions of the country.

For this purpose, Agriculture Sector Five-Year Plan (1978-82) calls for a GOES gross investment of \$452 million of which \$116 million is earmarked for direct capital investment and \$336 million for financial investment. The planned investment expenditures in the Agriculture Sector account for 21.8% of the total planned public investment of \$2,075.0 million. In contrast, the previous Five-Year Plan (1973-77) made provision for a gross public investment in the Agriculture Sector of \$142.9 million, which is less than a third of the new investment plan.

b. Agriculture Sector Strategy

In light of the seriousness and future implications of the constraints, and taking into account information provided by the 1977 Agriculture Sector Assessment, it is the Mission's strategy to support stated GOES objectives. The Assessment points out that, at present, a better approach for achieving the objective of increased employment and income for the target group is to redirect attention away from basic grain production and toward an intensification and diversification of output, which is more land/labor intensive, and which would yield a far greater return to the small farmer, and to address on-farm and local nutritional needs.

The Mission will therefore advocate and support changes in land tenure as well as changes in land use patterns emphasizing labor and land intensive crops which will diversify and maximize small farmer output and incomes. The Mission will also attempt to increase employment through support of activities which stimulate agroindustrial and rural infrastructure development.

There are a number of alternative program interventions which the Mission can select to implement this strategy. For example, serious consideration is being given to the provision of long-term credit for land purchase by small farmers. This will require the development of an effective mechanism or delivery system to insure that this credit reaches the target farmer and is utilized in an appropriate manner.

A coordinated program to significantly diversify the annual crop mix, expand small animal husbandry, and increase the plantings of perennials on small farms is also required to address

the problems of target group underemployment, undernourishment, low income and more effective land utilization. This program would include production credit, improved seeds, planting material and technical assistance where required. A follow-on program would provide marketing assistance for these commodities as production begins to expand.

A high priority should be given to the initiation of a program designed to determine the possibility of increasing the production and marketing of fresh and processed fruits and vegetables, for local, regional and U. S. markets. Such an effort would require financial and technical assistance in both production and marketing.

The long dry season and the limited land base of the target group, coupled with the rapid growth in population, dictates the need for increased use of irrigation. Development of an irrigation capability in selected areas would facilitate the move to higher value, more labor intensive crops by small farmers during the dry season when these crops are in high demand both in the local and external markets. These irrigation projects should make feasible the maximum use of local hand labor and material.

For the small farmer, poor access not only means higher input and marketing costs but also lower prices. Significant improvement of access roads could be made at minimal cost using low cost pick-~~and~~-shovel labor that is so abundant in the rural areas. AID has financed a number of successful projects of this type in other countries.

Finally, if El Salvador is to maintain the productivity of the limited land base, immediate steps must be taken to conserve and protect the soils and vegetation on the steep hill-sides which are being increasingly cultivated by small farmers. A pilot project employing the services of the Peace Corps could identify and test the elements and characteristics of an effective low-cost soil conservation and reforestation program for subsequent expansion to a national scope to contain, and reverse if possible the rapid degradation of the natural resource base upon which a major portion of El Salvador's small farm sector is dependent.

## 2. Health and Nutrition Sector\*

### a. Overview

Overview of the Health Sector: The public sector is responsible for provision of health care to an estimated 95% of the population. The Ministry of Health (MOH) is the primary provider with responsibility for health service coverage of 85% of the rural and urban populace. Health services are made available to another 7% of the population, mainly urban, by the Social Security Institute (ISSS), while about 2% of the population receives services from the military or other governmental institutions. Although central coordination of the Sector is implied by the existence of the GOES inter-ministerial National Health Commission charged with overall planning for the Sector, in reality, coordination is loose and theoretical rather than operational.

MOH services are provided through a four-tiered infrastructure, the lowest level of which is the Rural Health Aide (RHA), a community-based paramedical worker who provides basic curative and preventive health, family planning and nutrition services and makes referrals as required to other levels of care. The second tier is comprised of a network of health posts, units and centers, all of which provide integrated health, family planning and nutrition services. This tier is administratively dependent on the third tier, the Regional Health Offices. The five Regional Offices are in turn responsible to the MOH's central administrative headquarters. The country's fourteen hospitals, although they are a part of the National Health System, are autonomous and thus independent of the Regional Offices; administratively, they report directly to the Vice Minister of Health.

The health status of the Salvadoran populace does not reflect the existence of such an extensive health infrastructure. Although the system makes some kind of health care available within ten kilometers of 85% of the population, usage rates average less than .02 contacts per year or 1 every 5 years. Infant mortality for the country as a whole is a high 58 per 1000 live births, but several studies have indicated that in rural areas it exceeds 100 per 1000 live births. Protein-calorie malnutrition is found in varying degrees of seriousness in more than 70% of pre-school Salvadoran and is a leading underlying cause of child mortality.

---

\* For more detailed information see the Health Sector Assessment, USAID/El Salvador, May 1978.

As a cause of mortality and morbidity in children, malnutrition is exceeded in prevalence only by diarrheal and respiratory diseases, both closely associated with malnutrition. As might be expected the lowest levels of malnutrition occur in urban areas and the highest in the marginal agricultural areas where most of the small subsistence farmers are located.

An accurate picture of the causes of mortality is difficult to draw since only one-third of reported deaths are medically certified, and more than a quarter of those are attributed to ill-defined causes. The leading cause of both mortality and morbidity, however, is gastro-intestinal illness, directly related to the lack of potable water, inadequate sanitation and poor hygiene. Malaria is extremely serious in two regions of the country; the areas surrounding the new Cuscatlán International Airport and the new Cerron Grande Dam.

El Salvador's rapidly growing population is recognized as the primary hindrance to the country's economic development and has a major impact on the health of both women and children. The current total fertility rate of 6 reflects the fact that contraceptive prevalence in rural areas is estimated at only 9% of women of fertile age.

Environmental health conditions clearly form the major threat to the health status of Salvadorans. These conditions reflect the inadequacy of water supplies, both in terms of quality and quantity; the near absence of waste disposal and latrinization; the inadequacy of pest and pesticide control; and, especially important, poor health education and habits of hygiene. Whereas it has been shown that high mortality and morbidity rates from diarrheal and parasitic disease can be most directly affected by improved water supply, this measure alone, without latrinization and effective health education, is not cost-effective. Moreover, most diarrheal illness in children can be treated if recognized, and appropriate measures taken by the mother or a health facility. The RHA Program was designed to respond to this need by providing an entry point for rural families to MOH health services as well as a source of primary curative and preventive health care.

Although other donors have shown considerable interest in the environmental health area, including the Inter-American Development Bank (IDB) and the Canadian International Development Agency (CIDA), GOES activity in the sector has been of lower priority. The new Five Year Plan makes the development of rural water systems, with IDB assistance, a sectoral priority. However, the Health Sector Assessment has shown that to make these systems effective, overall sectoral planning is required that will (1) stimulate institutional and policy changes necessary to assure

financial viability of the systems and their proper maintenance, and (2) encourage development of personnel policies that permit the attraction and retention of qualified personnel. Moreover such planning is essential to assure that the provision of improved water is accompanied by concomitant programs of health education and latrination.

Institutional Strength and Weaknesses: Over the past five years, the GOES and especially the MOH has made and continues to make serious efforts to improve the national health system. Primary areas of attention have been:

- (i) administrative reform and reorganization focusing on greater integration of curative and preventive services; and
- (ii) a series of programs called Rural Penetration, designed to extend and improve health services to the rural population.

Although organizational and administrative improvements have been realized by the MOH, certain impediments continue to exist within the overall structure which prevent maximizing support to the integrated delivery and expansion of health services in rural areas. Major problems include:

- (i) the autonomy of MOH hospitals which results in their independence from the MOH's administrative system and, to a lesser degree from the technical referral system;
- (ii) the heavy administrative burden placed on the MOH's Regional Office which results from the fact that all lower levels of the health system including RHA's, health posts, units, and centers are administratively responsible to it;
- (iii) the division of responsibility between policy and operational divisions of the MOH for its rural outreach program; and
- (iv) inadequate or unreliable supply and transportation support for rural health programs.

In addition, particularly lacking seems to be designation of a limited number of program areas as priorities for which goals could be established, personnel and monetary resources

allocated, and activities planned in a manner that would better assure their achievement. Present programming and planning processes seem to layer programs and priorities, requiring continuing shifting of resources to meet short term needs of operational rather than long-term priorities such as environmental health, population and nutrition.

MOH efforts in health education to date have been weak, and there is little indication of effective plans to strengthen this area outside of those involving family planning and the RHA Program. The problem reflects a lack of attention to the subject in training courses of medical and health personnel, as well as little recognition of the potential of health education as a tool to stimulate self-help and community participation for improvement of health status. The potential impact of a strengthened national health education program has major implications for the nutritional status of the Salvadoran populace, as well.

Programs to date, carried out by a variety of participants, in supplementary feeding, nutrition education and food enrichment have been spotty and inadequately managed. The recently established Multisectoral National Food and Nutrition Program, which emphasizes nutrition planning and coordination of food and nutrition activities in these and other areas, may improve the situation.

Overview of the Five Year Plan (1978-82): The GOES Five Year Plan (1978-1982) defines the Health Sector as that which "plans, develops, executes, and controls, by central Government policy, all activities pertinent to the promotion, prevention and delivering of health care to the national population." The Sector thus is comprised of a myriad of entities delivering health services, such as the MOH, ISSS, and autonomous organizations, etc.; human resources development institutions such as the National University School of Medicine; entities providing technical and monitoring support such as the Ministry of Planning and the National Health Commission; and entities providing coordination directly with the Health Sector such as the Ministry of Agriculture and Ministry of Public Works.

The GOES commitment to health under the Five Year Plan is demonstrated by examining activities proposed for the sector. Such a review indicates that of the Plan's 52 Strategic Programs (unranked), six are directly related. The six include:

- The National Integrated Population Program
- The National Food and Nutrition Program
- Environmental Sanitation

- Mental Health, including Alcoholism
- Modernization and Extension of Coverage of Health Facilities and Services
- Occupational Health and Hygiene

It is of interest to note that the Five Year Plan's strategic program in Population moves beyond previous GOES policy statements in this area by citing a demographic goal, i.e., to reduce the natural rate of population increase from 3.3 to 2.97 by 1982, rather than merely contraceptive prevalence targets. To that end the program includes activities in family planning, population education, migration and mass communication, but does not address the need for programs or policies in other sectors that could affect or influence fertility.

b. Strategy

The Mission's Health Strategy as described in the Health Sector Assessment focuses on the health needs of the rural poor. Through a series of programs in rural health as well as complementary programs in nutrition and population, this strategy is designed to assist the GOES in improving and extending rural health services. In view of the predominant role played by the MOH in this area, the strategy emphasizes improvement of MOH capacity to provide health services by bringing the components involved in rural health delivery, including those of transportation, supervision, administration and logistics, to bear effectively on health care in a context of self help and community participation.

USAID plans to implement this strategy through a series of projects, which are logical extensions of grant activities begun in FY 78 or earlier, proposed for FY 79, and new activities in FY 80 and beyond. Growing out of the GOES interest in providing improved health and population services to remote and underserved areas of the population, the Mission in 1975 supported the development of a series of programs under the Population Project to train rural health aides, rural midwives, and female health care specialists. AID is assisting in the institutionalization of the RHA program and its supporting subsystems under the FY 78 Rural Health Aide Grant as the first step toward development of an effective integrated rural health delivery system. In FY 79, the Mission will undertake a Rural Health Improvement Grant designed to improve management, training and logistical support at national and regional levels essential to upgrading the quality of facility-based and outreach rural health services. Moreover, to address the key cause of morbidity and mortality in El Salvador (gastrointestinal disease) USAID will in FY 79 begin a Rural Water Project designed to complement work in this area carried out by IDB and CIDA.

These activities will form the basis for a proposed FY 80 loan to improve sanitation facilities, extend rural water supply systems and expand rural health services. These activities, plans for which are being developed with technical assistance provided under the Health Technical Support project, are described in more detail in the Health Sector Assessment Strategy.

In carrying out these activities, USAID is collaborating closely with other donors in project conceptualization, development, and implementation. Joint activities with the Peace Corps particularly in the field of sanitation, health education and equipment maintenance. Moreover, USAID is cooperating with PAHO in support of the MOH's new integrated malaria control program through in-country and overseas training in vector control. Whereas the Mission will attempt to stimulate interest in the IDB to provide commodity support for this aspect of the project, inclusion of it as a part of the FY 80 loan is a possibility. Throughout these activities USAID will focus technical assistance toward encouragement of sectoral planning, integration of other GOES health resources in support of rural health delivery, and increased community participation in rural health efforts.

In the area of Food and Nutrition, USAID is addressing the major institutional constraints to achievement of the nutrition objectives of the GOES Five-Year Plan. The goal is to improve the nutritional status of the Salvadoran population with special emphasis on low-income, rural and urban families most seriously affected by food shortages and malnutrition.

A grant is proposed to strengthen the capabilities of the GOES to plan, implement, coordinate, monitor and evaluate food and nutrition interventions on a continuing basis and to influence policy decisions affecting food availability and nutritional status in the country. This grant will provide technical assistance and training for key personnel of the Food and Nutrition Secretariat and the Technical Sub-committees. Three of the Technical Sub-committees, working under the supervision of the Food and Nutrition Secretariat, will have primary responsibility for (1) development and coordination of supplementary feeding programs, and (2) industrialization of fortified tortilla flour (NIXTAMAL). Since the Secretariat and the Sub-committees will bring together technical personnel already working in on-going nutrition-related programs in various Ministries, it is expected that the technical assistance provided will have an immediate effect upon the implementation of nutrition interventions.

### 3. Education Sector

#### a. Overview

Education Status: Despite massive efforts by the GOES to solve its major educational problems over the past 10 years (The Ministry of Education averaged over 25% of the National Budget during this period), serious problems remain with respect to accessibility, range of education and training offerings, quality and relevance of the programs, and the internal efficiency of the system.

Several examples of the educational characteristics of the current population of approximately 4.2 million persons illustrate these problems:

- Approximately 50% of those over 10 years of age are functionally illiterate; in rural areas the figure approaches 70%;
- Although 52% have some primary education, only 44% have graduated from the 6th grade; less than 12% of rural residents have successfully completed 6 grades.
- Only 6.3% are graduates of secondary schools;
- Only 0.4% have some university education, with graduates approaching 0.2%.

The Ministry of Education, with USAID and U.S. Bureau of Census assistance, has recently completed a four-year Education Sector Analysis to provide specific data upon which to begin making rational policy decisions regarding formal and non-formal education in El Salvador. The results of this analysis indicate that major problems exist in all areas of education in El Salvador, including limited access to schooling at the primary level (especially in rural areas); inappropriate curricula for most school programs; inadequate instructional materials, equipment and furniture; poorly qualified administrators, specialists, and teachers; and imbalances of enrollments in secondary education (overenrollments in pre-professional college programs and underenrollments in vocational/technical options).

However, the GOES has made some major accomplishments since 1968 with the USAID assistance. They are:

- i) Administrative reform of the entire system, including reorganization of the supervisory system;
- ii) Total curricula reform, grades 1-12;

- iii) Restructuring of pre-service and in-service training of administrators, specialists, and teachers;
- iv) Construction and equipping of over 1400 elementary and 600 junior high classrooms and laboratories;
- v) Development of modern instructional materials, grades 1-9;
- vi) Creation of a national system of Instructional Television, reaching from grades 4-9 with formal instruction and with special cultural programs for all Salvadorans over two public TV channels.

Despite these impressive accomplishments, however, continued effort in each of these areas is needed. Education, a dynamic process, requires constant evaluation, modifications, and refinements to insure that the educational system is responsive to the needs of a growing, changing society. However, still requiring immediate and massive attention is rural education, particularly school construction and renovation to enable the system to provide adequate coverage to the rural school-age population. For example, a considerable number of schools continue to be incomplete in the rural area. In 1973, only 32% of rural schools offered all six years of primary education, while the figures for the nation as whole and for the urban area were 52% and 93%, respectively. The situation in 1978 is estimated to be approximately the same. Moreover, other phenomena illustrated the nature of the problem. Approximately 20% of the urban enrollments are made up of rural pupils who are obliged to commute daily to classes. A disproportionate percentage of rural students are enrolled in the first two grades in relation to the total rural enrollment at the primary level indicating a problem of access to continuing educational services in the rural areas at the higher grades. Crowding is more prevalent in the rural area and its higher dropouts are associated mainly with the "incomplete" schools. Population and matriculation data also show that rural students enter school later and permanently abandon school earlier than their urban counterparts. Finally, the problem of "dropouts" in the rural schools is serious. The education Sector Analysis data shows that the major reason for these "dropouts" is lack of access to educational services in rural areas. In sum, many "dropouts" in rural El Salvador schools are actually "lock-outs", i.e., students deprived access to succeeding years of schooling.

Institutional Strengths and Weaknesses: The Ministry of Education's institutional strengths lie in its clearly defined philosophy, its Planning Office, and its access to a large share of the national public budget. Every aspect of formal and non-formal education has been brought into the Ministry's sphere of influence, and specific objectives and methods for reaching these objectives have been defined and

developed in a series of formal, sophisticated, written documents.

