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USAID/EL SALVADOR

SEMI-ANNUAL PROJECT STATUS REPORT

APRIL 1, 1994 - SEPTEMBER 30, 1994

**SEMI-ANNUAL PROJECT REPORTS FOR THE PERIOD OF
APRIL 1 THROUGH SEPTEMBER 30, 1994**

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USAID El Salvador Portfolio Review
April 1, 1994 - September 30, 1994

I. Mission Director's Overview

USAID El Salvador continues to use the strategic objective framework as its principal management tool for ensuring clear and direct linkages between funding and measurable results. Now in use for three years, we believe that strategic objectives have helped to ease the difficult decisions resulting from budget cuts, to keep focussed on the most important US foreign policy objectives in El Salvador, and to measure and evaluate the results of our program.

In this semester, USAID projects have been instrumental in the reinsertion of excombatants and the reintegration of wartorn areas into the fabric of national life. Our policy dialogue and project interventions have promoted strong economic growth. Technical assistance and training have capitalized on the changes in the Supreme Court and the National Council for the Judiciary, leading to an expectation of more equal justice under law. The primary education curriculum for grades K-4 has been brought up to date; maternal and child health and reproductive health indicators are rising as a result of NGO interventions. The fund initiated by debt conversion has received 112 proposals for environment and child survival activities.

II. Summary of Performance Against Strategic Objectives

Strategic Objective No. 1: Assist El Salvador to Make the Transition from War to Peace.

The Program Outputs supporting this Objective are:

- 1.1 Reactivate Factors of Production
- 1.2 Reestablish Access to Basic Services
- 1.3 Build Local Level Democratic Institutions
and Increase Civic Participation
- 1.4 Reintegrate Ex-combatants into Civil Society

The Land Bank and GOES agencies have provided a total of 13,516 persons with legal title to property, and 47,286 small farmers have received agricultural credit through the Agricultural Development Bank (BFA) and NGOs. 12,206 persons have received microenterprise credit; 35,257 persons have received vocational training. Rural areas have been reopened through the improvement of 1,307 km of farm-to-market roads, 686 km of electrical distribution line, and potable water or sanitation facilities in 121 communities. In education, 526 classrooms have been rehabilitated, and 113 new schools opened. Physical or mental rehabilitation has been provided to 8,790 people.

Strategic Objective No. 2: Increase Broad-Based Economic Growth

The Program Outcomes supporting this Objective are:

- 2.1 Appropriate Economic Growth and Social Policy Framework Created and Maintained
- 2.2 Increased Private Investment
- 2.3 Increased Exports
- 2.4 Increased Employment

The Mission closed its 10-year project with FUSADES, noting the generation of 29,400 jobs over the life of project and the generation of \$185 million in export earnings. Small enterprise lending continues strong with 165 businesses assisted, many of which are in the formerly conflictive zones. In agriculture, efforts in the agrarian reform cooperatives have produced an average of \$345 in additional income per member annually, enough to lift many of them above the poverty line. Women's employment in agriculture is increasing, with wages equal to those of men. 5,200 persons received vocational training in support of continued economic growth. The principal vocational training NGO, FEPADE, is expected to become self-sustaining by early 1996.

Strategic Objective No. 3: Enduring Democratic Institutions with Broad-Based Participation.

The Program Outcomes supporting this Objective are:

- 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.

The newly elected Legislative Assembly was seated, including 21 members of the FMLN, one of whom is the vice-president of the Assembly. The assembly elected a new, more representative Supreme Court and launched the National Council for the Judiciary to select candidates for judgeships. The legislature also passed the Family Code and took up reforms in the Criminal Code and the Criminal Procedure Code. The national budget was considered using analytical tools from USAID's Legislative Assembly Strengthening Project, linking budget requests to anticipated results. At the municipal level, participation remained strong in the open town meetings, setting the stage for their use for topics beyond the original decisions on small infrastructure projects. The CLASP project sent 25 labor leaders and 50 community leaders to the United States for training.

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Strategic Objective No. 4: Healthier and Better Educated Salvadorans

The Program Outcomes supporting this Objective are:

- 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

In education, USAID assisted the pilot implementation of a decentralized system for school supplies purchased by individual districts, rather than through central procurement. Modernized textbooks were distributed for the 3rd grade, completing the K-3 cycle (Grade 4 is planned in 1995). Completion of 6th grade now requires 8.5 years, down from 9.7 in 1991; in the same period, there has been a 5% increase in the number of 6th grade graduates. The CLASP project sent 25 persons to the United States in child care and 26 in vocational rehabilitation. In health, the 1993 survey (FESAL) of basic health revealed that prevalence of contraceptive use has increased to 53% from 47% of the childbearing population since 1988. Use of modern temporary methods (as opposed to voluntary sterilization) has increased to 21.4% from 16.9%. Childhood vaccinations have increased, with 82% of all children having the complete series of four major immunizations, up from 63% in 1988.

Strategic Objective No. 5: Improve Environmental and Natural Resources Management.

The Program Outcomes supporting this Objective are:

- 5.1 Create and implement a natural resource use policy/legal framework.
- 5.2 Increase public awareness of environmental problems in target areas and nationwide.
- 5.3 Improve productive activities which are consistent with better natural resources management.

The GOES announced its environmental and natural resources management strategy in May, to be followed by implementation in June with the new administration. The main activities are coordination and awareness-building within the GOES, the coordination of both local and international NGOs with GOES agencies, and continued coordination among the donors. The technical assistance team for the PROMESA environmental management project arrived in El Salvador in June. The environmental education segment has successfully incorporated environmental awareness into the public school curriculum.

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Fifteen NGOs will be ready to participate in PROMESA as planned in late 1995. The Enterprise for the Americas Initiative fund (FIAES) solicited proposals for grants in environment and child survival and received 112 proposals on September 30. Integrated pest management and recycling of coffee processing pulp are being explored to reduce the harmful side effects of production in NTAE crops and coffee.

