PD-ABH-946

USAID/EL SALVADOR

ACTION PLAN

FY 1995-1996

BEST AVAILABLE

Table of Contents

I. Strategy Overview — I 1

II. Achievement of Agency Goals
- A. Encouraging Broad-Based Economic Growth — II A 1
  - Transition from War to Peace — II A 1
    - TABLE I (SO 1 Tree)
    - TABLE II (SO 1 Performance Indicators)
  - Broad-Based Economic Growth — II A 5
    - TABLE I (SO 2 Tree)
    - TABLE II (SO 2 Performance Indicators)
- B. Protecting the Global Environment — II B 1
  - Improved Environmental & Natural Resource Management — II B 1
    - TABLE I (SO 5 Tree)
    - TABLE II (SO 5 Performance Indicators)
- C. Stabilizing World Population growth — II C 1
  - Quality with Equity in Health & Education — II C 1
    - TABLE I (SO 4 Tree)
    - TABLE II (SO 4 Performance Indicators)
- D. Supporting Democratic Participation — II D 1
  - Enduring Democratic Institutions with Broad-Based Participation — II D 1
    - TABLE I (SO 3 Tree)
    - TABLE II (SO 3 Performance Indicators)

III. Portfolio Analysis
- A. New Activity Descriptions — III A 1
  - 0401 Social Sector Reform — III A 1
  - 0403 Participation & Democratic Governance — III A 6
  - 0349 Technical Support, Policy Analysis and Training — III A 9
  - 0363 Family Health Services — III A 13
  - 0388 Municipal Development Project — III A 17
  - 0418 Land Tenure Security — III A 22
- B. TABLE 3 Portfolio Timeline — III B 1
- C. Central and Regional Projects — III C 1

IV. Resource Requirements - Managing for Results — IV 1
- A. TABLE 4 Summary Program Funding — IV A 1
- B. Operating Expense Narrative and TABLE 5 OE Funding Requirements & Workforce — IV B 1

V. Mission and AID/W Initiated Issues — V 1

List of Acronyms

Annexes

A. Technical Annexes: Changes to Action Plan 1994/1995
   1. Strategic Objective 1
   2. Strategic Objective 2
   3. Strategic Objective 3
   4. Strategic Objective 4
   5. Strategic Objective 5

B. Monitoring and Evaluation Status

C. Section 118 and 119 Tropical Forestry/Biodiversity

I. Strategy Overview

El Salvador is one of the world's very few examples of a country emerging from a long civil war to forge a successful, democratic nation. That new nation is being built on a solid foundation of sustainable economic policies and a growing concern for broad-based equity issues throughout the society. Foreign assistance is needed to support the fragile social, political and economic changes underway. El Salvador still is a very poor country, and economic growth and participatory democracy are required to overcome the grinding poverty which is still so prevalent. This is an unmatched opportunity for development success and human progress in a world starved for both.

There will undoubtedly be major difficulties and backsliding as the country moves toward peace. In one significant example, an upsurge in violence and lawlessness is currently threatening reconciliation efforts and, if not controlled, could halt continued progress in the peace process. U.S. Government programs support reforms of the criminal code and the justice system, a new national civilian police force, improved investigative methods to facilitate prosecution and serve as a deterrent to continuation of violence as a means for resolving conflict.

The U.S. Government played an important role in helping El Salvador survive during the war years. Now, through an assistance program which could mean the difference between war and peace, USAID/El Salvador is helping the country sustain and institutionalize the major changes currently taking place. In doing so, USAID works in cooperation with a broad range of development partners: non-governmental organizations (NGOs), host country government agencies, private sector organizations, bilateral and international donors and others.

Strong budget levels are needed in order to play a significant role in helping El Salvador combat poverty; fulfill commitments to peace, national reconciliation and reconstruction efforts; provide support for elections and a more broadly representative National Assembly and Supreme Court; and assist early operations of a new, democratically elected government. At the same time, such levels will enable USAID/El Salvador to maintain momentum in consolidating and extending democratic reforms, strengthening human capital, and promoting improvements in the social sectors, the environment, and the economy as a whole in order to attain sustainable development.

The various elements of the USAID/El Salvador program, including all proposed new activities, are directly supportive of the Agency's four priority areas: encouraging broad-based economic growth, protecting the global environment, supporting democratic participation, and stabilizing world population growth. The portfolio combines (often within the same projects) direct-action activities to provide immediate assistance to those most in need and policy reform and institutionalization ventures essential to long-term, sustainable development.

The USAID/El Salvador program is characterized by five inter-related strategic objectives. Descriptions below provide an overview of those strategies, mention a few important current events, and note new activities proposed for each during the action plan period. The strategies, indicators by

which results are to be measured, ongoing activities, and accomplishments are described in greater detail in Section II of this Action Plan and in the Tables which accompany that section. Technical annexes provide details of adjustments made during the past year.

SO 1: Transition from War to Peace

This is the basic National Reconstruction Program objective. Development activities are designed to reactivate the factors of production to respond to economic opportunities, reestablish access to basic services, build local level democratic institutions and increase civic participation, and reintegrate ex-combatants into the fabric of the nation.

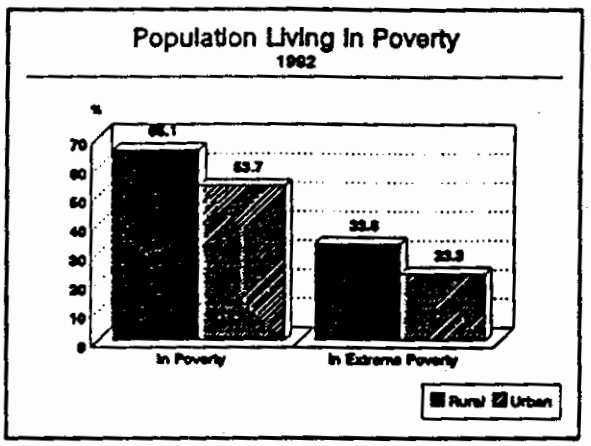
Many of the activities are linked directly to the January 1992 Chapultepec Peace Accords. Major funding commitments made by the U.S. Government as part of a United Nations-led effort to achieve the accords and end the war -- and later reconfirmed at Consultative Group meetings, including one in Paris in April of 1993 -- will require several more years and relatively high levels of ESF resources to fulfill.

Assuming activities proceed as planned and reconciliation becomes a lasting reality, this strategic objective can be considered to have been met once final obligations are made to the Peace and National Recovery project in FY 1996. Work under this objective will continue for several additional years, but activities will be merged into other strategic objectives which will then receive a greater proportion of USAID concentration.

Continued ESF funding through FY 1996 is vital to meet our commitments and provide additional opportunities for peace to succeed. Expensive as it may seem, waging peace is far less costly in any terms than trying to halt a war. It also is very inexpensive insurance to protect the many billions of U.S. taxpayer dollars invested during the war.

SO 2: Broad-based Economic Growth

Assistance focuses on helping El Salvador combat poverty by creating and maintaining appropriate social and economic policies and by increasing private investment, exports, and employment.



Regardless of the methods used for measurement, there is no doubt that roughly half the population of El Salvador is poor by anyone's definition. The continuation of high levels of poverty is a major threat to the achievement of long-lasting peace and the strengthening of democracy. Reducing those levels is the most important task facing the citizens and Government of El Salvador and all those who would provide assistance.

Hundreds of non-governmental organizations and thousands of community-level activities have emerged in El Salvador over the past few years to attack poverty and its causes. In addition, the Salvadoran government is beginning to make combatting poverty a much more important objective, and is receiving support from the international community -- including the U.S. -- for this critical area.

In El Salvador, as elsewhere in the world, establishment of sound economic policies is a

necessary condition for economic growth, which is in turn a requirement for sustainable development and for improvement for all elements of the population. However, economic growth alone is no guarantee that poverty will be reduced in the short term or that those individuals who are the primary targets of development assistance and who are most in need of such assistance will be major beneficiaries of economic growth.

To effectively combat poverty, programs must concentrate public investment on the poor and contribute to the growth of human capital. Activities throughout the USAID/El Salvador portfolio -- in national recovery, health, education and training assistance, for example -- advance those purposes. The focal point for sustainability of advances made is found in broad-based economic growth, where solid economic policies and performance are creating an environment with better incentives and support for lower-income people to become more productive and thereby improving both their incomes and quality of life.

ESF social and economic reform activities proposed by USAID/El Salvador this year shift sharply from earlier stress on a broader range of macroeconomic measures and sectors. Reform programs for FY 1994 and 1995 emphasize poverty reduction through well-focussed measures to modernize the state and, in particular, develop human capital, improve social services in health and education, and accelerate decentralization and development of grass roots democracy.

A new rural economic growth activity to begin in FY 1994 aims to further increase rural incomes by facilitating the access of the rural poor to competitive markets by adjusting sectoral policies, reducing transactions costs and strengthening indigenous organizations. An FY 1995 amendment to a technical support and policy analysis activity will assist in implementing and institutionalizing a variety of economic and social reforms. In FY 1996 USAID/El Salvador will help poor Salvadoran farmers earn higher incomes and consolidate recent gains in land ownership by implementing a new land tenure security project.

SO 3: Enduring Democratic Institutions With Broad-based Participation

Activities supported strengthen citizen participation in the decision-making process (including provision of major support for the 1994 elections), improve the legal and institutional framework for effective protection of human and citizen rights, improve mechanisms to ensure public sector accountability and oversight, and increase the devolution of power to the local level. USAID/El Salvador is both a USAID leader and an excellent laboratory for the development of activities that promote democratic institutions and practices.

Although a great deal is taking place in this field, world attention at the time of the preparation of this Action Plan is being focussed on the national elections scheduled to take place on March 20, 1994. By the time the Action Plan is reviewed in early April at least preliminary results will be known (it is possible that runoff elections will be required in mid-April) and judgments can be made on the degree to which the process has been free, fair, and inclusive.

These elections are a major test for the government and people of El Salvador. The United States Government, other donors, and dozens of NGOs have been active in implementing civic education programs, assisting in voter registration, and sponsoring international election observers.

Another area of major current interest under this strategic objective is decentralization.

The concept of empowerment of local governments and other organizations is winning large numbers of converts as a means of broadening participation of those most involved in and affected by particular development activities in a given locale as well as increasing efficiency and sustainability of public services.

Three major development activities are being designed to complement the many activities already underway as part of this strategic objective. A participation and democratic governance activity to begin in FY 1995 will work with and strengthen NGOS as part of an effort to broaden and enhance citizen participation in public policy formation and in decision-making. At the same time it will assist a small number of GOES institutions to undertake policy reform to permit greater citizen access and participation. An activity to improve public sector accountability is slated to start in FY 1994 if major legal reforms are enacted by the outgoing National Assembly. The third is a municipal development activity scheduled for FY 1996 as an amendment to a pilot activity which began in FY 1993.

SO 4: Improved Quality with Equity in Health and Education

Assistance seeks to increase the equity and quality of the Kindergarten - 6th grade educational system, promote increased contraceptive prevalence with greater reliance on modern, temporary methods, and increase coverage for reproductive health care and child survival programs.

A number of significant project activities are currently underway as a part of this strategic objective. As a result of accomplishments under one, for example, El Salvador now has a nationwide teaching and instructional methodology at the primary level and is preparing a nationwide cadre of skilled teacher trainers. New textbooks, the first since 1975, have been delivered to 4,300 schools. Because of USAID/El Salvador assistance, 36 NGOs are currently bringing basic maternal/child health and family planning services to over 450 high-risk communities. Many other examples are noted in Section II of this Action Plan.

Several of the ongoing activities are proposed for additional funding during the Action Plan period to better target specific primary education, population and child survival needs. In addition, a new Social Sector Reform activity scheduled to start in FY 1995 will increase access to and quality of education and health services by improving the efficiency and effectiveness of service delivery and encouraging major policy reforms.

Strong coordination and cooperation with donor organizations and other development programs is greatly expanding the reach, vision and resources of USAID/El Salvador within this strategic objective. Consequential health and education assessments sponsored in FY 1993/94 by USAID have engaged large numbers of participants and beneficiaries in an ongoing dialogue on El Salvador's needs in those areas and the best means for meeting those needs.

Development partners have voiced appreciation for the methods used in the assessments, the professionalism of the technical assistance personnel engaged to complete them, and the wide-ranging opportunity to hear from a wide range of social and political interests as part of the preparation of the assessments. Donors, in particular the Interamerican Development Bank, have already expressed interest in funding significant portions of activities identified for high priority assistance. They have also indicated that they want to closely tailor the design of their new initiatives to the

findings of the USAID assessments. This is an excellent opportunity for collaboration and a good example of significant leveraging of USAID assistance.

SO 5: Improved Environmental and Natural Resource Management

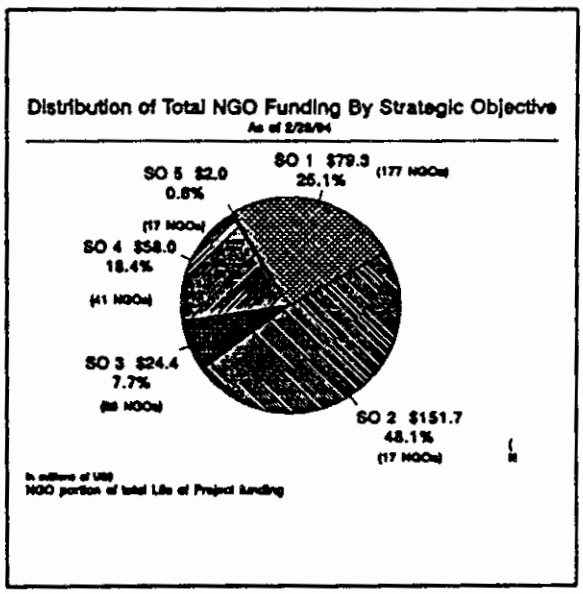
Assistance elements work to create and implement the policy and legal framework for natural resource use, increase public awareness of environmental problems, and improve productive activities consistent with sustainable natural resources management.

This, USAID/El Salvador's most recent strategic objective, received a jump start from an activity begun in FY 1993 to strengthen environmental NGOs and from "debt for development" loan forgiveness resources that will make it possible for dozens of NGOs to receive small amounts of funding for a myriad of activities in this field. The fund set up to administer these funds is also attracting meaningful support from other donors and is serving as an important forum for joint GOES-NGO priority-setting and collaboration.

USAID/El Salvador has coordinated closely with other donors to meet the country's urgent environmental needs without duplication and to capitalize on USAID's long experience in rural areas. Programs in water supply and sanitation in rural areas contribute to lessening water contamination. Other activities support agricultural production without degrading the environment. A major initiative in policy and environmental education in 1994 will lay the foundation for sound environment and national resource management into the 21st Century.

SO Linkages and Development Partners

USAID/El Salvador's strategic objectives have strong inter-linkages. Progress (or lack thereof) in any one of them has a direct impact upon the degree of success or failure attained in any of the others. Improvements in the economy and in the provision of social services are short-lived if population growth overwhelms all gains. Citizen participation is a much more valuable element of democracy if such participation is directed toward actions that benefit society: caring for and protecting the environment, for example.



Coordination with development partners is key to the Mission's strategy. They are participating as planners, implementers, evaluators, AND beneficiaries. Nearly 200 U.S. and Salvadoran non-governmental organizations (NGOs) are carrying out USAID-funded activities in every area of the country and in every field of development.

Several years ago USAID was virtually alone as a major assistance donor to El Salvador. Today there are now some 15 bilateral donors and a number of international donors. This year the Interamerican Development Bank is expected to be the primary donor. Other leading partners are the World Bank, the Central American Bank for Economic Integration, the European Economic Community, Japan and Germany.

Encouraging Broad-Based Economic Growth

The first of four fundamental strategies of sustainable development for the worldwide program of the U.S. Agency for International Development, broad-based economic growth is prominent in USAID/El Salvador's strategic objectives. Two Mission strategic objectives are encompassed under this global USAID objective: Assist El Salvador to Make the Transition from War to Peace (Strategic Objective 1) and Increased Equitable Economic Growth (Strategic Objective 2). Strategic Objective 1 is a shorter term goal, focussed on the El Salvador specific process of national reconstruction and reconciliation -- a prerequisite for long-term sustainable development. Strategic Objective 2 is a longer-term, national effort to decrease poverty and improve quality of life by increasing productive capacity and employment. This also requires the maintenance of an appropriate economic policy framework that the Government of El Salvador (GOES) has worked effectively to achieve over the past five years. With the transition to a new government this will be key to continuing the momentum of economic growth that has been achieved, five percent for the past two years, and lowering levels of poverty.

Mission Strategic Objective 1
Assist El Salvador to Make the Transition from War to Peace

Agency and Mission Linkage

The Mission's Strategic Objective 1 focuses on formerly conflictive areas which for twelve years were largely excluded from the mainstream of Salvadoran economic and social networks. This is intended to be a short-term effort, only lasting through the period of the current Program Objectives cycle (1992-97). Inherent to the success of this objective is the consolidation of political peace through free and fair elections in 1994 with all parties and a significant number of voters participating. However, this will not be enough to assure the successful transition from war to peace. Those areas worst affected by the war must be brought back into the country's social and economic life. Key program outcomes for this strategic objective are: reactivated factors of production to respond to economic opportunities, reestablished access to basic social services and infrastructure, local level democratic institutions built and civic participation increased, and ex-combatants reintegrated. Strategic Objective indicators measure the achievement of successful transition to peace: free and fair 1994 general elections, and reduction of poverty in the ex-conflictive zones.

Performance

Progress toward achieving the strategic objective can be summed up by a conclusion from a recent mid-term evaluation:

> "The crisis period is over. Barring complications in carrying out a free and fair election, one could say that the very important first phase of USAID's strategic objective of assisting El Salvador 'to make the transition from war to peace' has been accomplished."

Factors of Production Reactivated To Respond to Economic Opportunities

Factors of production are responding. Training in 1993 outpaced targets with 20,419 persons trained. At the end of FY 1993, 5,013 beneficiaries had received 50,425 acres of land, and although land access was slow at the beginning of the project, the

pace of land transfer is accelerating. Credit has lagged with 29,160 persons (38,400 were planned) receiving credit. This lag is explained by a lower than expected demand for credit from ex-combatants (many of whom hadn't yet gained access to land) and, most importantly, lack of client experience/confidence in the formal credit systems. Some examples flesh out the impact under this program outcome:

- FECORAO, a small local NGO, is providing technical assistance and specific training to 16 cooperatives in eastern El Salvador. One of these coops owned old machinery that produced cattle feed. An engineer/agronomist was assigned to train the members in planning and production, and to repair the equipment. The coop now buys corn locally to produce cattle feed for all 16 coops, which can then produce milk for sale. Income levels and confidence are rising.

- Through Catholic Relief Services (CRS), 253 farmers have received training in post-harvest care of crops; 743 have received training in accounting and management of funds; 14,966 people have received agricultural credit for more than $2.3 million; and 456 people have received training in caring for the environment and natural resources.

- Village banks in the ex-conflictive area have helped more than 3,200 micro-entrepreneurs - 90% whom are women. The loan recovery rate for these banks is an extraordinary 98.3%. In training sessions for the new "bankers", promoters provide financial and business training.

Evangelina, who had to flee her home during the war, became a member of a village bank in San Miguel Department. She recently told a promoter: "Before the loan, I had to borrow money at 20% daily interest. Now, thanks to the Center for Microenterprise Support (CAM), I keep my profits from selling bread and tamales in the town."

Access to Basic Social Services and Infrastructure Reestablished

Basic social services have been reactivated and infrastructure is being rehabilitated at a rapid pace in the ex-conflictive zones. Since 1992, 271 schools have been rehabilitated in the ex-conflictive zones via the MEA program. As schools are reactivated they are provided with teacher training, textbooks, and teacher/student supplies. The schools are being incorporated in the nationwide Strengthening Achievement in Basic Education (SABE) Project in a general effort to improve the quality of basic education.

In the health arena, 31 health facilities and 117 primary health facilities, which were either closed or severely damaged during the war, have been equipped and supplied. 37 Salvadorans NGOs funded under the Maternal/Child Survival project (PROSAMI) have established 35 small community clinics, immunized 17,177 children under five, formed 739 health committees, and trained 394 health promoters. The war had many innocent victims. A strategy has been developed to attend to this civilian population early in 1994. Already, a local NGO, the Foundation Pro-Rehabilitation (FUNTER), as part of the National Reconstruction Program, has opened 10 community-based rehabilitation facilities in formerly conflictive areas providing specialized rehabilitation services to 1,465 civilian war-wounded. The 700 Club/Operation Blessing has also provided psychological treatment for 90 children affected by the war.

Funds for the Municipalities in Action (MEA) programs in the ex-conflictive zones have been increased. This program continues to be a major means to provide services to the outlying population based in priorities established in the communities. In that regard, for example, 639 kilometers of rural roads have been built; 201 school rooms constructed; and 343 kilometers of electric lines installed, in addition to community buildings, health clinics, and other small infrastructure projects decided upon by the communities.

Contributing to the National Reconstruction Program, local and U.S. PVOs, the private sector, and GOES agencies, funded through the Public Sector Improvement Project, have:

- built or rehabilitated 95 wells (19 more are underway);
- installed or restored 14 community water systems;
- constructed 1,491 sanitary latrines (487 are underway);
- completed construction or rehabilitation of 410 kms. of rural roads (an additional 92 kms. are underway);
- rehabilitated 62 kms. of electrical distribution lines;
- completed restoration of 32 kms. of railway lines (an additional 46 kms. are underway); and
- restored or constructed 13 bridges.

Local Level Democratic Institutions Built And Civic Participation Increased

They strengthening of broad-based democratic participation is a critical factor to development nationally. In the ex-conflictive zones this effort has faced very basic limitations -- lack of documentation, lack of access to participation and a lack of basic knowledge of citizen rights and responsibilities.

The most immediate need at the outset was certifying citizens who had been disenfranchised during the war to enable access to basic rights and services. Documentation activities have insured that residents of the formerly conflictive areas are able to practice their rights as citizens. As of this report, almost 133,000 birth certificates for people of voting age have been issued in the ex-conflictive areas in addition to the replacement of civil registries in over 100 municipalities, contributing to the success of the voter registration drive and an 85 percent voter registration rate as of March 1, 1994.

Avenues of participation have been enhanced through NGO activities. Approximately 50 percent of NRP funding has been channeled through NGOs (115 NGOs are now involved in the reconstruction program) to carry out small projects to help their communities. To strengthen institutionally weaker NGOs, Private Agencies Cooperating Together (PACT), a USPVO, is providing intensive institutional strengthening assistance to 10 local NGOs, and limited technical assistance to an additional 20.

The MEA program, in addition to being a good method of transferring responsibilities and resources to the municipalities, promotes democratic participation in community development. In 1993, 448 open town meetings were held. More importantly, individual communities are beginning to organize to present their needs to the municipality. Sixty-three percent, well over half, of the individual communities (cantons) are participating actively in the program.

Ex-combatants Reintegrated

Of particular concern as the peace was negotiated and thereafter were the needs of ex-combatants. Demobilization could not have been effected so smoothly without programs into which these men

and women could move directly. This has been accomplished, among a number of activities, through training, technical assistance, credit, land transfer and both agricultural and household starter kits.

> Regarding his rehabilitation therapy a patient recently commented, "I would have been useless for the rest of my life. I am so thankful."

Of particular concern were the war wounded. During the demobilization process, the USAID program joined with others to help finance the Pan American Health Organization (PAHO) to provide approximately 1,250 specialized medical interventions for FMLN ex-combatants.

Since then, the Anti-Drug Foundation of El Salvador (FUNDASALVA) has trained more than 350 health professionals in the treatment of post-traumatic stress disorders.

Through the Ministry of Health, ONUSAL, FUNTER, ISRI and the FMLN, ex-combatants have received: 7,486 consultations; 604 surgeries; 1,839 physical rehabilitation treatments; 150 prosthetic devices; and, 26 blind FMLN ex-combatants have received functional rehabilitation training as of last September.

The program for ex-combatants began quickly, and is still helping the ex-combatants in their adjustment from war to peace. By mid-1993, the program was beginning to shift its focus to the large number of civilians who lived through the conflict. This shift become more pronounced in 1994.

El Salvador

TABLE I: STRATEGIC OBJECTIVE PROGRAM "TREE"

Agency Objective

Encouraging broad–based economic growth

Mission Strategic Objective

Strategic Objective No. 1
Assist El Salvador to make the transition from war to peace

S.O. Indicators

1. Rural NRP population living in poverty
2. Rural NRP population living in extreme poverty
3. Elections are free and open

Program Outcomes

1.1 Factors of production reactivated to respond to economic opportunities	1.2 Access to basic social services and infrastructure reestablished	1.3 Local level democratic institutions built & civic participation increased	1.4 Ex–combatants reintegrated

Program Indicators

1a. People trained (by gender) under NRP *b. People in NRP employed or with increased income after training* *2. Land Bank clients with land in production* *3a. Clients receiving credit* *b. Income of clients receiving credit*	*1. NRP population benefitting from rural road improvement/ expansion activities* *2. Classrooms assisted and functioning* *3. Health facilities assisted and functioning*	*1. Open town meetings held* *2. Cantons participating in MEA program town meetings* *3. Registered voters* *4. NGOs participating in reconstruction activities*	*1. Ex–combatants receiving vocational or academic training* *2. Ex–combatants receiving rehabilitation services* *3. Ex–combatants receiving credit* *4. Ex–combatants and tenedores receiving land*

Projects

0394 Peace & Nat'l Recovery	0394 Peace & Nat'l Recovery	0394 Peace & Nat'l Recovery	0394 Peace & Nat'l Recovery
0315 Training for Productivity	0320 Public Services & Improv	0361 CLASP	0346 Strengthen Rehabilitation
0318 Microenterprise Dev	0308 Health Systems Support	0388 Municipal Development	0361 CLASP
0387 Small Enterprise Support	0346 Strengthen Rehabilitation	0391 Electoral and Democratic	
0281 Health/Jobs for Displaced	0357 SABE	Municipalities in Action (L/C)	
0361 CLASP	0388 Municipal Development		
	0358 CA Rural Electrification		
	0281 Health/Jobs for Displaced		
	Municipalities in Action (L/C)		

TABLE II: STRATEGIC OBJECTIVE PERFORMANCE

El Salvador

STRATEGIC OBJECTIVE NO. 1 Assist El Salvador to make the transition from war to peace

Indicator: 1. Population living in poverty (NRP rural)				
Unit: People, percent		Year	Planned	Actual
Source: MIPLAN Special Survey, to be contracted	Baseline	1993	N/A	5.91
Comments: This indicator measures the change (decrease) in the spread between percent of population living in poverty in NRP rural areas and those living in poverty in rural areas nationwide.		1994	5.41	
		1995	4.41	
	Target	1996	3.41	

Indicator: 2. Population living in extreme poverty (NRP rural)				
Unit: People, percent		Year	Planned	Actual
Source: MIPLAN Special Survey, to be re-contracted	Baseline	1993	N/A	7.98
Comments: This indicator measures the change (decrease) in the spread between percent of population living in extreme poverty in NRP rural areas and those living in extreme poverty in rural areas nationwide.		1994	7.48	
		1995	6.48	
	Target	1996	5.48	

Indicator: 3. Elections are free and open				
Unit: Yes/No		Year	Planned	Actual
Source: Election observer reports	Baseline	1994		
Comments: 1994 General Elections (presidential, legislative and mayoral). 1997 mayoral elections are legislative and mayoral only.		1997		

TABLE II: STRATEGIC OBJECTIVE PERFORMANCE

El Salvador

STRATEGIC OBJECTIVE NO. 1 Assist El Salvador to make the transition from war to peace

Indicator: 1. Population living in poverty (NRP rural)

Unit: People, percent

Source: MIPLAN Special Survey, to be contracted

Comments: This indicator measures the change (decrease) in the spread between percent of population living in poverty in NRP rural areas and those living in poverty in rural areas nationwide.