The organizational structure to carry out the MOE's vast and complex mandates likewise demonstrates a clear concept of what needs to be done, with two major subdivisions included: Education; and Youth, Culture, and Sports. Divisions, departments, and offices neatly follow in line to discharge responsibilities for all aspects of education, e.g., pre-primary; primary; junior and senior high school; advanced, non-university; university; and adult education. Organizational provisions have also been made for specialized education (e.g., handicapped children) and for innovative, experimental programs to help solve educational problems; examples of the latter are Accelerated Primary Education, which compresses the 6 years of primary schooling into 3 years using both classroom instruction and self-study methodologies, Saturday morning kindergarten programs, and free evening adult junior high school classes.

The MOE Planning Office has been recognized by international agencies (OAS, UNDP, World Bank, IDB, and AID) as an outstanding model of what can be accomplished in educational planning. Started with AID technical and financial assistance approximately eight years ago, the Planning Office has introduced systematic approaches to gathering and analyzing relevant data upon which to make appropriate educational decisions. Also with AID and U.S. Bureau of the Census assistance, the MOE has produced a landmark Education Sector Analysis to guide present and future educational decision making. The Analysis has gathered and analyzed data related to access to schooling, efficiency of the system, and the relevance and quality of education and training programs. Its results have formed the basis of the MOE's new Five Year Education Plan, and have identified critical areas for further study and/or action programs. For example, the USAID proposed loan for FY 1979 to expand and improve rural primary education is a direct consequence of the findings of the Education Sector Analysis.

A final strength is the MOE's access to a large proportional share of the GOES national budget. Over the past ten years this figure has averaged about 25%, resulting in large absolute amounts of money being available for formal and non-formal educational activities.

The principal MOE weaknesses revolve around the lack of professional expertise on the part of key educational officials to plan, manage, and evaluate highly complex educational and training activities. Far too few officials have received advanced formal schooling in specialized areas required for modern educational systems, with the result that individual programs are often irrelevant, inefficient, and ineffective. Part of the problem, of course, may be attributed to the extremely low salaries assigned to educational positions, which make it difficult to recruit and retain personnel with appropriate qualifications.

Also, appointments to most of the important positions are not based on merit, but on personal connections and friendships. The degree of loyalty, dedication, and effort expended by most public employees is considered to be generally low.

Another institutional weakness is the overemphasis upon funding personnel positions and underemphasis upon the provision of operating funds to translate plans into action programs. Approximately 90% of all MOE costs are connected with personnel, with the result that there are many people designing and supervising projects, but relatively little is being accomplished as there are few funds to purchase commodities and expendable materials. Far too many programs exist solely on the "drawing board".

A final institutional weakness is the lack of a sophisticated evaluation mechanism to constantly monitor education and training activities to insure relevancy, efficiency, and effectiveness in planning and managing the national education system.

Overview of the Five Year Plan (1978-1982): The GOES Five Year Education Plan (1978 - 1982) attempts to provide comprehensive coverage in practically all areas and at all levels of formal and non-formal education, culture, sports, and youth activities. The Ministry of Education budget historically is the largest single item in the national budget; in 1978 it is \$116 million. With such a diverse program to administer, the MOE continues to encounter major problems in assigning proper educational priorities to discharge its tasks in the economic, social and cultural development of the nation. Despite a growing realization that formal education alone cannot achieve El Salvador's human capital development goals, direct and indirect expenditures for this area far exceed those assigned to non-formal education. Within the formal education area, elementary education (grades 1-6) commands the most attention, with junior high school (grades 7-9) education next in priority. This is the GOES decision approximately ten years ago to place its major educational priority on providing free, universal, and compulsory education to all Salvadoran youth from grades 1-9, and to provide on a voluntary basis - accelerated elementary and junior high school programs for all out-of-school youth and adults. Meeting this ambitious target has always resulted in other areas of formal and non-formal education (e.g., senior high school, vocational/technical education, and university level programs) receiving relatively lower priority attention. Little evidence exists to believe that real educational priorities will shift significantly over the next five years.

The recently published GOES Five Year Plan, however, does identify six major priority areas:

- i) Modernization and expansion of education in rural areas;
- ii) Adult Education;

- iii) Expansion of University and Technological Education;
- iv) Support to private education Centers;
- v) Construction of additional sports facilities; and
- vi) Development of National Art and Cultural Centers.

To address these priority areas, the new Five Year Plan provides \$67.6 million for public investment in the Education Sector. About 38.3% of the public investment is earmarked for construction of class rooms (\$19.1 million), vocational and professional instruction (\$2.0 million), and teacher training (\$4.8 million). The rest is for the expansion of cultural services (\$8.0 million), open university programs (\$10.4 million) and construction of regional technical colleges (\$23.3 million). Out of total public investment (both financial and physical) planned during the period 1978-82, 4.6% (\$96.0 million) will be expended in the Education Sector.

b. Education Sector Strategy

AID Sector Strategy: AID's program objectives are designed to provide technical, commodity, and other assistance over a wide range of educational levels and activities to help the Ministry of Education meet its multiple development goals. However, owing to AID policy guidelines, financial constraints, other international agency activities, and MOE requests for specific assistance, the mission is planning activities in the following areas over the next several years.

Future Projects: Starting in late FY 1978, USAID and the MOE will initiate a four-year grant/loan project of approximately \$3.9 million in Basic and Occupational Skills Training in non-formal education. This program has its roots in a grant pilot project, which operated for two years beginning in March, 1976. It was designed to develop the institutional capability of the MOE to plan, administer, and evaluate short-term courses and services for the rural and urban out-of-school youth and adults who possess little or no formal education and no occupational skills, and who thus are the unemployed and underemployed majority of the poor in El Salvador.

The new grant/loan project's principal thrust will be upon developing an expanded and improved national system of entry-level skill training for poor rural and urban out-of-school youth and adults. In addition to continuing some activities started in the pilot project, it is expected that new areas of employment activity for small-scale and community enterprises (e.g., hotel and restaurant trades, commercial skills, and small appliance maintenance and repair) will be undertaken, and a new, "outreach" dimension achieved through the use of mobile training units.

Starting in FY 1979, a grant/loan package of approximately \$11 million is being proposed to expand and improve rural primary formal education (grades 1-6). This project is a logical outgrowth of previous USAID activities in this area. Since about 1968, USAID has assisted the MOE, through two major loans totalling approximately \$12 million, in a comprehensive educational reform effort that has affected all major aspects of formal education, grades 1-9. Thus the major focus of this project will be the construction and equipping of complete rural primary schools. Included also in the project will be technical assistance, participant training, and the provision of goods and services in curriculum reform, administrative and teacher training, and instructional materials development. A final feature will be assistance to develop a modern data collection and management system to help improve the efficiency of the complex MOE programs.

Starting in FY 1980, USAID and MOE will initiate a project in "rural living skills", which will be a logical and necessary additional area of concern in non-formal education to complement the Occupational Skills Training project. It will be intended for those poor persons, most of whom subsist in agricultural-type environments and require a wide range of educational and training services not now being provided adequately by any GOES public entity. These services include basic literacy education; basic vocational skill training in areas such as simple carpentry, masonry, plumbing, and electrical work; maintenance and repair of farm machinery and implements; and training in local artisan handcrafts and cottage industries.

Beginning FY 1981, the MOE, USAID and IFIs should undertake a long-range educational expansion of secondary education, starting first with junior high school education (grades 7-9) and following with comprehensive senior high school programs to accommodate the increasing number of expected graduates from primary schools. Attention must be directed toward curricula development that introduces concepts and exploratory experiences dealing with vocational careers. AID assistance to efforts in these areas should likewise be comprehensive, and include technical assistance, construction, commodities, participant training, and other related services and arts.

#### 4. Population Sector

##### a. Overview

El Salvador is a country in the midst of demographic transition: it has achieved the low overall mortality rates characteristic of a modernizing country while still maintaining traditionally high natural birth rates. During the second half of this century the crude death rate has declined dramatically, but the crude birth rate has undergone little change. This difference has led to El Salvador's "population explosion."

Whereas in 1950 the population of the country was 1,856,000, by mid 1977 an estimated 4.4 million<sup>1</sup> people were occupying the 8,260 square miles of land of El Salvador, already making it one of the most densely populated countries in the Western Hemisphere with 530 persons per square mile. It is predicted that at the current rate of natural growth (estimated at 3.3% in 1977) the population of El Salvador will double by the year 2,000, meaning that 8.8 people will be crowded into this already overcrowded country.

Emigration stimulated by population pressure has become an increasingly important factor influencing the relations of El Salvador with other nations, particularly with Honduras, with the United States and, to a lesser degree, with the other nations of Central America. A recent study<sup>2</sup> commissioned by the Interamerican Development Bank comments that tremendous population growth is severely testing the political, social and economic order in Central America, especially in El Salvador, which presently has little idle land where erosion, soil exhaustion, and current agricultural practices are diminishing the prospects of improved production yields.

Although data indicate a decrease in the crude birth rate from a high of 48.7 per thousand in the 1960-1964 period to 40.2 in 1976, which can be attributed in great part to the family planning program, the decline becomes less significant when two other factors are taken into account. The first of these is the previously mentioned decline in the mortality rate from 15.0 in the earlier period to an officially estimated 7.8 today. Second is the fact that due to the increasing number of women in the reproductive age groups - a trend which will continue given that nearly half of the population is under fifteen years of age - the absolute number of births each year is increasing.

---

1 MOH, Annual Report, 1977

2 Robert W. Fox and Jerrold W. Hugget, Demographic Growth in Central America, IDB report, Washington, D.C., 1977

Thus, unless there is a substantial decline in the total fertility rate (the number of children per fertile-age women at completion of child bearing) from an estimated 5.9 - 6.1 in the 1970 - 1972 period, a higher crude birth rate and thus an accelerating rate of population growth can be expected.

GOES Program: To review briefly the history of the program, from 1963 to 1968, all (public) family planning services were provided by the Salvadorean Demographic Association (SDA). The Ministry of Health (MOH) began active participation in the program in 1969 and by 1971 was offering family planning services in the five health regions. By mid-1977, 90% of the MOH's 231 facilities were providing such services. Since the MOH has primary responsibility for delivery of health services to rural areas and 85% of the total population expects health care from this service, it is considered to be the most important agency for the delivery of family planning services.

The Salvadorean Social Security Institute (ISSS) which serves approximately 7% of the population has 34 well equipped clinics and hospitals and focuses on groups such as factory workers and school teachers in urban areas and medium sized regional towns.

With the increasing involvement of the MOH and the ISSS in family planning activities, the SDA has substantially reduced its clinical services in family planning. Although it still maintains three clinics, SDA now concentrates on training and research and evaluation activities while providing the public with family planning information through the mass media. A major campaign will shortly be launched by the SDA to increase the use of condoms and oral contraceptives by the rural populace through the subsidized sale of these items to distributors and commercial outlets. Financing, technical assistance and publicity are provided to SDA for the activity by an AID contractor, Development Associates, Inc.

A system of sterilization clinics widely dispersed throughout the country has been created, equipped, and staffed by physicians and paramedical personnel who have been trained with assistance from international organizations and central AID funding. All three of the public sector service institutions have instituted procedures to ensure informed and voluntary consent for the operation, which is available to any man or woman without restriction as to spousal consent, number of children, or age.

Whereas the private sector (pharmacies and private physicians) is estimated at present to be the source of services for 5% of active users of contraceptive, analysis of the results of the MOH Fertility Survey conducted in November 1976 as part of the

National Manpower Survey is likely to show an increase in contraceptive use from this source.

In 1974 the GOES announced its National Integrated Population Policy, one of whose eight goals was "to modify the population dynamic." The program was assigned for implementation to the GOES National Population Commission which until very recently was sited in the Ministry of Planning. In late 1977 the Commission was transferred to the Ministry of the Presidency which is directed by the Vice-President. The executing arm of the Commission is the Population Technical Committee on which is represented the Ministry of Planning as well as the three service institutions in the official family planning program, the MOH, the ISSS, and the SDA. The Commission is taking an increasingly active role in coordinating the family planning programs of the three institutions and has the potential of providing technical advice to the Government on a variety of policies that could affect the demographic situation.

Realizing that effort to improve the socio-economic conditions of the country are hampered by the high population growth rate, the GOES is in the process of implementing an aggressive policy of population control and has spent \$7,372,000 since 1966 to pursue this end; about 70% of this money has been committed since 1974.

Institutional Strengths and Weaknesses: The strongest aspect of the GOES program to date and the area in which AID has placed its emphasis is that of services and supporting training. Services have been most effective in the urban area where contraceptive prevalence is estimated at nearly 30% compared to 9% in rural areas. Although services are available in rural areas, they have not been widely accepted. Reasons for this include first, the fact that the rural male is a key element in the decision of rural women to use modern means of contraception. To date he has not been a focus of services or information. Second, rumors of side effects continue to be a major detriment to family planning adoption in rural areas. A carefully designed and focused mass media campaign can ameliorate both problems. The enthusiasm with which the GOES is utilizing mass media in its program, with AID funded assistance, makes it another strong aspect of the program.

The GOES has, with other donor assistance, been very successful in supporting the sterilization program in major urban areas, and is now expanding the service to several rural health facilities. This expansion is both in response to and designed to stimulate the demand on the part of Salvadoran couples to use a permanent means of contraception. Moreover sterilization seems to face little opposition in El Salvador from either a health or religious point of view.

Less strong elements of the GOES program are those of demography, policy and community participation. El Salvador has a lack of sound demographic analytic skills making it difficult to aim programs specifically to target areas. Policy has been limited to making services available and to strengthening demand through the use of mass media. But the effect of programs focusing on other problem areas such as education, income redistribution, urbanization, and the status of women, has been largely ignored. Moreover insufficient attention has been paid by the GOES to means of strengthening the impact of programs in other sectors on fertility through more inclusion in them, for example, of dissemination of family planning information. Similarly the major area of adolescent fertility has been ignored to date.

Finally community participation in support of measures to increase family planning acceptance is very weak, as it is in other sectors as well. GOES initiative in outreach such as that of the RHA activity may be effective in this area, but new thinking is needed in terms of developing GOES-sponsored incentives for communities successful in reducing the birth rate.

Overview of the Five Year Plan (1978-1982): The National Population Policy announced in 1974 forms the basis for the population component of the Five Year Plan. The Policy calls for "modification of the demographic dynamic." The GOES has until recently been reluctant to set a targeted growth rate. In the Plan, however, a targeted rate of 35 per 1000 is set for achievement by 1982, primarily through family planning programs.

b. Population Sector Strategy

AID Sector Strategy: AID's program objectives are designed ultimately to assist the GOES in its effort to reduce the birth rate to a desired level. This is to be accomplished through a combination of family planning programs to increase contraceptive prevalence and development programs which are expected to encourage a reduced desired family size and the adoption of effective means of contraception.

To increase the effectiveness of the current program, USAID will assist the GOES in (1) determining groups of actual or potential high fertility and (2) aiming programs of information, including mass media, and services at these groups. In view of the major differences existing between rural, urban and metropolitan

fertility, and the fact that 46% of the population is under 15, implying a large potential for continued rapid population growth, two parameters have been used as a basis for defining the target groups, i.e., location and age.

Thus efforts will be made to focus the program first toward the rural male, increasingly shown to be the key factor in the adoption of effective family planning methods by the rural female; rural women, especially the younger group; adolescents, a group almost completely neglected to date; and the marginal urban population, whose reproduction pattern is often more rural than urban.

From the strategy emerges a need to improve the operational service program to attract and serve these groups more effectively. This includes improved programs of outreach, or community distribution, which in the end depends on removal of restrictions to distribution of initial cycles of oral contraceptives. AID's tactic is to continue to urge the GOES to test the effectiveness of trained outreach agents in applying a checklist of contraindications prior to distribution of orals.

Secondly, AID is encouraging full scale implementation of the contraceptive commercialization program in the expectation that within three years, the rural populace will be able and desirous of purchasing a variety of contraceptives, including orals, condoms, foams, etc., in small shops throughout the country.

Future Projects: USAID's 1980 PID in Population will reflect its broadened look at the population problem. In response to GOES desires, bilateral assistance will be directed primarily toward the National Population Commission which is expected to exercise a stronger role in planning and coordinating a variety of service and information programs and development policies that will encourage fertility reduction.

The PID will include activities to address the following areas:

- i) Demographic Planning and Analysis -- including training and technical assistance.
- ii) Policy -- including technical assistance; seminars designed to strengthen Government commitment; role and status of women; community participation; and role of elites.
- iii) Research -- including operational projects on

fertility determinants; of barriers to acceptance of family planning; and program evaluation.

- iv) Services -- including training and T.A. in program planning and management involving improved use of paramedicals; and community distribution and commercialization.
- v) Training -- including improved communications training for all health workers in family planning motivation/information; and development of family planning component for medical training.
- vi) Mass media -- including improved focus of mass media to target groups; and training in the effective use of mass media, etc.

Appendix B  
Data Tables

EL SALVADOR: PUBLIC INVESTMENT IN THE RURAL POOR SECTOR  
(In Thousands of U.S. Dollars)

0000183

	1973	1974	1975	1976	1977
President's Office - FOCCO	1,541	1,980	2,109	3,166	3,475
Ministry of Education Equipment and Construction of Primary Schools	-	-	4,440	6,228	8,096
Ministry of Health and Social Assistance Expansion of the Health Services Introduction of Potable Water in Rural Areas (BID)	440	520	3,634	7,216	9,029
Introduction of Potable Water in Rural Areas (UNICEF, OPS, OMS)	595	820	836	869	649
Latrine Installation	40	200	379	411	206
Coordinated Program of Community Development San Miguel-Morazán	39	48	60	103	186
	-	-	32	161	22
Ministry of Agriculture and Livestock Sea Fishing Research and Promotion of Artisan Fishing	-	-	-	524	755
Promotion of the Basic Grain Production Irrigation and Drainage - Atiocooyo	-	-	-	2,306	1,239
Enlargement and Improvement of Zapotitan Work Small Irrigation Work and Inundation Control	63	1,950	2,196	3,019	4,868
Irrigation and Drainage - Costal Zone	8	102	182	125	116
Commerce - Infrastructure - Atiocooyo	-	38	-	269	305
Development of Artisan Fishing	-	-	92	483	365
La Libertad - Tamarindo	-	-	-	144	172
	-	-	-	-	5
Ministry of Public Works Rural Road Program	31	116	116	140	2,216
Total Investment in Rural Poor Sector	2,757	5,774	14,076	25,164	31,704
Total Public Investment of the Central Gov.	23,992	41,050	52,226	82,079	117,237
Percentage (%)	11.5	13.3	27.0	30.7	27.0

SOURCE: Ministry of Finance "Informe Complementario Sobre La Hacienda Pública".