III. Financial Summary

A. Tabular Analyses

The portfolio analysis of obligations and expenditures and the pipeline aging analysis are included.

B. Overall Portfolio Management Highlights

USAID El Salvador finished FY 1994 with a portfolio of 41 active projects with total cumulative obligations of \$701.1 million, against an authorized level of \$803.8 million. The portfolio is declining; three projects met their PACDs in FY 1994, with LOP obligations of \$45.5 million. It will continue to decline in FY 1995, as 12 projects with LOP obligations of \$67.3 million reach their scheduled PACDs.

The beginning pipeline in April 1994 was \$290.9 million; new obligations of \$45.8 million were made from Development Assistance, Population, and projectized ESF funds. This new obligations were reduced by \$3.1 million recision of prior year funds against the SABE Project (some new money was obligated to the project, for a net reduction of \$2.25 million). Net obligations were therefore \$43.6 million. The pipeline was \$183.3 million at the end of FY 1994. It is a young pipeline: 9% of funds are FY 1990 or older. USAID is taking aggressive steps to move the oldest money first.

The portfolio expended \$145.8 million in the semester, a significant increase from the previous semester's \$68.0 million. The increase reflected the accrued expenditure of the FY 1993 Policy Reform Program (\$55 million), the first tranche of which had been delayed from the earlier period. The improved expenditure rate also reflected increased implementation rates after the election as the new GOES took office. Strategic Objective 1 expended \$54 million, or 115% of its target, as agricultural credit and the land transfer program moved quickly. Strategic Objective 2 expended \$17.8 million, or 92% of its projected amount. Strategic Objective 3 expended \$6.3 million, or 79% of its target, mostly due to shortfalls in the grant to AIFLD. Strategic Objective 4 expended \$12.1 million, or 101% of its target, buoyed by faster implementation of the SABE Project. Strategic Objective 5 expended only \$538,000, or 45% of its

target due to very slow implementation of the Environmental Protection Project.

C. Projects Requiring Significant Attention

The Microenterprise Development Project, a grant to FINCA for anti-poverty lending through village banks, has significant problems with internal controls and suffered a substantial embezzlement. Auditors are reviewing the project and arrest warrants have been issued for four Project employees.

The Industrial Reconstruction Project has been slow to accomplish a redesign and new implementation plan. However, it appears to be headed for substantial improvement in the October-March semester.

The grant to the Salvadoran Federation of Bar Associations will not reach many of its objectives, and was terminated at its PACD on September 30, 1994.

The Environmental Protection Project has suffered substantial implementation delays due to a rough transition of the GOES counterpart during the change of administration and ineffective technical assistance. The contractor has made personnel changes, but the GOES is still working out the role of its environmental coordinator.

The grant to the International Executive Service Corps has fallen well below its objectives, despite a no-cost extension in 1994. IESC is attempting to bring its program up to planned levels.

The grant to Catholic Relief Services for the Reconciliation Credit and Income Generation Project is plagued by slow implementation and high credit delinquency. The Project has not reached its planned objectives, despite a no-cost extension in 1994. Project staff are working to improve performance.

A local currency grant under the Trust Fund to the Salvadoran Labor Management Foundation (FOES) is substantially behind in achievement of its planned objectives. Project staff are working to improve performance.

D. Mission Director's Assessment of Projects

	<u>Project</u>	<u>Last Semester</u>	<u>This Semester</u>
519-0094	Special Dev. Activities	A	A
519-0287	Industrial Stabilization	B	A
519-0308	Health Systems Support	B	B
519-0315	Training for Productivity	A	A
519-0318	Microenterprise Development	A	C
519-0320	Pub. Svc. Improvement	B	B

519-0323	Ind. Reconstruction (F)	B	C
519-0323	Ind. Reconstruction (G)	B	C
519-0327	Agribusiness Development	B	A
519-0346	Strength Rehab Svc	B	B
519-0349	Tech. Sup, Pol An & Trng	B	B
519-0357	Streng. Basic Education	B	B
519-0358	Rural Electrification	A	A
519-0360	Legislative Assembly	A	A
519-0361	CLASP II	A	A
519-0362	Coffee Technology Transfer	A	A
519-0363	Family Health Services	B	B
519-0364	Comm Based Integ Development	B	B
519-0367	Maternal Health/Child Surv.	A	A
519-0368	AIFLD	B	B
519-0373	Federation of Bar Assns	B	C
519-0375	CENITEC	A	B
519-0376	Judicial Reform II	C	B
519-0377	Drug Awareness	A	A
519-0382	Rural Ent. Development II	A	A
519-0385	Environmental Protection	B	C
519-0387	Small Enterprise Support	-	B
519-0388	Municipal Development	B	B
519-0391	Dem. & Elect. Processes	A	A
519-0392	NTAE Production & Marketing	A	A
519-0394	Peace and National Recovery	B	B
519-0395	IESC	B	C
519-0399	Reconcil. Credit & Income	B	C
519-0400	Strength. Env. NGOs	A	A
519-0410	Orphans/Displaced Children	-	B
519-0411	Centro Demos	B	B
519-0419	World Rehabilitation	-	-
519-0420	Displaced/Street Children	-	-
LC	Municipalities in Action	A	A
0000-980	FOES (Trust Fund)	C	C
598-0011	RTAC II	B	B