	Year	Planned	Actual
Baseline	1993	N/A	5.91
	1994	5.41	
	1995	4.41	
Target	1996	3.41	

Indicator: 2. Population living in extreme poverty (NRP rural)

Unit: People, percent

Source: MIPLAN Special Survey, to be re-contracted

Comments: This indicator measures the change (decrease) in the spread between percent of population living in extreme poverty in NRP rural areas and those living in extreme poverty in rural areas nationwide.

	Year	Planned	Actual
Baseline	1993	N/A	7.98
	1994	7.48	
	1995	6.48	
Target	1996	5.48	

Indicator: 3. Elections are free and open

Unit: Yes/No

Source: Election observer reports

Comments: 1994 General Elections (presidential, legislative and mayoral). 1997 mayoral elections are legislative and mayoral only.

	Year	Planned	Actual
Baseline	1994		
	1997		

El Salvador

PROGRAM OUTCOME NO. 1.1 Factors of production (land, labor, and capital) reactivated to respond to economic opportunities

Indicator: 1a. People trained (by gender) under NRP

Unit: People, number		Year	Planned Male	Planned Female	Planned Total	Actual Male	Actual Female	Actual Total
Source:	Baseline	1992	4,000	250	4,250	3,960	600	4,560 1/
Comments: 1/ Estimated for 1992 2/ Projections for years 94-97 have been revised from last Action Plan		1993	11,800	3,000	14,800	17,927	2,489	20,416
		1994 2/	15,512	3,317	18,829			
		1995	6,533	1,767	8,300			
NOTE: Cumulative figures have been deleted due to unverified actual FY92 data.		1996	3,399	1,449	4,848			
	Target	1997	2,148	940	3,088			

Indicator: 1.b. People in NRP employed or with increased income after training

Unit: People, percent		Year	Planned	Actual
Source: NRP Project Data (FEPADE, FEDISAL, CRS, TECHNOSERVE, UNDP, FIGAPE, PACT, FECORAO, PROCOMES)	Baseline	1995		
Comments: Based on results from an AID training evaluation conducted in the NRP areas, and employment figures for trainees presently being collected, targets will be set for 1995-97.		1996		
Project evaluations to measure trainees subsequently employed or with increased income will be conducted in 7/94 and 1/95; subsequent to that, employment and income figures will be obtained from implementing institutions.		1997		

Indicator: 2. Land Bank clients with land in production

Unit: People, percent		Year	Planned	Actual
Source: Special On-Site Surveys	Baseline	1992	100	25 1/
Comments: Based on a survey conducted in March 1993, 25% of the beneficiaries who had received land had their land in production. Land in production is land cultivated under annual crops, permanent crops, forested areas and/or pastures in use, as well as land used for agro-industrial purposes. 1/ Revised from Action Plan 1994-1995. Special surveys will be conducted in September of 1994, 1995 and 1996.		1994	50	
		1995	60	
	Target	1996	75	

Indicator: 3a. Clients receiving credit

Unit: Clients, number		Year	Planned Male	Planned Female	Planned Total	Actual Male	Actual Female	Actual Total
Source: BFA, CRS, FINCA/CAM, SNF, FEDISAL, FUSADES, PROPEMI	Baseline	1991 1/	6,500	900	7,400	6,650	6,200	12,850
Comments: This indicator has been changed to combine three indicators into one which reflects all credit activities under Strategic Objective No. 1, because all contribute equally to reactivating factors of production.		1992	14,575	2,325	16,900 2/	450	7,250	7,700 3/
Projections for 1994-1997 have been decreased substantially due to: low demand for credit from ex-combatants; relatively high interest rates (approximately 20% for most activities); and, most importantly, lack of client experience/confidence (ex-combatants and civilians) in the formal credit system.		1993	19,200	19,200	38,400	20,362	8,798	29,160 4/
		1994 5/	11,320	2,834	14,154			
1/ These numbers are for ag. credit only-baseline data for 1991 not available for micro and village bank credit. 2/ Micro-enterprise credit is added to 1991 ag. credit. No baseline data available for village bank credit for 1992.		1995	4,128	3,012	7,140			
3/ 1992 actuals were estimated for micro-enterprise and village bank credit only. Ag. credit not included. 4/ Actual figure for all forms of credit. 5/ Projections for years 1994-1997 have been revised.	Target	1996	2,400	600	3,000			

Indicator: 3b. Income of clients receiving credit				
Unit: Increase in income, percent		Year	Planned	Actual
Source: Measurement to be made by annual Rapid Rural Appraisals beginning in 1994, and by individual project evaluations	Baseline	1994		
Comments: This is a new indicator. Data obtained in 1994 will be used to project targets for 1995-1997		1995		
		1996		
	Target	1997		

El Salvador

PROGRAM OUTCOME NO. 1.2 Access to basic social services and infrastructure reestablished

Indicator: 1. Cumulative percent of NRP population benefitting from rural road improvement/expansion activities				
Unit: NRP population, percent		Year	Planned	Actual
Source: 1992 Census; NRP, Project 519-0320 and MEA data	Baseline	1993	N/A	25
Comments: The formerly conflictive zone has a population of 1.4 million, according to the 1992 National Census. The estimated target population based on population density of 248/km^2 within an area of one kilometer on each side of road.		1994	50	
		1995	70	
		1996	82	
	Target	1997	89	

Indicator: 2. Official schools open and functioning

Unit: Schools, number

Source: MEA

Comments: This is a new indicator. Target data not available since program is demand driven using the Municipalities in Action Program. 1994 data reported is as of January 1994.

	Year	Planned	Actual
Baseline	1993	N/A	158
	1994	N/A	113
	1995		
Target	1996		

Indicator: 3. Health facilities assisted and functioning

Unit: Health facilities, number

Source: Ministry of Health data

Comments: Activity was completed in 1993

	Year	Planned	Actual
Baseline/ Target	1993	31	31

El Salvador

PROGRAM OUTCOME NO. 1.3 Local level democratic institutions built and civic participation increased

Indicator: 1. Open town meetings held

Unit: Meetings, number

Source: Municipal Records/MEA Program Data

Comments: The number 460 is equal to the 155 municipalities in the NRP area holding four town meetings per year.

	Year	Planned	Actual
Baseline	1992	N/A	288
	1993	460	448
	1994	460	
	1995	460	
	1996	460	
	1997	460	

Indicator: 2. Cantons participating in MEA program town meetings				
Unit: Cantons, percent		Year	Planned	Actual
Source: MEA Program Data	Baseline	1992	N/A	50
Comments: Total number of cantons in NRP area is 793.		1993	80	63
		1994	100	
		1995	100	
		1996	100	
	Target	1997	100	

Indicator: 3. Registered voters				
Unit: Increase, percent		Year	Planned	Actual
Source: Electoral Tribunal Records	Baseline	1991		591,496
Comments: The number of registered voters in 1991 was 591,496 in the 115 targeted NRP municipalities. 1994 actual figures will be measured before the national elections of 3/20/94. To be parallel to the March 1991 baseline, numbers of registered voters will be based on figures at the conclusion of the national voter registration campaign in mid-March 1994. 1997 actual figures will be measured at the conclusion of a national voter registration campaign before the municipal election of that year.		1994		
	Target	1997		

Indicator: 4. Non-Governmental Organizations (NGOs) participating in reconstruction activities				
Unit: NGOs, number (cumulative)		Year	Planned	Actual
Source: NRP Data	Baseline	1992		82
Comments: New indicator - The cumulative number of NGOs was originally estimated at 80; however, this number has been modified upward to reflect Mission and Agency objectives to increase use of NGOs in implementing USAID supported projects in the ex-conflictive zones.		1993		103
		1994	118	
		1995	120	
		1996	122	
	Target	1997	122	

El Salvador

PROGRAM OUTCOME NO. 1.4 Ex-combatants reintegrated

Indicator: 1. Ex-combatants receiving vocational or academic training				
Unit: Ex-combatants, number		Year	Planned	Actual
Source: Technoserve, UNDP, FEDISAL, FEPADE data	Baseline	1992	N/A	N/A
Comments: These data do not reflect short-term training which was held in the areas of troop concentration immediately after the Peace Accords. Beneficiaries are counted upon course completion or graduation.		1993	10,000	11,710
		1994	6,192	
		1995	2,473	
New indicator.		1996	432	
		1997	1,331	

Indicator: 2. Ex-combatants receiving rehabilitation services				
Unit: Ex-combatants, number		Year	Planned	Actual
Source: FUNTER, PAHO, AMED/MOH, CERPROFA/ESAF, ISRI	Baseline	1992	2,600	1,400
Comments: New indicator. These services include: physical and occupational therapy; prosthetic and orthotic care; professional rehabilitation; and specialized medical interventions.		1993	975	1,397
		1994	1,500	
Starting in June 1994 the target population will include both ex-combatants and civilian war wounded. Beneficiaries may receive more than one service (e.g., rehabilitation, orthotic care) but are counted only once.		1995	1,800	
		1996	1,500	

Indicator: 3. Ex-combatants receiving credit				
Unit: Ex-combatants, number		Year	Planned	Actual
Source: BFA, Technoserve, FUSADES, PROPEMI	Baseline	1993	N/A	8,085
Comments: New indicator. Indicator will measure agricultural and micro-enterprise credit recipients. No new credits will be targetted at ex-combatants after 1995.		1994	6,794	
		1995	1,500	
		1996	0	

Indicator: 4. Ex-combatants and tenedores receiving land				
Unit: Ex-combatants, number		Year	Planned	Actual
Source: OCTA, Land Bank, ISTA	Baseline	1993	N/A 1/	2,635
Comments: New indicator. Beneficiaries reported include both FMLN and ESAF ex-combatants and *tenedores* (squatters) who have received land from the Land Bank and ISTA. Tenedores are included because they were often identified with one side of the conflict.		1994	7,200	
		1995	7,200	
1/ Until the registration period for beneficiaries ended 10/31/93, a basis for planning was not available.	Target	1996	3,600	

Mission Strategic Objective 2: Increased Equitable Economic Growth

Agency and Mission Linkages/Program Outcomes

Through this strategic objective, USAID/El Salvador is playing a key role in the long-term effort to decrease poverty and improve the quality of life for all Salvadorans.

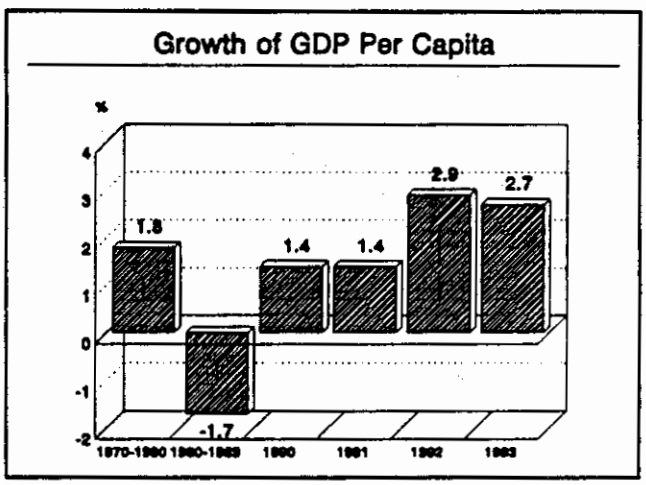
In El Salvador, as elsewhere in the world, establishment of sound economic policies is a necessary condition for economic growth, which is in turn a requirement for sustainable development and for improvement for all elements of the population. However, economic growth alone is no guarantee that poverty will be reduced or that those individuals who are most in need of such assistance will be major beneficiaries of economic growth.

To achieve that objective, it is necessary to design programs that focus public investment on the poor and that contribute to the growth of human capital. Activities throughout the USAID/El Salvador portfolio -- in national recovery, health, education and training assistance, for example -- advance those purposes.

Projects and programs undertaken by the Mission as a part of this strategic objective to achieve broad-based economic growth aim to create and maintain an appropriate economic policy framework and to increase private investment, exports and employment. Success is to be measured not simply by gross improvements in GDP growth or savings or exports, for example, but by reductions in the numbers of people living in poverty and by increases in employment and decreases in underemployment.

Studies show a slight decline in poverty in El Salvador during the past few years. Urban poverty (using the "poverty line" method based on income needed to purchase two commodity baskets that would provide minimum nutritional needs for one person) increased from 50 percent of the total urban population in 1976 to 61 percent in 1988, and dropped back to about 54 percent in 1992. About 23 percent of those are termed "extremely poor" and are unable to purchase even one commodity basket.

Most experts agree that income is seriously underestimated in Salvadoran surveys and that therefore poverty is overestimated. The World Bank has adjusted poverty figures to account for this under-reporting and estimates urban poverty in 1992 at 43 percent, with rural poverty at 56 percent and total poverty at 48 percent.



A complementary measure, based on the Ministry of Planning's multipurpose household survey, will be used by the Mission to enrich other models. The survey indicates that as of 1992, 41 percent of urban households and 90 percent of rural households lack one of four basic needs (less than three persons per bedroom, access to water, sanitation services, children 7 to 10 attending school).

Regardless of the methods used for measurement, there is no doubt that roughly half the population of El Salvador is poor by anyone's definition. Combatting poverty is the country's key development issue.

Performance

Appropriate Policy Framework

The solid economic policies and performance of the Government of El Salvador -- as encouraged and supported by USAID and other donors -- are creating a dynamic environment which can provide incentives and support for lower-income people to become more productive and thereby increase their incomes and their ability to improve quality of life. The economic expansion which began in 1990 has resulted in four years of accelerating real economic growth, lower inflation, improved fiscal performance, major gains in investment and employment, and increases in nontraditional exports. In FY 1992 and 1993, real GDP growth was five percent, the highest annual growth rate of the past 15 years, and per capita income growth was nearly three percent.

> Single mother of four, Josefina, knew how to make hammocks, but could not purchase materials to make them. With her first loan of $50 (equivalent), she was able to start her own small business, and can now support her family.

Substantial evidence exists that marginal groups are benefitting from the country's strong economic improvements. For example, most of El Salvador's poor live in rural areas and work in agriculture. Much of the economy's growth is attributable to substantial increases in real agricultural GDP, due in part to the elimination of Government marketing monopolies and other major agricultural policy reforms advocated by donors. Large numbers of the farmers benefitted by these advancements are in the lower income groups.

Increased Private Investment

Private sector investments have continued on an upward trend in El Salvador since 1989, spurring economic growth and resulting in significant gains in employment. Also, the surge in family remittance inflows over the past few years, made possible by exchange rate and financial market liberalization, has had an important favorable impact on the poor.

Village banking and microenterprise lending activities have benefitted more than 34,000 aspiring small entrepreneurs, a great majority of them women and poor, and have resulted in the establishment of well over a thousand new banks throughout the country. Private investment in non-traditional agricultural exports, a focal area for USAID/El Salvador, increased by almost 100 percent in 1993. This area holds promise for raising the incomes of the poor.

Increased Exports

Strong export growth rates (with the exception of coffee, the primary export) were achieved by El Salvador in the early 1990s. Private enterprise activities sponsored by USAID/El Salvador generated nearly $60 million in exports in 1993. Non-traditional agricultural exports increased by 18 percent in 1992 and rose another 8 percent in 1993. A great deal of interest is being generated by a survey to analyze demand for typical Salvadoran food products among the large ethnic Salvadoran population in the United States. Results of studies of this and other "niche" markets (organic coffee, for example) will be used by Salvadoran producers and exporters to further increase exports. This, in turn, should give a boost to employment.

Increased Employment

Employment is perhaps the most effective means of combatting poverty and enabling people to improve their lives, and the overall employment picture in El Salvador is encouraging. Unemployment declined from about 10 percent in the late 1980s to 7.9 percent in 1993 despite major increases in the urban workforce resulting both from natural population growth and the demobilization of over 35,000 ex-combatants and national police. Survey data show that employment in urban areas in El

Salvador has increased by up to 150,000 over the period 1989-1992. Figures for 1993 are not yet available, but it is anticipated that up to an additional 30-40,000 new jobs were created.

Donors, including the United States, have provided financial support and technical assistance to promote policy reforms leading to increased investments and exports that have in turn greatly expanded employment opportunities. Direct project interventions and training activities have further improved the quantity and quality of human capital ready for employment.

Modernization of the State

Although it is true that significant reforms have been made in recent years and that notable accomplishments have taken place, poverty remains. It constitutes a threat to the consolidation of peace and strengthening of democracy, contributes to El Salvador's deteriorating crime situation, and imposes an unacceptable level of hardship and inequality on large numbers of the nation's citizens.

Modernization of the State is a concept that holds real promise for attacking poverty through a combination of policy reforms and direct action measures. It promotes decentralization of government services, greater grassroots participation of people and organizations in their own communities, increased funding and efficiency of basic social sector programs, and decreased levels of poverty. The concept is attracting a great deal of interest and support from government, universities, non-governmental organizations, and donors. It is the focal point of the FY1994 and FY1995 economic and social reform programs proposed as part of this Action Plan.

El Salvador

TABLE I: STRATEGIC OBJECTIVE PROGRAM "TREE"

Agency Objective

Encouraging broad–based economic growth

Mission Strategic Objective

Strategic Objective No. 2 Broad–based economic growth increased

S.O. Indicators

1. *One basic need unmet*
2. *Population living in poverty*
3. *Population living in extreme poverty*
4. *Index of Real Gross Domestic Product per capita*

Program Outcomes

2.1 Appropriate economic & social policy framework created and maintained	2.2 Increased private investment	2.3 Increased exports	2.4 Increased employment

Program Indicators

2.1	2.2	2.3	2.4
1. *BOP current account deficit as % of GDP* 2. *Nonfinancial public sector deficit as % of GDP* 3. *Consumer price index* 4. *Nat'l savings as % of GDP* 5. *Public sector savings as % of GDP*	1. *Private investment as % of GDP* 2. *Gross capital formation as % of GDP*	1. *Nontraditional non–agriculture exports* 2. *Drawbacks* 3. *Traditional agricultural exports* 4. *Nontraditional agricultural exports*	1. *Index of total urban employment* 2. *Urban unemployment rate* 3. *Visible urban under–employment rate*

Projects

2.1	2.2	2.3	2.4
0414 Social/Econ Policy Reform	0327 Agribusiness Developmnt	0397 Rural Equitable Economic	0327 Agribusiness Developmnt
0349 Technical Support, Policy	0307 Agrarian Reform Financin	0323 Industrial Reconstruction	0267 Industrial Stabilization
0287 Industrial Stabilization	0323 Industrial Reconstruction	0287 Industrial Stabilization	0318 Microenterprise Dev
0357 SABE	0287 Industrial Stabilization	0392 NTAE Production & Mark	0387 Small Enterprise Support
0308 Health Systems Support	0320 Public Service & Improv	0362 Coffee Technology	0392 NTAE Production & Mark
0401 Social Sector Reform	0397 Rural Equitable Economic	0358 CA Rural Electrification	0315 Training for Productivity
9365730 Renewable Energy Application	0395 Technical Assistance to Business	0318 Microenterprise Dev	0399 Catholic Relief Services
APAP II	0387 Small Enterprise Support	0094 Special Dev Activities	9400404 Institute for Contemporary Studies
	0315 Training for Productivity		
	0382 Rural Enterprise Dev II		

TABLE II: STRATEGIC OBJECTIVE PERFORMANCE

El Salvador

STRATEGIC OBJECTIVE NO. 2 Broad-based economic growth increased

Indicator: 1. One basic need unmet

Unit: Households, percent		Year	Planned Rural	Planned Urban	Actual Rural	Actual Urban
Source: MIPLAN, Multipurpose Household Survey	Baseline	1989	N/A	N/A	N/A	43.5
Comments: This indicator measures households which lack at least one of four basic needs satisfied:		1990	N/A	N/A	N/A	N/A
		1991	N/A	N/A	N/A	42.5
- less than 3 persons per bedroom		1992	N/A	N/A	90.8	41.4
- access to water		1993	89.8	40.4		
- access to sanitation services		1994	88.8	39.4		
- children aged 7-10 attending school		1995	87.8	38.4		
		1996	86.8	37.4		
	Target	1997	85.8	36.4		

Indicator: 2. Population living in poverty [1/] a) urban, b) rural, c) overall								
Unit: People, percent		Year	Planned a	Planned b	Planned c	Actual a	Actual b	Actual c
Source: MIPLAN, Multipurpose Household surveys	Baseline	1989	N/A	N/A	N/A	55.5 (32.8)	N/A	N/A
Comments: 1/ Includes both population living below relative poverty level and in extreme poverty.		1990	N/A	N/A	N/A	60.2		
		1991	N/A	N/A	N/A	56.1 (40.4)	N/A	N/A
Due to lack of historical trend, targets for rural and overall are estimated but subject to revision.		1992	55	N/A	N/A	53.7 (30.8)	66.1 (49.9)	59.7 (40.0)
		1993	54.5	69.8	59.8	50.8 (26.6)		
		1994	54	69.2	59.3			
		1995	53.5	68.6	58.8			
		1996	53	68.0	58.3			
	Target	1997	52.5	67.3	57.8			

Indicator: 3. Population living in extreme poverty 1/ a) urban, b) rural, c) overall								
Unit: People, percent		Year	Planned			Actual		
			a	b	c	a	b	c
Source: MIPLAN, Multipurpose Household surveys	Baseline	1989	N/A	N/A	N/A	23.6 (2.2)	N/A	N/A
Comments: 1/ Those with a total income that does not allow them to purchase the basic food basket. Due to lack of historical trend, targets for rural and overall are estimated and subject to revision.		1990	N/A	N/A	N/A	28.1		
		1991	N/A	N/A	N/A	23.2 (2.0)	N/A	N/A
		1992	22	N/A	N/A	23.3 (2.9)	33.6 (10.2)	28.2 (6.4)
		1993	22	40.6	30.5	21.3 (3.5)		
		1994	21.5	39.4	30.0			
		1995	21.5	38.2	29.4			
		1996	21	37.1	28.5			
	Target	1997	21	35.9	27.9			

Indicator: 4. Index of Real Gross Domestic Product per capita				
Unit: Index of Real GDP with base year of 1989=100 1/ (Real GDP Growth Rate) per capita		Year	Planned	Actual
Source: BCR, Gerencia de Politica Economica	Baseline	1989	N/A	100.0 (-0.8)
Comments: 1/ Based on 1992 MIPLAN population projections and estimates.		1990	N/A	101.4 (1.4)
		1991	N/A	102.8 (1.4)
		1992	104.6 (1.8)	105.8 (2.9)
		1993	106.9 (2.2)	108.6 (2.7)
		1994	109.3 (2.2)	
		1995	112.2 (2.7)	
		1996	115.3 (2.7)	
	Target	1997	118.4 (2.7)	

El Salvador

PROGRAM OUTCOME NO. 2.1 Approriate economic and social policy framework created and maintained

Indicator: 1. BOP current account deficit as % of GDP

Unit:		Year	Planned	Actual
Source:	Baseline	1989	N/A	9.4
Comments:		1990	N/A	6.7
		1991	N/A	5.0
		1992	5.0	5.8
		1993	5.6	4.2
		1994	5.0	
		1995	4.0	
		1996	4.0	
	Target	1997	3.5	

Indicator: 2. Nonfinancial Public Sector Deficit as % of GDP (before grants)

Unit:		Year	Planned	Actual
Source:	Baseline	1989	N/A	5.8
Comments:		1990	N/A	2.5
		1991	N/A	4.4
		1992	4.0	5.9
		1993	5.4	3.9
		1994	5.1	
		1995	4.5	
		1996	4.0	
	Target	1997	3.0	

Indicator: 3. Consumer price index				
Unit: Index		Year	Planned	Actual
Source: BCR, Gerencia de Politica Economica	Baseline	1989	N/A	23.5
Comments: End of period average.		1990	N/A	19.3
		1991	N/A	9.8
		1992	10.0	20.0
		1993	10.0	12.1
		1994	10.0	
		1995	10.0	
		1996	10.0	
	Target	1997	10.0	

Indicator: 4. National Savings as % of GDP				
Unit: Percentage		Year	Planned	Actual
Source: BCR, Gerencia de Politica Economica	Baseline	1989	N/A	6.8
Comments:		1990	N/A	5.1
		1991	N/A	8.9
		1992	9.6	10.4
		1993	9.4	12.0
		1994	10.5	
		1995	12.0	
		1996	12.5	
	Target	1997	13.5	

Indicator: 5. Public Sector Savings as % of GDP				
Unit: Percentage		Year	Planned	Actual
Source: BCR, Gerencia de Politica Economica	Baseline	1989	N/A	-1.6
Comments:		1990	N/A	-0.3
		1991	N/A	-0.7
		1992	0.4	0.2
		1993	1.0	0.4
		1994	1.5	
		1995	2.0	
		1996	2.0	
	Target	1997	2.0	

El Salvador

PROGRAM OUTCOME No. 2.2 Increased private investment

Indicator: 1. Private investment as % of GDP				
Unit: Percentage		Year	Planned	Actual
Source: BCR, Gerencia de Politica Economica	Baseline	1989	N/A	9.8
Comments:		1990	N/A	9.5
		1991	N/A	11.0
		1992	10.9	12.2
		1993	11.0	12.9
		1994	11.5	
		1995	12.0	
		1996	12.5	
	Target	1997	13.0	