T A B L E 1

CENTRAL GOVERNMENT EXPENDITURES BY PROGRAM 1972 - 1977

(Millions of Current Dollars)

	1972	1973	1974	1975	1976	1977	% An. Growth Total 1972-77
	Total	Total	Total	Total	Total	Total	Total
Development of Resources	2.0	1.3	1.8	1.8	2.2	2.3	2.0
Social Development	69.3	45.1	79.6	114.1	152.6	186.8	38.2
Education	36.5	23.6	41.6	58.6	76.4	113.2	21.9%
Health	10.8	7.0	17.4	27.4	31.0	49.3	25.4%
Social Assistance	1.4	1.4	1.7	2.0	2.6	4.1	35.5%
Labor/Social Security	8.7	9.6	10.0	9.9	9.5	12.4	
Housing	0.1	2.5	0.7	3.0	4.8	7.8	
Infrastructure Development	25.8	16.8	35.5	59.0	75.8	90.6	28.6%
Transport/Storage	8.1	10.8	14.0	18.2	34.3	49.8	
Communications	1.1	1.4	1.7	1.8	2.2	2.9	
Energy	4.8	6.9	14.2	12.6	6.3	2.6	
Water/Sewage	1.8	5.6	5.7	7.0	7.6	8.2	
Urban/Com. Development	2.8	3.8	5.3	6.3	9.0	27.1	
Production Development	9.1	5.9	12.8	35.0	52.5	48.4	39.7%
Agriculture	6.4	4.2	8.5	18.6	36.1	35.7	41.0%
Industry/Commerce	1.3	1.2	2.2	2.6	5.2	6.9	
Tourism	0.7	0.7	1.5	3.0	5.4	5.3	
Services	0.1	0.2	0.2	0.2	0.3	0.5	
Economic/Financial Services	20.0	13.1	18.3	26.2	61.9	79.3	16.0
Administration/Gen. Services	27.3	17.8	30.6	43.2	59.0	81.6	24.5%
(Defense)	(7.8)	(5.1)	(9.6)	(5.7)	(17.8)	(26.5)	(5.3)
T O T A L	153.5	100.0	180.0	283.8	411.2	496.8	100.0
% G D P	13.3	13.5	15.1	15.6	18.8	19.6(est)	19.6(est)

0000184

TABLE 2

EL SALVADOR: ACTUAL\* AND PLANNED TOTAL INVESTMENT 1973 - 1977  
(In Millions of Dollars at Current Prices)

	1973		1974		1975		1976		1977		1973 - 1977		An. Growth Rate	
	Actual	Planned	Actual	Planned	Actual	Planned								
<u>Productive Sector</u>														
Development	28.0	30.1	84.3	45.8	63.6	47.8	95.8	50.3	109.2	53.0	380.9	227.0	40.5	15.2
Agriculture	15.5	17.2	34.1	31.2	35.6	30.0	48.3	31.4	64.5	33.2	198.0	143.0		
Industry	12.2	11.3	49.6	12.7	27.0	15.7	46.3	16.3	43.0	17.0	178.1	73.0		
Tourism	0.3	1.6	0.6	1.9	1.0	2.1	1.2	2.6	1.7	2.8	4.8	11.0		
<u>Infrastructure</u>														
Development	33.5	39.0	55.8	53.8	82.9	55.7	73.4	50.9	99.4	50.7	345.0	250.1	31.2	6.8
<u>Transportation &amp; Communications</u>														
Energy	11.5	24.8	18.2	32.2	29.4	32.9	33.2	27.1	62.1	21.9	154.4	138.9		
Aqueducts & Sewage	21.0	11.9	35.8	13.5	51.4	14.9	36.0	20.6	31.0	26.4	175.2	87.3		
	1.0	2.3	1.8	8.1	2.1	7.9	4.2	3.2	6.3	2.4	15.4	23.9		
<u>Social Development</u>														
Health	15.7	15.9	18.7	17.6	29.1	27.9	36.7	25.5	59.2	27.9	159.4	114.8	39.4	15.1
Education	2.5	3.2	3.1	5.0	6.5	10.8	6.4	6.5	10.5	6.2	29.0	31.7		
Housing	7.1	5.1	6.5	3.3	7.6	6.2	8.2	5.9	16.6	6.7	46.0	27.2		
Community Development	3.4	6.4	6.2	8.0	11.3	9.6	17.4	11.7	26.5	13.7	64.8	49.4		
	2.7	1.2	2.9	1.3	3.7	1.3	4.7	1.4	5.6	1.3	19.6	6.5		
<u>Public Administration</u>														
	2.8	6.1	3.4	5.0	6.1	3.1	9.2	3.3	8.8	3.5	30.3	21.0		
<b>T O T A L</b>	80.0	91.1	162.2	122.2	181.7	134.5	215.1	130.0	276.6	135.1	915.6	612.9	36.4	10.4

SOURCE: Ministry of Planning "Plan de Desarrollo Económico y Social 1973 - 1977.

\* Calculated from data of The Ministry of Planning.

TABLE 3

AID Target Population and Its Per Capita Income in 1976

	Per Capita Income (all earnings)	No. of People Affected (In Millions)	No. of House holds (In Thousands)
<u>Small Farmers</u>			
0.5 - 1.0 Ha.	\$ 111	1.32	225
1.0 - 2.0 Ha.	\$ 142		
Landless	\$ 70	0.72	170
Urban Poor	\$ 99	<u>0.87</u>	<u>145</u>
T O T A L		2.91	490
Population	\$ 426	4.34	

0000186

SOURCE: Agriculture Sector Assessment 1977 and Economics Office  
USAID/El Salvador.

EL. SALVADOR: GROSS NATIONAL PRODUCT, NATIONAL INCOME AND PER CAPITA INCOME  
1960 - 1976

	Gross National Product(a)		National Income (a)		Per Capita Income (b)		Annual Growth Rate (c)		
	At Current Prices	At Constant 1971 Prices	At Current Prices	At Constant 1971 Prices	At Current Prices	1971 Prices	GNP	NI	PCI
1960	565.1	593.0	489.7	513.4	191	200			
1961	574.3	613.6	504.9	539.4	190	203	3.5	5.0	1.5
1962	636.1	685.5	558.2	601.5	204	220	11.7	11.5	8.4
1963	672.3	715.2	587.2	624.7	208	222	4.3	3.9	0.9
1964	741.0	782.5	644.2	680.3	221	234	9.4	8.9	5.4
1965	790.0	822.9	682.9	711.4	228	237	5.2	4.6	1.3
1966	837.2	883.1	730.6	770.7	235	248	7.3	8.3	4.6
1967	879.0	931.1	769.4	815.0	239	253	5.4	5.7	2.0
1968	909.5	961.4	804.5	850.4	241	255	3.3	4.3	0.8
1969	944.5	993.2	832.0	874.9	240	253	3.3	2.9	-0.8
1970	1020.1	1026.3	891.6	897.0	249	251	3.3	2.5	-0.8
1971	1071.5	1071.5	938.5	938.5	254	254	4.4	4.6	1.2
1972	1142.1	1130.8	998.2	988.3	261	259	5.5	5.3	2.0
1973	1317.6	1186.0	1151.2	1036.2	291	262	4.9	4.8	1.2
1974	1556.3	1258.1	1354.1	1094.7	332	268	6.1	5.6	2.3
1975	1796.5	1309.4	1569.6	1144.0	373	272	4.1	4.5	1.5
1976(p)	2178.7	1386.8	1855.8	1181.3	427	272	5.9	3.3	0.0

0000187

SOURCE: Central Reserve Bank, Monthly Review.

(a) In millions of U.S. Dollars

(b) In U.S. Dollars

(c) In Real Terms (%)

(p) Preliminary

CENTRAL GOVERNMENT CURRENT AND CAPITAL RECEIPTS 1972-1977  
(Millions of Current Dollars)

	1972	1973	1974	1975	1976	1977
<u>CURRENT RECEIPTS</u>						
Tax Receipts	122.0	150.4	181.3	216.5	307.0	452.6
Income Taxes	20.9	25.0	32.0	47.6	55.8	65.7
Prop. & Cap. Taxes	9.4	12.3	11.8	14.1	19.0	29.3
Import Taxes	28.3	31.4	37.2	37.1	46.1	65.5
Export Taxes	19.0	30.4	37.3	44.7	96.0	184.0
(Coffee)	(17.0)	(29.6)	(36.0)	(31.2)	(90.9)	(166.8)
Consumption Taxes	32.8	37.3	43.7	51.2	62.8	74.2
Other Taxes	11.6	14.0	19.3	21.8	27.3	33.9
Other Current Income	10.4	12.5	12.4	14.6	17.2	19.9
<u>CAPITAL RECEIPTS</u>						
Direct Loans	24.5	27.9	45.0	73.7	70.8	28.4
Bond Sales	11.4	14.7	22.1	33.3	31.2	27.5
Capital Transfers	9.2	11.6	22.5	40.0	39.2	--
Other	0.3	0.1	0.1	0.1	--	--
	3.6	1.5	0.3	0.3	0.4	0.9
T O T A L	156.9	190.8	238.7	304.8	395.0	500.9

0000188

EL SALVADOR: Increment Capital - Output Ratio of the Industrial Sector  
(In Millions of Colones at Constant 1971 Prices)

	Net Investment (1)	Industrial GDP (2)	A'GDP <sub>i</sub> (a) (3)	A'GDP <sub>i</sub> (b) (4)	ICOR <sub>i</sub> (c) (5) = (1)/(3)	3 YEAR MOVING AVERAGE (6) = (1)/(4)	ICOR <sub>i</sub> (d) (6) = (1)/(4)
1970	69.5	485.0	-	-	2.0	-	2.6
1971	71.9	519.3	34.3	-	3.6	-	2.6
1972	93.9	539.4	20.1	27.2	2.6	3.7	2.9
1973	101.5	575.5	36.1	28.1	3.5	-	4.6
1974	110.9	604.1	28.6	32.4	7.0	-	-
1975	128.4	620.0	15.9	22.3	-	-	-

SOURCE: Ministry of Economy; Industrial Programming Unit

(a)  $A'GDP_i = GDP_i(t+1) - GDP_i(t)$ ; where  $t = \text{year}$

(b)  $A''GDP_i = \frac{GDP_i(t+2) - GDP_i(t)}{2}$ ; where  $t = \text{year}$

(c)  $ICOR_i = \text{Increment capital} - \text{Output ratio of the Industrial Sector, with one year lag.}$

(d)  $ICOR'_i = \text{Increment capital} - \text{Output ratio of the Industrial Sector with two year lag.}$

(p) Preliminary

TABLE 7

## EL SALVADOR: POPULATION BY URBAN AND RURAL AREAS, DEMOGRAPHIC AND ILLITERACY RATES

	Population (a)		Urban Percent	Rural Percent	% of Total popul. 14 years old and older	Birth Rate(b)	Mortality Rate(b)	Infant Mortality Rate(b)	Illiteracy Rate (c)
	Urban	Rural							
1960	2.57	1.58	38.5	61.5	45.1	46.5	11.0	76.3	49.2
1961	2.66	1.63	38.7	61.3	-	49.4	11.3	70.0	--
1962	2.74	1.67	39.1	60.9	-	48.4	11.5	71.4	--
1963	2.82	1.72	39.0	70.0	-	49.0	10.9	67.7	--
1964	2.91	1.77	39.2	60.8	-	47.1	10.4	65.0	--
1965	3.00	1.82	39.3	60.7	46.1	46.9	10.6	70.6	--
1966	3.11	1.88	39.5	60.5	-	45.4	10.0	62.0	--
1967	3.22	1.95	39.4	60.6	-	44.4	9.2	63.1	--
1968	3.34	2.02	39.5	60.5	-	43.2	9.1	59.2	--
1969	3.46	2.09	39.6	60.4	-	42.1	9.9	63.3	--
1970	3.58	2.16	39.7	60.3	46.1	40.0	9.9	66.6	--
1971	3.70	2.23	39.7	60.3	-	43.4	8.1	52.5	40.3
1972	3.82	2.30	39.8	60.2	-	41.8	8.8	58.3	--
1973	3.95	2.37	40.0	60.0	-	41.3	8.5	59.1	--
1974	4.08	2.44	40.2	59.8	-	40.8(p)	7.9	53.4	--
1975	4.21	2.51	40.4	59.6	45.4	40.1(p)	8.0	58.2	37.9
1976	4.35	2.59	40.5	59.5	-	40.2(p)	-	-	--
1977	4.50	2.67	40.7	59.3	-	--	-	-	--

0000190

SOURCE: Ministry of Planning: "Indicadores Económicos y Sociales Julio-Diciembre, 1976" (Demographic Rates) and Ministry of Education "Memoria de Labores 1975-1976 (Illiteracy Rates)

- (a) In Millions  
(b) Per Thousand  
(c) Percent

NOTE: The Population figure was interpolated from five year interval data of the Ministry of Planning.

TABLE 8

Estimated General Fertility Rate in El Salvador  
Number of Children 0-1 per 1,000 Women, Ages 15-44

A R E A	1961	1971	% Changes
Metropolitan San Salvador	149.8	116.0	-22.6
Urban	148.8	124.3	-16.5
Rural	204.7	206.7	+ 1.0
Total, El Salvador	180.9	170.0	-6.0

SOURCE: Census Data

TABLE 9

Crude Birth Rate by Geographic Zone (7/74-6/75)

A R E A	CRUDE BIRTH RATE*	% of WIFA using Contraceptives
Metropolitan	31 - 33	29.2
Urban	34 - 35	15.8
Rural	46 - 47	9.1

Per 1000 inhabitants

SOURCE: National Survey on Fertility and Family Planning of El Salvador, 1975

0000192

Year	Elementary	Junior High	Junior High as % of Elementary	High School	High School as % of Junior High	University	University as % of High School
1960	321.4	17.9	5.6	9.2	51.4	2.4	26.1
1961	341.2	20.3	5.9	10.8	53.2	2.5	23.1
1962	353.6	21.8	6.2	12.6	57.8	2.9	23.0
1963	358.4	24.2	6.8	12.9	53.3	3.1	24.0
1964	378.6	28.8	7.6	17.1	59.4	3.5	20.5
1965	397.8	31.0	7.8	16.2	52.3	3.9	24.1
1966	434.0	33.8	7.8	17.9	53.0	5.2	29.1
1967	473.6	40.2	8.5	21.0	52.2	6.9	32.9
1968	461.9	43.9	9.5	22.1	50.3	7.9	35.7
1969	516.8	46.9	9.1	24.1	51.4	8.3	34.4
1970	531.5	49.4	9.3	25.5	51.6	10.0	39.2
1971	535.0	60.3	11.3	28.4	47.1	13.4	47.2
1972	541.9	76.4	14.1	30.0	39.3	3.2(1)	10.7
1973	588.2	92.3	15.7	35.0	37.9	19.8	56.6
1974	613.8	109.2	17.8	44.7	40.9	24.6	55.0
1975	640.7	118.8	18.5	51.7	43.5	28.3	54.7
1976	667.7	128.6	19.3	59.1	50.0	29.4	49.7
1977(p)	690.1	132.9	19.3	64.8	48.8	30.3	46.8
Annual Grw. Rate (1960-1977)	4.6	12.5		12.2		16.1	

SOURCE: Ministry of Planning; Indicadores Económicos y Sociales, Septiembre-Diciembre 1968 (1960-1966), Julio-Diciembre 1976 (1967-1975) and Enero-Junio 1977 (1976-1977)

(1) The "Universidad de El Salvador" was closed during this year

NOTE: There are two universities: Universidad de El Salvador and Universidad Centroamericana José Simeón Cañas, which was founded in 1966.

EL SALVADOR: PUBLIC INVESTMENT PLAN 1978-1982 CAPITAL AND FINANCIAL  
(In millions of Colones or Dollars at constant 1975 prices)

0000193

	Capital Investment		Financial Investment		Total Investment	
	¢	\$	¢	\$	¢	\$
<u>Productive Sector Development</u>	738.7	295.5	23.1	74.8	2226.9	890.8
Agriculture	290.9	116.3	9.1	336.0	1130.8	452.3
Industry	391.9	156.8	12.3	258.5	1038.2	415.3
Tourism	55.9	22.4	1.7	0.8	57.9	23.2
<u>Infrastructure Development</u>	1871.1	748.4	58.5	11.2	2093.5	837.4
<u>Transportation and Communications</u>	969.0	387.6	30.3	10.4	1176.4	470.6
Energy	738.7	295.5	23.1	2.3	744.5	297.8
Aqueducts and Sewage	163.4	65.3	5.1	3.7	172.6	69.0
<u>Social Development</u>	446.8	178.7	13.9	8.3	613.4	245.3
Health	237.4	94.9	7.4	5.9	252.1	100.8
Education	173.7	69.5	5.4	26.5	240.0	96.0
Housing	-----	-----	-----	27.5	68.9	27.5
Community Development	35.7	14.3	1.1	6.7	52.4	21.0
<u>Public Administration</u>	142.5	57.0	4.5	5.6	253.8	101.5
<b>TOTAL</b>	3199.1	1279.6	100.0	100.0	5187.6	2075.0
			(61.7)	(38.3)		(100.0)

SOURCE: Ministry of Planning, "Plan de Desarrollo Económico y Social 1978 - 1982".