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PIPELINE AGING ANALYSIS OBLIGATIONS BY FISCAL YEAR

PROJECT NUMBER AND TITLE	PAGD DATE	CUMULATIVE OBLIG.	PRIOR FY88	FY88	FY89	FY91	FY92	FY93	FY94	PIPELINE	PRIOR	FY89	FY90	FY91	FY92	FY93	FY94
											FY88	FY89	FY90	FY91	FY92	FY93	FY94
519-0287 Indust.Stab.&Recov.	G 0094	43,000.0	28900				9,800.0	8,500.0		5,850.8							
519-0308 Health Syst.Supp.	G 0096	70,858.0	40948	7,352.0			8,935.0	10,200.0	5,523.0	10,642.1				2,257.6	3,393.2		
519-0315 Trng. for Product.	G 0097	15,300.0	8000	2,800.0	4,400.0				2,000.0	1,546.4	554.1	357.8		2,623.6	1,742.1	5,364.5	
519-0318 FINCA	G 0097	9,000.0	0		4,000.0				2,500.0	757.0		7.2	645.2		894.0		
519-0320 Public Serv.Rehab.	G 0395	67,924.9	0	8,000.0				2,500.0	2,500.0	27,587.8				148.7	178.6	433.5	
519-0323 Indust.Reconst.(Fusades)	G 1296	5,000.0	2000		35,434.0	15,990.0	5,500.0	3,000.0		3,133.7	336.3	72.6	10,383.4	11,111.9	3,019.9	3,000.0	
519-0323 Ind.Reconst.(GOES)	G 1298	15,548.0	3755	11,790.0						6,681.1					2,000.0		
519-0327 Agribusiness Dev.	G 0395	33,000.0	17854	11,048.0	4,100.0					8,681.1	755.9	5,925.2					
519-0348 Teleton Foundation	G 1295	8,350.0	2450	900.0				1,500.0		4,730.3	1,156.4	867.6	2,904.1				
519-0349 Tech.Support Policy	G 0795	28,000.0	2000	8,965.0						1,981.1	100.6	248.9		733.6	900.0		
519-0357 Educ. Quality Enh.	G 0698	24,280.0	0		6,035.0	8,000.0		4,000.0		7,463.4	223.8	1,868.6		534.5	1,148.7	3,889.6	
519-0358 CA Rural Elect.	G 0895	10,000.0	5000	5,000.0	3,390.0	6,900.0	9,000.0	3,000.0		14,351.7				571.2	3,865.3	6,915.2	3,000.0
519-0360 Legis. Assembly	G 0495	1,850.0	0			490.0	260.0	1,100.0		1,391.3	183.2	1,208.1					
519-0362 Coffee Tech	G 0797	21,489.5	0		5,000.0	7,063.5	2,066.0	5,280.0	2,000.0	898.8				5.1	3.0	858.7	
519-0363 Family Health Serv.	G 0795	18,580.3	0			5,750.0	6,892.0	4,307.0	2,400.0	12,224.9			6.6	2,853.6	2,066.0	5,286.3	2,000.0
519-0364 Comm. Based Int.	G 1294	8,540.0	0	2,480.0			3,778.9	2,156.4		3,069.0					857.7	2,111.3	
519-0367 Mat. HealthyChild	G 0797	21,898.0	0			1,550.0		1,985.0		6,575.3				90.0	2,420.3	1,967.9	2,077.1
519-0368 Dem.Labor Dev.	G 0398	16,400.0	0			3,772.0	5,385.0	5,542.0	5,000.0	718.0	8.8	148.9		148.9		564.3	
519-0373 Fed. of Bar Assoc.	G 0694	500.0	0		6,312.8	4,807.4	1,480.0	2,000.0	2,000.0	10,896.5				659.4	2,455.9	3,778.9	1,774.3
519-0375 Strength. Democ.	G 0895	2,500.0	0			500.0				2,596.6				243.0	46.3	567.0	1,736.3
519-0376 Judicial Reform II	G 0697	9,500.0	0		800.0	1,000.0	900.0			34.7				34.7			
519-0377 FUNDABALVA	G 0694	2,000.0	0				4,500.0	2,000.0		761.1				85.6	206.2	487.3	
519-0382 Rural Ent. Dev.	G 0495	6,500.0	0		500.0	1,000.0	500.0			3,680.2					1062.9	1,967.3	
519-0385 Environ. Protection	G 0398	6,400.0	0		4,500.0	2,000.0				8.0				2.4	2.6		
519-0387 Small Enterprise Support	G 0698	3,000.0	0					6,400.0		1,804.2			134.7		1,689.5		
519-0388 Municipal Dev.	G 1295	2,406.1	0					500.0	2,500.0	6,221.6						6,221.6	
519-0391 Democratic Elect.	G 0695	6,800.0	0					1,406.1	1,000.0	2,570.0						70.0	2,500.0
519-0392 NT Ag. Exp.Prod.Mixing.	G 0698	5,900.0	0				4,000.0	1,200.0	800.0	2,406.1						1,406.1	1,000.0
519-0394 Natl. Reconst.	G 0497	134,882.0	0			2,500.0	3,000.0			2,448.3						507.0	89.0
519-0395 IEBC II	G 0695	500.0	0				75,852.0	59,000.0		1,501.8				69.9	1,852.3	1,432.0	
519-0399 CRB	G 0795	800.0	0				500.0			84,571.2					38,536.6	46,034.6	
519-0400 PADF	G 0295	2,000.0	0				800.0			215.0					215.0		
519-0410 Displaced Children	G 0698	505.0	0			2,000.0				337.5					337.5		
519-0411 Centro Demos	G 0695	1,000.0	0					505.0		1,047.9					1,047.9		
								1,000.0		532.6						438.9	
MISSION TOTAL		608,045.9	108,607.0	88,488.0	89,276.8	62,212.8	148,466.9	111,889.5	9,100.0	281,380.0	9,812.9	10,161.2	16,285.7	20,288.1	74,808.7	88,170.0	7,388.0
<small>LOTUSMCHAPPFLISS 3-19-94</small>																	
<small>System: MACS Pipeline Report as of 3/19/94</small>																	
000-980 FOES (Colonas)	G 0187	45,000.0								31,722.7							
<small>LOTUSMCHAPPFLISS 4-13-94</small>										262,652.7					4,183.3	12,539.4	15,000.0
										Including FOEI							
519-0323 Free Zone Dev.	G 1293	ERR		11,790.0						6,797.4	616.3	6,181.1					