Indicator: 2. Gross capital formation as % of GDP				
Unit: Percentage		Year	Planned	Actual
Source: BCR, Gerencia de Politica Economica	Baseline	1989	N/A	13.3
Comments:		1990	N/A	11.8
		1991	N/A	13.5
		1992	14.3	15.6
		1993	15.0	16.4
		1994	15.5	
		1995	16.0	
		1996	16.5	
	Target	1997	17.0	

El Salvador

PROGRAM OUTCOME No. 2.3 Increased exports

Indicator: 1. Nontraditional non-agriculture exports (million $)				
Unit: Millions of US Dollars		Year	Planned	Actual
Source: BCR, Gerencia de Politica Economica	Baseline	1989	N/A	209.9
Comments: Excluding maquila exports		1990	N/A	239.7
		1991	N/A	267.3
		1992	N/A	329.5
		1993	365.4	390.4
		1994	407.5	
		1995	459.3	
		1996	523.1	
	Target	1997	596.3	

Indicator: 2. Drawbacks				
Unit: Millions of US Dollars		Year	Planned	Actual
Source: FUSADES	Baseline	1989	N/A	15.0
Comments: Domestic value added of assembled products		1990	N/A	18.0
		1991	N/A	24.9
		1992	23.5	42.1
		1993	50.0	71.1
		1994	60.0	
		1995	70.0	
		1996	85.0	
	Target	1997	100.0	

Indicator: 3. Traditional agricultural exports (millions $)				
Unit: Millions of US Dollars		Year	Planned	Actual
Source: BCR, Gerencia de Politica Economica	Baseline	1989	N/A	252.8
Comments:		1990	N/A	296.2
		1991	N/A	272.1
		1992	N/A	217.3
		1993	271.5	283.4
		1994	316.7	
		1995	356.2	
		1996	387.7	
	Target	1997	419.2	

Indicator: 4. Nontraditional agricultural exports (million $)				
Unit: Millions of US Dollars		Year	Planned	Actual
Source: BCR, Gerencia de Politica Economica	Baseline	1989	N/A	34.8
Comments:		1990	N/A	45.7
		1991	N/A	48.7
		1992	N/A	50.7
		1993	54.8	57.9
		1994	60.5	
		1995	69.3	
		1996	82.3	
		1997	97.8	

El Salvador

PROGRAM OUTCOME NO. 2.4 Increased employment

Indicator: 1. Index of total urban employment (1989=100) a) total (average), b) male, c) female								
Unit: People, index		Year	Planned			Actual		
			a	b	c	a	b	c
Source: Index of number of urban employees.	Baseline	1989	N/A			100	100	100
Comments: Multipurpose household surveys conducted in January-June for the 1988 and 1990 figures in October-February for the 1989 and 1991 figures.		1990	N/A			112	112	113
		1991	N/A			113	111	115
Estimated values for 1993 and after.		1992	119			120	118	123
		1993	124	122	127			
		1994	128	126	131			
		1995	132	130	135			
		1996	136	134	139			
	Target	1997	140	138	144			

Indicator: 2. Urban unemployment rate a) total (average), b) male, c) female								
Unit: People, percent		Year	Planned			Actual		
			a	b	c	a	b	c
Source: Multipurpose Household Survey (MIPLAN)	Baseline	1989				8.4	9.5	6.8
Comments:		1990				10.0	10.1	9.8
		1991				7.5	8.3	6.6
		1992	7.4			7.9	8.4	7.2
		1993	7.4	7.8	7.0			
		1994	7.0	7.3	6.5			
		1995	7.0	7.3	6.5			
		1996	7.0	7.3	6.5			
	Target	1997	7.0	7.3	6.5			

Indicator: 3. Visible urban underemployment rate a) total (average), b) male, c) female								
Unit: People, percent		Year	Planned			Actual		
			a	b	c	a	b	c
Source: Multipurpose Household Survey (MIPLAN)	Baseline	1989	N/A			3.9	3.8	1.8
Comments:		1990	N/A			5.2	5.1	2.3
		1991	N/A			4.5	4.3	2.2
		1992	3.5			3.5	3.6	1.5
		1993	3.5					
		1994	3.3	3.5	1.5			
		1995	3.3	3.3	1.4			
		1996	3.3	3.3	1.4			
	Target	1997	3.3	3.3	1.4			

Protecting the Global Environment

Mission Strategic Objective 5: Improved Environmental and Natural Resource Management

Agency and Mission Linkage

The USAID Strategy on Protecting the Environment states that:

> "Economic growth cannot be sustained if the natural resources that fuel that growth are irresponsibly depleted. Conversely, protection of the environment and careful stewardship of those natural resources will not be possible where poverty is pervasive. This is the conundrum and the opportunity of sustainable development."

For El Salvador, this is particularly true given its small land mass, dense population, high poverty rates, agrarian economy and damage caused by neglect during twelve years of civil war. In order to arrest the damage done, the force of our entire program is required. Because of the seriousness of the country's environmental problems, the Mission has elevated the issue to the strategic objective level: Improved Environmental and Natural Resource Management.

The Mission's environmental approach will include: the creation and implementation of natural resource use policy and legal framework, increased public awareness of environmental problems, and improved productive activities that are consistent with management of natural resources. Progress at the strategic objective level will be tracked by monitoring the response of a key natural resource, forest cover, and by monitoring implementation progress of the Environment and Natural Resource Management Strategy, as well as individual elements of the major environment/natural resource management (ENRM) activity, PROMESA.

Performance

Natural Resource Use Policy/Legal Framework Created and Implemented

El Salvador is making strides in creating a natural resource policy and legal framework. Although the Mission's major effort in the area, PROMESA, has been slow in starting up, several activities are well underway. USAID/El Salvador has been working with the Secretariat for the Environment (SEMA) for the past two years to develop a National Environment and Natural Resource Management Strategy. This was approved by the executive branch on January 31, 1994.

The Secretariat has also proposed legal revisions to the forestry, water, and other laws. Five laws are now pending approval: 1) a law to create the Environmental Fund for El Salvador (FONAES); 2) a forestry law which will support organizations such as a special environmental unit of the National Civilian Police; 3) an environmental protection law; 4) a land use law; and, 5) the organic law for SEMA. In the process of their design by SEMA, these laws and the strategy were vetted with NGOs, private enterprise and other government institutions, since all must play a major role in natural resource management. The objective of this initiative has been to consolidate all efforts within the National Strategy for the Environment.

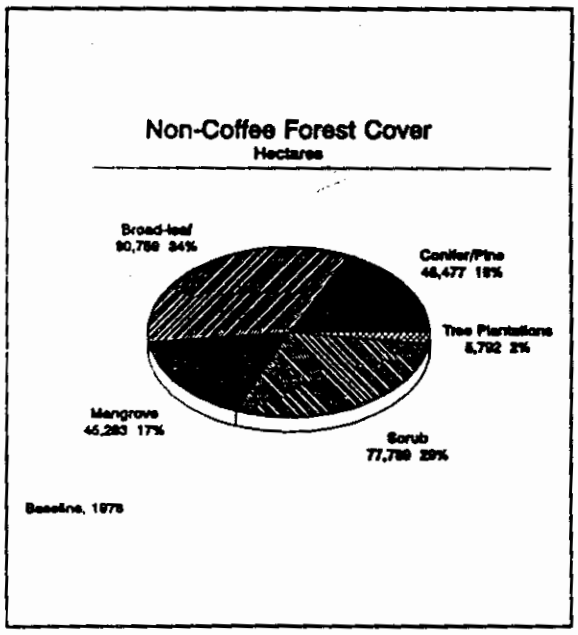
While USAID/El Salvador has integrated in its project design procedures a formal

environmental assessment, it is equally important that all new projects in El Salvador complement the GOES' newly created environmental strategy. To this end, USAID/EL Salvador has played a catalytic role in donor coordination - by using the ENRM strategy as a c.p. for the World Bank SAL II and in the design and support of the IDB Upper Lempa River Project by supporting a complete inventory of current water law and a conference to recommend measures for the new law.

Increased Public Awareness of Environmental Problems Nationwide

General public concern on environmental issues exists; however there is a lack of widespread knowledge of specific problems and even less on what should be done. While well over half of the surveyed population viewed environmental problems as very serious, only 14 percent could actually name three environmental problems. To build environmental awareness for the future, environmental themes have been integrated into the formal primary education curriculum (Kindergarten-3) under the Strengthening Basic Education (SABE) Project. In addition, a contract has been awarded to GREENCOM to develop an environmental education program to accomplish the following objectives: strengthen the Ministry of Education in formal education by development develop texts for grades 5-6 and teacher training materials for all grades, and training teacher in using the materials; work with NGOs to improve their environmental education efforts; and maintain a coordinated national environmental education campaign in the mass media, T.V, radio and the press. According to recent polls, there is a nine percentage point difference between men and women's environmental awareness. The GREENCOM contract, in addition to raising national awareness, will also target educational messages to narrow this gap. University texts which incorporate environmental themes have been made available under the RTAC II Project - students purchased 6,000 in 1992. Through the CAPS/CLASP Project, 75 environmental promoters and educators were trained in outreach techniques to involve communities in environmental activities, and are already working with various communities on environmental projects.

In addition to being an environmental hazard, improper sewage disposal and drinking water contamination are major causes of child morbidity and mortality. Diarrheal disease, often caused by these problems, is one of the leading killers of children in the country. Two approaches are being used. PROMESA will coordinate with GOES agencies and NGOs working in project demonstration areas to provide additional emphasis on cleaning up sources of water contamination thus bettering the health of local residents. Under the Mission's health portfolio, an interlocking nationwide network of 1,836 health promoters emphasize appropriate disposal of human wastes in rural areas. This has had a favorable impact on the incidence of diarrheal diseases and contamination of drinking water.



Improved Productive Activities Consistent With Natural Resources Management

Through the agricultural portfolio, appropriate pesticide use and sustainable agricultural practices were taught to 3,762 small farmers and cooperative members in 1993. Over 8,000 additional beneficiaries are expected to receive training in 1994. Through the RENARM regional environmental program, professional advice has been given directly to the vegetable and animal health division of the Ministry of Agriculture by the U.S. Environmental Protection Agency on how to properly dispose of large quantities of outdated and unregistered pesticides which were scattered throughout the country. Finally, through the Strengthening Environmental Non-governmental Salvadoran Organizations project (SENS), the Pan American Development Foundation is strengthening six environmental NGOs and providing small grants to enable them to carry out public education campaigns and develop projects which will actively involve citizens with their environment.

The creation of the Environmental Fund for El Salvador (FONAES), funded through the Enterprise for the Americas debt reduction program, has been a focal point for generating NGO interest in environmental concerns and provides a long-term mechanism to support their activities. FONAES will begin taking applications for small environmental and child development grants in mid-1994.

Agriculture continues to be important in El Salvador's economy. Fifty-two percent of the population is rural and relies on the land for their livelihood. It is therefore important that productive activities be rationalized with natural resource conservation needs. During 1993, more than 10,000 hectares were farmed using improved pesticide management, sustainable agricultural practices and soil conservation techniques sponsored by USAID/El Salvador. In early 1994, the PROMESA project will begin to work with SEMA on ENRM policy and coordinating activities in a demonstration area to show how sound natural resource management actually improves the lives of local residents.

El Salvador

TABLE I: STRATEGIC OBJECTIVE PROGRAM "TREE"

Agency Objective

Protecting the global environment

Mission Strategic Objective

Strategic Objective No. 5 Improved environmental and natural resource management

S.O. Indicators

1. *Non-coffee forest cover*
2. *Environment & natural resource management strategy and workshops*

Program Outcomes

5.1 Natural resource use policy/legal framework created and implemented	5.2 Increased public awareness of environmental problems nationwide	5.3 Improved productive activities consistent with sustainable natural resource management

Program Indicators

1. *Selected policies/laws established* 2. *Level of resources provided for natural resource management*	1. *Survey respondents able to name three environmental problems* 2. *Survey respondents indicating that environmental problems are very serious.*	1. *Hectares of non-forested land under improved natural resource management, including buffer zones* 2. *Persons practicing improved methods (in No. 1 above)* 3. *Difference in average water flow between dry and rainy season in Ahuachapio River* 4. *Suspended solids in Ahuachapio River*

Projects

5.1	5.2	5.3
0385 Environmental Protection	0385 Environmental Protection	0385 Environmental Protection
0318 Microenterprise Development	0400 Salvadoran Environmental Strengthen	0392 NTAE Produc. & Marketing
0397 Rural Equitable Economic Growth	0357 SABE	0327 Agribusiness Development
596-0150 RENARM	0361 CLASP	0382 Rural Enterprise Dev.
	0308 Health Systems Support	0358 CA Rural Electrification Sup.
	0367 Maternal Health/Child Survival Services	0400 Salvadoran Env. Strength.
	0397 Rural Equitable Economic Growth	0397 Rural Equitable Economic Growth
	0320 Public Services and Improvement	
	597-0011 RTAC II	
	536-5839 GREENCOM	

TABLE II: STRATEGIC OBJECTIVE PERFORMANCE

El Salvador

STRATEGIC OBJECTIVE NO. 5 Improved environmental and natural resource management

Indicator: 1. Non-coffee forest cover				
Unit: Hectares		Year	Planned	Actual
Source: Satellite photos, CATIE, CEL, MAG/CENREN		1978 (reference)	------	268,000
Comments: Pine, broadleaf, mangrove, trees and shrub. Does not include coffee plantations. 1978 is included for reference.	Baseline 1/	1993	------	
		1995	273,000	
1/ 1993 data for baseline will come from PROMESA project.	Target	1997	280,000	

Indicator: 2. Environment and natural resource management strategy and workshops				
Unit: Yes/No (workshop held)		Year	Planned	Actual
Source: SEMA	Baseline	1994	12/31/93	1/31/94
Comments: * Strategy will be tracked every two years with national workshops to measure progress and adjust targets. Baseline reflects approval of the strategy by CONAMA.		1996	12/31	
	Target	1998	12/31	

El Salvador

PROGRAM OUTCOME NO. 5.1 Natural resource use policy/legal framework created and implemented

Indicator: 1. Selected Policies/Laws established:

Unit: Law or Policy passed by Legislative assembly

Source: SEMA/MIPLAN (published in Official Gazette)

Comments: Additional laws may be identified in the course of PROMESA implementation.

Critical assumption: Change in government does not cause significant delay in passage of laws.

	Year	Planned	Actual
Forestry Law	1994	6/30	
Gen Envt Law	1994	6/30	
Law for SEMA	1994	6/30	
Env Ed Policy	1994	12/31	

Indicator: 2. Level of resources provided for natural resource management (GOES, donors, FONAES)

Unit: Current Dollars (million USD)

Source: GOES Ordinary Budget/Extraordinary Budget/FONAES/Donors

Comments: Targets reflect combined national budget items plus donor funds and FONAES funds allocated to environmental purposes. Once actualized, specific amounts will be noted (million current dollars).

	Year	Planned	Actual
Baseline	1993	N/A	$ 9.3 (GOES)
	1994	$ 16.3	
	1995	20	
	1996	25	
Target	1997	30	

El Salvador				
PROGRAM OUTCOME NO. 5.2 Increased public awareness of environmental problems nationwide				
Indicator: 1. Survey respondents able to name three environmental problems				
Unit: Respondents by sex, percent		**Year**	**Planned Male/Female**	**Actual Male/Female**
Source: CID/Gallup Survey	**Baseline**	**1993 (Jan.)**		**15.3/12.0**
Comments: Baseline from January 1993 CID/Gallup Report.		**1994 (Feb.)**	**17.0/14.0**	
		1995	**19.0/17.0**	
		1996	**22.0/20.0**	
	Target	**1997**	**25.0/25.0**	
Indicator: 2. Survey respondents indicating that environmental problems are very serious				
Unit: Respondents by sex, percent		**Year**	**Planned Male/Female**	**Actual Male/Female**
Source: CID/Gallup Survey	**Baseline**	**1993 (Jan.)**	**------**	**69.4/60.5**
Comments: % saying environment was a very serious problem.		**1994**	**71.4/63.5**	
Gap between M/F expected to narrow to 0.9 % points.		**1995**	**73.4/67.5**	
		1996	**75.4/71.5**	
	Target	**1997**	**77.4/76.5**	

El Salvador

PROGRAM OUTCOME NO. 5.3 Improved productive activities consistent with sustainable natural resource management nationwide and in demonstration area

Indicator: 1. Hectares of non-forested land under improved natural resource management, including buffer zones

Unit: Hectares, number		Year	Planned	Actual
Source: Project Data, MAG, SEMA, DIVAGRO, TECHNOSERVE, SENS, PROMESA	Baseline	1993	7,900	10,097
Comments:		1994	18,173	
		1995	26,543	
		1996	29,947	
	Target	1997	37,610	

Indicator: 2. Persons (M/F) practicing improved methods (in number 1 above)

Unit: Number of persons		Year	Planned Male/Female	Actual Male/Female
Source: Project Data CLUSA, DIVAGRO, TECHNOSERVE, PROMESA, SENS	Baseline	1993	2,822/940	
Comments:		1994	6,491/2,163	
		1995	9,480/3,160	
		1996	10,695/3,565	
	Target	1997	13,433/4,477	

Indicator: 3. Difference in average water flow between dry and rainy season in Ahuachapio River				
Unit: Volume per second (cubic meters/sec.)		Year	Planned Dry/Rainy/Diff	Actual Dry/Rainy/Diff
Source: CENREN	Baseline	1991	N/A	1.3/4.9/3.6
Comments: Average water flow in dry season and rainy season, Rio Ahuachapio.		1994	1.5/4.8/3.3	
		1995	1.7/4.7/3.0	
		1996	2.0/4.5/2.5	
	Target	1997	2.2/4.3/2.1	

Indicator: 4. Suspended solids in Ahuachapio River				
Unit: Suspended solids mg/l		Year	Planned	Actual
Source: PROMESA Water Quality Study, ANDA	Baseline	1991	N/A	4.0
Comments: Turbidity will be measured by suspended solids because it represents a more scientific measurement. Location for measurement will be Rio Ahuachapio, Ahuachapan.		1994	3.9	
		1995	3.7	
		1996	3.5	
Measurements are end of year average.	Target	1997	3.3	

Stabilizing World Population Growth

Mission Strategic Objective 4: Improved Quality with Equity in Health and Education

Agency and Mission Linkage

The cross-cutting issue of combatting poverty is a central element throughout USAID/El Salvador's strategic framework. In this Action Plan and in the structure of the Mission's objective tree, the economic aspects of poverty reduction are addressed through the Agency objective of Broad-based Economic Growth, which is also the Mission's Strategic Objective No. 2.

Many of the social aspects of combatting poverty are addressed through Mission Strategic Objective No. 4: Improved Quality with Equity in Health and Education. This objective recognizes the critical linkages between and among health, population, and education and all of the Agency goals.

Although the Agency goal of Stabilizing Population Growth clearly does not provide an entirely appropriate umbrella for discussion of Mission SO 4 and the population, health, education, and training portfolio of activities that comprise it, that goal appears to offer the best available fit at present, short of changing the Mission SO. Instead of doing so, USAID/El Salvador suggests that the Agency reconsider the apparent recent conclusion that health and education should be dealt with as part of economic growth, while population should be a separate goal. One alternative might be to establish a Broad-based Human Development goal as a counterpart to the economic goal and as a more inclusive ambition than decreased population alone.

Major current sector assessments in education (completed 12/93) and health (in process) stress the importance of focusing efforts on both quality and equity. Accordingly, the strategic objective statement was modified to address the conclusions of these assessments and has been restated as "Improved Quality with Equity in Health and Education." Qualitative indicators of 6th grade completion rate and infant/child mortality and total fertility rates will be disaggregated by Urban/Rural to assess equity. All program outcomes in support of this strategic objective have been modified to monitor equity improvement. Specific adjustments to indicators tracking these outcomes can be found in Annex A 4.

Performance

Although much remains to be done to better the health and education sectors, there has been some improvement in recent years. With the signing of the Peace Accords in 1992, improvement has accelerated as a result of the "peace dividend" channelling more resources to these sectors. With strong USAID encouragement, NGOs and other donors have also achieved gains in equity and efficiency in health and education.

Increased equity and quality of the K-6 educational system

USAID/El Salvador's focus in the education sector is on primary education (grades K-6). The education program outcome was revised by the Strategic Objective Team to include monitoring of equity on a "Rural/Urban/ Total" basis, putting a tighter focus on the differences in opportunities based on geographic area and gender. Indicators were refined to align achievement test reporting

with MOE systems, and to reflect the importance of efficiency by measuring the average number of years required to complete a sixth grade education. Critical achievements in education programs were:

- In CY 1992-1993, Strengthening Achievement of Basic Education Project distributed school supplies and books to 4,300 schools nationwide. In CY 1994, additional textbooks for grades 1-3 will be delivered nationwide, and textbooks for grades 4-6 will be delivered to formerly conflictive zones. These are the first revised texts since 1975.

- In CY 1993, over 7,000 teachers were trained in the use of new curricula and an additional 6,700 will be trained in CY 1994. By CY 1993, over 4,800 principals were trained in classroom observation techniques.

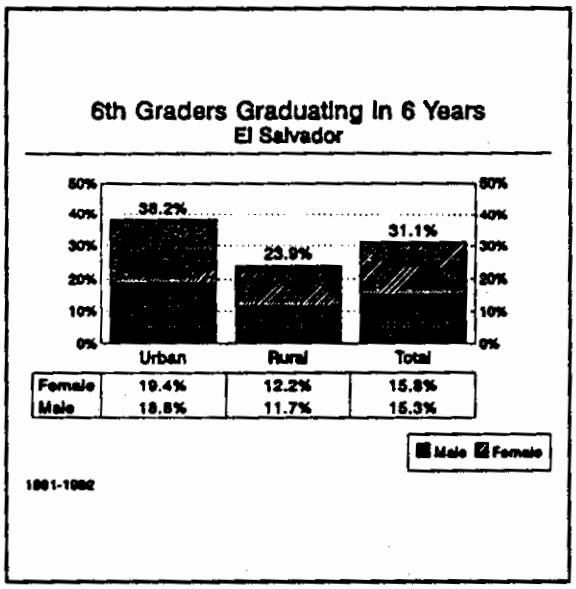
- The MOE has begun to decentralize its functions and is coordinating with other central and local government agencies involved in overall government decentralization to further define the process.

- MOE, as a result of CLASP training programs, has made several important national policy revisions: improvement of teaching and instructional methodology for grades K-6 and the formation of nationwide cadre of teacher trainers.

- A successful pilot interactive radio project, developed to teach mathematics to 50 first grade classes, resulted in an expansion of the program to reach 3,000 classes nationwide during CY 1993. In CY 1994 this project will further expand.

- Pilot programs were developed for: decentralized management of the educational system; decentralized teacher training; and, local control of educational resource decisions.

- During CY 1993 strides were made towards collecting baseline data to measure project progress on an ongoing basis. The chart below presents the percentage increase of children starting first grade who complete sixth grade in six years.



Increased contraceptive prevalence rate with greater reliance on modern, temporary methods

A major focus of the Mission's health program, designed to stabilize population growth, is to increase nationwide accessibility to modern contraceptive methods (El Salvador is Latin America's most densely populated mainland nation). In addition, equity improvement will be monitored on a "San Salvador/Other Urban/Rural/Total" basis. Significant accomplishments in the Mission's family planning programs are:

- The population growth rate has decreased to 2.2 percent in 1993.

- From 1988 to 1993, the total fertility rate in El Salvador declined from 4.60 to 3.85 children per woman. Similarly the rates for San Salvador declined from 3.00 to 2.65; other urban areas declined from 3.70 to 3.54; and rural areas declined from 5.90 to 4.96.

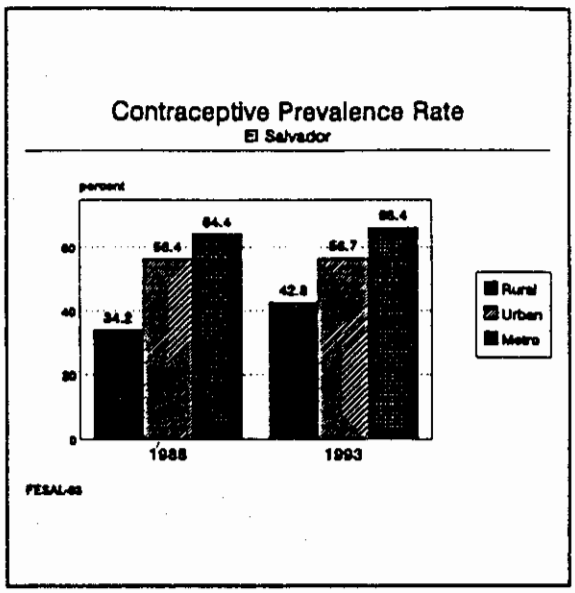
- The Contraceptive Prevalence Rate has increased from 47.1 percent in CY 1988 to 53.3 percent in 1993.[1]

- The Salvadoran Demographic Association (SDA) began to develop a sustainability plan to decrease the dependency on the U.S. Another major achievement of SDA, and the CDC, has been the completion of the Demographic and Health Survey for CY 1993. The SDA also expanded its maternal child health and family planning services to over 90 ex-conflictive municipalities in El Salvador and now serves 17 percent of all family planning users. The SDA is serving approximately 1.3 million people with family planning and maternal/child health services.

- With support from the APSISA Project, 300 additional Community Health Promoters will be trained in CY 1994 in the promotion of family planning, safe deliveries and post-natal care.

Increased primary health care and child survival coverage

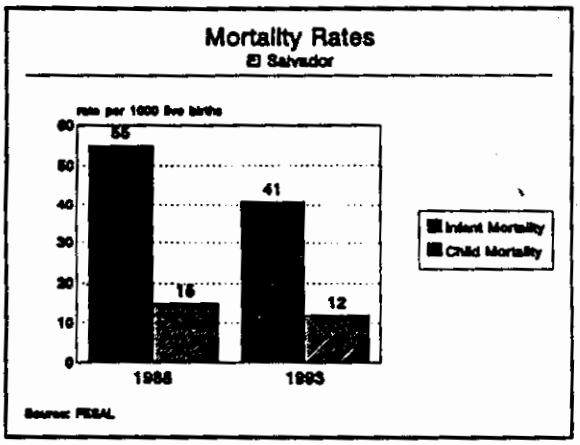
Like contraceptive prevalence, for primary health care and child survival coverage, (equity access improvement) will also be monitored on a "San Salvador/Other Urban/Rural/Total." Principal attainments within USAID/El Salvador's health care and child survival programs were:



- In CY 1993 PROSAMI has increased it's number of beneficiary NGO's from 20 to 36, bringing basic maternal child health and family planning services from 200 high risk communities to over 450. 185 community health practitioners have been trained, serving a population in excess of 400,000. To date PROSAMI has trained 494 community health promoters, and plans to train another 65 by the end of this fiscal year.