TABLE 12

EL SALVADOR: PUBLIC INVESTMENT PLAN 1973-1977, CAPITAL AND FINANCIAL  
(in millions of Colones or Dollars)

	Capital Investment		Financial Investment		Total Investment	
	¢	\$	¢	\$	¢	\$
<u>Productive Sector Development</u>	162.3	64.9	405.2	162.1	567.5	227.0
Agriculture	107.0	42.8	250.3	100.1	357.3	142.9
Industry	37.3	14.9	145.3	58.1	182.6	73.0
Tourism	18.0	7.2	9.6	3.9	27.6	11.1
<u>Infrastructure Development</u>	576.6	230.7	48.6	19.4	625.2	250.1
Transportation and Communications	320.7	128.3	26.6	10.6	347.3	138.9
Energy	196.3	78.5	22.0	8.8	218.3	87.3
Aqueducts and Sewage	59.6	23.9	---	---	59.6	23.9
<u>Social Development</u>	206.0	82.4	81.1	32.4	287.1	114.8
Health	79.2	31.7	---	---	79.2	31.7
Education	65.0	26.0	3.0	1.2	68.0	27.2
Housing	45.4	18.2	78.1	31.2	123.5	49.4
Community Development	16.4	6.5	---	---	16.4	6.5
<u>Public Administration</u>	37.5	15.0	15.0	6.0	52.5	21.0
TOTAL	982.4	393.0	549.9	219.9	1532.3	612.9
		(64.1)		(35.9)		(100.0)
		100.0		100.0		100.0
						(100.0)

SOURCE: Ministry of Planning "Plan de Desarrollo Económico y Social 1973 - 1977"

EL SALVADOR: UTILIZED BUDGET OF THE MINISTRY OF DEFENSE  
(In Millions of Dollars)

	1971	1972	1973	1974	1975	1976	1977
Operating Budget	7.6	9.3	10.3	13.5	13.4	17.7	22.3
(Superior Administration & Administrative General Services)	(1.1)	(1.1)	(1.1)	(1.8)	(1.4)	(1.6)	(2.1)
(Technical Directorate of Armed Forces)	(0.5)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.3)
(Military Training)	(0.3)	(0.2)	(0.2)	(0.2)	(0.2)	(0.3)	(0.3)
(Armed Forces Technical Instruction)	(0.3)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)	(0.3)
(Armed Forces)	(3.6)	(5.8)	(7.1)	(9.5)	(10.0)	(13.3)	(17.2)
(Logistic) *	(1.8)	(1.9)	(1.6)	(1.7)	(1.5)	(2.1)	(2.1)
Investment **	1.0	0.3	0.5	1.3	1.6	1.3	4.2
Total Defense Expenditures	8.6	9.6	10.8	14.8	15.0	19.0	26.5
Total Central Government Expenditures	142.4	153.5	180.0	237.8	283.8	411.2	496.8
Percent	6.0	6.3	6.0	6.2	5.3	4.6	5.3
Gross National Product	1071.5	1142.1	1317.6	1556.3	1796.5	2178.7(p)	2634.4(p)
Defense Expenditures as Percent of GNP	0.8	0.8	0.8	1.0	0.8	0.9	1.0

0000195

SOURCE: "Informe Complementario Constitucional" published by Dirección de Contabilidad Central and Central Reserve Bank, Monthly Review.

\* Logistics includes Military equipment maintenance, military garments, hospitals and medical assistance and musical services.

\*\* Investment in construction, enlargements and improvements of the Ministry's buildings and procurement of Real Estate.

(p) Preliminary.

TABLE 14

EL SALVADOR: UTILIZED BUDGET OF THE PUBLIC SECURITY SECTOR  
(In Millions of Dollars)

	1971	1972	1973	1974	1975	1976	1977
Operating Budget	4.6	4.8	4.7	5.3	5.9	7.7	9.1
(Public Security)	(4.6)	(4.8)	(4.7)	(5.3)	(5.9)	(7.7)	(9.1)
Current Transfers to Educational Inst.							
Investment	0.04	0.04	0.04	0.04	0.04	0.04	0.03
Total Public Security Expenditures	4.6	4.8	4.7	5.3	5.9	7.7	11.0
Total Central Govern- ment Expenditures	142.4	153.5	180.0	237.8	283.8	411.2	496.8
Percent	3.2	3.1	2.6	2.2	2.1	1.9	2.2
Gross National Product	1071.5	1142.1	1317.6	1556.3	1796.5	2178.7(p)	2634.4(p)
P.S. Expenditures as Percent of GNP	0.4	0.4	0.4	0.3	0.3	0.4	0.4

SOURCE: Informe Complementario constitucional, published by Dirección de Contabilidad Central.

(p) Preliminary

0000196

TABLE 15

EXPORTS OF MILITARY EQUIPMENT  
(In Millions of Dollars)

<u>I. Equipment</u>		<u>CY'71</u>	<u>CY'72</u>	<u>CY'73</u>	<u>CY'74</u>	<u>CY'75</u>	<u>CY'76</u>
<u>Purchase</u> ***							
1. Third Country (firearms)		0.0	0.0	0.1	5.6	3.6	0.3
2. US (FMS) plus* Commercial buys		0.4	0.4	0.4	0.4	0.4	0.4
Sub-Total (purchase)		0.4	0.4	0.5	6.0	4.0	0.7
<u>Grants**</u>							
1. U.S. (MAP) (non-firearms)		0.0	0.0	0.0	0.1	0.8	0.04
Total Military Equipment Impts.		0.4	0.4	0.5	6.1	4.8	0.7
II. Training (US Grants)	0.3	0.4	0.4	0.4	0.5	0.8	0.8
Total Mil. Impts.	0.7	0.8	0.9	6.5	5.3	1.5	
III. Total Imports		302.1	339.0	460.0	671.5	708.7	759.3
1. Military Eqmt. Impts. as a % of Tot. Impts.		0.1	0.1	0.1	0.9	0.7	0.1
2. Military Eqmt. Impts. as a % of GNP		0.04	0.04	0.04	0.4	0.3	0.03
3. Military Impts. as % of Tot Impts.		0.2	0.2	0.2	1.0	0.7	0.2
4. Military Impts. as a % of GNP		0.1	0.1	0.1	0.4	0.3	0.1

\* Yearly data are not available. The cumulative purchase during 1969-76 is \$2.8 million which would yield an annual average of \$0.4 million.

\*\* El Salvador has terminated this program as of April 1977

\*\*\* Third country figures are estimates, based on sales of which the Mission is aware. Thus, there may be some understatement. Similarly, under US(FMS) plus commercial buys, some commercial sales directly from US sources and not through DOD may be unrecorded. The quantities involved would be small.

EL SALVADOR: GROSS DOMESTIC PRODUCTS, EXPORTS AND IMPORTS 1960-1977  
(In Millions U.S. Dollars)

	Gross Domestic Product		Exports (a)		Expts. as % of GDP (b)	Imports (a)		Impts. as % of GDP (b)
	At Current Price	At Constant 1971 Prices	At Current Price	At Constant 1971 Prices		At Current Price	At Constant 1971 Prices	
1960	568.0	596.0	116.8	126.3	21.2	122.4	131.2	22.0
1961	577.6	617.1	119.1	134.1	21.7	108.7	114.2	18.5
1962	641.0	690.7	136.3	181.7	26.3	124.8	142.8	20.7
1963	677.4	720.6	153.8	178.8	24.8	151.8	164.6	22.8
1964	746.7	788.5	178.1	187.5	23.8	191.1	200.9	25.5
1965	796.9	830.1	188.7	188.7	22.7	200.6	206.6	24.9
1966	843.9	890.2	188.9	192.8	21.7	220.0	251.7	28.3
1967	886.3	938.9	207.2	232.8	24.8	223.9	228.2	24.3
1968	916.8	969.1	211.7	237.9	24.5	213.5	224.5	23.2
1969	952.7	1001.8	202.1	232.3	23.2	209.2	215.4	21.5
1970	1028.6	1034.8	236.2	225.0	21.7	213.4	215.6	20.8
1971	1081.6	1081.6	243.2	243.2	22.5	247.4	247.4	22.9
1972	1152.8	1141.4	301.7	274.3	24.0	278.1	260.4	22.8
1973	1332.6	1199.5	358.4	265.5	22.1	273.8	217.0	24.9
1974	1577.4	1275.2	462.5	275.3	21.6	563.4	318.8	25.0
1975	1824.0	1329.4	513.4	298.5	22.5	598.0	306.5	23.1
1976	2185.5	1391.2	720.7	287.1	20.6	717.9	366.1	26.3
1977 (p)	2660.8	1462.8	980.0			946.8		

SOURCE: Central Reserve Bank Monthly Review

- (a) Goods
- (b) At Constant 1971 Prices
- (c) Preliminary

0000198

EL SALVADOR: GROSS NATIONAL PRODUCT, NATIONAL INCOME AND PER CAPITA INCOME  
1960 - 1976

0000199

	Gross National Product (a)		National Income (a)		Per Capita Income (b)		Annual Growth Rate (c)		
	At Current Prices	At Constant 1971 Prices	At Current Prices	At Constant 1971 Prices	At Current Prices	At Constant 1971 Prices	GNP	NI	PCI
1960	565.1	593.0	489.7	513.4	191	200	3.5	5.0	1.5
1961	574.3	613.6	504.9	539.4	190	203	11.7	11.5	8.4
1962	636.1	685.5	558.2	601.5	204	220	4.3	3.9	0.9
1963	672.3	715.2	587.2	624.7	208	222	9.4	8.9	5.4
1964	741.0	782.5	644.2	680.3	221	234	5.2	4.6	1.3
1965	790.0	822.9	682.9	711.4	228	237	7.3	8.3	4.6
1966	837.2	883.1	730.6	770.7	235	248	5.4	5.7	2.0
1967	879.0	931.1	769.4	815.0	239	253	3.3	4.3	0.8
1968	909.5	961.4	804.5	850.4	241	255	3.3	2.9	-0.8
1969	944.5	993.2	832.0	874.9	240	253	3.3	2.5	-0.8
1970	1020.1	1026.3	891.6	897.0	249	251	4.4	4.6	1.2
1971	1071.5	1071.5	938.5	938.5	254	254	5.5	5.3	2.0
1972	1142.1	1130.8	998.2	988.3	261	259	4.9	4.8	1.2
1973	1317.6	1186.0	1151.2	1036.2	291	262	6.1	5.6	2.3
1974	1556.3	1258.1	1354.1	1094.7	332	268	4.1	4.5	1.5
1975	1796.5	1309.4	1569.6	1144.0	373	272	5.9	3.3	0.0
1976(p)	2178.7	1386.8	1855.8	1181.3	427	272			

SOURCE: Central Reserve Bank, Monthly Review.

- (a) In millions of U.S. Dollars
- (b) In U.S. Dollars
- (c) In Real Terms (%)
- (p) Preliminary

EL SALVADOR: STRUCTURE OF THE GROSS DOMESTIC PRODUCT BY ECONOMIC SECTORS

1960 - 1982  
(In Percentages)

	1960	1965	1970	1975(a)	1976(a)	1977(b)	1978(b)	1979(b)	1980(b)	1981(b)	1982(b)
Agricultural and Livestock	30.8	26.9	26.2	25.6	23.8	21.1	20.7	20.2	19.7	19.2	18.8
Industry	14.5	17.3	18.3	18.4	18.9	20.7	20.9	21.3	21.7	22.0	22.5
Construction	2.9	3.1	2.7	4.0	3.9	4.6	5.1	5.3	5.3	5.4	5.0
Electricity	1.1	1.4	1.9	2.3	2.4	1.3	1.3	1.3	1.4	1.4	1.5
Commerce	24.2	26.6	23.6	22.2	23.3	24.0	23.7	23.5	23.5	23.4	23.4
Public Administration	8.1	7.1	7.6	7.9	8.0	9.5	9.8	9.9	9.9	9.9	10.0
Other Sectors	18.4	17.6	19.7	19.6	19.7	18.8	18.5	18.5	18.5	18.7	18.8
T O T A L	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

SOURCE: 1960 - 70 General Directorate of Statistics "El Salvador en Cifras 1977"

1975 - 76 Central Reserve Bank "Monthly Review"

1977 - 82 Ministry of Planning "Plan de Desarrollo Económico y Social 1978 - 82"

(a) Preliminary

(b) Projection

NOTE: At constant prices'

0000200

EL SALVADOR: COMPONENTS OF AGREGATE DEMAND 1960-1976  
(In millions of U.S. Dollars at current prices)

	Gross				Statistical		GNP (6)=1+2+3-4+5
	Consumption (1)	Investment (2)	Exports (a) (3)	Imports (a) (4)	Discrepancy (5)		
1960	514.8	87.8	115.8	141.5	- 8.9		568.0
1961	513.6	76.7	129.6	129.0	-13.3		577.6
1962	554.2	77.8	149.8	146.6	5.8		641.0
1963	588.0	85.8	163.9	176.0	15.7		677.4
1964	632.4	126.9	190.6	217.1	13.9		746.7
1965	679.6	123.1	211.6	230.8	13.4		796.9
1966	730.9	144.5	208.2	252.3	12.6		843.9
1967	772.0	130.7	226.9	254.9	11.6		886.3
1968	815.2	102.2	233.8	249.8	15.4		916.8
1969	844.0	121.3	222.2	247.0	12.2		952.7
1970	884.2	136.2	255.4	252.5	5.3		1,028.6
1971	935.4	168.7	266.4	287.9	- 1.0		1,081.6
1972	993.0	163.3	335.4	324.2	-14.7		1,152.8
1973	1,125.0	243.6	399.2	439.5	4.3		1,332.6
1974	1,350.0	356.9	511.4	644.1	3.2		1,577.4
1975	1,550.4	379.1	591.9	684.5	-12.9		1,824.0
1976 (p)	1,816.1	409.8	813.4	841.6	-12.2		2,185.5

0000201

SOURCE: Central Reserve Bank; Monthly Review, April 1970, January 1974 and January 1978

(a) Goods

(p) Preliminary

EL SALVADOR: COMPONENTS OF AGGREGATE DEMAND 1960-1976  
(In Percentages)

	Gross			Statistical		
	Consumption (1)	Investment (2)	Exports (a) (3)	Imports (a) (4)	Discrepancy (5)	Domestic Product (6) = 1+2+3-4+5
1960	90.6	15.5	20.4	24.9	- 1.6	100.0
1961	88.9	13.3	22.4	22.3	- 2.3	100.0
1962	86.5	12.1	23.4	22.9	0.9	100.0
1963	86.8	12.7	24.2	26.0	2.3	100.0
1964	84.7	17.0	25.5	29.1	1.9	100.0
1965	85.3	15.4	26.6	29.0	1.7	100.0
1966	86.6	17.1	24.7	29.9	1.5	100.0
1967	87.1	14.8	25.6	28.8	1.3	100.0
1968	88.9	11.1	25.5	27.2	1.7	100.0
1969	88.6	12.7	23.3	25.9	1.3	100.0
1970	86.0	13.2	24.8	24.5	0.5	100.0
1971	86.5	15.6	24.6	26.6	- 0.1	100.0
1972	86.1	14.2	29.1	28.1	- 1.3	100.0
1973	84.4	18.3	30.0	33.0	0.3	100.0
1974	85.6	22.6	32.4	40.8	0.2	100.0
1975	85.0	20.8	32.4	37.5	- 0.7	100.0
1976 (p)	83.1	18.8	37.2	38.5	- 0.6	100.0

NOTE: Calculated from data of the Central Reserve Bank

(a) Goods and Services

(p) Preliminary

0000202

EL SALVADOR: GOVERNMENT EXPENDITURES BY MINISTRIES  
(In Millions of U.S. Dollars)

	1970	1971	1972	1973	1974	1975	1976	1977	1978(a)
T O T A L	120.5	142.4	153.5	180.0	237.8	283.8	411.2	496.8	500.5
Ministry of Planning							3.8	5.8	4.9
Ministry of Economy	5.8	4.5	9.0	11.9	23.0	28.2	23.4	23.0	33.7
Ministry of Agriculture and Livestock	6.6	8.8	8.0	12.7	21.4	31.3	46.4	41.7	41.0
Ministry of Public Work	13.6	17.9	18.2	26.2	34.8	35.9	65.8	84.0	87.6
Ministry of Education	29.6	43.3	42.8	45.7	56.2	66.5	90.5	111.5	115.9
Ministry of Public Health and Social Assistance	15.4	16.8	16.5	21.1	26.1	34.6	44.3	50.8	59.5
Ministry of Labor	1.1	1.3	1.3	1.4	1.9	2.0	2.5	2.9	3.6
Ministry of Justice	2.0	2.7	2.2	2.6	3.6	5.2	6.8	7.4	8.3
Ministry of Interior	3.2	3.8	3.4	4.0	4.5	5.9	7.4	14.8	16.5
Ministry of Foreign Affairs	1.9	2.0	2.0	2.2	2.5	2.7	3.1	4.7	3.8
Ministry of Finance	6.3	5.5	5.9	6.4	7.8	9.7	43.8	56.3	66.1
Ministry of Defense	6.5	8.6	9.7	10.8	14.8	15.0	19.0	26.5	29.5
Others	28.5	27.2	34.5	35.0	41.2	46.8	54.4	67.4	30.1

0000203

SOURCE: Ministry of Finance, "Informe Complementario Constitucional sobre La Hacienda Pública" (1970-1977)  
Official Newspaper, December 23, 1977 (1978)

(a) Assigned Budget.