USAID EL SALVADOR PORTFOLIO ANALYSIS FOR APRIL - SEPTEMBER 1994

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23-Jun-95

PROJECT NO	PROGRAM PROJECT TITLE	CAT	DATE OF INITIAL OBLIGATION	LAST REVISED PACD	% OF LOP ELAPSED	% OBLIG. EXPEND.	AUTHORIZED LOP AMOUNT	CURRENT FY OBLIG TO DATE	CUMULATIVE AMOUNT OBLIG.	MORTGAGE	BEGINNING FY PIPELINE	PLANNED SEMESTER EXPEND.	ACCRUED SEMESTER EXPEND.	ACCRUED AS OF % PLANNED	CUMULATIVE ACCRUED EXPEND.	ENDING FY PIPELINE	PLANNED EXPEND. (NEXT SEM.)
STRATEGIC OBJECTIVE NO. 1: ASSIST THE TRANSITION FROM WAR TO PEACE																	
519-0346	Telotea (FUNTER)	B	06/31/87	12/31/88	86%	77%	6,360,000		6,360,000	0	2,513,236	341,000	523,483	184%	4,882,310	1,467,000	204,000
519-0394	Peace and National Recovery	B	06/06/82	04/30/97	47%	57%	181,000,000	18,700,000	163,582,000	37,446,000	100,348,000	25,000,000	36,943,944	147%	66,824,763	66,827,247	21,000,000
519-0390	C. R. S.	C	07/31/82	07/31/86	72%	40%	1,000,000	200,000	1,000,000	0	603,000	600,000	(61,671)	-9%	600,000	600,104	300,000
519-0322	Industrial Reccon.(FUSADES)	C	06/31/86	12/31/86	73%	37%	8,000,000		8,000,000	0	3,004,003	60,000	(2,000)	-10%	1,602,360	3,137,000	10,000
519-0322	Industrial Reccon.(GOES)	C	06/31/86	12/31/88	73%	57%	15,545,000		15,545,000	0	8,797,461	12,000	0	0%	8,863,822	6,861,000	30,000
519-0367	Small Enterprise Support	A	06/30/83	06/30/88	33%	62%	8,000,000		3,900,000	2,000,000	500,000	1,000,236	2,041,770	130%	2,471,770	526,221	1,621,000
519-0320	Public S. Improvement	B	06/30/80	06/30/86	72%	62%	75,000,000		67,824,000	7,876,000	42,000,504	16,400,000	15,878,768	82%	66,414,918	12,500,000	5,836,000
TOTAL					64%	64%	298,985,000	18,900,000	282,371,000	46,324,000	155,857,013	48,201,236	64,222,874		160,830,848	91,540,152	26,876,000
STRATEGIC OBJECTIVE NO. 2: INCREASE EQUITABLE ECONOMIC GROWTH																	
519-0287	Industrial Smb. (FUSADES)	A	06/28/84	12/31/94	90%	90%	43,000,000		43,000,000	0	7,404,970	5,000,000	5,001,000	60%	42,360,971	640,829	0
519-0316	Training Productivity	A	06/31/87	06/31/87	71%	60%	10,000,000	2,181,062	17,461,063	1,518,947	2,813,400	2,067,000	1,864,723	63%	15,200,303	2,172,780	1,100,000
519-0318	Microenterprise Dev.	A	06/31/80	06/31/87	50%	60%	10,000,000	1,000,000	10,000,000	0	2,806,061	757,000	708,047	62%	8,948,007	1,061,263	600,000
519-0327	Agribusiness Development	A	06/27/87	02/31/88	62%	90%	33,000,000		33,000,000	0	6,863,413	3,147,230	4,832,200	136%	32,301,060	600,000	600,000
519-0340	Tech. Support, Pol. Anal.	B	06/30/80	07/31/86	60%	70%	32,000,000	3,000,000	32,000,000	0	16,504,001	4,000,000	2,343,971	60%	23,000,026	6,118,374	2,000,000
519-0360	Rural Electrification	A	06/12/80	06/30/86	60%	91%	10,000,000		10,000,000	0	2,126,310	600,000	627,042	122%	6,136,560	863,412	600,000
519-0362	Coffee Technology Transfer	A	04/30/88	02/31/87	40%	70%	12,000,000	1,500,000	6,207,000	3,793,000	6,400,943	1,000,000	2,142,200	110%	8,780,200	2,426,741	2,000,000
519-0382	Rural Enterprise II	A	06/28/80	04/30/86	60%	60%	6,500,000		6,500,000	0	2,071,000	600,000	1,067,422	167%	6,783,308	718,702	600,000
519-0382	Non-Trad. Ag. Exp.	A	06/30/91	06/30/86	60%	53%	9,000,000	2,000,000	6,400,000	600,000	2,254,267	600,000	414,004	62%	4,412,183	3,907,047	600,000
519-0360	L.E.S.C.	C	06/30/82	06/30/86	70%	70%	500,000		500,000	0	382,000	80,000	64,067	61%	340,067	150,113	60,000
TOTAL					77%	60%	175,000,000	16,581,062	160,000,063	6,911,047	41,777,066	16,001,936	17,674,636		146,882,662	20,636,501	6,164,000