- During CY 1993, APSISA assisted with the implementation of MOH's Cost Recovery System; adequate water and sanitation systems are being reconstructed in 91 primary health facilities in 50 NRP areas; 350 Health Promoters and 2,239 health center physicians and nurses were trained nationwide. The percentage of basic pharmaceutical availability in health centers increased 40% to 83% during CY 1988-1993.

- 108 new malaria voluntary collaborators were trained and working in ex-conflictive areas, and a malaria control program decentralization process has been initiated. The number of malaria cases declined from 9,095 in 1988 to 3,887 in 1993. El Salvador continues to maintain what is recognized worldwide as an extremely successful malaria program.



- Nationwide child mortality rates declined since 1988 from 15/1000 to 12/1000 in 1993. Nationwide infant mortality rates declined since 1988 from 55/1000 to 41/1000 in 1993.

The proposed FY 1995 Social Sector Reform Project is based on the results of the sector assessments and the foundations laid by the Mission's health and education projects.

A number of issues and reforms in both sectors will be addressed: assess inequity to basic social services, HIV/AIDS, poor quality of services, and absence of participatory mechanisms. The Health Systems Support Project (APSISA) will be extended 18 months until March 1996. This Project will reflect assessment recommendations and better assist in improving access to basic and reproductive health services and efforts toward a reduction in child and infant mortality rates. A major amendment is also planned for the Family Health Services Project to continue private sector family planning efforts.

El Salvador

TABLE I: STRATEGIC OBJECTIVE PROGRAM "TREE"

Agency Objective

Stabilizing world population growth

Mission Strategic Objective

Strategic Objective No. 4
Improved quality with equity in health and education

S.O. Indicators

1. *% of 6th graders graduating in 6 years*
2. *Infant mortality rate*
3. *Child mortality rate*
4. *Total fertility rate*

Program Outcomes

4.1 Increased equity and quality of the K–6 educational system	4.2 Increased contraceptive prevalence rate with greater reliance on modern, temporary methods	4.3 Increased primary health care and child survival coverage

Program Indicators

1. *Net enrollment* 2. *Promotion rate at 1st grade level* 3. *National achievement test scores in language (3rd grade)* 4. *National achievement test scores in language (6th grade)*	1. *Contraceptive prevalence rate* 2. *% of modern, temporary contraceptive methods in CPR*	1. *Children under 5 vaccinated (complete series)* 2. *Women vaccinated w/complete tetanus series* 3. *Pregnant women receiving a minimum of 4 prenatal visits*

Projects

0357 SABE	0306 Health Systems Support	0306 Health Systems Support
0361 CLASP	0363 Family Health Services	0367 Maternal Health/Child Survival Services
0401 Social Sector Reform	0367 Maternal Health/Child Survival Services	0401 Social Sector Reform
0315 Training for Productivity & Competitive	0401 Social Sector Reform	0364 Community Based Integrated Rural
0377 FUNDASALVA	9363038 FP Logistics Management	0320 Public Services Improvement
0410 Salesian Missions	9363057 Central Contraceptive Procurement	Municipalities in Action (L/C)
5970011 RTAC II		9365974 Health Care Financing & Sustainab
5980659 Education & Human Resources Technical Services		Water & Sanitation for Health

TABLE II: STRATEGIC OBJECTIVE PERFORMANCE

El Salvador

STRATEGIC OBJECTIVE NO. 4 Improved Quality with Equity in Health and Education

Indicator: 1. 6th graders graduating in 6 years: a) National, b) Urban, c) Rural

Unit: 6th graders, percent		Year	Planned a M/F Total	Planned b M/F Total	Planned c M/F Total	Actual a M/F Total	Actual b M/F Total	Actual c M/F Total
Source: MOE	Baseline	1992	27/30.8 28.8	40.6/46 43.2	18.6/20.8 19.6	27/30.8 28.8	40.6/46 43.2	18.6/20.8 19.6
Comments:		1993	29.3/33.2 31.2	42.7/48.1 45.3	21.6/23/8 22.7			
		1994	31.7/35.5 33.5	44.7/50.1 47.4	24.6/26.8 25.7			
		1995	34/37.9 35.8	46.8/52.2 49.4	27.6/29.9 28.7			
		1996	36.3/40.2 38.2	48.9/54.3 51.5	30.6/32.9 31.7			
	Target	1997	38.6/42.6 40.5	50.9/56.3 53.6	33.7/35.9 34.7			

Indicator: 2. Infant Mortality Rate (IMR) (under 1 year): a) National, b) Rural, c) Other[1]Urban, d) MSS										
Unit: Deaths, per 1000 births		Year	Planned				Actual			
			a	b	c	d	a	b	c	d
Source: Family Demographic & Health Survey (FESAL) 1/	Baseline	1988	N/A	N/A	N/A	N/A	55	61	51	41
Comments: Rural and Other Urban IMR to decrease to IMR in Metropolitan San Salvador (MSS).		1992	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Targets have been revised to reflect higher expected input.		1993	41	59	50	40	41	44	35	38
Preliminary FESAL 93 data was available as of the end of CY 1993; final analysis is in process and expected to be available by May 1994. Because FESAL is currently done every 3 to 5 yrs, in the interim years data could be collected from Dirección General de Estadística y Censo (DIGESTYC), although the vital Statistic System is weak.		1994	41	44	35	38				
		1995	40	43	34	37				
		1996	40	43	34	37				
1/ USAID plans to negotiate with other donors to jointly fund the FESAL every 2 to 3 years.		1997	39	42	33	36				

Indicator: 3. Child Mortality Rate (CMR) (age 1 thru 5): a) National, b) Rural, c) Other Urban, d) MSS

Unit: Deaths, per 1000 births

Source: FESAL

Comments: Rural and Other Urban CMR decreases to CMR found in MSS.

No new actual data is available for 1992. Preliminary FESAL 93 data was available as of the end of CY 1993; final analysis is in process and expected to be available by May 1994.
1988 Actual figure has been corrected.

	Year	Planned a	Planned b	Planned c	Planned d	Actual a	Actual b	Actual c	Actual d
Baseline	1988	N/A	N/A	N/A	N/A	15	33	26	N/A
	1992	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1993	12	51	12	7	12	14	12	7
	1994	12	14	11	6				
	1995	11	13	11	6				
	1996	11	13	10	5				
Target	1997	10	12	10	5				

Indicator: 4. Total Fertility Rate (TFR) a) National, b) Rural, c) Other Urban, d) MSS

Unit: Children per woman

Source: FESAL

Comments: Rural and Other Urban TFR decreases to TFR found in MSS.

Preliminary FESAL 93 data was available as of the end of CY 1993; final analysis is in process and expected to be available by May 1994.

NOTE: TFR measures children born over a woman's reproductive life span.

	Year	Planned a	Planned b	Planned c	Planned d	Actual a	Actual b	Actual c	Actual d
Baseline	1988	N/A	N/A	N/A	N/A	4.6	5.9	3.8	3.1
	1992	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1993	4.0	5.0	3.5	3.0	3.85	4.96	3.52	2.69
	1994	3.5	4.5	3.5	2.5				
	1995	3.5	4.5	3.0	2.5				
	1996	3.0	4.0	3.0	2.0				
Target	1997	3.0	4.0	2.5	2.0				

El Salvador

PROGRAM OUTCOME NO. 4.1 Increased equity and quality of the K-6 educational system

Indicator: 1. Net enrollment children 7-12 grade 1-6: a) National, b) Urban, c) Rural

Unit: Children, percent		Year	Planned a M/F Total	Planned b M/F Total	Planned c M/F Total	Actual a M/F Total	Actual b M/F Total	Actual c M/F Total
Source: MOE	Baseline	1992	N/A	N/A	N/A	N/A	N/A	N/A
Comments:		1993	64.3/66.2 65.2			64.3/66.2 65.2		
		1994	65.6/67.4 66.5					
		1995	66.8/68.7 67.7					
		1996	68.1/69.9 69.0					
	Target	1997	69.3/71.1 70.2					

Indicator: 2. Promotion rate 1st grade level a) National, b) Urban, c) Rural								
Unit: Children, percent		Year	Planned a M/F Total	 b M/F Total	 c M/F Total	Actual a M/F Total	 b M/F Total	 c M/F Total
Source: MOE	Baseline	1992	60/63.2 61.6	64.5/67.7 66.1	57.5/60.6 59	60/63.2 61.6	64.5/67.7 66.1	57.5/60.6 59
Comments:		1993	61.3/64.5 62.8	65.7/68.9 67.2	58.9/62 60.4			
		1994	62.6/65.8 64.1	66.8/70 68.4	60.4/63.5 61.9			
		1995	63.8/67.1 65.4	68/71.2 69.6	61.8/64.9 63.3			
		1996	65.1/68.3 66.7	69.1/72.4 70.7	63.3/66.4 64.7			
	Target	1997	66.4/69.6 67.9	70.3/73.5 71.9	64.7/67.8 66.2			

Indicator: 3. National achievement test scores in language at the end of 1st cycle (3rd. grade)				
Unit: Test scores		Year	Planned	Actual
Source: MOE	Baseline	1990		
Comments: Baseline and projections will be available by May 1994.		1992		
		1993		
		1994		
		1995		
		1996		
	Target	1997		

Indicator: 4. National achievement test scores in language at the end of 2nd cycle (6th grade)				
Unit: Test scores		Year	Planned	Actual
Source: MOE	Baseline	1990		
Comments: Baseline and projections will be available by May 1994.		1992		
		1993		
		1994		
		1995		
		1996		
	Target	1997		

El Salvador

PROGRAM OUTCOME NO. 4.2 Increased contraceptive prevalence rate (CPR) with greater reliance on modern, temporary methods

Indicator: 1. Contraceptive prevalence rate: a) National, b) Rural, c) Other Urban [1/], d) MSS

Unit: Percent		Year	Planned a	Planned b	Planned c	Planned d	Actual a	Actual b	Actual c	Actual d
Source: FESAL; Annual estimates from MOH, ISSS and NGOs data	Baseline	1988	N/A	N/A	N/A	N/A	47.1	34.2	56.4	64.4
Comments: Rural and Other Urban CPR to increase to CPR of MSS.		1992	50.0	35.0	58.0	66.0	N/A	N/A	N/A	N/A
		1993	51.0	36.0	58.0	67.0	53.3	42.8	56.7	66.4
No new actual data. Preliminary FESAL 93 data was available as of the end of CY 1993; final analysis is in process and expected to be available by May 1994. 1994-1997 projections have been adjusted since the last Action Plan.		1994	54.0	43.0	57.0	67.0				
		1995	55.0	44.0	58.0	68.0				
		1996	56.0	45.0	59.0	69.0				
1/ Other Urban is differentiated from Rural as, "town having major and basic public services, i.e., electricity and water", per FESAL.	Target	1997	57.0	46.0	60.0	70.0				

Indicator: 2. Percent of modern temporary contraceptive methods in CPR: a) National, b) Rural, c) Other Urban [1/] and d) MSS

Unit: Percent		Year	Planned a	Planned b	Planned c	Planned d	Actual a	Actual b	Actual c	Actual d
Source: FESAL	Baseline	1988	N/A	N/A	N/A	N/A	17.5	10.0	21.7	26.2
Comments: Percent in Rural, Other Urban and MSS eventually to be equal.		1992	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		1993	N/A	15	24	30	21.4	14.6	24.0	29.5
No new actual data. Preliminary FESAL 93 data was available as of the end of CY 1993; final analysis is in process and expected to be available by May 1994.		1994	22	15	24	30				
		1995	24	18	26	32				
		1996	26	19	28	34				
1/ Other Urban is differentiated from Rural as, "town having major and basic public services, i.e., electricity and water", per FESAL.	Target	1997	28	20	30	36				

El Salvador

PROGRAM OUTCOME NO. 4.3 Increased primary health care (PHC) and Child Survival (CS) coverage

Indicator: 1. Children under 5 vaccinated with complete series in four diseases: a) National, b) Rural, c) Other Urban, d) MSS

Unit: Children, percent		Year	Planned a	Planned b	Planned c	Planned d	Actual a	Actual b	Actual c	Actual d
Source: MOH statistics, FESAL	Baseline	1988	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Comments: Percent in Rural and Other Urban areas to increase to percent in MSS.		1992	79	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		1993	80	N/A	N/A	N/A	75.3	72.3	74.9	83.0
Children with complete number of doses for Polio, DPT, Measles and BCG confirmed by vaccination certificate. Preliminary FESAL 93 data was available as of the end of CY 1993; final analysis is in process and expected to be available by May 1994.		1994	77	73	76	84				
		1995	78	74	77	85				
		1996	79	75	78	86				
1994-1997 projections have been adjusted since the last Action Plan.	Target	1997	80	76	79	87				

Indicator: 2. Women vaccinated with complete tetanus series (2 doses): a) National, b) Rural, c) Other Urban, d) MSS

Unit: Women, percent		Year	Planned a	Planned b	Planned c	Planned d	Actual a	Actual b	Actual c	Actual d
Source: FESAL	Baseline	1988	N/A	N/A	N/A	N/A	55.8	60.3	54.5	46.4
Comments: Percent in Rural and Other Urban areas to increase to percent in MSS.		1992	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		1993	N/A	N/A	N/A	N/A	55.2	52.4	57.7	58.2
Preliminary FESAL 93 data was available as of the end of CY 1993; final analysis is in process and expected to be available by May 1994.		1994	56	53	59	59				
		1995	57	54	60	60				
		1996	58	55	61	61				
	Target	1997	59	56	62	62				

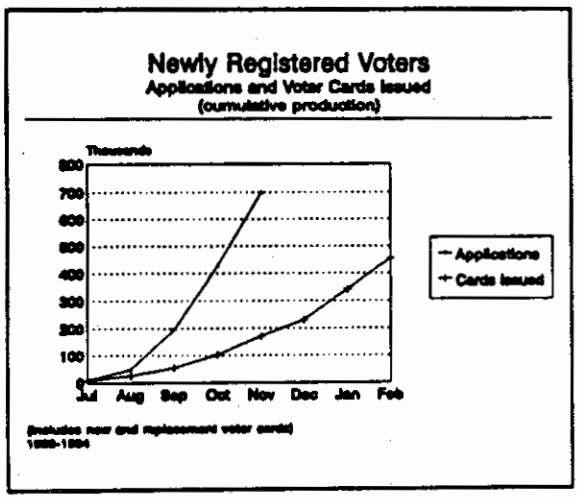
Indicator: 3. Women receiving minimum of four prenatal care visits: a) National, b) Rural, c) Urban, d) MSS										
Unit: Women, percent		Year	Planned				Actual			
			a	b	c	d	a	b	c	d
Source: FESAL; Annual estimates from MOH, ISSS and NGOs data	Baseline	1988	N/A	N/A	N/A	N/A	56.9	53.9	56.1	63.4
Comments: Percent in Rural and Other Urban areas to increase to percent in MSS.		1992	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		1993	N/A	N/A	N/A	N/A	47.7	52.4	46.4	41.6
FESAL 1988 indicates minimum of five actual visits.		1994	48	53	47	42				
		1995	49	54	48	43				
		1996	50	55	49	44				
		1997	51	56	50	45				

Supporting Democratic Participation

Mission Strategic Objective 3: Enduring Democratic Institutions with Broad-Based Participation

Agency and Mission Linkage

The Agency goal of Building Democracy is supported in the USAID/El Salvador strategic framework by the strategic objective of Enduring Democratic Institutions with Broad-Based Participation. This objective is based upon creating transparent and effective institutions which inspire public confidence and on creating reliable avenues for broad-based democratic expression. These tenets of the program are expressed in program outcomes of improved citizen participation in the policy/decision-making process and increased devolution of power to the local level on the one hand and improved mechanisms to ensure public sector accountability and oversight and improved legal and institutional frameworks for effective protection of human and citizen rights on the other.



El Salvador is described as a sustainable development country in the process of consolidating its democratic regime. The seeds of a sustainable democracy have been sown and now must take root and be cultivated during El Salvador's transition to a peaceful era. However, below the surface constraining this transition lie societal characteristics only moderately supporting democratic systems and low acceptance of democratic norms or political tolerance. This assessment is based upon a 1993 Development Associates-University of Pittsburgh study which found that "less than one-quarter of urban Salvadorans possess the combination of attitudes needed to sustain stable democracy." (Report on Guatemalan Values and the Prospects for Democratic Development, Seligson and Jutkowitz, 1993).

The USAID/El Salvador program is well positioned to improve democratic systems, thus enhancing public support for them, and to increase education, dialogue and participation to reduce polarization and create a body of democratic norms. The Mission will be using the Development Associates - University of Pittsburgh or similar model to monitor progress at the strategic objective level.

Performance

Improved Citizen Participation in the Public-Policy/Decision-Making Process

Citizen participation is common in El Salvador. People participate in everything from church activities to water committees. A rapidly growing NGO community now over 600 members. Few of these NGOs are involved in the public policy arena or more "representational/advocacy" activities. The other constraint to successful participation is access to decision-makers at all levels -- the executive branch agencies, the legislature and local level leadership, i.e., town and municipal. USAID/El Salvador's program is working on both issues:

- Through to a massive registration campaign, over 85 percent of the Salvadoran population of voting age is now registered.

- Under the Democratic and Electoral Processes Project, USAID is assisting over 20 citizen organizations providing institutional development assistance to strengthen their outreach and civic education efforts and improve their effectiveness in voicing the opinions of their constituency.

- 71 percent of the cantons participated in MEA open town meetings in FY 1993. This represents a broadening of participation to include the rural population as well as the urban municipalities. All 262 municipalities are participating in the program.

- A policy research unit was created in the Legislative Assembly to provide representatives with access to policy oriented information. A public awareness campaign is due to start after the March elections as part of a larger strategy to improve representative/constituent relations.

Improved Legal and Institutional Framework for the Effective Protection Of Human and Citizen Rights

Since 1992, the USAID/El Salvador ESF Policy and Democratic Reform program has included conditionality measures related to structural, legal and policy improvements in the administration of justice. Substantial progress has been made through the combination of policy leverage provided by the ESF program and technical assistance. The momentum of the reform process, now being guided by Salvadorans, must be maintained by the new administration in 1994. Two important baselines have been set this year. The average court time for cases in family and criminal court is currently 2.6 years. This is expected to be reduced to one year processing time by 1997 for new cases entering the court. The backlog of cases over a year old in these courts is now some 75,000 cases. This will be reduced 50 percent in the same period. Achievements in legal reform this year include:

The mayor of Santo Domingo, San Vicente cites as a result of his training "the loss of fear to face national and international institutions, meetings every 15 days with the Department's Committee of Mayors, and working hand in hand with the Ministry of Health and community schools in reforestation, trash collection and health campaigns".

- Passage of the Family Code to protect the rights of women and children.

- Initiation of a new process for selecting and evaluating judges.

- Enactment of the Public Defenders' Law.

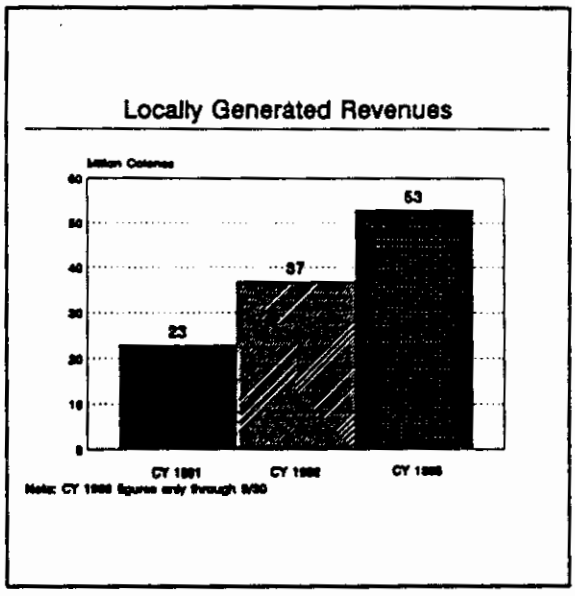
- Integration of the Special Investigative Unit into the National Civilian Police.

- Submission to the Assembly of the revised Labor Code which includes changes proposed by the International Labor Organization (ILO).

Improved Mechanisms to Ensure Public Sector Accountability and Oversight

This Program Output was added last year and has been modified this year to include transparency at the local level. Municipal efforts to increase the transparency of financial management, will begin this year under the Municipal Development Project.

Central government efforts have been hampered by the lack of legislative action on Court of Accounts (the GOES supreme audit agency) reform which requires a constitutional amendment. Although the GOES has informed USAID of its intention to amend the Constitution to reform the Court of Accounts this still has not occurred. Since a constitutional amendment requires the consent of two consecutive Assemblies, if the amendment is not passed prior to the departure of this Assembly in April the Mission's ability to effect serious change in this area will be seriously constrained. Nevertheless, advances have been made in the past year:



- Implementation of the documentation for advances of public funds system by the GOES eliminated pre-control by the Court of Accounts on an individual transaction basis, cutting processing time in half.

- A new accounting system has been installed in 23 agencies of the central government and 45 decentralized agencies.

- The Court of Accounts published revised internal control policies and standards applicable to the public sector.

Increased Devolution of Power To the Local Level

A new program output, devolution of power to the local level, has been added recognizing increased Mission and GOES support for decentralization of decision-making to the municipal level. Efforts will include policy dialogue and activities under the recently approved Municipal Development Project. The project will began as a pilot effort in 39 municipalities and, if essential policy reforms are enacted, will take on a national scope in FY 1996. Paving the way for this effort in 1993, the Municipal Code was reformed transferring permanent authority to municipalities to set and adjust their service fee rates. Through the Salvadoran Municipal Development Institute (ISDEM), 230 municipalities are receiving technical assistance in implementing this law. Of the 262 municipalities, 182 have made these adjustments with an average increase in service fee rates of 80 percent. Access to MEA funds for 1994 will be conditioned to require at least a 30 percent increase in total locally-generated revenues. A new property tax law has been drafted, which would greatly enhance local revenues. This is a key policy dialogue issue in the upcoming year and under the Municipal Development Project. Concurrently, the CLASP II project is strengthening human resources. Training under this program has included 140 mayors, 57 percent of all mayors and including 21 women, from all departments of the country, and hundred of economical and social disadvantaged leaders of local NGOs.

El Salvador

TABLE I: STRATEGIC OBJECTIVE PROGRAM "TREE"

Agency Objective

Supporting Democratic Participation

Mission Strategic Objective

Strategic Objective No. 3
Enduring democratic institutions with broad-based participation

S.O. Indicators

1. *Repondents supporting selected democratic liberties/values*
2. *Respondents accepting and supporting selected democratic systems and institutions*

Program Outcomes

3.1 Improved citizen participation in the public-policy/decision-making process	3.2 Improved legal and institutional framework for effective protection of human and citizen rights	3.3 Improved mechanisms to ensure public sector accountability and oversight	3.4 Increased devolution of power to local level

Program Indicators

1. *Registered voters participating in elections*	1. *Indigent detainees receiving legal counsel within 72 hours of detention*	1. *Executive agencies and municipal accounting centers producing auditable financial statements with clean or qualified opinions*	1. *Locally generated revenue in 39 pilot municipalities*
2. *Cantones participating in open town meetings*	2. *Case backlog in criminal and family trial courts*	2. *National budget audited each year*	2. *National budget transfers to local government*
3. *Citizens with knowledge of rights, responsibilities, & democratic processes*	3. *Selected legal and admin. reforms enacted and implemented*	3. *Regular use of open municipal council meetings in 39 municipalities*	3. *Municipalities managing water systems and primary schools in 39 municipalities*
4. *Citizens using civil society organizations to affect decision making at local & national levels*	4. *New cases resolved in penal and family courts under 1 year*	4. *National budget reflecting cost/output relationship*	

Projects

0391 Electoral & Democratic	0296 Judicial Reform I	0349 Technical Support, Policy	0349 Technical Support, Policy
0388 Municipal Development	0376 Judicial Reform II	0396 Public Sector Accountability	0388 Municipal Development
0375 Strengthening Democratic	0414 Social/Econ Policy Reform	0414 Social/Econ Policy Reform	0414 Social/Econ Policy Reform
0360 Legislative Assembly	0373 Fed of Bar Associations	0388 Municipal Development	Municipalities in Action (L/C)
0361 CLASP		0360 Legislative Assembly Streng	
0349 Technical Support, Policy		Municipalities in Action (L/C)	
0403 Participation & Govt.			
0411 Centro DEMOS			
0368 AIFLD			
Labor-Mgmt Foundation of ES			
Municipalities in Action (L/C)			

TABLE II: STRATEGIC OBJECTIVE PERFORMANCE

El Salvador

STRATEGIC OBJECTIVE NO. 3 Enduring democratic institutions with broad-based participation

Indicator: 1. Respondents supporting selected democratic liberties/values

Unit: Percentage of population in support		Year	Planned	Actual
Source: 1991/92 Univ. of Pittsburg Central America Public Opinion Project	Baseline	1992	0	
Comments: In the baseline survey that included only urban areas, El Salvador was shown to have the second lowest support level in Central America for democratic liberties, with responses to the questions relating to permitting opposition groups to express dissent ranging between 44 & 50%.		1993	N/A	
		1994	N/A	
		1995	5	
		1996	N/A	
We will measure percentage improvements in this support level.	Target	1997	10	

Indicator: 2. Respondents accepting and supporting selected democratic systems and institutions

Unit: Percentage of population in support		Year	Planned	Actual
Source: 1991/92 Univ. Pittsburg Central American Public Opinion Project	Baseline	1992	0	
Comments: In the baseline study of urban areas, public confidence varied significantly from one institution to another, with only 33% population expressing confidence in a fair trial, 39% confident in the system's ability to protect basic rights, and 47% having trust in the Electoral Tribunal.		1993	N/A	
		1994	N/A	
		1995	5	
In a 6/1993 Gallup public opinion poll financed by USAID, 42% expressed opinion that the government would take action on corruption complaint.		1996	N/A	
		1997	10	

El Salvador						
PROGRAM OUTCOME NO. 3.1 Improved citizen participation in the public policy/decision-making process						
Indicator: 1. Registered voters participating in elections: a) Total, b) Rural (selected municipalities)						
Unit: Total votes/voters registered, percent		Year	Planned a	Planned b	Actual a	Actual b
Source: Electoral Tribunal Records	Baseline	1991	44.2	N/A		
Comments: 1997 election will be only for mayor and legislative seats. Tribunal records do not disaggregate by sex. Gallup polls conducted after elections may provide information by gender.		1994	60	60		
	Target	1997	65	65		
Indicator: 2. Cantones participating in open town meetings						
Unit: Cantones, percent		Year	Planned		Actual	
Source: Municipal Recorcds	Baseline	1992	N/A		63	
Comments:		1993	80			
		1994	85			
		1995	90			
		1996	90			
	Target	1997	90			