EL SALVADOR: Central Government Expenditures 1960-75

(Millions of Colones)

¢2.50 = \$1.00

	1960	1965	1970	1971	1972	1973	1974	1975
Current Expenditures	132.3	169.3	232.5	243.7	275.3	313.4	376.2	445.2
Wage and Salaries	87.9	105.1	131.1	140.4	157.2	171.0	202.2	228.8
Goods and Services	16.3	20.7	23.7	30.3	40.8	41.8	55.8	68.7
Private Sector Transfers	8.2	14.5	19.9	20.3	20.6	21.0	22.2	23.5
Public Sector Transfers	16.2	25.2	52.2	45.2	48.1	68.6	84.8	108.6
External Transfers	2.0	1.6	1.6	2.3	1.9	3.3	2.2	3.4
Interest on Public Debt	1.7	2.3	4.0	5.2	6.8	7.8	8.9	12.3
Capital Expenditures	28.8	53.5	37.0	50.8	61.0	88.2	133.0	154.4
Direct Investment	11.8	11.6	22.7	29.3	40.5	52.5	55.3	91.5
Public Sector Transfers	11.5	35.2	10.1	15.3	8.8	21.8	60.7	41.9
Extended Transfers	-	-	-	0.6	0.2	0.7	0.7	0.9
Public Debt Amortization	5.5	6.7	4.2	5.6	11.5	13.2	16.3	20.1
TOTAL	161.2	222.9	269.5	294.5	336.3	401.6	509.2	599.6
Capital Expenditures as percent of Total(%)	17.9	24.0	13.7	17.2	18.1	22.0	26.1	25.8

SOURCE: Central Reserve Bank; various Monthly Reviews

0000204

CENTRAL GOVERNMENT CURRENT AND CAPITAL RECEIPTS 1972-1977  
(Millions of Current Dollars)

0000205

	1972	1973	1974	1975	1976	1977
<u>CURRENT RECEIPTS</u>						
Tax Receipts	122.0	150.4	181.3	216.5	307.0	452.6
Income Taxes	20.9	25.0	32.0	47.6	55.8	65.7
Prop. & Cap. Taxes	9.4	12.3	11.8	14.1	19.0	29.3
Import Taxes	28.3	31.4	37.2	37.1	46.1	65.5
Export Taxes	19.0	30.4	37.3	44.7	96.0	184.0
(Coffee)	(17.0)	(29.6)	(36.0)	(31.2)	(90.9)	(166.8)
Consumption Taxes	32.8	37.3	43.7	51.2	62.8	74.2
Other Taxes	11.6	14.0	19.3	21.8	27.3	33.9
Other Current Income	10.4	12.5	12.4	14.6	17.2	19.9
<u>CAPITAL RECEIPTS</u>						
Direct Loans	24.5	27.9	45.0	73.7	70.8	28.4
Bond Sales	11.4	14.7	22.1	33.3	31.2	27.5
Capital Transfers	9.2	11.6	22.5	40.0	39.2	--
Other	0.3	0.1	0.1	0.1	--	--
	3.6	1.5	0.3	0.3	0.4	0.9
T O T A L	156.9	190.8	238.7	304.8	395.0	500.9

CENTRAL GOVERNMENT EXPENDITURES BY PROGRAM 1972 - 1977

(Millions of Current Dollars)

	1972	1973	1974	1975	1976	1977	% Total				
Development of Resources	2.0	3.2	4.2	1.8	9.4	10.1	2.0	1.8	2.2	2.3	2.0
Social Development	69.3	79.6	93.4	39.3	152.6	186.8	37.6	44.2	40.2	37.1	37.6
Education	36.5	41.6	51.6	21.7	76.4	113.2	22.8	33.1	20.6	18.6	22.8
Health	10.8	17.4	21.1	27.4	31.0	49.3		21.1			
Social Assistance	1.4	1.4	1.7	2.0	2.6	4.1		1.7			
Labor/Social Security	8.7	9.6	10.0	9.9	9.5	12.4		10.0			
Housing	0.1	2.5	0.7	3.0	4.8	7.8		0.7			
Infrastructure Development	25.8	35.5	55.8	23.4	75.8	90.6	18.2	19.7	20.8	18.4	18.2
Transport/Storage	8.1	10.8	14.0	18.2	34.3	49.8		14.0			
Communications	1.1	1.4	1.7	1.8	2.2	2.9		1.7			
Energy	4.8	6.9	14.2	12.6	6.3	2.6		14.2			
Water/Sewage	1.8	5.6	5.7	7.0	7.6	8.2		5.7			
Urban/Com.Development	2.8	3.8	5.3	6.3	9.0	27.1		5.3			
Production Development	9.1	12.8	24.2	10.2	52.5	48.4	9.7	7.1	12.3	12.8	9.7
Agriculture	6.4	8.5	14.2	18.6	36.1	35.7		14.2			
Industry/Commerce	1.3	1.2	2.2	2.6	5.2	6.9		2.2			
Tourism	0.7	0.7	1.5	3.0	5.4	5.3		1.5			
Services	0.1	0.2	0.2	0.2	0.3	0.5		0.2			
Economic/Financial Services	20.0	18.3	21.4	8.9	61.9	79.3	16.0	10.2	9.2	15.0	16.0
Administration/Gen. Services	27.3	30.6	38.8	16.3	59.0	81.6	16.4	17.0	15.2	14.3	16.4
(Defense)	(7.8)	(9.6)	(13.6)	(5.7)	(17.8)	(26.5)	(5.3)	(5.3)	(5.8)	(4.3)	(5.3)
T O T A L	153.5	180.0	237.8	100.0	411.2	496.8	100.0	100.0	100.0	100.0	100.0

0000206

TABLE VII

EL SALVADOR : B A L A N C E O F P A Y M E N T S  
(In thousands of U.S. Dollars)

	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975(a)
<b>Goods &amp; Services</b>										
1. Goods										
Exports	189.535	207.928	211.701	202.099	236.182	243.181	301.716	358.415	462.551	516.007
Imports	-201.023	-204.888	-197.606	-192.396	-194.106	-224.910	-249.353	-339.819	-522.055	-554.226
Net Goods	-11.488	3.040	14.095	9.703	42.076	18.271	52.363	-18.596	-59.504	-38.219
2. Transportation & Insurance	-18.975	-19.040	-18.003	-18.730	-19.475	-22.150	-28.746	-34.053	-41.641	-50.476
3. Travels:										
To El Salvador	7.215	8.289	9.884	8.133	8.476	10.059	10.879	10.678	15.450	18.414
From El Salvador	15.787	-14.082	-16.506	-18.533	-20.435	-20.368	-20.397	-35.162	-36.764	-33.820
Net Travel	-8.572	-5,793	-6.622	-10.400	-11.959	-10.309	-9.518	-24.484	-21.314	-15.406
4. Net Foreign Investment Income	-7.563	-8.513	-8.163	-8.457	-8.842	-10.257	-10.963	-13.132	-21.091	-18.401
5. Other Services	-4.159	-5.014	-4.778	-5.454	-7.264	-6.732	-2.655	-2.245	-10.315	-9.104
Net Goods & Services	-50.757	-35.320	-23.471	-33.338	-5.464	-31.537	481	-55.318	-153.865	-131.606
Net Transfer Payments	9.805	11,820	8.374	13.537	14.291	17.266	12.130	13.600	18.295	27.449
<b>Capital &amp; Monetary Gold</b>										
1. Private Capital										
a. Long term	28.710	24.438	12,876	12,593	1,954	5,958	6,902	7,605	56,505	78,673
b. Short term	-3.290	-506	869	13,612	-1,074	17,326	-18,736	8,051	4,927	40,401
Net Private Capital	25,420	23,932	13,745	26,205	880	23,284	-11,834	15,656	61,432	119,074
2. Official Capital										
a. Long Term	3.731	2,134	-991	-1,531	1,640	2,176	12,662	8,481	24,352	16,361
b. Short Term	-	-	-	-	-	-	-	-	-	-
Net Official Capital	3,731	2,134	-991	-1,531	1,640	2,176	12,662	8,481	24,352	16,361
3. Net errors and omissions	1.217	-4.292	1.733	-14.190	-7.388	-20.640	2.147	1.776	779	17.039
Total Transactions	-10.584	-1.726	-610	-9.317	3.959	-9.451	15.586	-15.805	-49.007	48.317
<b>Gold &amp; Foreign Exchange Holdings</b>										
1. Net International Reserves	11.361	-2.664	-5.456	-2.526	-7.521	40	-20.564	20.234	-29.211	-48.149
2. Other foreign Hldngs.	-777	-938	6.066	11.843	-638	5.666	269	-5.835	78,218	-168
3. Allocation of "SDRs"	-	-	-	-	4.200	3.745	4.709	1.406	-	-
<b>A L A N C E</b>	10.584	1.726	610	9.317	-3.959	9.451	-15.586	15.805	49.007	-48.317

SOURCE: Ministry of Planning "Indicadores Económicos y Sociales.

(a) Preliminary

EL SALVADOR: MAJOR PRODUCTS IMPORTED BY THE COUNTRY 1966-1976  
(As Percent of Total Imports)

	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976(p)
Total Imports (1)	220.0	223.9	213.5	209.2	213.4	247.4	278.1	273.8	563.4	598.0	717.9
Participation of the Major Imported products	51.2	49.8	49.7	52.8	53.8	56.5	57.2	59.7	60.8	61.8	62.0
Milk Products	2.3	2.0	2.3	2.0	2.2	2.2	2.0	1.2	1.4	1.7	2.6
Wheat	1.5	1.9	1.6	2.0	1.7	1.8	1.7	2.7	2.4	2.6	2.5
Crude Petroleum	4.0	4.0	4.7	3.1	1.2	4.4	3.6	5.1	8.6	7.7	6.7
Chemical elements	1.8	1.9	3.4	4.8	3.4	4.7	3.9	6.8	4.6	3.7	3.9
Pharmaceutical & medical products	4.1	3.9	4.3	4.8	5.6	5.3	4.8	4.2	3.6	3.9	4.2
Fertilizers	3.2	3.7	3.8	4.6	4.8	4.2	4.4	5.4	7.3	7.5	3.7
Paper & Carton	4.2	4.2	4.5	4.3	4.8	4.2	4.4	4.7	4.7	3.0	4.0
Textile fibers	1.0	1.6	1.7	2.4	3.0	3.4	2.4	2.3	2.8	2.0	1.8
Iron and steel	4.5	3.9	3.9	4.5	3.9	4.4	3.9	4.6	5.5	3.5	4.1
Metal products, n.e.	3.3	3.2	3.3	3.5	3.8	3.3	3.6	2.9	3.1	3.5	4.8
Industrial machinery	7.4	8.3	6.4	7.0	7.4	7.1	9.3	7.2	7.1	10.8	11.7
Electrical equipment & machinery	6.2	5.2	5.2	4.1	5.3	4.5	5.6	5.2	4.2	6.3	5.4
Motor vehicles	7.7	6.0	4.6	5.7	6.7	7.0	7.6	7.4	5.5	5.6	6.6

SOURCE: Central Reserve Bank; Monthly Review

(p) Preliminary

(1) In millions of U. S. Dollars

0000208

EL SALVADOR: MAJOR FOREIGN EXCHANGE EARNERS AND THEIR PERCENTAGE PARTICIPATION IN TOTAL EXPORTS 1960-1976

	COFFEE	COTTON	SUGAR	SHRIMPS	DRESSING ARTICLES	COTTON MNFCTRS.(a)
1960	69.3	13.5	0.7	4.1	0.3	1.8
1961	61.1	17.9	1.1	4.9	0.6	2.0
1962	55.7	23.7	1.6	4.1	0.7	1.7
1963	48.8	24.5	1.5	2.9	1.0	2.7
1964	52.4	20.8	1.6	2.4	1.1	3.2
1965	50.9	20.0	0.8	1.6	1.2	3.4
1966	47.6	12.9	3.5	2.5	1.8	4.7
1967	47.7	8.2	2.1	1.8	2.4	4.7
1968	44.2	6.9	4.3	2.0	2.7	5.1
1969	44.2	9.5	3.0	2.5	2.6	5.1
1970	51.2	9.9	3.0	2.2	2.6	3.7
1971	44.2	12.0	3.9	2.4	2.9	3.8
1972	43.5	12.8	6.0	2.3	2.9	2.6
1973	44.3	10.1	5.0	2.5	3.1	2.6
1974	42.1	10.4	8.6	1.6	2.9	2.4
1975	33.6	14.9	16.0	2.0	2.6	1.7
1976 (p)	53.3	8.9	5.6	1.6	2.1	1.7

SOURCE: Central Reserve Bank; Monthly Review

(a) Cotton fibers and materials

(p) Preliminary

EL SALVADOR: Share of Non-Traditional Exports to External Markets  
(In Millions of Colones at Constant 1971 Prices)

Ø2.50 = \$1.00

YEAR	CACM	REST OF THE WORLD	TOTAL	PERCENTAGE OF NON- TRADITIONAL EXPORTS TO REST OF WORLD
1962	62.1	5.2	67.3	7.7
1963	80.3	10.9	91.2	11.9
1964	96.8	9.7	106.5	9.1
1965	114.7	12.3	127.0	9.7
1966	145.0	11.5	156.5	7.3
1967	119.9	11.1	211.0	5.3
1968	210.2	13.6	223.8	6.1
1969	192.9	19.0	211.9	9.0
1970	182.3	15.8	198.1	8.0
1971	202.4	25.7	228.1	11.3
1972	218.2	31.7	249.9	12.7
1973	259.9	51.9	311.8	16.6
1974(p)	230.7	33.8	264.5	12.8

AVERAGE ANNUAL GROWTH  
RATE

To CACM :	1962-74	12%
	1971-74	4%
To rest of World:		
	1962-74	24%
	1971-74	10%
Total:	1962-74	12%
	1971-74	5%

SOURCE: Central Reserve Bank; Monthly Review

(p) Preliminary

EL SALVADOR: PRICE INDEXES  
(Base - 1971)

	Imports		Exports		Non-Traditional Exports		General Wholesale P.I.		General Consumer P.I.(a)		General Price Index
	P. I.	P. I.	P. I.	P. I.							
1960	93.3	92.5	n.a.	94.5	93.4	95.3					
1961	95.2	88.8	n.a.	91.9	90.8	93.6					
1962	87.4	75.0	75.2	91.5	91.0	92.8					
1963	92.2	86.0	94.1	92.9	92.3	94.0					
1964	95.1	95.0	95.0	99.2	93.9	94.7					
1965	97.1	100.0	99.0	97.5	94.4	96.0					
1966	87.4	98.0	101.0	97.5	93.3	94.8					
1967	98.1	89.0	99.0	97.3	94.7	94.4					
1968	95.1	89.0	101.0	97.6	97.1	94.6					
1969	97.1	87.0	97.0	97.2	96.9	95.1					
1970	99.0	105.0	101.0	105.8	99.6	99.4					
1971	100.0	100.0	100.0	100.0	100.0	100.0					
1972	106.8	110.0	106.9	105.8	101.6	101.0					
1973	126.2	135.0	108.9	128.1	108.1	111.1					
1974	176.7	168.0	162.4	160.6	126.4	123.7					
1975	195.1	172.0	181.2	163.5	150.5	137.2					
1976	196.1	251.0	191.1	220.2	161.1	157.1					
1977(p)					180.1	181.9					

SOURCE: Central Reserve Bank, Monthly Review

(a) Ministry of Planning, "Indicadores Económicos y Sociales"

(p) Preliminary.

EL SALVADOR: MINIMUM WAGES 1965-77  
(In U. S. Dollars)

	1965(a)	1966	1967	1968-69	1970	1971	1972	1973	1974	1975	1976	1977
<b>Agricultural Workers</b>												
- General Rate	0.90							1.10	1.24		1.50	1.50
- Women and under 16 years old and partially unable	0.70							0.90	1.00		1.26	1.26
<b>Harvesting</b>												
- Coffee per 25 pounds per day	0.18	0.20			0.28	0.28	0.30	0.32	0.34	0.44	0.67	0.74
	-	1.00			1.40	1.40	1.50	1.62	1.70	2.20	3.36	3.70
Sugarcane per ton per day	0.45	0.50			0.70	0.70	0.75	0.82	0.92	1.10	1.10	1.10
	-	1.00			1.40	1.40	1.50	1.64	1.84	2.20	2.20	2.20
Cotton per pound per day	0.009	0.01			0.011	0.011	0.012	0.0132	0.0144	0.018	0.024	0.024
		1.00			1.10	1.10	1.20	1.32	1.44	1.80	2.40	2.40
<b>Agricultural Season</b>												
- General Rate		1.00						1.28	1.60	2.20		2.80
- Coffee												2.50
- Sugar												2.40
- Cotton												
<b>Manufacturers and Services</b>												
- Metropolitan Zone			1.29					1.64	2.06	2.48		2.80
- Rest of the Country			1.12					1.44	1.80	2.20		2.44
<b>Commerce</b>												
- Metropolitan Zone					1.40			1.80	2.20	2.60		2.88
- Rest of the Country					1.28			1.52	1.84	2.24		2.48

SOURCE: "Indicadores Económicos y Sociales" published by the Ministry of Planning (1965-1976) and Ministry of Labor (1977).