USAID EL SALVADOR PORTFOLIO ANALYSIS FOR APRIL - SEPTEMBER 1994

24-Jan-95

PROJECT NO.	PROGRAM PROJECT TITLE	CAT	DATE OF INITIAL OBLIGATION	LAST REVISED PACD	% OF LOP ELAPSED	% OBLIG. EXPEND.	AUTHORIZED LOP AMOUNT	CURRENT FY OBLIG TO DATE	CUMULATIVE AMOUNT OBLIG.	MORTGAGE	BEGINNING FY PIPELINE	PLANNED SEMESTER EXPEND.	ACCRUED SEMESTER EXPEND.	ACCRUED AS OF % PLANNED	CUMULATIVE ACCRUED EXPEND.	ENDING PIPELINE	PLANNED EXPEND. (NEXT SEM.)
ACTIVE PROJECTS																	
STRATEGIC OBJECTIVE NO. 3: ENDURING DEMOCRATIC INSTITUTIONS AND PRACTICES																	
519-0308	Legislative Assembly	A	06/29/90	04/30/95	86%	84%	1,860,000		1,860,000	0	1,024,349	460,000	290,198	46%	1,182,329	867,871	460,000
519-0301	CLASP II	A	06/27/90	07/15/97	52%	43%	28,500,000	2,900,000	21,400,479	7,830,521	11,990,446	1,878,767	1,771,801	96%	9,244,622	12,224,667	2,030,000
519-0306	AIFLD	B	06/31/90	03/31/98	74%	78%	17,800,000	1,400,000	17,800,000	0	2,636,922	1,871,238	327,600	31%	14,130,063	3,900,637	6,900,000
519-0373	Bar Associations	C	06/26/90	06/30/94	100%	92%	600,000		600,000	0	178,273	34,722	(2,063)	-6%	462,198	37,000	0
519-0375	Strengthen. Democratic Pr.	B	03/26/90	06/30/95	86%	74%	2,500,000		2,500,000	0	991,635	280,000	148,446	70%	1,888,327	646,573	290,000
519-0376	Judicial Reform II	B	06/29/92	06/30/97	40%	56%	20,500,000	2,000,000	6,600,980	11,900,000	5,488,326	2,800,000	1,838,672	97%	4,746,908	3,864,000	2,800,000
519-0381	Democratic & Elect. Process	A	06/29/92	06/30/95	67%	67%	6,250,000	50,000	6,250,000	0	4,966,214	1,000,000	632,436	63%	4,184,125	2,866,676	1,000,000
519-0388	Municipal Development	B	06/26/93	12/31/98	45%	12%	4,000,000	1,000,000	2,406,667	1,893,943	1,408,667	200,000	284,677	142%	284,677	2,121,000	200,000
519-0411	I.C.A.S.	B	06/30/93	06/30/95	60%	64%	1,750,000	750,000	1,750,000	0	1,800,000	532,563	464,972	91%	962,429	797,500	420,000
TOTAL					67%	69%	63,660,000	7,200,000	63,125,536	29,524,464	29,966,418	7,260,291	6,900,000		37,086,660	26,066,466	14,610,000
STRATEGIC OBJECTIVE NO. 4: HEALTHIER AND BETTER EDUCATED SALVADORANS																	
519-0308	Health Systems Support	B	06/29/90	06/30/96	81%	86%	77,800,000	1,500,000	72,156,000	4,842,000	15,200,963	3,000,000	1,867,143	80%	61,623,013	16,334,667	3,000,000
519-0363	Family Health Services	B	07/31/90	07/30/96	63%	67%	22,000,000	2,678,116	21,666,443	441,657	7,814,823	2,110,000	2,867,904	110%	14,612,826	7,046,517	2,000,000
519-0364	Community Based Int.	A	06/30/90	12/31/94	96%	99%	6,540,000		6,540,000	0	1,236,672	717,964	688,628	84%	5,423,664	117,236	117,000
519-0367	Maternal Health/Child	A	07/27/90	07/31/97	60%	64%	25,000,000		21,000,000	3,361,000	12,308,138	3,900,000	2,964,991	96%	13,906,316	7,716,694	2,700,000
519-0377	FUNDASALVA	A	06/27/90	06/30/94	100%	100%	2,000,000		1,999,940	60	112,961	4,900	4,900	99%	1,999,940	0	0
519-0410	Displaced Children (OPG)	B	07/07/93	06/30/96	41%	37%	505,000		505,000	0	505,000	175,000	123,900	73%	186,102	318,000	210,000
519-0367	SABE	B	06/21/90	06/31/96	51%	64%	33,800,000	(2,250,000)	22,010,000	10,990,000	18,364,027	3,800,000	4,181,112	130%	14,889,489	7,928,811	4,000,000
519-0410	World Rehabilitation		06/30/94	04/30/97	0%	0%	1,000,000	1,000,000	1,000,000	0	0	0	0		0	1,000,000	0
519-0420	Displaced Street Children		06/30/94	10/01/96	0%	0%	200,000	200,000	200,000	0	0	0	0		0	200,000	0
TOTAL					68%	77%	198,246,000	3,425,116	198,670,363	19,574,617	64,630,600	12,008,733	12,188,566		116,921,660	34,646,933	12,927,000

USAID EL SALVADOR PORTFOLIO ANALYSIS FOR APRIL - SEPTEMBER 1994

24-Jan-95

PROJECT NO	PROGRAM PROJECT TITLE	CAT	DATE OF INITIAL OBLIGATION	LAST REVISED PACD	% OF LOP ELAPSED	% OBLIG. EXPEND.	AUTHORIZED LOP AMOUNT	CURRENT FY OBLIG. TO DATE	CUMULATIVE AMOUNT OBLIG.	MORTGAGE	BEGINNING FY PIPELINE	PLANNED SEMESTER EXPEND.	ACCRUED SEMESTER EXPEND.	ACCRUED AS OF % PLANNED	CUMULATIVE ACCRUED EXPEND.	ENDING PIPELINE	PLANNED EXPEND. (NEXT SEM.)
ACTIVE PROJECTS																	
STRATEGIC OBJECTIVE NO. 8: IMPROVED ENVIRONMENTAL AND NATURAL RESOURCE MANAGEMENT																	
818-0400	ENVIRNL. RES. STRENGTHENING	A	08/28/92	08/28/95	54%	55%	2,000,000		2,000,000	0	1,283,700	600,000	130,260	23%	1,091,460	908,544	6,000,000
818-0305	Environmental Protection	C	04/01/93	03/31/98	28%	6%	20,000,000	3,500,000	9,900,000	10,100,000	8,207,441	600,000	308,967	60%	577,304	9,322,610	1,000,000
	TOTAL				54%	14%	22,000,000	3,500,000	11,900,000	10,100,000	7,791,220	1,200,000	538,317		1,668,840	10,231,100	7,000,000
OTHER																	
818-0400	POLICY REFORM SUPPORT	N/A	08/28/93	08/30/94	100%	100%	55,000,000	0	55,000,000	0	55,000,000	55,000,000	55,000,000	100%	55,000,000	0	0
	TOTAL				100%	100%	55,000,000	0	55,000,000	0	55,000,000	55,000,000	55,000,000		55,000,000	0	0
	TOTAL ACTIVE PROJECTS, ALL STRATEGIC OBJECTIVES				70%	74%	889,790,000	43,000,160	791,184,972	102,836,023	348,824,322	141,861,107	145,807,000		817,830,740	103,318,232	72,010,100