Indicator: 3. Citizens with knowledge of rights, responsibilities and democratic processes				
Unit: People, percent		Year	Planned	Actual
Source: Poll	Baseline	1992		
Comments: May 1994 survey will establish baseline, that will include questions regarding citizen knowledge of legal rights, obligations of local officials to hold town meetings, and procedural protections available to defend rights (e.g., ombudsman, public defense)		1993		
		1994		
		1995		
		1996		
	Target	1997		

Indicator: 4. Citizens using civil society organizations to affect decision making at local and national level				
Unit: Percent of repondents		Year	Planned	Actual
Source: Public Opinion Poll	Baseline	1992		
Comments: Baseline will be established in a 1994 Survey.		1993		
		1994		
		1995		
		1996		
	Target	1997		

El Salvador

PROGRAM OUTCOME NO. 3.2 Improved legal and institutional framework for effective protection of human and citizen rights

Indicator: 1. Indigent detainees receiving legal counsel within 72 hours of detention

Unit: Indigent detainees, percent		Year	Planned	Actual
Source: Public Ministry Records	Baseline	1994	TBD	TBD
Comments: Baseline will be established in March 1994		1995		
		1996		
	Target	1997		

Indicator: 2. Case backlog in a) criminal and b) family trial courts

Unit: Cases 1 year or older/total cases, percent		Year	Planned a	Planned b	Actual a	Actual b
Source: Court Records	Baseline	1993	70	73		
Comments:		1994	60	63		
		1995	50	50		
		1996	43	30		
	Target	1997	33	10		

Indicator: 3. Selected legal and administrative reforms enacted and implemented				
Unit: Reforms, number		Year	Planned	Actual
Source: Justice System Records	Baseline	1992	N/A	1
Comments: 1992: Public Defenders Law 1993: Family code, Agrarian code, Admin Procedures 1994: NCJ independence, labor code, career protection for prosecutors and public defenders 1995: Sentencing code, criminal and criminal procedure code 1996: Civil and civil procedure codes		1993	3	1
		1994	3	
		1995	3	
		1996	2	
	Target	1997	11 (cum)	

Indicator: 4. New cases resolved in a) penal and b) family courts under 1 year						
Unit: New cases, percent		Year	Planned		Actual	
			a	b	a	b
Source: Court Records	Baseline	1993	23	61		
Comments:		1994	35	70		
		1995	50	80		
		1996	70	90		
	Target	1997	100	100		

El Salvador

PROGRAM OUTCOME NO. 3.3 Improved mechanisms to ensure public sector accountability and oversight

Indicator: 1. Executive Agencies and Municipal accounting centers producing auditable financial statements with clean or qualified opinions

Unit: Agencies/municipalities, number		Year	Planned	Actual
Source: Government audits	Baseline	1992	0	N/A
Comments: Target includes 46 executive branch agencies and 14 municipal accounting centers.		1993	0	0
		1994	15	
		1995	30	
		1996	45	
	Target	1997	60	

Indicator: 2. National budget audited, each year: a) operational, b) investment

Unit: National budget, percent		Year	Planned a	Planned b	Actual a	Actual b
Source: Court of Accounts Records	Baseline	1992	0	0	N/A	N/A
Comments: Separate targets established for operational and investment budgets.		1993	0	0		
		1994	5	10		
		1995	10	25		
		1996	15	45		
		1997	20	65		
	Target	1998	25	80		

Indicator: 3. Regular use of open municipal council meetings in 39 municipalities				
Unit: Municipalities, number		Year	Planned	Actual
Source: Municipal Records	Baseline	1992	N/A	N/A
Comments:		1993	N/A	N/A
		1994	10	
		1995	15	
		1996	20	
	Target	1997	39	

Indicator: 4. National Budget reflecting cost/output relationship				
Unit: National budget, percent		Year	Planned	Actual
Source: Nation budget law	Baseline	1992	0	N/A
Comments:		1993	0	
		1994	0	
		1995	32	
		1996	48	
	Target	1997	65	

El Salvador				
PROGRAM OUTCOME NO. 3.4 Increased devolution of power to local level				
Indicator: 1. Locally generated revenue in 39 pilot municipalities				
Unit: Revenue increase, percent		Year	Planned	Actual
Source: Municipal Records	Baseline	1991	N/A	¢5,871,450
Comments: Locally generated revenues for the 39 municipalities in 1991 was ¢5,871,450 and in 1992 was ¢10,548,849.		1992	N/A	55.66
		1993	N/A	N/A
		1994	30	
		1995	20	
		1996	30	
	Target	1997	30	
Indicator: 2. National budget transfers to local government				
Unit: National budget, percent		Year	Planned	Actual
Source: National Budget, Municipal Records	Baseline	1992	N/A	.17
Comments:	¢ 17 m	1993	N/A	.17
	¢ 25 m	1994	.25	
	¢ 250 m	1995	2.5	
	¢ 300 m	1996	3.0	
	Target	1997	3.5	

Indicator: 3. Municipalities managing water systems and primary schools in 39 municipalities				
Unit: Municipalities, number		Year	Planned	Actual
Source: Municipal Records	Baseline	1992	0	0
Comments:		1993	0	0
		1994	5	
		1995	15	
		1996	25	
	Target	1997	39	

New Activity Descriptions

Activity Title: Social Sector Reform
Activity No.: 519-0401
Funding: DA
Duration: FY 1995-2000
Proposed LOA Funding: $15,000,000

1. Relationship to Agency and Mission Goals

The Social Sector Reform Activity will support the Agency goals of Encouraging Broad-based Economic Growth and Stabilizing Population Growth. The activity is consistent with USAID/El Salvador's strategy, contributing to Strategic Objective No. 4, Improved Quality with Equity in Health and Education. The activity will contribute to the relief of crosscutting development problems such as high population growth, illiteracy, and low economic productivity due to poor health or lack of basic skills.

2. Consistency with Mission Strategy

A. Activity Goal: Improved quality with equity in health and education.

Preliminary Verifiable Indicators

- Increase in percentage of 6th graders graduating in 6 years
- Decrease in infant mortality rate
- Decrease in child mortality rate
- Decrease in total fertility rate

B. Activity Purpose: To increase access to and quality of education and health services by improving the efficiency and effectiveness of service delivery.

Preliminary Verifiable Indicators

- Increased net enrollment of children (7-12) in grades 1-6
- Increased promotion rate at the grade one level
- Increased contraceptive prevalence rate
- Increased percentage of modern temporary contraceptive methods in CPR
- Increased percentage of children under five vaccinated with complete series in four diseases

- Increased percentage of women vaccinated with complete tetanus series
- Increased percentage of pregnant women receiving minimum of four prenatal care visits
- Increased participation of the private sector, including NGOs, in the delivery and monitoring of basic services
- Increased percentage of the national budget allocated for health and education
- Health and education services decentralized to appropriate level for most efficient and effective service delivery
- Decreased gap between urban and rural indicators of access and quality

C. Activity Description

The Social Sector Reform Activity will strengthen the capacity of government and private sector leaders, and the organizations they represent, to analyze issues, engage a broad spectrum of Salvadoran society in the design of new service delivery models, and actively implement sectoral reforms which merit the confidence of the citizenry. The project will involve both public and private institutions and coordinate closely with multilateral and bilateral donors. By supporting studies, seminars, and public debate, a broader consensus will be built on the extent and pace of social sector reforms. At the same time, assistance will be channelled to sectoral institutions (e.g., the Ministries of Health (MOH) and Education (MOE), the Salvadoran Social Security Institute (ISSS), training institutions, NGOs) to help implement the reforms already adopted as well as those yet to come by providing a timely mix of technical assistance and training.

D. Anticipated Impact on Poverty Alleviation, Access, and Participation

Poverty reduction is the greatest moral imperative for El Salvador if peace is to be sustained. Social indicators in El Salvador are among the worst in Latin America. Infant mortality per 1,000 is 45, and the adult literacy rate is 76 percent for males and 70 percent for females. At least 30 percent of pregnant women do not have access to prenatal care. About 30 percent of children under five years of age suffer from malnutrition, and malnutrition is higher in the rural areas. The most important cause of death of children under one year of age is diarrhea, the result of poor access to potable water and hygiene education.

The state of education is equally bad, and is characterized by inadequate coverage of primary education and high rates of repetition and dropout. In 1992, 75 percent of children did not have access to pre-school, 24 percent of children between 7 and 12 years of age were not attending school, and more than four-fifths of children between 16 and 18 years of age were not attending school. There is also a severe problem with the quality of education: children in all grades are receiving low quality education and are leaving school poorly prepared for productive employment. These striking indicators are the result of restricted access to social services by the poor, who are mostly in the rural areas of the country.

Provision of basic social services to the poor will raise their productivity and hence their earning power. Good quality primary health care, family planning, nutrition, and basic education are especially important and should be available to all Salvadorans. This new activity is highly complementary of the FY 1994 ESF Policy Reform Program, which includes conditionality to:

promote decentralization of health and education programs, improve the efficiency with which the government ministries deliver services, and increase the budget resources available for health and education programs.

In 1993, USAID/El Salvador initiated sector assessments in education and health as a means of stimulating policy discussions within Salvadoran society, helping shape an analytical base for other donor programs and for policy reforms which might be initiated by a new government to be elected in late March 1994. The assessments were highly participatory, representing the entire political spectrum, public sector and NGOs, a wide geographic spread, and all economic strata. They revealed a strikingly similar pattern of unequal access to basic social services, insufficient budget resources, poor quality of services, absence of participatory mechanisms, and inflexible and inefficient bureaucracies. Based on the results of the two sector assessments and the foundation laid by USAID/El Salvador-supported health and education projects now being implemented, the Mission has identified common reforms needed in both sectors to promote equitable access to primary education and health care.

E. Policy Dialogue Agenda

The reform dialogue will extend beyond line ministries to the GOES Social Cabinet and the Ministry of Planning. The activity will expand the existing private advisory commission in the education sector to include health policies in a broader social sector advisory commission. Such a measure is essential to ensuring clear Salvadoran leadership, in both public and private sectors, of the reform agenda. A small interdisciplinary technical assistance team will facilitate the analysis of issues and exchange of views among the Salvadoran entities, continuing the innovative approach of ensuring direct beneficiary involvement as it has taken shape in the sector assessments. A broad range of interested parties is anticipated to ensure a continuing demand for the reforms being proposed. The policy dialogue will include members of the Legislative Assembly, municipal governments, and NGOs, as well as the executive branch of government.

As the activity progresses, policy analysis and subsequent reforms are expected to address a range of issues related to the role of the state in social services. The Mission's broader activities in the modernization of the state include definition of an appropriate leadership and regulatory role for central government ministries, decentralization of budget and program decisions, and support for the private sector, including NGOs, to be involved in the delivery and monitoring of basic services. The dialogue agenda is expected to be drawn from the following:

- Decentralization of budget and program decisions and enhanced accountability for program performance
- Increased GOES program budget as a percent of GDP, and increased program expenses in relation to staff salaries
- Efficient budget use and transparent, accountable commodity management
- Budget allocated in conformance with program priorities
- Establishment of program priorities and commitment to international quality norms in primary education, teacher training, preventive, reproductive health care, child survival, and water and sanitation

- Definition of the regulatory, monitoring, and service delivery role of public institutions; acceptance of the roles of NGOs and for-profit service providers
- Increased financial sustainability including cost recovery for commodities and service
- Equity of coverage in geographic, economic and social terms
- Enhanced data collection and analytic capacity as a means of informing the policy process and program management
- Revised incentive systems which address personnel levels, salary scales and technical qualifications in central ministries.

The policy reform agenda also supports and complements assistance provided through other activities in the USAID/El Salvador portfolio. They include Strengthening Achievement in Basic Education, Health Systems Support, Family Health Services, and Maternal Health/Child Survival.

F. Donor Coordination

USAID/El Salvador will continue to coordinate its activities with multilateral and bilateral donors. The IDB is the largest of these, with planned education, health, and water sector loans. The World Bank continues to fund its EDUCO project, moving toward decentralizing basic education on a national scale. UNICEF has a diverse health sector program, while UNDP promotes citizen participation in local health programs. The Social Sector Reform Activity will work in parallel with these projects, assisting them by leveraging policy reforms which enhance their implementation. A number of bilateral donors have individual projects in health service delivery and education improvement. They, too, will require coordination with the overarching reforms supported by the Social Sector Reform Activity.

3. *Policy and Design Issues*

A. Sustainability

The sustainability of the reforms supported by this activity will depend in large measure on the political will and commitment of the central government to modernization of the state and to increased budget allocations to improve the provision of social services and strengthen the country's human capital base. Without the central government's consistent commitment to decentralize decision-making and service delivery functions and a total redefinition of central ministries' roles and responsibilities, sustainable change is not possible. The process of dialogue begun with the widely participatory sector assessments has provided a solid base for long-lasting reforms. The proposed activity will nurture the dialogue process so as to accelerate the pace of change. Also, the encouragement of a non-governmental counterbalance to public sector programs as well as for sustainability will be included in the activity.

B. Potential Issues and Innovative Program Approaches

Information to support policy, planning, and sector management decisions remains a significant constraint to needed reforms. Under the activity, technical assistance will be provided to both ministries to improve their capability to gather and analyze data. This approach recognizes the limits which public sector salaries and budgets place on data collection and subsequent program revisions by the ministries. While the IBRD/IDB civil service reform program expects to effect major improvements in the ministries' incentive system, additional collection and analytical capacity will be established in NGOs or private collaborators whose staff recruitment is not restricted by civil service regulations. The majority of technicians financed under the activity would be Salvadorans working with a senior analyst hired under the activity.

The activity will also provide technical assistance and training for Salvadoran efforts to implement reforms. As GOES institutions in both sectors change their roles in the regulation and provision of social services, different modes of operation must be developed. The activity will assist the GOES to implement pilot efforts or models of service delivery consistent with a scaled-back, decentralized role for the ministries. In education, the continued emphasis on more effective primary education and on improved teacher education will require that incipient reforms be made permanent. In health, new implementation models must be found which reflect the revised role for the MOH and greater involvement of private institutions. Greater emphasis will be placed on reproductive health (including family planning, safe deliveries, pre- and post-natal care, and STDs, HIV/AIDs), and on preventive as opposed to curative health (including immunizations, water and sanitation, diarrheal disease control and ARI).

C. Global Bureau Resources and LAC Regional Programs

The activity is expected to coordinate with and possibly purchase services from central activities in education and health, although the scope of those services cannot be determined until the design is undertaken.

D. Management and Support Requirements

The policy framework for the activity can now be seen from the results of the sector assessments. However, formal design will require short term assistance to structure the reform agenda and detail the processes necessary to carry forward the needed reforms. The project will require one U.S. Direct Hire employee supported by two Foreign Service National professionals.

The Mission recommends that USAID/Washington authorize the Mission to proceed with activity design and authorize the project paper in the field.

New Activity Descriptions

Activity Title:	Participation and Democratic Governance
Activity No.:	519-0403
Funding:	DA
Duration:	FY 1995-2000
Proposed LOA Funding:	$10,000,000

1. Relationship to Agency and Mission Goals

The Participation and Democratic Governance Activity will support actions to strengthen civil society and enhance their effectiveness, contributing to attainment of the Mission's Strategic Objective of Fostering Enduring Democratic Institutions with Broad-based Participation. This activity, in combination with continuing Mission efforts in the area of Municipal Democratic Development, CLASP and Judicial Reform, will result in improved citizen participation in the public policy/decision making processes at the local and national levels -- a principal Mission Program Outcome. As such, the activity will support achievement of the Agency goal of Building Democracy and the LAC Bureau Goal of Supporting the Evolution of Participatory Democratic Societies.

2. Consistency with Mission Strategy

A. Activity Goal: Enduring Democratic Institutions with Broad-based Participation

Preliminary Verifiable Indicators

- Increased citizen support for democratic institutions
- Increased citizen support for democratic values (e.g., tolerance, freedom of association, pluralism,, etc.)

The activity goal and verifiable indicators are identical to the corresponding USADI/El Salvador strategic objective and performance measures.

B. Activity Purpose: To broaden and enhance citizen participation in the public policy and decision-making processes at the local and national levels.

Preliminary Verifiable Indicators:

- Increased citizen knowledge of their rights, responsibilities, means and mechanisms for defending their rights and participating in public policy formation and decision-making
- Increased citizen use of civil society organizations to affect decisions at the local and national levels

The activity purpose is one of four USAID/El Salvador program outcomes for the democracy strategic objective, and the indicators include two of the Mission indicators selected for measuring accomplishment of the program outcome.

C. Activity Description

Assistance to civil society organizations will focus on expanding civic education programs and making these institutions more effective in voicing citizen concerns. Assistance will be provided to neighborhood associations, advocacy groups, and public interest organizations, that represent women, the rural poor and other social and economic groups that have heretofore had only limited, if any, participation in the public policy process.

D. Anticipated Impact on Poverty Alleviation, Access, and Participation

The dialogue between different segments of Salvadoran society engendered through the peace process and national reconstruction has highlighted the need for continued evolution in the development of civil society organizations which can effectively organize citizens, channel their voice and increase their representation in the public policy arena. Similarly, the Mission's experience in working with nearly 200 non-governmental organizations has shown that these organizations not only need institutional strengthening, but that executive, legislative and local government procedures must be made more transparent and participatory if non-governmental organizations are to be able to effectively represent citizen interests. Accordingly, this activity will both work directly with selected civil society organizations to expand their civic education programs and increase their effectiveness, and with selected government institutions to institute more agile, transparent procedures in order to foster citizen access and participation in decision making. Among others, the activity will focus on areas key to civic participation, such as:

- adoption and implementation of a unified citizen identification/voter registration card;
- simplified, more transparent and agile registration procedures for NGOs and labor unions; and
- increased opportunities for citizen groups to comment on and participate in legislative hearings and local government meetings to debate legislative, policy and resource allocation decisions.

E. Policy Dialogue Agenda

The Mission's policy dialogue agenda will focus on the adoption and implementation of key legal and administrative reforms to foster civic participation and broader representation in the policy-making arena. As noted above, discussions will focus on adoption of a more efficient, unified citizen identification/voter registration system; transparent and agile registration procedures for NGOs and labor unions to facilitate the formation of such groups; and procedural and/or legal changes to ensure that a wider range of citizen interests are considered in reaching decisions on public policy matters.

F. Donor Coordination

Numerous European foundations and the National Endowment for Democracy provide funding for civic education and other programs of Salvadoran non-governmental organizations. The ILO has provided technical assistance to the Ministry of Labor in the area of legal reform and modernization of the Ministry's operations, and is expected to provide some continuing, albeit limited, assistance. The USAID/El Salvador activity will complement this other donor funding.

3. *Policy and Design Issues*

While USAID-financed technical assistance will enhance organizational skills and effectiveness, the increased efficacy of civil society organizations, as viewed by the citizenry, will determine whether those organizations will be sustainable over the long term. Legal, procedural and/or administrative reforms in government processes, such as registration of NGOs, will in most cases result in the elimination of costly inefficiencies in government.

The activity will be managed by a U.S. Direct Hire employee in the Office of Democratic Initiatives, with the assistance of a full time Foreign Service National project manager. Funds will be obligated through a variety of mechanisms, including a Handbook 3 bilateral agreement, a contract with a U.S. firm or NGO, and, possibly, a Participating Agency Service Agreement with the Federal Mediation and Conciliation Service.

Activity design will be labor intensive, involving extensive meetings with Salvadoran development partners. Design is expected to begin in late 1994, following selection of a U.S. institutional or NGO contractor which would assist the Mission with technical inputs in preparing a project paper and then implement specific aspects of the activity.

USAID/El Salvador recommends that the Agency authorize the Mission to proceed with activity design and authorize the project paper in the field.

New Activity Amendment Description

Activity Title:	Technical Support, Policy Analysis and Training
Activity No.:	519-0349
Funding:	DA
Extension Duration:	FY 1995-98
Proposed LOA Funding:	$3,500,000 amendment (revised total $35,500,000)

The Technical Support, Policy Analysis and Training Project was initiated in FY 1988 as a five-year, $17 million effort (subsequently increased to $32 million) whose purpose was to enhance Salvadoran capabilities to identify and address priority development problems, undertake policy and strategy reform, and improve development programs and project implementation. The project finances the implementation of priority economic and social reforms which are improving the effectiveness and transparency of public sector institutions and building the framework for sustained economic growth. Activities such as agricultural privatization, tax system reform, municipal development and decentralization, integrated financial management, and ex-combatant training have been supported under this project.

1. *Relationship to Agency and Mission Goals*

The proposed activity amendment will support the formulation and implementation of policies that promote the development of a more modern state which is more effective, more efficient and, most important, more responsive to the needs of its citizens. Specifically, the modern state supported by this activity will concentrate more on the normative aspects of government and will give greater emphasis in the provision of services to decentralized units of government such as the municipalities, to NGOs and to the private sector. The efficiency that will result will support Agency and Mission Strategic Objectives on Broad-based Economic Growth and the Mission S.O. on Improved Quality with Equity in Health and Education. In addition, by permitting greater citizen participation in resource allocation and program monitoring, it will also contribute to improved governance and therefore to democracy in its purest sense (Agency objective on Building Democracy and Mission objective No. 3, Enduring Democratic Institutions with Broad-based Participation). The proposed new activity will be the primary tool for the consolidation of past reforms, helping to avoid policy reversals, and for the promotion of new policy reform initiatives with the new Salvadoran government that will take office in June 1994.

2. *Consistency with Mission Strategy*

A. Activity Goal: To promote broad-based economic growth.

Preliminary Verifiable Indicators

- Increased per capita GDP growth
- Reduction of poverty
- Increased number of households with basic human needs met

B. Activity Purpose: Policies to modernize the state are formulated and implemented, with particular emphasis on social policy.

Preliminary Verifiable Indicators

- Increased revenue collection at local level in order to permit an increase in the coverage and quality of social services
- Increased transfers from central government to local governments
- Decentralized/NGO/private sector programs in health and education implemented
- Legislation to improve the regulatory framework for public utilities enacted
- Greater private sector involvement in activities such as port management, highway construction and maintenance, and utilities
- Macroeconomic stability and trade liberalization maintained

C. Activity Description

This three-year, $3.5 million amendment will finance technical assistance that will permit the implementation of economic and social policy reforms supported by the Mission's policy dialogue agenda in such areas as decentralization, fiscal federalism, privatization of utilities, reform of the commercial code and improved contract enforcement, and anti-corruption activities. It will provide a flexible mechanism to support the policy initiatives of the next administration.

During the past five years, El Salvador has implemented a far-reaching economic stabilization and structural adjustment program. This reform program has opened the economy to foreign competition and has transformed the "rules of the game" faced by economic agents. As a result of those economic reforms and of the peace, GDP in the 1990s has been growing at much faster rates than in the 1980s and poverty has been reduced, albeit modestly. The economic reform program implemented by the GOES was supported by USAID/El Salvador policy-based programs and by technical assistance projects, most notably the Technical Support, Policy Analysis and Training Project (519-0349). While the GOES economic reform program was relatively successful in transforming the "rules of the game" faced by economic agents, it was not very successful in modernizing the state.

The proposed activity amendment follows and builds upon FY 1993 and 1994 actions financed during FY 1993 that have been promoting the modernization of the state through a series of research projects, seminars and publications. These activities have financed world-class experts who have worked with institutions in El Salvador as diverse as the Ministry of Planning, FUSADES, FUNDAUNGO, and members of the economic staff of the Universidad Centroamericana José Simeón Cañas (UCA). The basic principle guiding the choice of participating institutions has been the qualifications of the staff in the different economic and social policy areas. USAID/El Salvador, therefore, has moved away from financing the supply of services by these institutions toward financing responses to the demand for those services in areas of particular interest.

D. Anticipated Impact on Poverty Alleviation, Access, and Participation

The activity, by eliminating some of the remaining constraints to economic growth and by increasing the efficiency of delivery of social services, will contribute to reduce poverty. This will occur as higher rates of economic growth lead to increased employment of productive labor, which, in turn, increases incomes of the poor over the near term. Of equal or greater importance, improved delivery of educational and health services will help the poor increase their human capital, which will increase their productivity and better equip them to take advantage of the expanded opportunities made possible by the growing economy.

E. Policy Dialogue Agenda

It is expected that the proposed activity amendment will support research and policy analysis in many policy reform areas included as conditionality in the Mission's FY 1994 ESF program. As such, the proposed activity amendment will become an important mechanism for implementing the Mission's policy dialogue agenda. It will also serve as a key instrument for the coordination of the Mission's policy dialogue agenda with those of other donors. The involvement of local research institutions will guarantee greater relevance and feasibility, and the involvement of foreign researchers will increase the capability of local institutions through on-the-job training.

The amendment will continue to support research, seminars and publications in areas of reform that would lead to a more modern state. It will be designed to maximize flexibility in order to meet the needs of the new GOES administration which will take office in June 1994 following elections in late March. The activity would also encourage maximum participation from indigenous groups, NGOs, and social and economic think-tanks. The activity will concentrate its efforts on multisectorial policy issues. A cross-cutting issue that will be emphasized is the modernization of the state, i.e. measures designed to make the state more effective and efficient, more responsive to its citizens. An illustrative list of the types of activities that would be financed includes:

- decentralization and fiscal federalism, including the drafting of legislation
- preparation of action plans for decentralization of education, health and other services to local government
- development of an improved targeting system for social spending
- privatization/municipalization of potable water utilities
- mechanisms to ease the registration process of small business to facilitate entry into the formal sector
- legal regulatory changes required to participate in NAFTA
- research and seminars designed to promote continuity in macroeconomic and commercial policy

F. Donor Coordination

The activity will be coordinated with other donor activities. In particular, the UNDP is undertaking complementary activities in improving the operations of the state and municipal development and decentralization. The German aid organization GTZ is also involved in this area. The IDB continues to be involved in decentralization activities, especially as they relate

to establishing the legal and regulatory framework for telecommunications. The World Bank is also involved in the privatization and the legal and regulatory framework for electricity. Regular meetings with the UNDP, GTZ and the IDB are being held to coordinate activities and to keep each organization informed. In addition, periodic meetings have been held with the World Bank on these issues. This project will support other donor activities with timely research and public information campaigns.

3. *Policy and Design Issues*

A. Sustainability

The proposed activity will strengthen the research capability of the host country by contracting local organizations to carry out research activities while providing adequate technical support from world class experts. The proposed activity will also contribute to the consolidation and deepening of social and economic reforms required for sustainable and equitable economic growth.