NOTE: The Wages refer to 8 hours daily ordinary journey and 44 hours weekly (including the seventh day paid)

(a) The first minimum wages were decreed until 1965.

EL SALVADOR: Percentage of Arable Land  
Devoted to each Crop.

Agriculture Year	1960/61	1965/66	1970/71	1975/76
Cotton	3.9	6.7	4.4	N.A.
Coffee	N.A.	N.A.	N.A.	N.A.
Sugar Cain	0.8	1.5	1.9	3.3
Rice	0.7	0.9	0.8	1.2
Beans	1.4	1.7	2.5	3.9
Sorghum	6.0	7.6	8.5	9.1
Corn	12.3	13.3	14.2	16.9

Source: General Directorate of Statistics, "El Salvador en cifras 1977"

EL SALVADOR: Arable land per  
Agriculture Worker  
(in hectares)

---

Arable Land/Agric. Worker	
1960	3.0
1965	2.7
1970	2.3
1975	2.0

---

Source: General Directorate of Statistics,  
"El Salvador en cifras 1977"  
Ministry of Planning, "Population Data"

EL SALVADOR: BASIC GRAIN PRODUCTION  
(In Thousands of Quintals)

---

	B. G. P.	Annual Increase (%)
1971	13,076	
1972	9,451	- 27.7
1973	13,601	43.9
1974	11,684	- 14.1
1975	15,021	28.6
1976	12,163	- 19.0
Average Annual Increase 76-71		<u>2.3</u>

---

SOURCE: Central Reserve Bank, monthly Review, January 1978.

NOTE: Basic Grains includes Corn, Beans, Rice and Sorghum.

EL SALVADOR: CENTRAL RESERVE BANK - AGRICULTURE CREDITS  
(In Thousands of U. S. Dollars)

	1973	1974	1975	1976
Public Sector	5.2	17.1	20.1	21.9
Hipotecario and Commercial Banks	46.2	71.2	69.0	97.4
Other Private Financial Institutions	35.0	79.3	83.3	56.6
Total Agriculture Credits	<u>86.4</u>	<u>167.6</u>	<u>172.4</u>	<u>175.9</u>
Total Central Reserve Bank Credits	<u>249.2</u>	<u>413.6</u>	<u>411.8</u>	<u>439.2</u>
Percentage	34.7	40.5	41.9	40.1

SOURCE: Central Reserve Bank; monthly Review, January 1978.

0000216

EL SALVADOR: POPULATION BY URBAN AND RURAL AREAS, DEMOGRAPHIC AND ILLITERACY RATES

	Population (a)		Urban Percent	Rural Percent	% of Total Popul. 14 years old and older	Birth Rate(b)	Mortality Rate(b)	Infant Mortality Rate(b)	Illiteracy Rate (c)
	total	Rural							
1960	2.57	0.99	38.5	61.5	45.1	46.5	11.0	76.3	
1961	2.66	1.03	38.7	61.3		49.4	11.3	70.0	49.2
1962	2.74	1.07	39.1	60.9		48.4	11.5	71.4	
1963	2.82	1.10	39.0	70.0		49.0	10.9	67.7	
1964	2.91	1.14	39.2	60.8		47.1	10.4	65.0	
1965	3.00	1.18	39.3	60.7	46.1	46.9	10.6	70.6	
1966	3.11	1.23	39.5	60.5		45.4	10.0	62.0	
1967	3.22	1.27	39.4	60.6		44.4	9.2	63.1	
1968	3.34	1.32	39.5	60.5		43.2	9.1	59.2	
1969	3.46	1.37	39.6	60.4		42.1	9.9	63.3	
1970	3.58	1.42	39.7	60.3	46.1	40.0	9.9	66.6	
1971	3.70	1.47	39.7	60.3		43.4	8.1	52.5	40.3
1972	3.82	1.52	39.8	60.2		41.8	8.8	58.3	
1973	3.95	1.58	40.0	60.0		41.3	8.5	59.1	
1974	4.08	1.64	40.2	59.8		40.8(p)	7.9	53.4	
1975	4.21	1.70	40.4	59.6	45.4	40.1(p)	8.0	58.2	37.9
1976	4.35	1.76	40.5	59.5		40.2(p)			
1977	4.50	1.83	40.7	59.3					

SOURCE: Ministry of Planning: "Indicadores Económicos y Sociales Julio-Diciembre, 1976" (Demographic Rates) and Ministry of Education "Memoria de Labores 1975-1976 (Illiteracy Rates)

(a) In Millions

(b) Per Thousand

(c) Percent

NOTE: The Population figure was interpolated from five year interval data of the Ministry of Planning.

0000217

Year	Elementary	Junior High	Junior High as % of Elementary	High School	High School as % of Junior High	High School as % of Junior High	University	University as % of High School
1960	321.4	17.9	5.6	9.2	51.4	26.1	2.4	26.1
1961	341.2	20.3	5.9	10.8	53.2	23.1	2.5	23.1
1962	353.6	21.8	6.2	12.6	57.8	23.0	2.9	23.0
1963	358.4	24.2	6.8	12.9	53.3	24.0	3.1	24.0
1964	378.6	28.8	7.6	17.1	59.4	20.5	3.5	20.5
1965	397.8	31.0	7.8	16.2	52.3	24.1	3.9	24.1
1966	434.0	33.8	7.8	17.9	53.0	29.1	5.2	29.1
1967	473.6	40.2	8.5	21.0	52.2	32.9	6.9	32.9
1968	461.9	43.9	9.5	22.1	50.3	35.7	7.9	35.7
1969	516.8	46.9	9.1	24.1	51.4	34.4	8.3	34.4
1970	531.5	49.4	9.3	25.5	51.6	39.2	10.0	39.2
1971	535.0	60.3	11.3	28.4	47.1	47.2	13.4	47.2
1972	541.9	76.4	14.1	30.0	39.3	10.7	3.2(1)	10.7
1973	588.2	92.3	15.7	35.0	37.9	56.6	19.8	56.6
1974	613.8	109.2	17.8	44.7	40.9	55.0	24.6	55.0
1975	640.7	118.8	18.5	51.7	43.5	54.7	28.3	54.7
1976	667.7	128.6	19.3	59.1	50.0	49.7	29.4	49.7
1977(p)	690.1	132.9	19.3	64.8	48.8	46.8	30.3	46.8
Annual Grw. Rate (1960-1977)	4.6	12.5		12.2			16.1	

SOURCE: Ministry of Planning; Indicadores Económicos y Sociales, Septiembre-Diciembre 1968 (1960-1966), Julio-Diciembre 1976 (1967-1975) and Enero-Junio 1977 (1976-1977)

(1) The "Universidad de El Salvador" was closed during this year

NOTE: There are two universities: Universidad de El Salvador and Universidad Centroamericana José Simeón Cañas, which was founded in 1966.

EL SALVADOR: ILLITERACY RATES  
(In Percentages)

	1961	1971
Total Population over 10 years old	49.2	40.3
Urban Population	26.8	19.8
Male	20.2	14.8
Female	32.3	24.0
Rural Population	64.2	55.3
Male	60.1	52.2
Female	68.5	58.6

SOURCE: General Directorate of Statistics "El Salvador en Cifras 1977".

EL SALVADOR: Open Unemployment Rates and Annual Average Growth Rates of the Economically Active Population by Economic Sector 1961-1971

	1961		1971		Average Annual Growth Rate	
	Total EAP	Occupied EAP	Total EAP	Occupied EAP	Open Unemplmt. Rate (a)	Open Unemplmt. Rate (a)
TOTAL	807,092	765,988	1,133,507	1,017,972	10.2	3.5
Agrc. & Livestck.	486,199	464,191	624,054	575,618	7.7	2.5
Mining	750	733	1,013	956	5.6	2.2
Industry	103,476	98,428	127,278	116,093	8.8	2.7
Construction	32,981	30,295	48,555	44,233	8.9	1.7
Utilities	1,716	1,612	3,538	3,404	3.8	3.9
Commerce	51,753	50,171	89,597	77,119	13.9	7.5
Transp, Strg. & Comm.	17,440	16,331	24,701	21,268	13.8	4.4
Services	105,194	102,073	204,178	174,184	14.7	2.7
Other activities	7,583	2,154	10,593	5,097	51.9	5.6
						3.4
						9.0

SOURCE: PREALC; Situación y Perspectivas del Empleo en El Salvador (A) In Percentage

Appendix C

FY 1980 Mission Operating Expense  
Budget and Narrative

MISSION SPECIFIC PERSONNEL	FY 78			FY 79			FY 80 Mark			FY 80 Minimum			FY 80 Proposed		
	Estimated Actual		CONT	Estimated		CONT	FY 80 Mark		CONT	FY 80 Minimum		CONT	FY 80 Proposed		CONT
	USDH	FNDH		USDH	FNDH		USDH	FNDH		USDH	FNDH		USDH	FNDH	
Directly Related to Activities*	7.4	12.4	1.1	10.0	17.0	1.5	11.0	17.0	1.5	10.0	17.0	1.0	12.0	18.0	2.0
Policy, Direction & Management	8.0	7.0	-	8.0	10.0	-	8.0	10.0	-	8.0	10.0	-	8.0	10.0	-
Financial Management	2.0	7.0	-	2.0	7.0	-	2.0	7.0	-	2.0	7.0	-	2.0	7.0	-
Mission Support	1.0	3.0	7.0	1.0	5.0	12.5	1.0	5.0	12.5	1.0	5.0	12.5	1.0	5.0	12.5
IDI's	1.4	-	-	2.0	-	-	0.2	-	-	0.2	-	-	0.2	-	-
OTHER (Specify)															
TOTAL	19.8	29.4	8.1	23.0	39.0	14.0	22.2	39.0	14.0	21.2	39.0	13.5	23.2	40.0	14.5
END OF YEAR CEILING (-not including IDI's)	20	+ 36	= 56	21	+ 39	= 60	22	+ 39	= 61	23	+ 39	= 62	23	+ 40	= 63

NON-MISSION SPECIFIC PERSONNEL

Auditor General & IIS																
Other (Specify):																
TOTAL																
END OF YEAR CEILING																

\*From Table V.



WORKFORCE REQUIREMENTS - SCHEDULE 1 - EXISTING POSITIONS 001

MODE LEVEL	AUTHORIZED	BUDGETED	REQUESTED	FYDI NON-CEILING	TOTAL FILLED	TOTAL VACANT
:	POSITIONS	POSITIONS	POSITIONS	POSITIONS	POSITIONS	POSITIONS
FY 78	20	20	21	23	17	1
003	004	005	005	005	010	011
FY 79	21	21	22	23	17	1
003	005	005	006	006	010	011
FY 80	22	22	23	24	18	2
003	005	005	006	007	011	012
FY 81	23	23	24	25	19	3
003	005	005	006	007	012	013
FY 82	24	24	25	26	20	4
003	005	005	006	007	013	014

L	POS NO	POSITION TITLE	P	PIP	G	I	G	STATUS	DATE	POS	INCUMEN	REPLACE	VACANT	FY 78 OR	TRASC(S)	REMARKS
:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
I	013	014	A	L	O	K	R	OF	TO (C)	TO CONT.	MENT	NEED	REQUIRES	GRADUATE	TO	
N			A	I	S	A	C	A	POS	(D)	E	J	T	N	POS	NEEDED
E			N	I	D	O	U	E	END	OR	STATUS	THRU	FY	BY	DATE	INCUMEN
N			I	E	M	E	FY	78	REPLAN					BY	DATE	VACANT
O			I	B				OR	A	ACTUAL				POSITION	(14	DIGIT
			O	I	N	O	F	FY	79	FOR	FY	78				
			I	I	I	I	I	(C)	0	79	&	80				
			I	I	I	I	I	(U)	1							
012			S	I	I	I	I	(E)	8	019	020	021	022			

1. Pos. No. 255191034. Enter 07 in column 17
2. Pos. No. 255192010. Delete entries in cols. 13, 14, 15, 16, 17. "g" Position.
3. Pos. No. 255194018. Enter 05 in column 17
4. Pos. No. 255196028. Delete entries in cols. 13, 14, 15, 16, 17. "g" Position.
5. Pos. No. 255197020. Delete entries in cols. 13, 14, 15, 16, 17. "g" Position.
6. Pos. No. 255197021. Delete entries in cols. 13, 14, 15, 16, 17. "g" Position.
7. Pos. No. 255198015. Delete entries in cols. 13, 14, 15, 16, 17. "g" Position.
8. Entries under Col. 21 assume replacement w/ needed as of current incumbent's H/L departure date, although he may of course be authorized "Return to Post" after H/L.

FOOTNOTE: ALL NEW POSITIONS FOR BOTH FY '78 AND FY '79 ARE SHOWN ON SCHEDULE 2.

0000224



0000226



AGENCY FOR INTERNATIONAL DEVELOPMENT  
UNITED STATES OF AMERICA A. I. D. MISSION  
TO EL SALVADOR  
C/O AMERICAN EMBASSY  
SAN SALVADOR, EL SALVADOR, C. A.

May 29, 1978

COMMENTARY ON

OPERATING EXPENSES AND WORKFORCE

I. The USAID/El Salvador Mission Operating Budget (MOB) for the FY '80 ABS submission has been developed with due regard for Workforce requirements, as expressed by the Technical and Administrative division chiefs and by Senior Mission Direction, as appropriate. The Mission's program has been relatively small - (with an estimated pipeline of \$7.2 million and some 16 active projects at the beginning of FY '78) - but our program is in an expansion phase and could well run to obligation figures in the order of \$20 million for FY '78, \$24,000 million for FY '79, and \$37 million for FY '80.

With respect to technical and support personnel to mount and maintain the above program, we are currently staffed to handle a larger program than we now have. Therefore, required increases in staffing are modest, as may be seen from the following brief tables of MOB-funded personnel ceiling requirements:

	<u>FY '78</u>	<u>FY '79</u>	<u>Mark FY '80</u>	<u>Proposed FY '80</u>
U.S. Direct Hire (USDH)	20	21	22	23
Foreign Nat'l Direct Hire (FNDH)	30	39	39	40
Contract Employees	8	13	14	14

The above requirements have come out of consultations and discussions held between the Mission and AID/W Latin America Bureau Executive Management Staff Office. The staffing, as worked out above, means that with an increase of 3 new USDH personnel between the end of FY '78 and the end of FY '80, plus an increase of 14 or 15 FNDH employees, the Mission would be adequately staffed to handle the expanding program mentioned earlier in this commentary. If this staff turns out to be insufficient, additional DH personnel may be requested for our FY '79 and FY '80 staffing requirements when the MOB is reviewed in late 1978, or in May-June 1979, when the FY '81 MOB and the FY '81 ABS will initially be prepared for submission to AID/W.

Commentary on USDH Positions

The three new USDH positions will be filled by:

- 1 Jr. Population Advisor scheduled to come aboard in FY '79.
- 1 Ag. Mgt. Specialist scheduled to come aboard in FY '80.
- 1 Nutrition/Health Advisor scheduled to come aboard in FY '80.

IDI graduates are scheduled to fill the above three positions. The above positions will be activated to coincide with the graduation dates of the IDI's.

As of 3/31/78 we had 23 FTEPP positions including 3 IDI's, and we are deleting ("E-ing") five of them before the end of FY '78. Two of the deleted positions are being replaced by new USDH positions as follows:

- 1 Agr. Mgt. Specialist scheduled to come aboard in FY '78.
- 1 Gen. Health Advisor scheduled to come aboard in FY '78.

This shifting of positions before the end of FY '78 is being effected to accomplish a two-fold purpose:

- (a) To enable us to handle the changing character of our program; and
- (b) To meet our modified FY '78 limitations of 23 U.S. full time employees permanent positions (FTEPP). These positions are scheduled to be filled by 20 USDH employees and 3 IDI's by the end of FY '78.

If our Program materializes as planned, we believe that the staffing changes we have instituted, plus the personnel to come aboard as USDH employees and FNDH employees in FY '79 and FY '80 will enable us to implement the proposed programs.

### 3. Commentary on FNDH Positions

With respect to the increase of nine FNDH positions, the ceiling increases represent five local employees positions whose incumbents will be needed in our Technical divisions to take care of the increases in administrative workload due to the expanded program. One more FNDH position whose incumbent will be working with project documentation, and liaison with the Government of El Salvador Ministries to expedite the flow of documentation, has been allocated to a technical division, and another has been allocated to our Program Office. The two remaining positions in the increase of nine positions represent (1) a Receptionist who will be needed in the new building where the USAID expects to be located in FY '79, in lieu of being split up, as at present, between the Chancery and three or four apartments/offices in a second building. While in the Chancery, receptionist services are provided under FAAS and the receptionist is on Embassy rolls. (2), a Procurement Assistant to work in our management office. Senior Mission Direction considers it desirable for our Mgt. Officer to be more heavily involved in USAID/ES procurement functions, both from a stand-point of time-saving and of more

satisfactory preparation and follow-up of the USAID's procurement requirements.

The increases of 5 contract positions are related to the need for the USAID to absorb the janitorial and security functions when we leave the Chancery in late FY '78 and move into a new building where the whole USAID can be under one roof. While we are located in the Chancery, janitorial staff and security services are currently provided us by FAAS, and there is no need for us to maintain janitors and security personnel on our rolls.