PROJECT No.	PROGRAM ACTIVE PROGRAM LOCAL CURRENCY	CAT.	DATE OF INITIAL OBLIGATION	LAST REVISED PACD	% OF LOP ELAPSED	% OBLIG. EXPEND.	AUTHORIZED LOP AMOUNT	CURRENT FY OBLIG. TO DATE	CUMULATIVE AMOUNT OBLIG.	MORTGAGE	BEGINNING FY PIPELINE	PLANNED SEMESTER EXPEND.	ACCRUED SEMESTER EXPEND.	ACCRUED AS OF % PLANNED	CUMULATIVE ACCRUED EXPEND.	ENDING PIPELINE	PLANNED EXPEND. (NEXT SEM.)
000-0000	Labor organizations strengthening	C	01/31/92	01/31/97	43%	32%	80,000,000	0	48,000,000	30,000,000	12,768,633	8,000,000	3,813,313	60%	14,477,143	20,822,667	8,000,000

STRATEGIC OBJECTIVE NO.1: ASSIST THE TRANSITION FROM WAR TO PEACE

PROJECT STATUS REPORT
April 1, 1994 - September 30, 1994

MISSION DIRECTOR RATING: A__ B X C__

I. BACKGROUND DATA

Project Title: Public Services Improvement Project
 Project Number: 519-0320
 Date of Authorization: original 08/24/89 amendment N/A
 Date of Obligation: original 08/30/89 last amendment 08/31/93
 PACD: original 09/30/94 amended to 09/30/95**

Implementing Agencies:

Lempa River Executive Hydroelectric Commission (CEL)
 Ministry of Planning (MIPLAN),
 Ministry of Public Works (MOP),
 Ministry of Health and Social Welfare (MSPAS),
 National Administration for Water and Sewage System (ANDA),
 Autonomous Executive Ports Commission (CEPA)

Major Contractors: Louis Berger International; Creative Associates International, Inc. (CREA); Cooperative for Assistance and Relief Everywhere, Inc. (CARE); Project Concern International, Inc. (PCI); and others to be determined.

AID Project Manager: James W. Habron, Sr.

Status of CPs/Convenants

CPs to First Disbursement - All Met: 01/17/90

Convenants: Satisfied as scheduled in PIL No. 3

Date of Last Evaluation: N/A Next evaluation: 11/94

Planned Number of Recipient Contracted Audits during Fiscal Year: 1

The Number of Non-Federal Audits Contracted for/Completed: 1

Date of Last Audit: 06/23/92 Next Audit: 01/95

FINANCIAL DATA

Amount Authorized: DA/ESF Grant: original	\$75,000,000**		
Amount Obligated: DA/ESF Grant: original	\$8,000,000	amended to	\$67,924,000
Amount Committed: Period:	(\$ 260,563)		
	Cumulative:		\$61,777,902
Accrued Exp.: Period - Projected	\$18,400,000		
	Period - Actual		\$15,078,748
	Cumulative:		\$55,414,918
	Projected Next Sem.		\$ 5,363,000
Counterpart Contribution Planned:	\$60,000,000		
	Actual:		\$34,713,529
% LOP Elapsed:			% 71.8
% of Total Auth. Oblig.			% 90.6
% of Total Oblig. Exp.			% 81.6
% of Total Auth. Exp.			% 73.9

* PACD for Water Supply, Sanitation, and Health Activities Only.
 The Activity Completion Date for all other activities is 03/31/95.

** To be reduced to \$67,924,000 next semester.

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVE

A. Specific Linkage to Strategic Objective. The Project impacts directly on the Mission's Strategic Objective No. 1 "Assisting El Salvador Make the Transition from War to Peace," through activities which re-establish access to basic services such as rural roads, water supply and sanitation, and electricity in the formerly conflictive zones and indirectly to Strategic Objective No. 4 "Improved Quality and Equity in Health and Education" through its activities which increase the number of rural households with access to potable water and latrines.

B. Percent of LOP Funds Relating to Strategic Objective .

75% to strategic objective No. 1 listed in A above, and
 25% to strategic objective No. 4

III. PROJECT PURPOSE AND DESCRIPTION

A. Project Purpose:

To restore and preserve vital public services provided by the infrastructure agencies.

To improve and sustain the access of rural populations to markets.

To increase access of the rural populations to potable water supply and sanitation systems and to increase the proper use of sanitation systems in beneficiary families.

To support GOES efforts under the National Reconstruction Plan by intensifying maintenance and repair programs on public physical infrastructure, and increasing access to services.

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B. Achievements to Date:

The Project sustained the GOES capacity to restore and preserve basic services in numerous locations in the country during and immediately after the war. The reorientation of Project resources and implementation modalities carried out during the report period has facilitated efforts to rehabilitate and increase access to basic infrastructure services.