B. Potential Issues and Innovative Program Approaches

The proposed activity will make maximum use of local researchers working in conjunction with top experts. It will also finance demand for consulting services and not the supply. The studies will be designed to identify social and economic policy options which will be disseminated through workshops, seminars, and other public dialogue mechanisms. The activity will encourage broad participation from various groups, NGOs, PVOs, and economic and social think-tanks across the political spectrum.

C. Global Bureau Resources and LAC Regional Programs

Substantial support from the Global Bureau is not envisaged although appropriate technical offices in the Global Bureau and LAC will be advised of progress through all stages of activity design, development and implementation.

D. Management and Support Requirements

The USAID/El Salvador Office of Economics will manage the proposed activity amendment with one-fourth of the full time equivalent (FTE) of one U.S. Direct Hire employee and 75 percent of the FTE of a Foreign Service National employee, with additional support provided by other technical offices in the Mission, as required.

USAID/El Salvador recommends that the Agency authorize the Mission to approve this activity amendment in the field.

New Activity Amendment Description

Activity Title:	Family Health Services
Activity No:	519-0363
Funding:	DA
Extension Duration:	FY 1995-98
Proposed LOA Funding:	$5,000,000 for amendment (revised total $27,000,000)
Current PACD:	7/31/95

The Family Health Services Project was initiated in FY 1990 as a five-year, $22 million project. The purpose is to continue to expand the delivery of birth spacing and maternal child health services to high risk populations in rural and marginal urban communities. The project is being implemented through the Salvadoran Demographic Association (SDA) and consists of three components, (i) Family Health Services Delivery, for expanding family planning services offered in rural areas (ii) Institutional development, for enhancing the financial viability and organizational efficiency of the SDA and (iii) Policy Development and Research, for developing national policies which place contraceptives and other medicines, such as Vitamin A supplements, at the reach of the poorest population.

1. Relationship to Agency and Mission Goals

The Family Health Services Project will continue to contribute to the Agency's goal of Stabilizing Population Growth and the Mission's Strategic Objective No. 4 of Improved Quality with Equity in Health and Education. In coordination with efforts under the APSISA, PROSAMI, and the future Social Sector Reform Projects, this planned activity will assist in improving primary health care, child survival services and the contraceptive prevalence rate.

2. Consistency with Mission Strategy

A. Activity Goal: To improve general reproductive health services in El Salvador and to improve the quality of life and health of the Salvadoran population.

Preliminary Verifiable Indicators

- Decrease the rate of infant mortality
- Decrease the rate of maternal mortality
- Decrease Total Fertility Rate (TFR)

B. Activity Purpose: To continue and to expand the delivery of birth spacing and maternal child health services (MCH) to high risk populations in rural and marginal urban areas and improve the quality and efficiency of these services.

Preliminary Verifiable Indicators

- Increase in active number of contraceptive users

- Increase use of child spacing family planning practices
- Increase in rural contraceptive prevalence

C. Activity Description

This $5 million, three-year LOA extension will expand NGO and GOES efforts in family planning and maternal and child health services (FP/MCH); expand institutional development for SDA and other NGOs; and emphasize policy development to establish norms and standards for all promoters working in the FP/MCH services. The activity will focus on actions such as:

- Standardizing and expanding the role of rural FP/MCH promoters with respect to training, service delivery and evaluations
- Expanding SDA's social marketing and awareness campaigns to include special "Protection Campaigns" designed to prevent HIV/AIDS and sexually transmitted diseases and "Youth Campaigns" geared for school age children and adolescents
- Increasing family planning service delivery programs for adolescents
- Supporting institutional development of NGOs involved in FP/MCH services through seminars and technical training of health promoters
- Expanding SDA's institutional development activities in order to achieve sustainability
- Expanding post-partum and post-abortion family planning counseling and service delivery

Coordination of SDA activities with other NGOs and GOES institutions will be key to expanding family planning and maternal child health services to the neediest areas of the country.

D. Anticipated Impact on Poverty Alleviation, Access, and Participation

Deficient birth spacing and poor maternal health continue to result in high infant mortality rates, particularly among rural women in El Salvador. Annual population growth is estimated at 2.2 percent per year, and contraceptive prevalence among married women reached 53.3 percent in 1993. Overall, contraceptive prevalence is considerably lower in rural areas, especially among the temporary child-spacing methods which have not changed significantly in twenty years. This disparity in rural and urban use can be seen in fertility rates. While the total fertility rate (TFR) in the San Salvador Metropolitan Area is 2.7, the TFR in rural areas is 5.0, almost twice as high.

This Family Health Services Activity extension will address the deficiencies of family planning and maternal child health (FP/MCH) services in the most neglected and neediest areas of the country; primarily defined as rural and marginal urban populations. The activity will expand its rural program through integrating efforts with the SDA, other NGOs and the Ministry of Health (MOH). NGOs not only need institutional strengthening, but government norms, standards and procedures must be made more participatory so that NGOs have more access and become more effective. This activity will work directly with selected NGOs to expand their FP/MCH services and increase their effectiveness and with selected GOES institutions in order

to institute norms and standards for all promoters and to coordinate efforts to reach larger segments of the rural population.

E. Policy Dialogue Agenda

USAID/El Salvador will encourage policy discussions with NGOs and GOES institutions involved in FP/MCH services in order to standardize and appropriately expand norms and procedures for all rural health promoters and increase their efficiency and effectiveness. USAID/El Salvador will also seek collaboration with GOES and NGO institutions most interested in FP/MCH service delivery, such as COTEPO (the GOES technical committee for population planning), MOH, the Salvadoran Social Security Institute, SDA, PROSAMI, FUSAL and others. Specifically, since COTEPO has the responsibility for coordinating the entire population sector and has the specific mission to look at all aspects of population issues, its role as a catalyst could be expanded. Key policy dialogue areas would include:

- Definition of the regulatory, monitoring and service delivery role of public institutions
- Standardized training for all FP/MCH health promoters
- Standardized service delivery norms and procedures for all FP/MCH promoters
- Equity of coverage in geographic, economic and social terms
- Increased financial sustainability including cost recovery for commodities and services
- Enhanced operations research capacity and utilization of findings

The policy dialogue agenda would also support and complement assistance provided through other USAID/El Salvador activities, including the APSISA and PROSAMI projects and the new Social Sector Reform Project.

F. Donor Coordination

USAID/El Salvador will continue to coordinate its activities with NGOs, multilateral and bilateral donors. Most recently, USAID/El Salvador has sponsored local donors meetings in November 1993 and February 1994 and is planning a Washington-based donors meeting in early March 1994. Major efforts will continue to be made to identify and collaborate with all donors working in the FP/MCH services. UNICEF has a highly diverse health sector program, while UNDP promotes citizen participation in local health programs. UNFPA currently subsidizes salaries of two COTEPO staff, but plans to reduce its funding in the near future. A number of bilateral donors have projects in health service delivery, all of which will require coordination with the activities proposed under this project.

3. *Policy and Design Issues*

A. Sustainability

Specific technical assistance will be provided to the SDA to assist its institutional development and financial self-sufficiency planning beyond the life of the project. SDA clinical services

could be expanded to become exclusive distributors and managers of "Norplant" or other contraceptive methods, thereby increasing their market share and resources. The SDA's current cost recovery program could include fully utilizing its audio visual production facility to produce videos and educational materials to be sold to public and private sector institutions. Since SDA is the largest private sector provider of FP/MCH services, it could offer expertise and training seminars to other NGOs, helping them increase their efficiency and improve distribution of contraceptives. SDA could initiate a health insurance program, much like a Health Maintenance Organization, and offer services, including fully utilizing its recently acquired hospital building for inpatient services. A wide range of sustainability opportunities will be sought and strengthened through project conditionality binding SDA's disbursements to progress toward self-sufficiency.

Collaborating with a wide range of NGOs and public institutions involved in FP/MCH services, the project will ensure that health services will be sustained in the rural areas.

B. Potential Issues and Innovative Program Approaches

This project extension will seek new relationships, collaboration, and coordination with a number of NGOs and public sector institutions through the Salvadoran Demographic Association in order to reach consensus on programming approaches, standards in training and FP/MCH service delivery. The Mission recognizes the limits to this approach in terms of the effort needed for collaboration between public institutions and the array of other organizations involved in the sector.

The project will also target new beneficiaries in the ex-conflictive zones, develop new programs such as a midwife program, and augment SDA's social marketing and awareness campaigns on HIV/AIDS and sexually transmitted diseases.

C. Global Bureau Resources and LAC Regional Programs

The project extension hopes to coordinate with and possibly purchase services from central activities in health and family planning, although the scope of those services cannot be determined until the design is undertaken.

USAID/El Salvador recommends that the Agency authorize the Mission to proceed with activity amendment design and authorize the project paper amendment in the field.

New Activity Amendment Description

Activity Title: Municipal Development Project
Activity No.: 519-0388
Funding: DA
Duration: FY 1996-99
Proposed LOA Funding: $11,000,000 (revised total $15,000,000)

The Municipal Development Project was initiated in FY 1993 as a two-year, $4 million pilot project. The decision to proceed with the full project as described here will depend upon satisfactory progress during the pilot phase, especially in the adoption of essential policy reforms.

1. Relationship to Agency and Mission Goals

The Municipal Development Project contributes directly to the Agency's strategy of Building Democracy through "institutional[izing] community participation at the local level and an accountable, transparent style of governance that can ensure the population a modicum of control over the basic necessities of life." It supports attainment of the USAID/El Salvador strategy, Enduring Democratic Institutions with Broad-Based Participation.

2. Consistency with Mission Strategy

A. Activity Goal: Enduring Democratic Institutions with Broad-Based Participation

Preliminary Verifiable Indicators

- Increased public support for democratic institutions and values
- Increased public participation in democratic processes

B. Activity Purpose: Enhance the participation of the Salvadoran populace in the local democratic process and improve the capacity of municipalities to respond to the needs of their constituents.

Preliminary Verifiable Indicators

i)
- Improved citizen participation in public policy and the decision-making process
- Increased use of civil society organizations to resolve problems
- Increased citizen knowledge of democratic rights and responsibilities
- Increased percentage of cantons participating in open town meetings

ii)
- Increased devolution of power to the local level
- Increased locally-generated revenue at the municipal level
- Increase percentage of the national budget transferred to municipalities
- Increased municipal authority and resources to administer basic services

iii) • Improved mechanisms to ensure public sector accountability and oversight
- Increased number of open municipal council meetings
- Increased number of open budget hearings
- Increased number of audits of municipal budgets

C. Activity Description

The activity will support decentralization and municipal development with technical assistance to municipalities and training to respond effectively to the current needs of their constituents and to develop their capacity to handle their increasing autonomy as a result of central government decentralization. The activity is composed of three components (priority policy reforms, municipal strengthening, and local democratic development) and will work within the following broad areas to improve municipal capacity in El Salvador:

a) ***Municipal management and finance*** including organization, budgeting, external auditing, personnel systems, and computer systems;
b) ***Tax administration and cadaster systems***;
c) ***Water and environmental technology*** including solid waste management, wastewater, potable water, and associated engineering services; and
d) ***Expanded service provision*** including urban planning, local economic development, privatization of public services, and regional cooperation.

D. Anticipated Impact on Poverty Alleviation, Access, and Participation

The Municipal Development Activity will address poverty alleviation and participation through interventions that improve the quality of life of the average citizen and greatly increase opportunities for people to participate in decisions on government actions which affect their lives. Given the fiscal constraints limiting the central government's ability to meet the rising financial requirements of the country for basic public services, the evident lack of efficiency on the part of ministries and other centralized agencies to deliver services in adequate quantity or quality, and the lack of opportunity for citizens to have a voice in government decision-making, the GOES sees decentralization and municipal development as its best option both to improve the quality of life of its citizens and to increase their participation in the democratic decision-making process.

Through ongoing Mission and GOES programs, USAID/El Salvador has contributed to a broadening of political participation: interest groups now openly express their views and the accountability of government officials to their constituents at the local level has increased. Notwithstanding these improvements, local governments lack the legal and policy framework, technical skills and financial means to play a broader role in the country's democratic development.

The project will increase and enhance citizen participation in the local decision-making process. It will also promote improved democratic processes through the establishment of community advisory boards, rotating *cabildos abiertos* (open town meetings) to rural *cantons*, promoting and facilitating the development of grass-roots community organizations and NGOs, and opening

municipal council meetings and budget meetings to the public. All council meetings dealing with budgetary issues and project prioritization and selection issues will require a public meeting. This "transparency" will allow for greater accountability, improved citizen understanding and participation in the decision-making process and will minimize the impression that secret deals are being cut. Technical assistance and training for municipal officials will also be provided to facilitate this transition to a more open, democratic process. A public education campaign targeting community organizations, NGOs, and the general public will educate citizens on the rights and responsibilities in a local democratic government.

An accompanying policy dialogue will address policy/legal reforms essential for broadening and enhancing citizen participation at the local level.

E. Policy Dialogue Agenda

The USAID/El Salvador policy reform agenda in the municipal sector will be addressed primarily through the Municipal Development Project in order to remove legislative and policy constraints to municipal development and decentralization. USAID/El Salvador will encourage policy reforms related to decentralization and municipal development. Such reforms will benefit all Salvadorans through devolution of authority and autonomy to the municipal level and through increased citizen participation and broadened political representation in the local decision-making process. Key legislative policy reforms to be pursued include those which:

- increase municipal autonomy, particularly increased local authority to raise revenues
- transfer the authority and resources for provision of selected basic services to the local level
- allow proportional representation on municipal councils

In addition to policy change at the central level, municipal governments will be encouraged to reform current policies and practices and formulate new policies that contribute to more effective and participatory municipal management.

F. Donor Coordination

Other than USAID/El Salvador, the most significant donor with regard to municipal development is the German aid agency GTZ. The GTZ has committed $3.2 million for municipal development through 1995. The USAID Municipal Development Project was designed in close coordination with the GTZ, and USAID/El Salvador has reviewed and discussed with the GTZ its operational plan for the Salvadoran Municipal Development Institute (ISDEM) for 1993-1995. There are several areas where the project will be able to utilize ISDEM capabilities by the end of the GTZ project in 1995. These include a training capacity in the areas of municipal management and administration, municipal finance with an emphasis on tax management systems, cadastre systems and urban planning.

In addition, UNICEF has committed $4.5 million through 1995 to provide improved services and basic infrastructure in education, health, and municipal administration to some 38 municipalities. Neither the World Bank nor the Inter-American Development Bank (IDB) have

current projects directed specifically at strengthening municipal development; however, the IDB's loans to the GOES Social Investment Fund (FIS) do provide funding for infrastructure at the local and municipal level. The USAID/El Salvador Municipal Development Project will improve the management capacity of participating municipalities to coordinate and manage municipal investment activities with those of other donors such as the IDB.

USAID/El Salvador is a member of a donors' working group on decentralization and municipal development which meets monthly to coordinate policies and activities. Included in the donors' group are USAID, IDB, UNDP, and GTZ.

3. *Policy and Design Issues*

A. Sustainability

The sustainability of project improvements will largely depend on political commitment and policy reform that lay the basis for municipal autonomy, increased revenue generation and increased revenue sharing; and the institutionalization of participatory democratic mechanisms at the local level. The activity will provide financing to ensure that these concerns are addressed throughout the life of the project.

The Corporation of Municipalities of the Republic of El Salvador (COMURES), the major counterpart for the activity, is a Salvadoran NGO and an association of mayors representing all the municipalities in El Salvador. It has a democratically elected Board of Directors. Technical assistance will be provided to COMURES to assist in its institutional development and financial self-sufficiency beyond the life of project.

B. Potential Issues

Legislative reforms related to local revenue generation and revenue sharing, as well as electoral reforms, may meet with opposition for budgetary as well as political reasons. While the Cristiani Administration has been committed to decentralization, the most critical and lasting reforms will be implemented over time, thus requiring continued commitment by the following administration which takes office in June of 1994.

C. Innovative Program Approaches

The project will be implemented through a tri-partite agreement between USAID/El Salvador, the Government of El Salvador and COMURES. The participation of the GOES in the project allows coordination between decentralization and municipal development activities. The participation of COMURES guarantees the representation of the municipalities in the decentralization process.

The project will build upon the success of the USAID-financed Municipalities in Action Program (MEA) particularly with regard to enhancing citizen participation in local democratic decision-making. The success and utilization of the open-town meetings will be expanded to include open municipal council meetings and open municipal budget meetings. Improving and

regularizing the relationships between municipal councils and community organizations will be a part of the activity.

C. Global Bureau Resources and LAC Regional Programs

The project will utilize the ROCAP/RHUDO Local Government Regional Outreach Strategy (LOGROS) Project, as appropriate, for short term training and observational travel for Mayors and members of the Legislative Assembly. This training will include seminars, conferences and observation trips within Latin America and to the United States to familiarize participants with successful decentralization and municipal government programs.

USAID/El Salvador recommends that the Agency authorize the Mission to approve this activity amendment in the field.

New Activity Description

Activity Title: Land Tenure Security
Activity No.: 519-0418
Funding: DA
Duration: FY 1996-2001
Proposed LOA Funding: $8,000,000

During the decade of the 1980s, and continuing into the 1990s in compliance with the Peace Accords, El Salvador carried out the most far-reaching agrarian reform program ever implemented in Latin America. USAID/El Salvador helped to finance the program and over the years provided continued technical assistance and credit to the reform sector. In mid-1993, USAID/El Salvador carried out a subsector analysis of the agrarian reform program and the overall land tenure situation in the country. This analysis was part of a larger analysis of the rural productive sector covering credit, land, the agrarian debt and legal and regulatory constraints to rural economic growth. The studies were designed to identify constraints to rural economic growth and to stimulate policy discussion within Salvadoran society and the international donor community. Based on the results of the land tenure assessment, as well as recent experience with the ongoing Peace Accords Land Transfer Program, the Mission has identified a series of constraints inhibiting a rational and economically informed land market. Those restraints must be addressed in order to unleash the productive capacity of rural areas.

1. Relationship to Agency and Mission Goals

The Land Tenure Security Activity will support the Agency and USAID/El Salvador goal of Encouraging Broad-based Economic Growth, especially by expanding access and opportunity for the less-advantaged and by strengthening agrarian economies. It also contributes to progress in another Agency goal, Protecting the Global Environment, and to two other Mission Strategic Objectives, Assisting the Transition from War to Peace and Improved Environmental and Natural Resource Management.

2. Consistency with Mission Strategy

A. Activity Goal: To promote broad-based economic growth by specifically alleviating rural poverty and stimulating rural economic growth.

Preliminary Verifiable Indicators

- reduction in extreme rural poverty

B. Activity Purpose: To raise the incomes of El Salvador's rural poor and foster sustainable land use practices by expanding access to secure land tenure.

Preliminary Verifiable Indicators

- land holdings with proper title and registration
- agrarian reform cooperatives being run as profitable enterprises
- reduction in idle cooperative lands

C. Activity Description

The activity will include assistance by a multidisciplinary technical assistance team that will provide agrarian policy analysis and consensus-building activities on policy reform through a participatory process involving agrarian reform beneficiaries, renters, the landless, NGOs currently working with these populations, and policy makers at all levels of Salvadoran society. Specific activity interventions will include technical and institutional assistance to various reform sector organizations, including producer cooperatives, in order to ensure that policy reforms are implemented. Emphasis will be placed on more efficient and equitable approaches to land use, and the need for reorienting the cooperative and farmer association structure to become more entrepreneurial. Technical assistance will also be provided to assist in consolidating the multiplicity of public sector institutions overseeing the land transfer process and in formulating a more dynamic and coherent land transfer system.

D. Anticipated Impact on Poverty Alleviation, Access, and Participation

Endemic poverty, as measured by family income, is El Salvador's primary rural problem. The World Bank estimates rural poverty at 56 percent. Rural poverty strikes hardest at those employed in agriculture and at women, two groups chronically under-represented in government efforts to address poverty issues. Over 340,000 people (54 percent of the agricultural workforce) are landless temporary day laborers, farmers with less than one manzana of land, and unemployed agricultural workers. The rural poor generally have limited access to productive resources and an inability to overcome barriers to market opportunities. Reduced or insecure access to land represents the major economic barrier faced by the rural poor.

The proposed activity will remove structural, legal and regulatory constraints that currently promote subsistence over commercial agricultural production, and that are conducive of inefficient and degrading land use. As a more rational and economically sustainable land tenure and use regime is developed, the activity will also facilitate land transfers to squatters and renters. The activity will target three specific subsectors of the rural productive sector: the large group of 80,000 members of the agrarian reform cooperatives that currently occupy approximately 25 percent of the arable farm land in El Salvador; over 100,000 renters and related producers with precarious tenancy; and 25,000 current and potential beneficiaries of the Peace Accords Land Transfer Program (i.e., ex-combatants of both sides and squatters in the former ex-conflictive zones).

E. Policy Dialogue Agenda

The activity's policy dialogue agenda will target reforms in the following areas:

- a revision of agrarian law that prevents agrarian reform sector cooperatives from renting or selling land that is not being used, thereby providing access to idle land and eliminating the current practice of illegal land transfers which can never be registered and which cannot access the formal credit system.

- a revision of agrarian reform cooperative structure to eliminate the system of disincentives that permits, and even forces, coops into economically nonviable productive practices with no concern for the overall profitability of the enterprise.

- a consolidation of the various agrarian reform agencies (i.e., the Land Bank, the Agrarian Reform Institute -ISTA, and the National Lending Institution for Agricultural Lands -FINATA), to provide a coherent approach to the distribution of land under the respective agrarian reform programs that permits resettling of transferred lands that are subsequently abandoned and a more productive use of lands currently being worked.

- a revision of the civil code governing rental and other precarious forms (e.g. squatters) of land holding to provide tenure security and create an incentive for medium and long-term capital investment in the land.

- a review and revision of the draft agrarian code to consolidate and make coherent the variety of agrarian-related legislation that currently defines the legal and regulatory environment for land tenure and use in rural El Salvador.

Because of the highly political nature of the current agrarian structure and the number of competing interest groups, the process of reform of the respective agrarian laws will need to be highly participative, both to ensure support for the reforms, but also to ensure that benefits accrue to the population most directly and indirectly affected by the reforms.

F. Donor Coordination

The activity will ensure donor coordination by funding short-term technical assistance activities and necessary analytical studies in conjunction with other international donors, in particular the World Bank. The World Bank will be involved in reform of the property registry and the completion of a nation-wide cadastre. As such, donor coordination will be a critical element to the success of this activity.

3. *Policy and Design Issues*

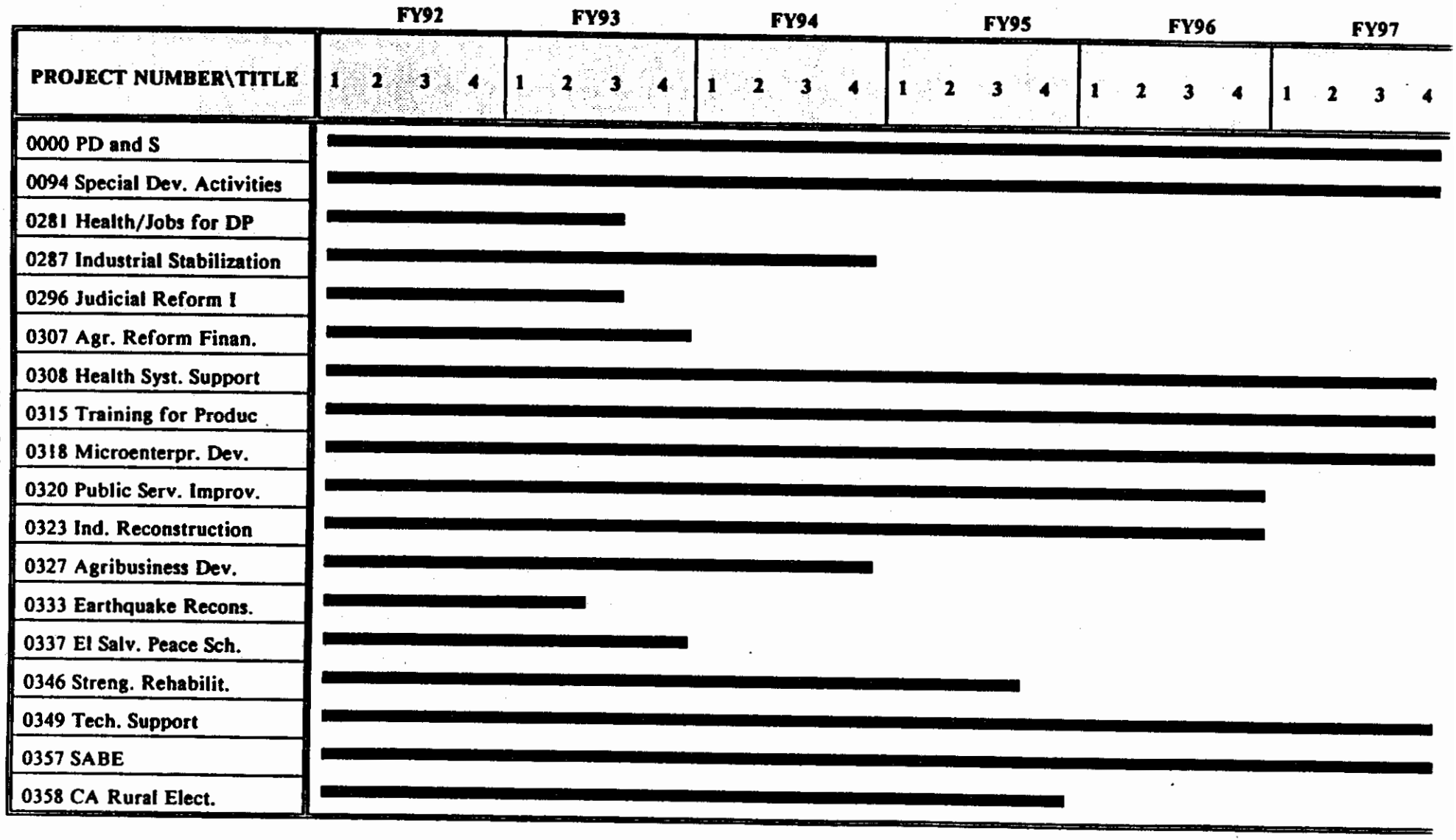
The most significant design and implementation issue is the identification of secondary level organizations, such as the Salvadoran Association of Producers and Entrepreneurs (PROESA), the Democratic Small Farmer Alliance, and the cooperative federations, possessing the institutional capability to facilitate the policy dialogue process. A serious hurdle to moving the policy dialogue process forward will be the avoidance of becoming overly embroiled in local and national politics in a partisan fashion.