#### 4. Commentary on the Mission Operating Expenses Budget (MOB)

##### INTRODUCTION

The short table below illustrates the recent trend of our MOB insofar as direct hire staffing and overall annual cost estimates are concerned. The sources of information provided below is our FY '80 Mission Operating Budget presentation.

##### USAID/EL SALVADOR MOB BUDGET

YEAR	DIRECT HIRE WORK- FORCE POSITIONS		Annual Cost Estimates (\$000's)
	*USDH	FNDH	
FY '78	20	36	\$1,585
FY '79	21	39	1,864
FY '80 (Mark)	22	39	1,850
FY '80 (Proposed)	23	40	1,951

\* Not including IDI's.

The upward trend in our annual MOB cost estimates result from expansion of Mission Program Activities. Our pipeline at the beginning of FY 1978 was a small 7.2 million representing 16 projects, whereas we expect to obligate upwards of \$81 million in our 1978, 1979, and 1980 programs.

##### PERSONNEL

USDH personnel costs in our MOB have advanced about 12% for the two year span between FY '78 and the FY '80 mark budget. This increase is principally attributable to a 10% increase in USDH personnel strength, and the influence of the 5% payraise in 1977. With respect to local employees, during the same period the overall salary and benefits cost estimates reflect an increase of about 32%. The increase is principally accounted for by a 10% strength increase (from 30 to 39) and a minor effect of salary adjustments.

##### CONTRACT PERSONNEL

This Mission has needed to hire experts and consultants on personal

services contracts under object class 113 during the last three years. We expect that FY '79 and FY '80 will be no exception. We have increased the funding to cover an estimated 1.5 man years of services, since our program will be expanding in those two years.

Object class 255 covers the estimated cost of intensive outside Spanish language training that we have found necessary to enable technicians to improve their language facility on a "crash" basis.

Justification for the MOB personnel strength has been presented in preceding sections of this commentary.

#### HOUSING

A. The MOB reflects the fact that the Mission rents four residential units (apartments). These rentals enable us to save considerable Per Diem and TLA expenses since in most instances personnel prefer the apartments to a hotel and we can save the lodging portion of their TLA and Per Diem allowances.

B. This post is on a Living Quarters Allowances status. The U.S. Government provides quarters only to the Mission Director. Hence, other employees lease their quarters privately and maintenance costs are not at Mission expense.

#### OFFICE

The Mission presently rents office space for part of its personnel (about half of our personnel are located in the Chancery and the remainder in rented office space) and also rents a warehouse. The Mission has signed a Letter of Intent preparatory to leasing an office building late in this fiscal year (1978). We will then be able to house our entire staff under one roof and we will still be near the Chancery. The rental cost of the building is \$72,000 per year. We expect to have a much more efficient administrative operation after all our offices are located in one building.

**ACTIVITY DESCRIPTION:** this proposal contains basic programs in all functional categories with special emphasis on family planning, land tenure, health improvement, and small farm technology.

RESOURCE REQUIREMENTS	198Y		CUMULATIVE TOTAL		
	THIS PACKAGE	19CY			
Food and Nutrition	10,211	3,680	10,911		
Population	700	629	19,011		
Health	8,100	7,715	19,136		
Education	125	11,015	19,926		
Selected Development Activities	790	857	---		
Sahel Development Program	---	---	---		
Other (specify)	---	---	---		
<b>Total Program</b>	<b>19,926</b>	<b>23,896</b>	<b>19,926</b>		
PL 480 Title I (non-add) (of which Title III)	---	---	---		
PL 480 Title II (non-add)	2,234	1,440	2,234		
Housing Guaranties (non-add)	---	---	---		
<b>Employment - Full-time Permanent</b>					
U.S. Direct Hire	23	21	---		
Foreign Nationals	39	39	62		
TDY	40	38	102		
<b>Total</b>	<b>102</b>	<b>98</b>	<b>102</b>		
<b>FIVE YEAR PROJECTIONS</b>					
Program	BY	BY+1	BY+2	BY+3	BY+4
Personnel (in workyears)	19,926	23,700	26,700	30,500	20,900
Mission - US	23	21	22	22	22
- FN	39	39	40	40	40
TDY - USDR	.3	.3	.2	.3	.3

DECISION UNIT: EL SALVADORDECISION PACKAGE: Minimum

**Short-term Objectives:** the minimum package will allow the Mission to maintain its commitments to the GOES and private Salvadoran development institutions. These commitments are both formal--existing signed loan and grant agreements, and informal--well developed project discussions with Salvadoran entities. The package is composed mostly of on-going projects, but also includes four new activities critical to El Salvador's development, since most of the projects are terminating but for the four. If this minimum package were not to be funded, AID would not be making a meaningful contribution to stated objectives and justification for a continued presence would cease to exist. The new key activities in this package include \$21 million in loans addressing the critical problems of land tenure and small farm technology; \$10 million for school construction; nearly \$9 million for health sector improvements; and approximately \$1.5 million in special development projects which include several innovative projects with OPGs.

**Impact on Major Objectives:** the minimum package would permit the Mission to maintain existing programs in family planning, the number one priority; and to begin a vigorous new family planning project emphasizing education and media publicity in addition to maintaining current commodity and service activities. At this level the Mission could also fund projects addressing the long range problems of employment, income, distribution, health improvement, and education improvement.

**Other Information:** anything less than the minimum package would mean the Mission could not justify proposed staff levels and would have to think about reducing direct hire personnel in as yet undetermined categories. More importantly it would call into question AID's ability to exercise meaningful leverage on the development problems of El Salvador. In addition, a serious loss of credibility with the GOES and private development institutions would make it necessary to invest large amounts of time, dead time from a project implementation point of view, to build new contacts and confidences should funding levels reach a minimum level at some point in the future.

0000231

DECISION UNIT: EL SALVADOR

DECISION PACKAGE CURRENT

0000232

ACTIVITY DESCRIPTION: this level contains basic programs in all fundcitional categories with increments for a \$4 million rural living skills loan; \$5 million for a farm to market road loan; \$2.2 million for PL480; and funding for tech support.

RESOURCE REQUIREMENTS	198Y		CUMULATIVE TOTAL
	19CY	THIS PACKAGE	
Food and Nutrition	14,564	15,311	---
Population	575	710	16,021
Health	668	8,140	24,161
Education	3,500	4,230	28,391
Selected Development Activities	647	866	29,257
Sahel Development Program	---	---	---
Other (specify)	---	---	---
<b>Total Program</b>	<b>19,954</b>	<b>23,869</b>	<b>29,257</b>
PL 480 Title I (non-add)	---	---	---
(of which Title III)	---	---	---
PL 480 Title II (non-add)	2,272	2,234	2,234
Housing Guaranties (non-add)	---	---	---
Employment - Full-time Permanent			
U.S. Direct Hire	20	22	---
Foreign Nationals	36	39	61
TDY	36	40	101
<b>Total</b>	<b>92</b>	<b>101</b>	<b>101</b>

FIVE YEAR PROJECTIONS

Program	BY	BY+1	BY+2	BY+3	BY+4
Personnel (in workyears)	29,257	23,700	26,700	30,500	20,900
Mission - US	22	22	23	23	23
- FN	39	39	40	40	40
TDY - USDH	.3	.3	.2	.3	.3

DECISION UNIT: EL SALVADORDECISION PACKAGE: CURRENT

Short-term Objectives: the current package which primarily includes additions for technical support projects would allow the Mission to pursue an orderly and timely process of project analysis, evaluation and development. It will also allow for additional efforts to assist the isolated rural poor increase their income with the benefits of a \$5 million farm to market road loan and a \$4 million rural living skills loan. Approximately 400 kilometers of tertiary roads would be built and approximately 30,000 farmers and rural youth would be trained in subject areas that would enable them to improve their standard of living. The nutrition improvement project in the Ministry of Planning will be strengthened by the continued use of Title II commodities. In general the current package would increase the Missions effectiveness in contributing to El Salvador's development, particularly in the areas of nutrition improvement and project development.

Impact on Major Objectives: at this level the Mission would reach a plateau where past efforts could be seen in perspective and lessons learned and absorbed. Changes could be made where necessary in existing projects and the first next steps toward long range objectives could be taken. The current package is of great importance in that it allows for a continued viable presence of an AID program as viewed within the context of Salvadoran development.

Other Information: the basic short term objectives of project analysis and evaluation could in theory be handled with central AID funding and TDY assistance. However, the effectiveness of such an approach is minimal in that as projects become more numerous and more complex in nature, the requirements for a resident staff familiar with the society in which it operates become more critical.

0000233

**ACTIVITY DESCRIPTION:** this level contains basic programs in all functional categories with an increment for Rural Enterprises and Cooperative Development (\$8 million loan) and \$50,000 for special development activities.

RESOURCE REQUIREMENTS	198Y		CUMULATIVE TOTAL		
	19PY	19CY			
Food and Nutrition	14,564	3,680	23,461		
Population	575	629	710		
Health	668	7,715	8,140		
Education	3,500	11,015	4,230		
Selected Development Activities	647	857	916		
Sahel Development Program	---	---	---		
Other (specify)	---	---	---		
Total Program	19,954	23,869	37,457		
PL 480 Title I (non-add) (of which Title III)	---	---	---		
PL 480 Title II (non-add)	2,272	1,440	2,234		
Housing Guaranties (non-add)	---	---	---		
Employment - Full-time Permanent					
U.S. Direct Hire	20	21	23		
Foreign Nationals	36	39	40		
TDY	36	38	40		
Total	92	98	103		
<b>FIVE YEAR PROJECTIONS</b>	<b>BY</b>	<b>BY+1</b>	<b>BY+2</b>	<b>BY+3</b>	<b>BY+4</b>
Program	37,457	23,700	26,700	30,500	20,900
Personnel (in workyears)					
Mission - US	23	23	24	24	24
- FN	40	40	40	40	40
TDY - USDR	.3	.3	.2	.3	.3

0000234

DECISION UNIT: EL SALVADORDECISION PACKAGE: proposed

**Short-term Objectives:** with this increment the Mission would make its first significant effort at addressing the problem of rural unemployment. This would be accomplished through a \$8.4 million Rural Enterprises and Cooperative Development loan. If spread effects are calculated, as many as 100,000 new jobs could be created as a result of this project.

**Impact on Major Objectives:** at this level of funding a serious attempt could be made to deal with the problem of rural unemployment, one of the principle objectives as set forth in Mission strategy. With the leverage and credibility derived from this level of funding, the Mission would be in a position to make a major balanced contribution to solving the problems of over population, unemployment, income distribution, and inadequate social services in El Salvador. The experience and involvement derived from implementing a program at the proposed level will place the Mission in a sound position to follow through with programs into fiscal years 1981 through 1984.

**Other Information:** any reduction in personnel form current levels would begin to compromise the ability of the Mission to conduct business at the proposed level of funding. We do not believe that TDY assistance could fill any gaps in personnel should they occur while the program at this level is being implemented.

0000235

TRANSACTION CODE: 519 EL SALVADOR BUREAU CODE:

TABLE V - PROPOSED PROGRAM RANKING

RANK	DECISION UNIT		NAME OF DECISION PACKAGE SET		RESOURCE REQUIREMENTS		PROGRAM FUNDING (\$,000)
	519 EL SALVADOR		519 EL SALVADOR		WORKYEARS (XX, X)	PROGRAM ACCOUNT	
	APPROPRIATION ACCT	PERSONNEL INTEN-SITY	MISSION	TDY	OPERATING EXPENSES	INCREMENTAL	
DECISION PACKAGES/PROGRAM ACTIVITY/SUPPORT ITEM							
	DESCRIPTION	ACCT	INTEN-SITY	MISSION	TDY	OPERATING EXPENSES	INCREMENTAL CUMULATIVE
<u>DECISION PACKAGE - MINIMUM</u>							
1	0149 Family Planning and Population (GO)	PN	H	.2	.1	.5	
2	0165 Grain Marketing and Storage (LO)	FN	H	-	-	-	
3	0192 Small Farmer Development (LO)	FN	M	1.5	.2	1.3	
4	0209 Rural Potable Water Delivery (LO)	HE	H	1.5	-	7.0	
5	0184 Small Farm Irrigation Systems (LO)	FN	H	1.0	-	.8	
6	0172 Basic and Occupational Skills Training (GLO)	EH	H	2.0	-	1.7	125
7	0190 Improvement of Rural Primary Education (LO)	EH	H	1.9	.2	2.7	125
8	0179 Rural Health Delivery System (GO)	HE	L	2.0	-	.1	125
9	0193 Rural Health Improvement (GO)	HE	H	1.5	.3	.7	125
10	0174 Intensive Small Farm Management (GO)	FN	H	.6	-	-	125
11	0182 Nutrition Improvement (GO)	FN	H	2.0	-	.3	161
12	0171 National Cadaster (GO)	SD	H	.1	-	.3	286
13	0176 Multi-Purpose Household Survey (GO)	SD	H	.1	-	.1	286
14	0203 CARITAS - OPG (GO)	FN	H	.1	-	-	286
15	0197 Small Enterprise Development (Technoserve)OPG (GO)	SD	H	.3	-	2.7	180
16	0215 Integrated Rural Development - OPG (GO)	FN	H	.3	.1	1.7	150
17	0212 Regional Rural Development (GLO)	FN	H	.6	.3	1.0	75

0000236

0000237

BUREAU CODE:

TRANSACTION CODE:

TABLE V - PROPOSED PROGRAM RANKING

NAME OF DECISION PACKAGE SET

DECISION UNIT  
519 EL SALVADOR

RANK	DECISION PACKAGES/PROGRAM ACTIVITY/SUPPORT ITEM	DESCRIPTION	APPROPRIATE ACCT	PERSONNEL INTENSITY	MISSION	OPERATING EXPENSES	RESOURCE REQUIREMENTS			PROGRAM FUNDING (\$,000)
							WORKYEARS FUNDED FROM	PROGRAM ACCOUNT	INCREMENT	
							TDY	TDY	CUMULATIVE	
18	0195	Development of Rural Community Services (GO)	SD	H	.3	.1	1.9	200	891	
19	0217	Small Farm Natural Resources Management (GO)	FN	M	.7	-	.4	125	1,016	
20	0214	Environmental Improvement (GO)	SD	H	.1	-	1.0	285	1,301	
21	0194	Health Resources Center - OPG (GO)	HE	M	.2	.1	15.0	100	1,401	
22	0216	Central Marketing Cooperative - OPG (GO)	SD	H	.2	-	1.0	125	1,526	
23	0208	Urban Market Women - OPG (GO)	HE	M	.2	-	.3		1,526	
24	0210	Population Dynamics (GN)	PN	H	4.1	.1	1.0	700	2,226	
25	0218	Rural Health Improvement (LN)	HE	M	1.5	.5	3.0	8,000	10,226	
26	0206	Small Farm Technology and Credit (GLN)	FN	M	1.1	-	6.3	9,700	19,926	
		Summary by Personnel Intensity: Low (1 project) Medium (6 projects) High (19 projects)			(2.0) (5.2) (16.9)	- (.8) (1.2)	(.1) (26.3) (24.4)	- (17,925) (2,001)		
		Total			(24.1)	(2.0)	(50.8)	(19,926)		
27	DECISION PACKAGE - MARK									
	PL 480 - Title II - Vol Ag		FN	L	-	-	-	2,234	22,160	
28	0177	Selected Development Problems T.S. (GO)	SD	H	.1	-	1.0	76	22,236	
29	0168	Education and Human Resources Development T.S. (GO)	EH	H	.7	.2	1.4	105	22,341	
30	0167	Food and Nutrition T.S. (GO)	FN	H	1.0	-	1.3	100	22,441	
31	0178	Health T.S. (GO)	HE	H	.2	.2	.5	40	22,481	

0000238

TRANSACTION CODE:		BUREAU CODE:									
DECISION CODE:		NAME OF DECISION PACKAGE SET									
DECISION UNIT		519 EL SALVADOR									
DECISION PACKAGE/PROGRAM ACTIVITY/SUPPORT ITEM		RESOURCE REQUIREMENTS									
RANK	DESCRIPTION	APPROPRIATE ACCT	PERSONNEL INTENS. CITY	MISSION	OPERATING EXPENSES	FUNDING FROM	WORKYEARS (XX, X)	PROGRAM ACCOUNT	PROGRAM FUNDING (\$000)	INCREMENT	CUMULATIVE
32	0181 Population T.S. (GO)	PN	H	.6	.1	.1	.1	10	22,491		
33	0204 Farm to Market Access Roads (LN)	FN	H	1.0	-	.6	5,000	27,491			
34	0211 Rural Living Skills (LN)	EH	H	1.4	.3	2.1	4,000	31,491			
	Summary by Personnel Intensity: Low (1 project) Medium(7 projects)			-	-	-	(2,234)				
	Cumulative Total			(5.0)	(0.8)	(7.0)	(9,331)				
				(29.1)	(2.8)	(57.8)	(31,491)				
	DECISION PACKAGE - PROPOSED										
36	0213 Rural Enterprise and Cooperative Development (GLN)	FN	M	.8	.4	1.1	8,150	39,641			
37	0094 Special Development Activities (GO)	SD	L	.1	-	-	50	39,691			
	Summary by Personnel Intensity: Low (1 project) Medium (1 project)			(.1)	-	-	( 50)				
	Cumulative Total			(.8)	(.4)	(1.1)	(8,150)				
				(30.0)	(3.2)	(58.9)	(39,691)				

0000239

Workforce and Operating Expenses

(see CDSS - Appendix C)