C. Project Description:

The Project is assisting the GOES in repairing and reconstructing public infrastructure damaged by the guerrillas while improving and expanding the delivery of rural water and assisting in the

maintenance of secondary, tertiary, and lower class roads. Also, technical assistance is being provided to various GOES agencies to improve their delivery of these services. The Project was amended to consist of five components: Component I: Public Services Restoration; Component II: Rural Roads Deferred Maintenance and Repairs; Component III: Water Supply, Sanitation, and Health; Component IV: Institutional Strengthening, Project Support, Monitoring and Evaluation; and Component V: Post War Maintenance, Repair, and Reconstruction.

IV. PROJECT STATUS

A. Planned EOPS

	<u>Progress to Date</u>
1) 90% of the highways/road systems, 100% of the electrical transmission and distribution system, and 85% of the ANDA water system are operational (30% as March 31, 1991).	83% (highways/roads - 70% electrical system - 80% ANDA water systems - 100%)
2) The financial and administrative capability to restore the major public services above is maintained (as of March 31, 1991 was estimated at 70%).	90%
3) A 10% increase (2% per year) in the level of traffic (ADT) on roads in the program is achieved.	95%
4) A reduction of 5% (1% per year) in the real unit transportation cost of cargo is achieved.	100%
5) The capacity of the MOP to plan and implement repair and maintenance of secondary, tertiary, and rural roads is improved.	90%
6) 1,600 Km of secondary, tertiary, and rural roads given maintenance.	50%
7) 600,000 people served by new or repaired and functioning water systems and sanitary facilities, raising access from 13.5% to 30%.	19%
8) 90% of families in target communities know and practice correct use of water.	25%
9) 90% of schools in the target areas have adequate and clean latrines.	32%
10) Health and sanitation promoters have active contact with users of 95% of rural potable water and sanitation points installed under this Project.	88%
11) 900 water point systems constructed in 300 communities, 120 communities will have their water systems improved, etc.	83%*

* Water point systems only.

B. Major Outputs

Component I:

	<u>Planned</u>			<u>Accomplished</u>			
	<u>LOP</u>	<u>This Sem.</u>	<u>Cum.</u>	<u>Next Sem.</u>	<u>This Sem.</u>	<u>Cum.</u>	<u>% of LOP</u>
1. Restoration of ANDA water systems outside San Salvador	N/A	N/A	N/A	N/A	0	0	N/A
2. Restoration of electric distribution and transmission systems (incidents)	N/A	N/A	N/A	N/A	0	1,255	N/A
3. Restoration of damaged railway facilities (incidents)	N/A	N/A	N/A	N/A	117	361	N/A
4. Restoration of damaged airport facilities	N/A	N/A	N/A	N/A	0	2	N/A
5. Restoration of damaged ocean port facilities	N/A	N/A	N/A	1	0	0	N/A
6. Restoration of bridges	N/A	N/A	N/A	N/A	0	0	N/A

Component II:

1. Repair and maintenance of secondary, tertiary, Rural "A" and Rural "B" roads 1,000 Kms.	1,000	182	1,057	29	156	759	76
2. Maintenance, control, and operation of construction equipment and vehicles.	297	240	N/A	210	178	N/A	60*

NOTE: Total units have been reduced from 310 as result of disposal actions.

* Percentage of units operational. (75% is considered to be good.)

Component III:

1. 120 communities served by small water systems repaired:							
-Number of systems	38	0	28	1	0	0	0
2. 900 new small water and sanitation systems installed:							
-Latrines	16,000	648	14,648	750	649	4,530	28
-Drilled Wells	600	66	278	5	78	190	32
-Small Systems*	30	24	43	0	14	16	53
-Handdug Wells	100	46	103	25	45	81	81
-Handdug Well Restoration	250	128	332	50	188	489	196
3. Water committees formed for each new systems.	350	50	628	0	235	709	203

*Number of communities

Component IV:

1. Management systems installed in Caminos MU (%)	100	0	100	0	0	100	100
2. Caminos Management Unit established (%)	100	0	100	0	0	100	100
3. ANDA Management Unit expanded and fully staffed, and management systems installed (%).	100	0	100	0	0	100	100

LOP	Planned			Accomplished			
	This Sem.	Cum.	Next Sem.	This Sem.	Cum.	% of LOP	
Major Outputs							
Component V: (NRP)							
1. Repair of existing water systems (ea.)	16*	17	17	7	9	11	69
2. Construction of new water systems (ea.)	22*	18	18	6	13	13	68
3. Construction/Improvement of wells with hand pumps (drilled & handdug)(ea.)	484*	19	19	200	8	8	2
4. Construction of latrines	3021*	392	392	485	222	809	27
5. Repair/Reconstruction of electric distribution lines (kms)	270	270	270	148	122	122	46
6. Repair/Reconstruction of electric transmission lines (kms)	125	93	125	37	56	88	71
7. Reconstruction of electric distribution substations (ea.)	8	6	8	7	0	1	13
8. Repair/Reconstruction of railway lines (kms)	78	13	78	0	13	78	100
9. Reconstruction of roads (kms)	600	151	692	36	114	379	63

* Final firm figures for the 2-year extension of the water/sanitation component will be available once PCI completes its surveys early next period.

C.1 Other Accomplishment and Overall Status

By mid period it was clear that completion of all non-water related activities would not take place by 30 September 1994 as planned. The primary causes for these delays were: a) the extraordinary slowness of the Court of Accounts in processing approvals of contracts for services for all 0320 Agencies; b) the impact of having to hold two rounds for the National Elections; and c) the exceptional and unusual length of time required to obtain formal acceptance by MIPLAN of Project Grant Amendment No. 9 and the associated financial reprogramming of funds. As a consequence, the Mission found it necessary to extend the implementation period by six months from 30 September 1994 to 31 March 1995, in order to complete all Project close-out requirements for all those non-water related activities not included in the two-year extension of the PACD for the provision of water supply and sanitation activities by NGOs and Municipalities provided for by Project Grant Amendment No. 9.