The Peace Accords signed in January 1992 provide for the issuance of an Agrarian Code that will regulate the land tenure system in the country, as well as other aspects of agriculture. The new code is still a long way from being finalized and formally debated by the legislature. Once approved, the Agrarian Code will require structural and administrative changes necessary for the fulfillment of the new legal standards. Sustainability of the assistance to be provided will require government commitment to fully implement the legal reforms included in the new agrarian reform, including the necessary budget support. In this regard, the GOES has demonstrated a commitment to agriculture and rural areas which is encouraging. El Salvador is only one of three Latin American countries in a recent IDB study which has demonstrated sustained increases in public investment in agriculture since 1989.

The activity will be managed by a U.S. Direct Hire employee in the soon-to-be-established Productive Resources Office, with the assistance of a full time Foreign Service National development specialist. It is anticipated that AID funds will be obligated through a Handbook 3 bilateral agreement. The activity will use the Design and Perform (DAP) modality, with selection of a U.S. firm/NGO to be made during the summer of 1995. No direct support from Global Bureau resources or LAC regional programs is foreseen at this time.

USAID/El Salvador recommends that the Agency authorize the Mission to proceed with activity design and authorize the project paper in the field.

TABLE 3: USAID/EL SALVADOR (519) PORTFOLIO -- PROJECT TIMELINE



III B Table 3 2

PROJECTNUMBER\TITLE	FY92 1	FY92 2	FY92 3	FY92 4	FY93 1	FY93 2	FY93 3	FY93 4	FY94 1	FY94 2	FY94 3	FY94 4	FY95 1	FY95 2	FY95 3	FY95 4	FY96 1	FY96 2	FY96 3	FY96 4	FY97 1	FY97 2	FY97 3	FY97 4
0395 Tech Assistance																								
0396 Pub. Sec. Account.																								
0397 Rural Equitable Economic Growth																								
0399 CRS																								
0400 PADF																								
0401 Social Sec. Reform																								
0403 Particip. & Govern																								
0410 Salesian Missions																								
0411 Centro Demos																								
0414 FY94 Social/Econ Pol																								
0415 FY95 Social/Econ Pol																								
0418 Land Tenure Security																								
5980791 RTAC II																								
TOTAL PROJECTS				37				39				36				28				23				18

III B Table 3 3

Central and Regional Projects

Centrally funded and Regional projects are shown within the structure of the Mission's Strategic Objective Trees. Through centrally funded projects the Mission has obtained a variety of commodities and services. In FY 1993, this amounted to approximately $1.2 million. It is anticipated that this pattern will continue through the Action Plan period. The Mission has also received environmental technical assistance from the RENARM project in Guatemala. In addition, central funds from the Displaced Children fund have been accessed to support an NGO effort in this area. We have requested additional funds for FY 94 from the War Victims, Displaced Children and Child Survival Funds to support activities in these areas. Finally, we have been able to supplement our program through the FHA Matching Grants Program for NGOs.

IV. Resource Requirements

Overview: Managing for Results

Detailed information on program, workforce and operating expense requirements appears in the tables that are part of this section of the Action Plan. Rationale to support these needs is found throughout the document.

USAID/El Salvador would choose to have additional financial and personnel resources in order to make quicker, more efficient progress toward meeting strategic objectives. However, we recognize that increases are highly unlikely and are taking steps to use available resources in an optimal manner. By maximizing cooperation with development partners, changing elements of program management, and continuing to seek ways to increase the productivity of all staff members, USAID/El Salvador expects to be able to manage a viable program with significant development impact well into the future.

Coordination with development partners is described in Sections I and II of this Action Plan. In addition, the Mission has taken a number of recent steps to reconfigure the manner in which program activities are developed, implemented and reviewed; modify the size, composition, and responsibilities of all categories of personnel (U.S. Direct Hire, Foreign Service National Direct Hire, U.S. and FSN Personal Services Contractors); and modify ways in which program accountability is assigned and results are measured. Among the most important of these steps are:

Instigation of Strategic Objective Teams

Drawn from many offices and a variety of categories and grade levels of personnel, the Mission's new SO teams are a focal point for analysis of needs, status and results within each of the strategic objective classifications. They were established in January. Primary initial responsibilities have been to carry out an in-depth review and revision of the Mission strategy and indicators, propose new activities (or continued concentration on the current portfolio) for individual objectives, begin development of strategic objective monitoring and evaluation plans, and participate in the preparation of this Action Plan.

SO teams will prepare information and documents for the semi-annual reviews (SARs) of all mission project activities and will actively participate in the review sessions. This is an important shift in both the management and the concept of the SARs. In October of 1993, strategic objectives were used as an organizational tool for the SARs for the first time, and both "strategy" and project-level issues were targeted for discussion. The added element of SO team active participation for future SARs will office will provide greater scope for analysis and management of the contributions of individual activities to specific development objectives.

The teams give many different mission personnel, who are often focussed on a single project or area, a chance to play a role in development, analysis and decision making of the broader USAID program. This is interesting and empowering for the employee. It also concentrates a much wider range of talents and ideas on the problems and opportunities of progress toward attainment of mission objectives.

Rightsizing

USAID/El Salvador has recently completed an intensive review process to determine an

optimum form, function and size for this Mission during the next few years. As a result: the Mission is being reconfigured to better deal with its priorities and to be better positioned to manage for results, overall staff levels are being reduced by one third (from a current total of 295 to 198) by the end of FY 1995, and several offices are being combined. The process of reaching those decisions was difficult and time-consuming, but it ensured participation of every office and large numbers of employees within those offices.

An intensive office-by-office analysis was undertaken in September of 1993. Through individual presentations by twelve office directors and their respective staffs, mission management reviewed the role of each office, its place in carrying out strategic objectives and performing both required and desired actions, and the broad responsibilities of all of the people working within the office.

In November, a mission committee began considering office-by-office "rightsizing" moves that would enable USAID/El Salvador to reorganize itself to better focus resources (both human and fiscal) on key objectives. Externally imposed realities of rapidly decreasing program levels, falling operating expense levels, and mandated decreases in personnel levels in specific categories were carefully considered. However, the primary factor in "rightsizing" personnel decisions was: How many and what type of people in each organizational area does USAID/El Salvador need to manage the Mission and its program in an efficient, effective manner in order to achieve development results? Opposing points of view and various controversial aspects of "rightsizing" were thoroughly discussed. Results were announced and discussed in detail at a senior staff meeting on February 7 and again at an all-staff meeting on February 10. Not everyone is pleased with the results, but there is general agreement that the process was basically transparent, thoughtful, and reasonable.

TABLE 4
USAID/EL SALVADOR
SUMMARY PROGRAM FUNDING TABLE
Dollar Program
(000)

Funding Category	FY 1994 Estimated	FY 1995 Requested	FY 1996 Requested	
Development Assistance			100% FY95	75% FY95
Mission Strategic Objective No. 1 **Assist El Salvador to make the transition from war to peace**				
519-0357 Strength. Achievement in Basic Education	0	1,100	0	0
519-0361 CLASP	1,100	1,925	1,942	1,942
519-0367 Maternal Health/Child Survival Services	1,500	1,500	0	0
519-0387 Small Enterprise Support	[illegible]	[illegible]	[illegible]	[illegible]

Funding Category	FY 1994 Estimated	FY 1995 Requested	FY 1996 Requested	
Development Assistance			**100% FY95**	**75% FY95**
Mission Strategic Objective No. 4 Improved quality with equity in health and education				
519-0000 PD and S	480	339	340	184
519-0094 Special Development Activities	33	33	33	33
519-0308 Health Systems Support	1,500	2,500	1,465	1,465
519-0357 Strength. Achievement in Basic Education	0	1,150	2,250	2,250
519-0361 CLASP	200	350	353	353
519-0363 Family Health Services	2,979	1,000	1,000	500
519-0367 Maternal Health/Child Survival Services	500	800	1,001	1,001
510-0401 Social Sector Reform	0	3,800	4,000	2,000
597-0011 RTAC II	350	0	0	0
Subtotal	**6,042**	**9,972**	**10,442**	**7,786**
Mission Strategic Objective No. 5 Environmental and natural resources management				
519-0000 PD and S	480	339	340	183
519-0349 Tech Support, Policy Analysis & Trng.	0	166	333	333
519-0357 Strength. Achievement in Basic Education	0	125	125	125
519-0361 CLASP	100	175	177	177
519-0385 Environmental Protection	3,500	2,800	3,000	3,000
519-0392 NTAE Production and Marketing	225	225	0	0
519-0397 Rural Equitable Economic Growth	400	700	800	600
519-0417 Peace Corps	20	50	50	50
Subtotal	**4,725**	**4,580**	**4,825**	**4,468**
Subtotal DA	**30,469**	**36,500**	**36,500**	**27,375**
Economic Support Fund				
Mission Strategic Objective No. 1 Assist El Salvador to make the transition from war to peace				
519-0394 Peace and National Recovery	17,500	14,000	23,648	
Joint Investigative Group	500	0	0	
Subtotal	18,000	**14,000**	**23,648**	
Mission Strategic Objective No. 2 Broad-based economic growth increased				
519-0349 Technical Support, Policy Analysis & Trng	3,000	0	0	
519-0414 FY 94 Social/Economic Policy Reform	16,750	0	0	
519-0415 FY95 Social/Economic Policy Reform	0	5,625	0	
Subtotal	**19,750**	**5,625**	**0**	

Funding Category	FY 1994 Estimated	FY 1995 Requested	FY 1996 Requested	
Economic Support Fund			**100% FY95**	
Mission Strategic Objective No. 3 Enduring democratic institutions with broad-based participation				
519-0376 Judicial Sector Reform II	2,900	3,500	6,200	
519-0391 Electoral and Democratic Processes	1,300	0	0	
519-0414 FY 94 Social/Economic Policy Reform	6,250	0	0	
519-0415 FY 95 Social/Economic Policy Reform	0	3,125	0	
Subtotal	**10,450**	**6,625**	**6,200**	
Mission Strategic Objective No. 4 Improved quality with equity in health and education				
519-0414 FY 94 Social/Economic Policy Reform	750	0	0	
519-0415 FY 95 Social/Economic Policy Reform	0	2,500	0	
Subtotal	**750**	**2,500**	**0**	
Mission Strategic Objective No. 5 Environmental and natural resources management				
519-0414 FY 94 Social/Economic Policy Reform	1,250	0	0	
519-0415 FY 95 Social/Economic Policy Reform	0	1,250	0	
Subtotal	**1,250**	**1,250**	**0**	
Subtotal ESF	**50,200**	**30,000**	**29,848**	
TOTAL DA and ESF	**80,669**	**66,500**	**66,348**	**27,375**

Operating Expenses

Major Cost Changes
From FY 1994 to FY 1995/96

Increases: In FY 1995 and FY 1996, total budgets of $6.9 million and $6.8 million, respectively, are required to meet operating expense needs. These amounts include $200,000 for building utility costs each year not included in FY 1994. If AA/M is successful in his negotiations with State this $200,000 would not be necessary for either year.

Additional expenses over FY 1994 also include fully funding the FSN Trust Fund with the U.S. Treasury. This, together with other separation payments, is expected to cost $715,000 over the FY 1995 and FY 1996 period. If, as discussed below, the trust fund cap were raised to permit funding of this item in FY 1994, it would be eliminated from the FY 1995 and FY 1996 budgets, resulting in the lower budgets shown in Table 2, below.

The FY 1995/96 budgets assume a 3 percent inflation rate which together with FSN and USPSC salary increases will cost an additional $245,000 on average for each of those two years.

NXP costs of $433,000 and $358,000 for FY 1995 and 1996, respectively, are budgeted, compared to $0 costs in FY 1994. These requirements are extremely urgent due to the FY 1994 NXP freeze, and are less than one half of the NXP requested for FY 1995 in last year's ABS. This is the result of planned reductions in Mission staffing which will enable the Mission to decrease inventory levels of residential furniture and equipment. Extended replacement cycles will also lessen the need for replacement furnishings through FY 1996. Likewise, office furniture and equipment will also be returned to inventory as a result of staff reductions. The Mission also plans a reduction of authorized number of vehicles in its official fleet, from 27 to 23. Since four of these were replaced in FY 1993, only 2 replacement vehicles are required for each of the next two years.

Decreases: Overall net savings from Mission downsizing of approximately $635,000 in FY 1995 and $640,000 in FY 1996 (primarily salary savings, reduced FSN separation payments and reduced housing costs) will partially offset the above mentioned additional budget costs.

Local Currency OE Trust Fund Availability

OE Trust Funds should be available to fund all projected OE needs through the middle of FY 1996. Interest earnings would carry the Mission a little further. When the currently planned FY 1994 ESF is received, the local currency OE Trust Fund will receive an additional $1.6 million which would be enough to carry the Mission through the end of FY 1996, and perhaps a bit beyond into FY 1997. Unless the Mission receives additional ESF cash transfer resources after FY 1994, this $1.6 million would be the last increment in the OE Trust Fund.

Request for Raising Trust Fund Cap
To Meet Rightsizing Costs

Problem: At the very end of FY 1993 the Embassy and affiliated agencies approved an expensive benefit package for its FSNs. It provides for lump sum payments upon separation which are related to retirement. The Mission's rightsizing plan has increased the separation rate and substantially increased the cost of this package. Lifting the FY 1994 OE trust fund obligation cap in order to fund this package is absolutely the most important

OE budget issue in this Action Plan.

How much the cap needs to be raised is explained in detail below. The first priority requirement is to fund the separation costs for involuntary FY 1994 separations, then those for FY 1995. The second priority is to raise the cap enough to fund the outyears' involuntary costs, and a requirement, which appears to be legally binding, to contribute to the voluntary separation trust fund held in USAID/W.

These liabilities are of two kinds. The first is a gratuity to compensate FSN employees for the lack of a retirement fund during the period from December 1979 to February 1993. FSNs who separate voluntarily receive 2 percent of their annual salary for each year worked during the period, and FSNs who are separated involuntarily receive 25 percent of their annual salary for each year worked during that period. On the average,involuntarily separated employees will receive about 1.5 years pay. The second separation payment is a GOES severance requirement equal to about $200 per person for each year worked.

Table 1 shows the maximum liability based on current salary levels. Actual liability will vary depending on the ratio of involuntary separations to voluntary ones. The Mission will complete in the near future an actuarial study to estimate the probable total liability.

Discussion: If the trust fund cap is not raised:

Electricity bills could consume the LAC contingency reserve. The Mission may be able to pay for FY 1994 rightsizing costs of $271,000 but only if no unbudgeted costs arise for the last seven months of the fiscal year. The Mission is particularly worried about two items.

First, is a contingent liability to the Embassy of $200,000 for office utilities in USAID

Table 1: Separation Pay Liabilities
As Of 9/30/94
($000)

	OE	PROJECT	TOTAL
Retirement Gratuity			
Voluntary Separation - due now to 72X8342	$ 164	$ 40	$ 204
Involuntary Separation-due 1994	271	151	422
Involuntary Separation-due 1995	167	48	215
Involuntary - due after 1995	1,496	291	1,787
GOES severance requirement - due now to 72X8342	167	29	196
Total	$2,265	$559	$2,824

occupied, FBO built and managed office building. This cost was not budgeted because USAID/W and the Department of State had agreed two years ago that State would absorb this cost beginning in FY 1994. (1992 State 288689) State has now reversed their previous position and is requesting that USAID pay for utilities from October 1, 1993. AA/M is personally negotiating this issue with State. It is impossible for the Mission to absorb this cost within its reduced budget.

The second worrisome item is that the FY 1994 budget contains only $14,000 reserved for contingencies for the balance of the fiscal year, and our normal need is for $20,000 per month to cover such costs as medevacs, in-country hospitalizations and unplanned increases for separate maintenance or education allowance. Normal Mission needs amount to $120,000 for the rest of the year. Together, these two items could create a potential shortfall of $320,000.

Raising the FY 1994 trust fund cap to cover the $271,000 of rightsizing costs would free an equal amount of OE resources to partially fund these contingencies, and decrease the pressure on the LAC Bureau's contingency fund, which, at the time of this writing is only about $250,000.

Recommendation: In early March, 1994, USAID/El Salvador provided justification to USAID/W to raise the FY 1994 OE Trust Fund cap by approximately $2.8 million. The additional obligation authority will be used to fund FSN involuntary and voluntary separation pay liabilities that the current FY 1994 OE budget, for the most part, does not cover. (Only $271,000 of the $2.8 million is reflected in the budget tables for FY 1994.)

The Mission now has sufficient local currency on hand to fund the liability and would like to fund it all at once while the local currency is still available. At a minimum the Mission needs enough to fund FY 1994 rightsizing costs in their entirety. If the Mission were granted the full obligation authority in FY 1994, it would eliminate a future call on appropriated dollars and cause future obligation levels to decrease more rapidly, as shown below.

Table 2: Comparative OE Budget Levels
($000)

	FY 1995	FY 1996
Without Full Funding	6,900	6,800
With Full Funding	6,585	6,400

TABLE 5
USAID/EL SALVADOR
OE FUNDING REQUIREMENTS
($000)

OE/TRUST FUNDED LEVELS By Major Function Code:	FY 1994	FY 1995	FY 1996
U100 U.S. Direct Hire	511	441	438
U200 F.N. Direct Hire	944	922	998
U300 Contract Personnel	2,665	2,467	2,215
U400 Housing	927	852	880
U500 Office Operations	1,082	1,469	1,513
U600 NXP Procurement	0	433	358
Subtotal Core Costs	6,129	6,584	6,402
Downsizing Cost: U100	0	0	0
U200	112	87	184
U300	159	229	214
Subtotal Downsizing Costs	271	316	398
Total OE/TF Costs	6,400	6,900	6,800

MISSION STAFFING REQUIREMENTS

	FY 1994				FY 1995				FY 1996			
	USDH	USPSC	FSN	Other	USDH	USPSC	FSN	Other	USDH	USPSC	FSN	Other
Total FTEs or Workyear	31	23	176	--	28	13	157	--	28	13	157	--
of which Program funded	--	13	34	--	--	8	26	--	--	8	26	--

V. Mission and AID/W Initiated Issues

Fulfilling USG Commitment To the National Reconstruction Program

The Peace and National Recovery Project was authorized in 1992 for $300 million, of which $191 million was to come from ESF resources. To date, the Mission has obligated $153 million, leaving an unfunded mortgage of $37.6 million. During his visit to El Salvador, the Administrator stated that the USG would honor this commitment. This will require ESF funding through FY 1996.

Expediting the Drawdown Of Mission Pipeline

Good management and the needs of El Salvador and threats of recision have led the Mission to place special emphasis on expediting the drawdown of its pipeline. The fall SARs focussed specifically on this problem and actions are being taken to step up the pace. After several years of fully front-loading projects, the majority of them are now hitting their middle years when expenditures tend to peak. The two projects with the largest pipeline, National Reconstruction and Public Services Improvement, were reviewed in depth. For the NRP, the Controller's office is working with the implementing institution (SRN) and the GOES to revise and streamline the liquidation process. Under the Public Services Improvement project, the rural water component is picking up speed with the participation of municipalities and NGOs in addition to the national water authority. Projected expenditures this semester amount to nearly $24 million, thus sharply reducing the existing pipeline.

Raising Trust Fund Cap To Meet Rightsizing Costs

At the very end of FY 1993 the Embassy and affiliated agencies approved a major benefit package for Foreign Service Nationals. The Mission's rightsizing plan has increased the separation rate and substantially increased the cost of this package. Lifting the FY 1994 OE trust fund obligation cap in order to fund this package is the most important OE budget issue in this Action Plan. See Section IVB. for full discussion of cost implications.

LIST OF ACRONYMS

AIFLD	American Institute for Free Labor Development
AMED	Medical Assistance for FMLN Handicapped
ANDA	Water and Sewer Authority
APSISA	Health Systems Support Project
BCR	Central Reserve Bank
BFA	Agricultural Development Bank
CATIE	Tropical Agricultural Center for Research & Training
CCAD	Central American Commission for Environmental and Development
CEPRODE	Disaster Protection Center
CEL	National Electric Power Company
CLASP	Central and Latin American Scholarship Program
CLUSA	Cooperative League of the United States
CMR	Child Mortality Rate
COMURES	Corporation of Municipalities of the Republic of El Salvador
CONAMA	National Commission for the Environment
CPR	Contraceptive Prevalence Rate
CRS	Catholic Relief Service
CS	Child Survival
DANIDA	Danish Development Agency
DIGESTYC	Direccion General de Estadisticas y Censos
DIVAGRO	Agricultural Diversification Division of FUSADES
DPT	Diphtheria, Pertussis, Tetanus
EDUCO	Infant Education with Community Participation
ENRM	Environmental and Natural Resources Management
ESAF	El Salvador's Armed Forces
FECORAO	Foundation of Agrarian Reform Cooperatives for the Eastern Region
FEDISAL	Foundation for Salvadoran Integral Education
FEPADE	Foundation of Entrepreneurs for Educational Development
FIGAPE	Warranty Fund for Small Enterprise
FINATA	Agrarian Land
FINCA	Foundation for International Community Assistance
FIS	Social Investment Fund
FMLN	Farabundo Marti National Liberation Front
FONAES	Environmental Fund for El Salvador
FSN	Foreign Service National
FUNDASALVA	Anti-Drug Foundation of El Salvador
FUNDAUNGO	Ungo Foundation
FUNTER	Pro-Rehabilitation Foundation
FUSADES	Salvadoran Foundation for Economic and Social Development
FUTECAMA	Environmental Foundation of Santa Tecla
GDP	Gross Domestic Product
GOES	Government of El Salvador
GREENCOM	Green Communications
GTZ	German Technical Assistance
HIV/AIDS	Human Immunodeficiency Virus/Anti Immunodeficiency Syndrome

IBRD	World Bank
IDB	Interamerican Development Bank
ILO	International Labor Organization
IMR	Infant Mortality Rate
ISDEM	Salvadoran Municipal Development Institute
ISSS	Salvadoran Social Security Institute
ISTA	Salvadoran Agrarian Reform Institute
LOGROS	Local Government Regional Outreach Strategy
MAG	Ministry of Agricultures
MEA	Municipalities in Action
MIPLAN	Ministry of Planning
MOE	Ministry of Education
MOH	Ministry of Health
MSS	Metropolitan San Salvador
NAFTA	North American Free Trade Agreement
NGO	Non Governmental Organization
NRP	USAID's Peace and National Recovery Project
NTAE	Non Traditional Agricultural Exports
OCTA	Coordinating Office for the Agrarian Theme
ONUSAL	United Nations Commission for El Salvador
PACT	Private Agencies Cooperating Together
PAHO	Pan American Health Organization
PASA	Participating Agency Service Agreement
PHC	Primary Health Care
PROMESA	Salvadoran Environmental Protection Program
PROPEMI	Small and Microenterprise Program
PROSAMI	Maternal/Child Health Project
PVO	Private Voluntary Organization
RENARM	ROCAP's Natural Resource Management Project
ROCAP	Regional Office for Central America and Panama
RTAC II	Regional Technical AID Center II
SABE	Strengthen Achievement in Basic Education
SALVANATURA	Save Nature
SAR	Semi-Annual Review
SDA	Salvadoran Demographic Association
SEMA	Executive Secretariat for the Environment
SEN	Environmental NGO Strengthening Project
SNF	National Secretariat for the Family
SOT	Strategic Objective Team
TECHNOSERVE	Rural Small Enterprise and Cooperative Development
TFR	Total Fertility Rate
UNDP	United Nations Development Program
USDH	U.S. Direct Hire
USPSC	U.S. Personal Services Contract

ANNEX A 1
CHANGES TO ACTION PLAN 1995–1996

STRATEGIC OBJECTIVE # 1

	Action Plan 94–95	Action Plan 95–96	Rationale for Change
Strategic Objective 1	Assist El Salvador make the transition from war to peace	Same	
Indicator 1	Increase voter participation	deleted, NEW INDICATOR: Elections are free and open.	The mission has worked effectively in voter registration activities, however registration alone does not guarantee that citizens will vote. The revised indicator is a better direct measure of the culmination of the Peace Process.
Indicator 2	Employment growth by gender	deleted, NEW INDICATOR: Rural NRP population living in poverty	It is extremely difficult to measure employment in the ex–conflictive zones. The new indicator will track the gap between the rural population living in poverty in the NRP zone, with those living in poverty in rural areas nationwide. This directly measures the impact on people's lives in the NRP zone.
Indicator 3	Percent of Ex–combatants a) employed, and b) exercising voting rights	deleted, NEW INDICATOR: Rural NRP population living in extreme poverty	The former indicator could not be measured accurately. As above, the new indicator will track the gap between the rural population in extreme poverty in the NRP zone, with those in extreme poverty nationwide.
Program Outcome 1.1	Reactivate factors of production (land, labor, capital) to respond to economic opportunities.	Factors of production (land, labor, capital) reactivated to respond to economic opportunities.	The Program Output is restated as a result, rather than an action.
Indicator 1	People a) trained and b) subsequently employed	a) Same b) subsequently employed or with increased income.	Increased income has been added due to the difficulty in measuring employment. In fact, it is very difficult to get a complete measure of either employment or income, so they have been added together.
Indicator 2	Percent of land bank clients with land in production.	Same	
Indicator 3	Clients receiving a) agricultural credit; b) microenterprise credit; and c) village bank credit current on loan repayments in NRP zones.	revised. Clients a) receiving credit and b) percent increase in income of those clients.	Because of the differences in the terms of loans, loan repayment rates, as an overall indicator, would be skewed. The revised indicator is also a good measure of the impact of credit provision activities.
Program Outcome 1.2	Re–establish access to basic services.	Access to basic social services and infrastructure reestablished.	The previous statement was not inclusive of large USAID inputs into infrastructure. It has also been restated as a result.
Indicator 1	Percent of population with access to potable water in NRP areas.	deleted, NEW INDICATOR: Cumulative NRP population benefitting from rural road improvement/expansion.	USAID does not have sufficient inputs in the area of potable water to claim direct attribution for significant impact. Additional indicators have been developed to address impacts in other areas.
Indicator 2	Percent of population benefitting from road/bridge activities.	NEW INDICATOR: official schools open and functioning.	This indicator was replaced by three new indicators, measuring impacts in a broader range of program areas, including roads, schools and health facilities.
Indicator 3	None	NEW INDICATOR: Number of health facilities assisted and functioning.	See above.