0000240

PROJECT NUMBER AND TITLE		DECISION UNIT										
		EL SALVADOR										
		OBLIGATIONS (\$ 000)										
APPROP CODE	SPECIAL CONCERN CODE	PY: 1978		CY: 1979		BY: 1980		SPECIAL CONCERN	PROJECT TOTAL	SPECIAL CONCERN	PROJECT TOTAL	SPECIAL CONCERN
		PROJECT TOTAL	SPECIAL CONCERN	PROJECT TOTAL	SPECIAL CONCERN	PROJECT TOTAL	SPECIAL CONCERN					
519-0206	Small Farm Technology & Credit (L&G)	FN	XIIS RESA LTRG ANTL	-	-	-	-	-	-	-	12,000	4,000
-0217	Small Farm Natural Resources Management (G)	FN	ENVR	-	-	155	155	-	-	-	125	125
-0197	Small Enterprise Development (Technoserve) - OPG (G)	SD	PVOU ATLAN	140	140	180	180	180	180	180	180	180
-0216	Central Marketing Cooperative OPG (G)	SD	CODC	-	-	125	125	125	125	125	125	125
-0214	Environmental Improvement (G)	SD	ENVR	-	-	100	100	100	100	100	285	285
-0179	Rural Health Delivery System (G)	SD	PARA	652	652	-	-	-	-	-	-	-
-0218	Health Sector Improvement (L)	HE	PARA LTRG	-	-	-	-	-	-	-	8,000	1,000
-0172	Basic Occupational Skills Training (L&G)	EH	LTRG	3,350	3,350	-	-	-	-	-	-	-
-0203	CARITAS - QPG (G)	FN	PVOL	100	100	-	-	-	-	-	-	-
-0215	Integrated Rural Development - OPG (G)	FN	PVOU	-	-	150	150	150	150	150	150	150
-0194	Health Resources Center - OPG (G)	HE	PVOU	-	-	75	75	75	75	75	100	100
-0202	CODECAVOL- OPG (G)	SD	WID PVOL	47	47	-	-	-	-	-	-	-
-0210	Population Dynamics (G)	PN	RESB	-	-	-	-	-	-	-	700	100
-0211	Rural Living Skills (L)	EH	LTRG	-	-	-	-	-	-	-	4,000	3,000
-0213	Rural Enterprise & Cooperative Development (L&G)	FN	ANTL	-	-	-	-	-	-	-	8,450	8,450

0000241

Project Title/Number	Number and Date of Last PAR/PES submitted	Proposed Date of Next PES	Period to be Covered	Special Evaluations Purpose	REMARKS
Family Planning and Population (149)	7/78	7/79 7/80	6/78- 6/79 7/79- 6/80	12/78	Per SS 1991 initial evaluation to be completed 7/78.
Rural Health Delivery Systems (179)	New Project	9/79 9/80	8/78- 8/79 9/79- 9/80	-	PP authorization expected 6/78
Nutrition Improvement (182)	New Project	7/79 3/80	6/78- 6/79 7/79- 2/80	-	PP authorization expected 6/78
PL 480 Title II CRS/CARTAS				6/79	FY 78 Special evaluation in final draft. To be submitted after Mission review in June 78.
Rural Potable Water Delivery (209)	New Project	7/80	7/79- 6/80		
Urban Market Women (208)	New Project	10/79 10/80	10/78- 9/79 10/79- 9/80		
Health Resources Center - OFG (194)	New Project	11/79	11/78-10/79		
Rural Health Improvement (193)	New Project	1/80	1/79-12/79		
Multi-Purpose Household Survey (176)	NA	10/78 10/79	11/76-11/78 11/78-11/79	-	Per 1991 initial evaluation to be carried out 8/78 - Submission 10/78
National Cadaster (171)	77-2 8/77	7/79	8/77- 7/79	-	Project terminates 7/79

MISSION EVALUATION SCHEDULE FOR OPERATIONAL YEAR (FY 1979) AND BUDGET YEAR (FY 1980)

Project Title/Number	Number and Date of Last PAR/PES submitted	Proposed Date of Next PES	Period to be Covered	Special Evaluations Purpose	REMARKS
Grain Marketing (IRA) Loan (019)	NA	5/79 (Final)	3/78- 5/79	-	TDD: 11/78 Per SS 1991 PES covering Phase I construction to be submitted 6/78
Intensive Small Farm Management (174)	NA	10/79	6/78- 9/79	-	
Small Farmer Development Loan (192)	New Project	9/79 10/80	9/78- 9/79 10/79- 9/80	-	
Small Farm Irrigation (184)	New Project	8/79 9/80	9/78- 8/79 9/79- 8/80	-	
CARITAS - OPC (203)	New Project	11/79 (Final)	10/78- 9/79	-	PP authorization expected 6/78
Small Farm Natural Resources Management (217)	New Project	10/79 10/80	10/78- 9/79 10/79- 9/80	-	
Small Farm Irrigation Systems (184)	New Project	10/79 10/80	6/78- 9/79 10/79- 9/80	-	
Regional Rural Development (212)	New Project	10/79 10/80	10/78- 9/79 10/79- 9/80	-	
Integrated Rural Development OPC (215)	New Project	10/79 10/80	10/78- 9/79 10/79- 9/80	-	

0000242

Project Title/Number	Number and Date of Last PAR/PES submitted	Proposed Date of Next PES	Period to be Covered	Special Evaluations Purpose	REMARKS
Small Enterprise Development OPG (197)		10/79	10/78- 9/79		
Special Development Activity (094)	3/78	10/79	3/78- 9/79 10/79- 9/80		
Development of Rural Community Services (195)	New Project	6/80	6/79- 5/80		
CODECOVAL - OPG (202)	New Project	10/79	6/78- 9/79		
Environmental Improvement (214)	New Project	10/79	1/79- 9/79		
Central Marketing Cooperative OPG (216)	New Project	10/80	10/80- 9/80		
Basic & Occupational Skills Training (172)	New Project	6/79 6/80	5/78- 5/79 6/79- 5/80		
Improvement of Rural Primary Education (190)	New Project	6/80	6/79- 5/80		

PL 480, TITLE II

To improve the diets of pregnant and lactating mothers and pre-school children of nutritional vulnerable families AID will provide food to 115,000 beneficiaries through the CRS/CARITAS MCH program. In 1980 commodities will also be provided for pilot CARITAS food for work projects to expand family food resources and community health improvement efforts. The 5,000 beneficiaries of food for work will be members of rural families with very low incomes. Projects will be implemented during seasons of high unemployment. The estimated total program cost per beneficiary is \$33 and the average cost per family about \$70.

A recently completed AID/CRS/CARITAS evaluation of Title II activities provided suggestions for strengthening the management and education program components for these activities. Accordingly, the Mission has initiated development of an OPG with CARITAS to support expansion of education activities by providing funding for materials and personnel training. Greater coordination and integration of programs of the cooperating Salvadoran agencies has been achieved through seminars and discussions on objectives. Development of a multi-year plan (MYP) is also in progress; this should be completed and approved by all participating agencies by October 1978. Earlier efforts on a multi-year plan were delayed awaiting the results of the evaluation mentioned above and pending a World Food Program decision on a proposal submitted by the Ministry of Health, one of the principle cooperating agencies.

Development of a field manual of operations by CARITAS is almost completed and this document will help alleviate many existing management problems. Furthermore CRS/CARITAS MCH and proposed food for work activities will be integrated into the National Food and Nutrition Program through CARITAS participation in national coordinating sub-committees for supplementary and emergency feeding programs. These sub-committees are currently being formed and will receive support under from the AID supported nutrition improvement grant project.

WAREHOUSING FOR PL 480, TITLE II COMMODITIESPORT 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 accomodate 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 warehousg 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.

ISTA

Formerly, ISTA used FOCCO warehouses. It is not yet clear what facilities will be used, but all alternatives have adequate and secure facilities.

OMCOM

OMCOM office space was used. Since FY 1979 beneficiary levels are higher, larger quarters are necessary. As of this writing, no information is available on their plans.

MOH

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

DISTRIBUTION CENTER LEVELS

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

ANALYSIS OF POTENTIAL LOCAL PRODUCTION DISINCENTIVE

1. WSB: no local production. No disincentive to local production.
2. Wheat: no local production.
3. Soy: no local production.
4. Bulgur: no local production. No disincentive to local production.
5. 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.
6. 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.
7. 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 on local market continues high despite exports. Rice is the most sensitive of the commodities but presently import for PL 480 is not considered a disincentive.
8. Soy-Fort. Bread Flour: No local production of Soy or Wheat. Wheat Plan import 1976 - 1,292 MT. No disincentive to local production.
9. Soy-Fort. Oats: No local production. No disincentive.

0000247

10. Oats: No local production.

11. Corn: El Salvador Net importer 1975-1977. 1975 - 1,400 MT;  
1976 - 24,000 MT; 1977 - 80,000 MT. Imports are  
expected to maintain current levels or increase in 1978.  
No disincentive to local production.

Country El SalvadorSponsor's Name CRS/CARITASA. Maternal and Child'Health.....Total Recipients 115,000

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
115,000	WSB	2,484	777.5
115,000	Bulgur	621	97.5
115,000	Oil	621	355.8
115,000	Non-Fat Dry Milk	1,256	692.1
115,000	Rice	1,256	366.8
	Total MCH	<u>6,238</u>	<u>2,289.6</u>

B. School Feeding NA

C. Other Child Feeding NA

D. Food-for-Work.....Total Recipients 5,000

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
5,000	WSB	4.2	1.3
5,000	Bulgur	3.9	.6
5,000	Soy-Bread Flour	3.9	.8
5,000	Soy-Rolled Oats	3.9	1.0
5,000	Oil	.7	.4
5,000	Rice	5.6	1.6
5,000	Corn	5.6	.6
	Total Food-for-Work	<u>27.7</u>	<u>6.4</u>

E. Other (None)

TABLE 1

Program Analysis for the Oral and Condom Supplies (thousand of m/c and pieces)  
 Needed to Achieve Full Availability

	CALENDAR YEAR					
	1977 (PY-1)	1978 (PY)	1979 (CY)	1980 (BY)	1981 (BY+1)	1982 (BY+2)
A. Full Supply Analysis						
1. Married women of reproductive age <u>1/</u> (thousands)	504	524	548	576	608	644
2. 65% of line A1 (contracepting women required to achieve replacement fertility)	328	341	356	374	395	419
3. Of line A1 (contracepting women utilizing orals and condoms) <u>2/</u> (40%)	202	210	219	230	243	258
4. Annual stock requirements for "full availability" <u>3/</u>						
a. Orals of line A3 x 13 monthly cycles (thousands)	2,100	2,184	2,278	1,794	1,895	2,012
b. Condoms of line A3 x 100 units (thousands)	4,040	4,200	4,380	9,200	9,720	10,320
B. Annual New Supply from Non-AID Bilateral Sources						
1. Private Commercial Sector <u>4/</u>						
a. Orals	200	200	350	535	662	700
b. Condoms	800	1,100	2,419	5,933	7,333	7,000
2. Other Donors						
a. Orals	300	300	300	350	300	200
b. Condoms	720	600	400	400	400	400
3. Host Country Government Procurement						
a. Orals	150	150	150	150	150	150
b. Condoms	-	-	-	-	-	-
4. Total In-Country Stock						
a. Orals	1,850 <sup>5/</sup>	2,150 <sup>5/</sup>	800	1,035	1,112	1,050
b. Condoms	4,420 <sup>5/</sup>	9,284 <sup>5/</sup>	2,819	6,333	7,733	7,400

	(PY-1)	(PY)	(CY)	(BY)	(BY+1)	(BY+2)
C. Gap to be Filled to Achieve "Full Availability"						
1. Orals (line A4a less line B4a)	250	34	1,478	759	783	962
2. Condoms (line A4b less line B4b)	(+380)	(+5,084)	1,561	2,867	1,987	2,920
D. AID Bilateral Supply Objectives						
1. Orals	-6/	467	600	650	700	700
2. Condoms	-6/	0	540	1,000	1,000	1,000
E. Total New Supply						
1. Orals (line B4a plus line D1)	1,850	2,617	1,400	1,685	1,812	1,750
2. Condoms (line B4b plus line D2)	4,420	9,284	3,359	7,333	8,733	8,400
F. Remaining Supply Gap						
1. Orals (line A4a less line E1)	250	(+433)	878	109	83	262
2. Condoms (line A4b less line E2)	(+380)	(+5,084)	1,021 <sup>6/</sup>	1,867	987	1,920
G. People Gap						
1. Orals (line F1 divided by 13)	19	(+33)	68	8	6	20
2. Condoms (line F2 divided by 100)	(+4)	(+50)	-7/	19	10	19
3. Total (line G1 plus line G2)	15	(+83)	68	27	16	39

0000250

- 1/ 1977 estimate by DS/POP/LA, March 1, 1978;  
1978-82 projections by USAID/ES
- 2/ 40% rather than 50% (note attachment)
- 3/ Pill-condom usage ratios: 80%-20% during 1977-79;  
60%-40% during 1980-82  
(see attachment)
- 4/ Private Commercial Sector includes CRS project-provided supplies. Estimates for condoms (from 1978) and orals (from 1979) are taken from DAI Marketing Design, May 23, 1977
- 5/ For 1978 and 1979 greater sum than B1+B2+B3 is shown to indicate that AID supplied contraceptives already in-country are added. (E.i., prior year inventories are included to give more accurate idea of available in-country stocks for these two years.)
- 6/ AID supply objectives achieved in 1977 for orals and condoms are included in B.4. above.
- 7/ Deficit of condoms in 1979 to be covered by surplus carried over from 1978

Attachment to Table 1

Table 1 has been modified according to El Salvador program realities that relate to oral contraceptive and condom usage.

First, at a replacement level of fertility, it is assumed that 65% of married (or in consensual union) women in reproductive age (MWRA) are practicing some form of effective fertility control. Of this eligible population in El Salvador, we estimate that 40% rather than 50% will be pill or condom users, with the remaining 25% using some other form of fertility management. The rationale for this calculation is that we see from past surveys and numerous co-operating agencies' reports that voluntary surgical contraception is extremely popular and wide-spread, and it appears that, at a minimum, permanent methods will continue to be utilized by over one-third of MWRA who are practicing birth control (i.e., 25% of 65%) over the next few years.

Second, within the pill-condom using group, we estimate for 1977-1979 the existence of an 80%-20% (pill-condom) usage split, rather than the 50%-50% division recommended in the "Full Supply" analysis. After 1979, mainly due to an increase in popularity of condoms from the influence of the CRS project, we expect condom use in the public sector program to rise from 20% to 40% (and the Pill to drop to 60%) during the 1980-1982 period.

AID Bilateral Logistic and Financial Analysis

of Orals  
(Thousand M/C)

	CALENDAR YEAR				
	1977 PY-1	1978 PY	1979 CY	1980 BY	1981 BY+1
800	1,500	1,367	1,317	1,317	1,317
1,250	467	600	650	700	
550	600	650	650	650	650
1,550	1,367	1,317	1,317	1,317	1,367

A. AID Inventory Analysis

1. Beginning of year stock
2. Add: Scheduled deliveries
3. Less: Expected Use \*
4. End of Year Stock

B. Financial Analysis (CY)

1. Calendar Year 19CY deliveries (Line A2 above)
2. Estimated cost per unit in FY of purchase
3. Estimated total cost for FY 19CY (to be determined by AID/W)

C. Financial Analysis (BY)

1. Calendar year 19BY deliveries (Line A2 above)
2. Estimated cost per unit in FY of purchase (to be determined by AID/W)
3. Estimated total cost for FY 19BY (to be determined by AID/W)

\* Only public program use: excludes expected movement of orals through CRS project from 1979-1981

Only AID bilaterally provided condoms

Table 3

AID Bilateral Logistic and Financial Analysis  
of Condoms

(thousand pieces)

	CALENDAR YEAR				
	1977 PY-1	1978 PY	1979 CY	1980 BY	1981 BY+1
2,900	2,900	10,828	9,028	7,568	6,568
9,328	9,328	-	540	1,000	1,000
1,400	1,400	1,800	2,000	2,000	2,000
10,828	10,828	9,028	7,568	6,568	5,568

A. AID Inventory Analysis

1. Beginning of year stock
2. Add: Scheduled deliveries
3. Less: Expected Use \*
4. End of Year Stock

B. Financial Analysis (CY)

1. Calendar Year 19CY deliveries (Line A2 above)
2. Estimated cost per unit in FY of purchase
3. Estimated total cost for FY 19CY (to be determined by AID/W)

C. Financial Analysis (BY)

1. Calendar Year 19BY deliveries (Line A2 above)
2. Estimated cost per unit in FY of purchase (to be determined by AID/W)
3. Estimated total cost for FY 19BY (to be determined by AID/W)

\* Only MOH and ISSS use; excludes expected use in CRS project from 1978-1981

RESEARCH AND DEVELOPMENT

The Mission would like to see research and development activities carried out in the areas cited below. The information derived from the R & D efforts would be valuable for host country and Mission planning and would have implications for programming in El Salvador and other Latin American countries as well.

Health and Population

1. Barriers to increased community self-help participation in health improvement programs.
2. Use of supplementary feeding programs in development and family planning activities.
3. Barriers to acceptance of family planning in rural areas (male attitudes).
4. Community measures to control malaria.

Education

1. The internal efficiency of the formal and informal education systems - MOE effectiveness
2. The external efficiency of the formal and non-formal systems questions of relevance and satisfaction

Agricultural/Rural Development

1. Income and Employment possibilities for rural women.
2. Problems associated with small farmer agricultural marketing
3. "State of Art" of studies on low cost and labor intensive irrigation systems, rural roads, soil conservation and reforestation.