ANNEX A 1
CHANGES TO ACTION PLAN 1995–1996

STRATEGIC OBJECTIVE # 1

	Action Plan 94–95	Action Plan 95–96	Rationale for Change
Program Outcome 1.3	Build local level democratic institutions and increase civic participation.	Local level democratic institutions built and civic participation increased.	The Program Output is restated as a result, rather than an action.
Indicator 1	Percent of cantons participating in MEA program town meetings	Same (now #2)	
Indicator 2	Increased frequency of town meetings involving civic associations or citizen groups.	(now #1) Open town meetings held	The indicator has been refined to eliminate superfluous information. All open town meetings measured involve civic groups.
Indicator 3	Increase in registered voters.	Same	
Indicator 4	None	NEW INDICATOR: NGOs participating in reconstruction activities.	This indicator was added to capture the impact of NGO strengthening activities.
Program Outcome 1.4	None	NEW PROGRAM OUTPUT Reintegration of ex–combatants	SO 1 reflects the importance that USAID has placed on the programs and projects used to bring about socio–economic reintegration of the people of El Salvador after a 12 year civil war. PO 1.4 has been ADDED to highlight the achievements of the first two years of the program, when the primary focus (and majority of resources) was to reintegrate the ex–combatants from both sides into civilian life. As this portion of the portfolio changes (ie when ex–combatants are reintegrated) revised indicators of impact will be consolidated under the other program outputs.
Indicator 1	None	NEW INDICATORS (1–4): Number of ex–combatants receiving vocational or academic training.	The following four indicators are treated as measures of IMPACTS for this purpose because these activities gave the ex–combatants a focus toward the future, providing them with the means to rebuild their lives. The provision of these services alone was an important step towards sustainable peace in the early years of this program. Revised impact indicators will be developed later.
Indicator 2	None	Number of ex–combatants receiving rehabilitation services.	See above.
Indicator 3	None	Number of ex–combatants receiving credit	See above.
Indicator 4	None	Number of ex–combatants and tenedores receiving land.	See above. Tenedores (squatters) are included here because they were often identified with one side during the conflict.

ANNEX A 2
CHANGES TO ACTION PLAN 1995–1996

STRATEGIC OBJECTIVE # 2

	Action Plan 94–95	Action Plan 95–96	Rationale for Change
Strategic Objective 2	Increase Equitable Economic Growth	Increased Broad–Based Economic Growth	The Strategic Objective has been restated as a result. "Equitable" has been replaced with "broad–based" to reflect a greater emphasis on participation.
Indicator 1	Index of real GDP.	One basic need unmet.	The prior indicator did not address "people–level" impact. The new measure complements the poverty indicators because it is considered more reliable. The measure is not based on reported income but on availability of adequate housing, potable water, sanitary facilities, and schooling for children 7–10.
Indicator 2	Urban population below relative poverty level.	Population living in poverty (PLIP). (urban/rural)	The indicator is disaggregated into Urban/Rural because poverty rates in rural areas are significantly higher than in urban areas.
Indicator 3	Urban population below absolute poverty level.	Population living in extreme poverty (PIEP). (urban/rural)	See above.
Indicator 4	Index of real per capita GDP.	Same.	
Program Outcome 2.1	Create & Maintain Appropriate Economic Policy Framework	Appropriate Economic & Social Policy Framework Created & Maintained	The Program Output statement has been restated as a result. Social policy has been added to reflect the emphasis of the new ESF program.
Indicator 1	BOP current account deficit.	Same.	
Indicator 2	Fiscal deficit of the non–financial public sector as a proportion of GDP.	Same.	
Indicator 3	Consumer price index.	Same.	
Indicator 4	National savings as a proportion of GDP.	Same.	
Indicator 5	Public sector savings as a proportion of GDP.	Same.	
Program Outcome 2.2	Increase Private Investment	Increased Private Investment	The Program Output statement has been restated as a result.
Indicator 1	Private investment as a proportion of GDP.	Same	
Indicator 2	Gross capital formation as a proportion of GDP.	Same	
Indicator 3	Aggregate of private investment attributable to selected Mission–supported activities.	Deleted	This indicator has been dropped because the mission's portfolio has been transformed since the last Action Plan, partly as a result of section 599.

ANNEX A 2
CHANGES TO ACTION PLAN 1995–1996

STRATEGIC OBJECTIVE # 2

	Action Plan 94–95	Action Plan 95–96	Rationale for Change
Program Outcome 2.3	Increase Exports	Increased Exports	The Program Output statement has been restated as a result.
Indicator 1	Value of non–agricultural exports.	Value of non–traditional, non–agricultural exports	Note: the following 3 indicators have been reorganised under two categories: Traditional Exports and Non–Traditional Exports
Indicator 2	Value of maquila exports.	Value of drawbacks	
Indicator 3	Value of traditional and non–traditional exports.	Two indicators: Value of non–traditional agricultural exports Value of traditional agricultural exports	This indicator has been broken out into two separate indicators.
Indicator 4	Aggregate dollar value of exports attributable to selected Mission–supported activities.	Deleted	This indicator has been dropped because the mission's portfolio has been transformed since the last Action Plan, partly as a result of section 599.
Program Outcome 2.4	Increase Employment	Increased Employment	The Program Output statement has been restated as a result.
Indicator 1	Level of total urban employment.	Same	
Indicator 2	Urban unemployment rate.	Same	
Indicator 3	Visible urban underemployment rate.	Same	
Indicator 4	Aggregate of employment generation attributable to Mission–supported activities.	Deleted	This indicator has been dropped because the mission's portfolio has been transformed since the last Action Plan, partly as a result of section 599.

ANNEX A 3
CHANGES TO ACTION PLAN 1995–1996

STRATEGIC OBJECTIVE # 3

	Action Plan 94–95	Action Plan 95–96	Rationale for Change
Strategic Objective 3	Enduring Democratic Institutions and Practices	Enduring Democratic Institutions with Broad–based Participation	Insitutional change is insufficient without use. Participation is desired nationally & involving ALL spectrums of society.
Indicator 1	Increased public confidence in electoral process	Respondents supporting selected democratic liberties/values (Seligson Index)	The University of Pittsburgh model incorporates public confidence in institutions into one measure. This measure, a percent of population polled, is then combined with a tolerance measure and further en–riched by several indicators of participation. The end analysis provides a reading on sustainability of democracy.
Indicator 2	Increased public confidence in Justice sector	Respondents accepting & supporting selected democratic systems and institutions	
Indicator 3	Increased public confidence in Municipal Government	(Public confidence poll results have been replaced by indicators above)	
Indicator 4	Increased public confidence in public sector financial accountability	(Public confidence poll results have been replaced by indicators above)	
Indicator 5	National voter participation, total votes and votes per registered voters	Deleted	Participation will be measured under PO 1. Disaggregation of this data is not officially available but will be monitored using polls and retained as part of the Monitoring & Evaluation Plan.
Indicator 6	Municipal voter participation, total votes and votes per registered voters	Deleted	
Indicator 7	Voter participation: respondents who claim to have voted (M/F)	Deleted	
Indicator 8	Prison population held awaiting trial	Deleted	Not appropriate at SO level, this is an AOJ output indicator.
Indicator 9	Amount of public resources audited	Moved to PO 3	
Program Outcome 3.1	Strengthen Citizen Participation in the Decision–making process	Improved citizen participation in the public policy/decision–making process	The revised statement is a better description of the result of USAID's interventions.
Indicator 1	Percent of cantones participating in open town meetings	Same (now indicator #2)	
Indicator 2	Registered voters: rural	2,3,4 Deleted, replaced with: Registered voters participating in elections (now indicator #1)	Participation is seen as the desired end result. Disaggregation of data is not officially available. However, disaggregated data will be monitored via polls and tracked in the M&E Plan.
Indicator 3	Registered voters: youth	NEW INDICATOR: Citizens with know–ledge of rights, responsibilities & democratic processes	Knowledge is seen as key to impact upon societal support for democratic norms and systems at the SO level and participation at the PO level.
Indicator 4	Registered voters: women	NEW INDICATOR: Citizens using civil society organizations to affect decision making at the local & national levels	The end result of effective participation is impact on decion making. CSOs are seen as an effective avenue & one which the Mission will strengthen through current and proposed projects.
Indicator 5	Resources generated in 133 Municipal Governments to total municipal budget	Moved to PO2	The indicator has been narrowed to focus on 39 municipalities in which project activities will concentrate.

ANNEX A 3
CHANGES TO ACTION PLAN 1995–1996

STRATEGIC OBJECTIVE # 3

	Action Plan 94–95	Action Plan 95–96	Rationale for Change
Program Outcome 3.2	Improve procedural protection related to timeliness and impartiality in the Judicial system	Improved legal and institutional framework for effective protection of human & citizen rights	The revised statement more aptly describes an anticipated outcome. Mission is working on institutional & legal reforms. Target is seen as not the Judicial System per se, but impact on human/citizen rights.
Indicator 1	Indigent detainees receiving legal counsel within 72 hours and with public defender present at arraignment	Indigent detainees receiving legal counsel within 72 hours of detention	This indicator was modified slightly due to a lack of readily available data on public defender attendance.
Indicator 2	Cases resolved in compliance with stipulated time periods in the criminal procedure code	Case backlog in criminal and family trial courts	This indicator complements a new indicator on processing of new cases. (see indicator 4). Backlogged cases were already out of compliance and hampering new case resolution. The two efforts are now separated to allow new cases to move through at a normal rate.
Indicator 3	Legal and administrative reforms enacted and implemented	Same	
Indicator 4	Citizen access to information about justice system	Deleted. NEW INDICATOR: New cases resolved in penal and family courts under 1 year	A revised indicator under PO 3.1 now focuses on knowledge, as opposed to only access to information. The new indicator complements indicator #2 (see above).
Program Outcome 3.3	Improve public sector financial management and accountability	Improved mechanisms to ensure public sector accountability and oversight	The revised PO statement better defines the anticipated outcome during the POD timeframe.
Indicator 1	Implementing agencies with decentral–ized budget control systems in operation	Deleted. NEW INDICATOR (now #3): Regular use of open municipal council meetings in 39 pilot municipalities	The original indicator measured outputs which are now measured by impact indicators 1 and 2 under the PO 3.4. The new indicator here measures local level accountability & oversight by the public.
Indicator 2	Executive agencies fully implementing new accounting system (producing financial statements)	(now #1) Executive agencies & municipal accounting centers producing auditable financial statements with clean or qualified opinions	Implementation of systems per se is seen as a means, to the desired end result of accountability & oversight achieved through audits.
Indicator 3	Avg treasury payment processing time	Deleted NEW INDICATOR (now # 4): Percent of national budget reflecting cost/output relationship.	Data for previous indicator is not immediately available. The new indicator is a better qualitative measure of the effectiveness of budget as a management tool.
Indicator 4	Professional audits completed and disseminated by Court of Accounts	(now #2) Percent of national budget audited each year	The actual number of audits is less important, in terms of impact, than coverage of the budget.
Program Outcome 3.4		**(NEW PO)** Increased devolution of power to local level	This new Program Outcome reflects major efforts in decentralization and municipal development. It is related to PO1, bringing decisions closer to the people affected.
Indicator 1		Locally generated revenue in 39 pilot municipalities	New user fee and tax law & proposed property tax will provide local revenue. This indicator will measure the effect of those laws. Devolution of power is meaningless without funds to support it.
Indicator 2		National budget transfers to local government	This is a measure of the GOES political will to decentralize.
Indicator 3		Municipalities managing water systems and primary schools in 39 municipalities	This is a measure of decentralization & local control of local services.

ANNEX A 4
CHANGES TO ACTION PLAN 1995 – 1996

STRATEGIC OBJECTIVE # 4

	Action Plan 94 – 95	Action Plan 95 – 96	Rationale for Change
Strategic Objective 4	Healthier and Better Educated Salvadorans	Improved Quality with Equity in Health and Education	The results of the '93/'94 sector assessments in Education (completed 12/93) and Health (in process) have stressed the importance of focusing efforts on both quality and equity. The SO statement has been modified accordingly.
Indicator 1	Years to complete per 6th grade graduate	Percent of 6th graders graduating in 6 years	The Education sector assessment advocates strongly that the educational system be made more efficient because of the high cost of students staying in school longer. The revised indicator is a finer measure of efficiency, and will be disaggregated M/F, urban and rural to capture equity.
Indicator 2	Infant Mortality Rate	Same	
Indicator 3	Child Mortality Rate	Same	
Indicator 4	Maternal Mortality Rate	Deleted (moved to M&E system) Replaced by: Total Fertility Rate	MMR was deleted because the data sources for maternal mortality are very unreliable, and USAID is not currently working with GOES to improve vital statistics registration systems. TFR has been ADDED, as it is a higher level indicator of the impact of USAID pop/family planning activities.
Indicator 5	Level of malnutrition, (mild, moderate, severe)	Deleted (moved to M&E system)	USAID is not currently doing any high – level, direct activities such as feeding programs, which have direct impact on the indicator. USAID does have INDIRECT impact, and will continue to track this in the M&E plan.
Program Outcome 4.1	Increased efficiency and effectiveness of the K – 6 educational system	Increased Equity and Quality of the K – 6 Educational System	The Program Output statement has been changed to reflect a greater emphasis on "equity" in the educational system, specifically focusing on differences between rural and urban areas.
Indicator 1	Net enrollment of children (7 – 12) in grade 1 – 6	Same	
Indicator 2	Children starting 1st grade who complete 6th	Deleted (see additional indicator below)	This measure is encompassed under the SO level indicator (#1), which is a more precise indicator of efficiency.
Indicator 3	Promotion rate at specific grade levels: 1st, 2nd, 3rd	Promotion rate 1st grade level	Previously three separate data sets were tracked under this indicator; they have been replaced with a single measure. 1st grade was selected because it typically has the highest dropout rate.
Indicator 4	National achievement test scores in math and language for grades 1,2,3,4,5,6	National achievement test scores in language at the end of 1st cycle (3rd grade)	This indicator originally had 6 parts, it has been consolidated into two summary indicators. The Ministry is revising its curriculum and testing around the 1st and 2nd cycles, so this data will be in sync with that system.
		National achievement test scores in language at the end of 2nd cycle (6th grade)	See above

	Action Plan 94–95	Action Plan 95–96	Rationale for Change
Program Outcome 4.2	Increased Contraceptive Prevalence	Increased Contraceptive Prevalence Rate with Greater Reliance on Modern, Temporary Methods	Greater reliance on modern, temporary methods has been added to reflect the breadth of USAID's interventions in the family planning area, which address the heavy reliance on sterilization AFTER numerous pregnancies.
Indicator 1	Contraceptive prevalence rate	Same	
Indicator 2	None	Percent of modern, temporary contraceptive methods in CPR	This indicator has been ADDED to measure and track an essential element of the USAID program: greater use of temporary methods. The CPR, though relatively high, lacks optimal health and demographic impact due to the skewed method mix.
Program Outcome 4.3	Increase Number of Salvadorans Receiving Health & Child Survival Services	Increased Primary Health Care and Child Survival Services	The revised PO statement is simpler and clearer; it is stated more broadly, allowing for better measurement
Indicator 1	Basic services coverage: communities served by CHS	Deleted	This was deleted because it was not possible to define or measure with any meaning.
Indicator 2	Children under 5 vaccinated (complete series)	Same	
Indicator 3	Prenatal care coverage: women giving birth within 5 years of interview	Replaced with: Women vaccinated with complete tetanus series	The previous indicator did not provide meaningful information about women's health, it was therefore replaced with the vaccination indicator.
Indicator 4	Deliveries by trained personnel: women seen in MOH clinics	Replaced with: Pregnant women receiving a minimum of 4 prenatal visits	The previous indicator was less inclusive and accurate than it should have been. It was moved to the M&E plan, and a new indicator was added as an important measure of women's health.
Program Outcome 4.4	Increased Number of Rural Salvadoran Households with Access to Potable Water and Latrines	Deleted	While USAID does have some project activities in potable water and latrines, its investment may be too small to show significant impact which is directly attributable to that input. Therefore the Program Output was dropped.
Indicator 1	Rural households with access to potable water	Deleted (moved to M&E system)	For the above–mentioned reason these indicators have been deleted from AP reporting. They will be tracked in the M&E plan, as they continue to inform the mission on problems relevant to attainment of this objective.
Indicator 2	Rural households with access to latrines	Deleted (moved to M&E system)	See above

ANNEX A 5
CHANGES TO ACTION PLAN 1995–1996

STRATEGIC OBJECTIVE # 5

	Action Plan 94–95	Action Plan 95–96	Rationale for Change
Strategic Objective 5	Improve Environment and Natural Resource Management	Improved Environmental and Natural Resource Management	The Strategic Objective has been restated as a "result", rather than an action.
Indicator 1	Hectares of non–forested land under improved natural resource management including buffer zones	Moved to PO5.3 New indicator: Environment and natural resource management strategy and workshops	The previous indicator was moved to the Program Output level, because it is a direct measure of the impact of Mission interventions in project areas, but it is not the best measure of the higher order impact of those interventions. The new indicator was moved UP to the SO level from PO 5.1, because establishment of the E/NRM strategy has national impact, and is the basis for all decision–making on future E/NRM programs. Followup workshops are scheduled to review implementation and revise the strategy.
Indicator 2	Water quality in PROMESA demon–strating agricultural area	Moved to PO 5.3	This indicator was moved to the PO level, as a direct measure of the impact of improved productive activities consistent with sustainable NRM, specifically in the PROMESA demonstration area.
Indicator 3	Seasonal water flow in PROMESA demonstrating area	Moved to PO 5.3	This indicator was moved to the PO level, as a direct measure of the impact of improved productive activities consistent with sustainable NRM, also limited specifically to the PROMESA demonstration area.
Indicator 4	Forest cover	Non–coffee forest cover	This indicator was modified slightly to reflect the greatest impact of USAID activities, which is in non–coffee crops.
Program Outcome 5.1	Natural Resource Use Policy/Legal Framework Created and Implemented	Same	
Indicator 1	Establish environment and NRM strategy	Moved to SO level	See above, SO Indicator # 1. The indicator was modified slightly to include TRACKING the strategy, to verify that the strategy is implemented and periodically reviewed.
Indicator 2	Selected policies implemented: Natl. environmental education policy	Selected policies/laws established: Forestry, General Environment, & SEMA laws, Env. Education Policy	Indicators # 2 and # 3 were combined into a single indicator for simplification.
Indicator 3	Policies/regulations drafted: forestry, environmental general law, irrigation/ drainage	Combined with preceding indicator.	See above
Indicator 4	GOES expenditure/investment in natural resources	Replaced with: Level of resources pro–vided for natural resource management (GOES, donors, FONAES)	This indicator was modified to include expenditures by donors and FONAES, a debt reduction fund for the environment. The revised indicator gives better information about overall activities and expenditures in the environment.
Program Outcome 5.2	Increase Public Awareness of Environ–mental Problems in Target Areas/Natl	Increased Public Awareness of Environ–mental Problems Nationwide	"Target areas" was taken out of the Program Output statement because this program is expected to have nationwide impact. It has been restated as a result.
Indicator 1	Respondents indicating understanding and awareness of environmental issues: target area/Ahuachapan	Percent of survey respondents able to name three environmental problems	The two new indicators are more specific measures of the respondents' awareness and knowledge of environmental issues. Both are measured nationwide, and are disaggregated M/F.
Indicator 2	Respondents indicating understanding & awareness of environmental issues: nationwide	Percent of survey respondents indicating that environmental problems are very serious	

ANNEX A 5
CHANGES TO ACTION PLAN 1995–1996

STRATEGIC OBJECTIVE # 5

	Action Plan 94–95	Action Plan 95–96	Rationale for Change
Program Outcome 5.3	Improve Productive Activities which are Consistent with Better Natural Resource Management	Improved Productive Activities Consistent with Sustainable Natural Resource Management	The term "better" was imprecise and therefore difficult to measure. It has been replaced with "sustainable", to mean program impacts which can and are sustained over time. It has also been restated as a result.
Indicator 1	Target beneficiaries under ANR's portfolio	Replaced by # 2, below. New Indicator, moved from SO level: Hectares of non–forested land under improved natural resource management, including buffer zones	The new indicator was moved down from the strategic objective level, because it directly measures the impact of Mission interventions to introduce improved productive methods/activities. "Improved methods" are defined as: soil conservation, proper use of pesticides, absorption ditches, ag. forestry, fuelwood plantations, and compost.
Indicator 2		Number of persons (M/F) practicing improved methods (in #1 above)	"Target beneficiaries" was not defined, and was very difficult to count accurately. The revised indicator is measurable, and provides good information about the use of improved methods/activities.
Indicator 3		New Indicator, moved from SO level: Difference in average water flow between dry & rainy season in Ahuachapio river	This indicator was moved from the SO level because the impact of the intervention measured is limited to a PROMESA demonstration site. The indicator has been modifed to clarify exactly what will be measured.
Indicator 4		New Indicator, moved from SO level: Suspended solids in Ahuachapio river, mg/l	This indicator was also moved from the SO level because the impact of the intervention measured is limited to a PROMESA demonstration site. The indicator has been modifed to clarify exactly how water quality is measured.

ANNEX B

MONITORING AND EVALUATION STATUS

USAID/El Salvador recognizes that it is important to focus scarce resources to have the greatest development impact, and it is equally important to monitor that impact closely to make informed strategic decisions about future directions. To this end USAID/El Salvador has has taken several important steps to refine, implement and institutionalize its strategic planning process and monitoring and evaluation system.

The first, and most significant, step was the creation of permanent Strategic Objective (SO) management teams prior to production of this Action Plan. Membership in the SO teams was solicited Mission-wide, and members for each team were selected from many different offices. This has allowed the Mission to take advantage of synergies among programs and projects, and has provided an excellent venue for information sharing.

In preparation of this Action Plan the SO teams carefully reviewed the Strategic Objective trees and indicators and suggested significant improvements in all strategic objective strategies. This Action Plan reflects the careful thinking and painstaking effort of the teams, and it is the first product of these new management entities.

Parallel to that effort, the Mission developed and refined a format for monitoring data collection efforts (based on a model developed by USAID/CDIE). An example follows. This "Monitoring & Evaluation (M&E) Plan" is meant to be a working document for each SO team, providing explanatory information on each performance indicator that will facilitate data collection now and ensure replicability in the future. The plan answers the questions who, what, where, when and how. For example, space is provided for a specific definition of elements of the indicator, the data set to be measured, and the unit and expression of that measurement. A column tracks how the data will be disaggregated, if at all. Spaces are provided for identifying the exact sources of the data and the methodology used to collect it. The SO teams are asked to identify primary and secondary individuals who are responsible for the collection of data for each indicator, and when, exactly, it will be collected. A final column identifies which indicators are reported in the Action Plan and which are tracked separately for project/program management decision making. Where baseline data or reliable regular sources of data do not exist, the form provides space for planned special studies, including linkage studies, surveys, baseline studies, etc. The estimated and/or actual cost is also noted.

All of the SO teams have prepared initial M&E plans. They are working documents at this point and will be revised and updated as necessary. A major challenge remains to implement the plans and institutionalize the data collection so that it occurs on a scheduled basis and results in high quality, reliable information.

USAID/El Salvador is making plans to establish a centralized system which will store all of the Mission performance information, as well as project information, budget data and other types of data yet to be identified. The basic requirements are that the system be accessible to all managers and decision makers, be low technology and therefore user friendly (as well as cost effective), and

contain timely information which will enable managers to make informed decisions about their programs and projects. The core of the system will be the new Automated Budget and Performance Monitoring System (ABPMS) currently being developed and tested by the LAC Bureau. Providing easy access to different types of information will enable, and perhaps inspire, managers to make optimal use of data in their strategic planning and decision making.

SAMPLE MONITORING AND EVALUATION PLAN FORMAT
USAID SAN SALVADOR

USAID El Salvador STRATEGIC OBJECTIVE #	INDICATOR	DEFINITION/ DATA SET/ UNIT OF MEASUREMENT	DISAGGRE-GATION	DATA SOURCES	METHOD/ APPROACH	FREQUENCY	RESPONSI-BILITY	USE: ACTION PLAN/ INTERNAL
	1.						Primary Secondary	
	2.							
	3.							
	4.							
SPECIAL STUDIES/EVALUATIONS	PURPOSE		EST. COST	ACTUAL COST				
Program Level Data Collection: Scheduled Project Evaluations:								

SECTION 118 AND 119 TROPICAL FORESTRY/BIODIVERSITY UPDATE

The Mission's original Natural Resource Management Strategy was prepared in FY 1991 and subsequently updated annually. The following is a summary of major challenges the country is facing, and progress in addressing biological diversity and tropical forest concerns.

Major Conservation Challenges

The major challenges to conservation of biological diversity and the reduction of deforestation in El Salvador are: high population density, pressure for access to land, and lack of government attention to natural resources issues for the last 12 years at least in part because of the civil war. In addition, there is a lack of legal basis for protected areas and of long term plans for buffer zones to take some of the pressure off the few areas that are presently designated for protection.

Progress

With the consolidation of the Peace Process, the GOES has continued even more seriously to work on environmental and biodiversity issues. They have produced a draft of a new Forestry Law which includes the specific designation of Protected Areas to conserve biodiversity. The Executive Secretariat for the Environment (SEMA) has also produced 38 working papers of which 11 deal with protected areas and preservation of biodiversity including:

"General Report on the Lake of Jocotal"
"Technical Opinion for the purchase of land in El Imposible National Park"
"Reforestation for the Protected Areas using Native Tree Species"
"Law for the Protection of wild species subject to commercialization and its respective regulations"
"Law for the Conservation of Wildlife"
"Guide for the Management of the Green Iguana in El Salvador"
"Preliminary Diagnostic for the Conservation and Management of Tasajera Island"

Several projects under the National Reconstruction Project have included reforestation components and SEMA undertook a major reforestation campaign of the San Salvador volcano.

At the end of 1993, SEMA completed the National Strategy for the Environment and Natural Resources which included one entire chapter out of six on Biodiversity. A companion volume to the Strategy is an Action Plan with specific activities to implement the Strategy.

SEMA also produced a Protected Area Policy and a Forestry Policy and set up a National Commission to manage the CITES Convention.

The Fondo de Inversion Social (FIS) supported by the Interamerican Development Bank has paid for the reforestation of 3,300 hectares during 1993 and has 62 projects scheduled for 1994 with 2,200 Ha.

DANIDA, the Danish Development agency has granted $2,000,000 to the CCAD (Central American Commission for Environment and

Development) for a trinational coastal zone preservation project in the Golfo de Fonseca.

The Mission sponsored a Biodiversity diagnostic study of the two protected areas which will be the anchors of the demonstration area for the PROMESA project which begins in April. PROMESA has received GEF designation from the World Bank for its policy and demonstration area component that are devoted in part to biodiversity.

Implementation of the SENS NGO strengthening project has provided subgrants to six NGOs who work with protected areas and/or reforestation that will increase habitat and biodiversity.

Three NGOs are actively working on managing protected areas -- El Imposible (SalvaNatura), Parque Deininger (FUTECMA), and Nancuchiname (CEPRODE).