In spite of the setback, other overall accomplishments were realized: a) An audit of the commodity management systems by the independent audit firm Price Waterhouse concluded that there were no major problems in four of the five entities involved in the Project. These four are AME, CEL, CEPA, and the DGC. The problem in the remaining entity, ANDA, pertains to the identification of and transfer to NGOs of commodities procured specifically for NGO use. Personnel have been engaged specifically to carryout this task. b) A new NGO, Project Concern International, Inc., was engaged under a Cooperative Agreement to provide water supply, sanitation, and health services for Components III and V. Also, negotiations for extensions to the Cooperative Agreements with

the other two NGOs, CARE and CREA, were concluded and the respective Amendments are planned for execution prior to the end of October 1994. The completion of these actions have enabled us to establish a reasonably good set of tentative LOP targets by NGOs and Municipalities in support of the NRP under Component V during the two-year extension for WS&S.

Specific Accomplishments - Regular 0320: 1) The procurement of the last commodity under Component I, the Billing System for the CEL Metering Program, was completed. Meanwhile, CEL installed 73,000 meters this period bringing the total of meters installed to 113,000 compared to 150,000 planned. 2) Under Component II, good progress was made in the rehabilitation of roads, 156 kms were completed compared to a target for the period of 182 kms. As noted earlier, the primary factor preventing better performance was the impact of the problems at the Court of Accounts. 3) Under Component III, ANDA activities resulted in the completion of 78 new drilled wells, 45 new handdug wells, and 188 well restorations - all supplied with handpumps - thus providing improved access to water for an additional 40,430 beneficiaries during the period. CREA constructed 649 latrines and awarded 2 contracts to local well drilling firms for the drilling of 2 wells which will serve as the water source for two separate water distribution systems.

Specific Accomplishments - Support to the NRP: 1) The last of the construction contracts for road rehabilitation were awarded by MOP/DGC and completion of 117 kms was achieved compared to 151 kms planned. 2) Progress on the one municipal system being rehabilitated under an ANDA managed construction contract reached 95% and not the 100% completion planned for the period. 3) The two NGOs working in NRP areas completed a total of 222 latrines (92 by CREA and 130 by CARE). 4) Activities by Municipalities resulted in the rehabilitation of 10 water supply systems and the construction of 11 new water supply systems. 5) With the arrival of the outstanding \$1.0 million in commodities, the procurement of \$2.5 million of materials required for the rehabilitation of the electric system in the NRP areas was completed and private firms under contracts to CEL reconstructed 122 kms of distribution lines and 56 kms of transmission lines.

Status of each of the Project Components is as follows: **Component I - Public Services Restoration:** A new activity completion date of 31 March 1995 was approved for CEL for the installation of the computerized billing system for the metering program, and for CEPA for the completion of the Rehabilitation of Pier "B", Acapulco. Current progress indicates that both activities will terminate well within this extended period. Contract liquidation and other formal close-out actions are what remain to be completed for all other elements of this Component. **Component II - Rural Roads Maintenance and Repair:** A new activity completion date of 31 March 1995 was approved for MOP for road construction. All that remains of the 788 kms of road rehabilitation for which funds are available is 29 kilometers now being constructed by private firms under contracts with MOP. Completion of these last kilometers and liquidation of contracts and other activity close-out requirements are programmed to occur well within the new implementation period. **Component III - Water Supply, Sanitation, and Health: (ANDA)** With the accomplishments for this period - noted in the previous section - ANDA has completed all approved construction activities under the Project. The final totals for ANDA are 190 drilled wells of which 136 were done by private firms under ANDA contracts, 81 new handdug wells, 489 handdug well restorations (all with new handpumps), 2061 latrines, and one complete water supply and distribution system. The total number of beneficiaries reached by ANDA over the LOP is 100,000. The new activity completion date of 31 March 1995 will permit ANDA to terminate all contract liquidations and other activity close-out requirements. (NGOs) As established in Project Grant Amendment No.9, the PACD for water supply and sanitation activities by NGOs is 30 September 1995. The Cooperative Agreement with PCI, the third and last NGO envisioned under the Project, was signed on 20 July 1994. They are completing initial community surveys and other start up requirements and expect to begin construction activities by the middle of the next report period. As stated earlier, Amendments to the Agreements with CREA and CARE for an expansion of their services during the two year extension, are expected prior to the end of October 1994. Meanwhile, CREA

is in the process of completing water supply systems for the last nine communities under the original Cooperative Agreement. All latrine construction has been completed. Component IV - Institutional Strengthening, Project Support, Monitoring, and Evaluation: Although demobilization for all long-term in-country staff and close-out of the LBI 0320 Project Office took place on schedule on 30 September 1994, a no-additional cost extension was signed in order to secure short-term specialized assistance if and when needed during the new extended implementation period until 31 March 1995 for non-water related activities. Of particular concern is the complexity of the rehabilitation work at Pier "B", Acajutla, and shortage of commensurate in-country expertise. All items of NXP formerly in the LBI inventory were disposed of through transfers to NGOs participating under Project 0320. Component V - Post War Maintenance, Repair, and Construction: A new activity completion date of 31 March 1995 was approved for all elements under this component except WS&S by NGOs and Municipalities: 1) MOP: all that remains of the 415 kms of road rehabilitation for which funds are available is 36 kms now being constructed by private firms under contracts to MOP. Completion of the construction of these last kilometers and liquidation of contracts and other activity close-out requirements are programmed to occur well within the new implementation period. 2) CEL has received all the necessary commodities and awarded all the labor contracts which should enable CEL to complete the remaining transmission and distribution line and substation reconstruction in the NRP zones within the new implementation period; including contract liquidations and other activity close-out requirements. 3) CEPA/FENADESAL completed all work programmed in NRP areas and is finalizing contract liquidations and other close-out requirements. 4) WS&S activities by NGOs and Municipalities: Under their original Cooperative Agreements, CREA is finishing up one water supply and distribution system to serve 5 communities and eight new handdug wells to serve 3 communities; while CARE is finishing the rehabilitation of three municipal water systems and the restoration of 108 handdug wells in the fourth municipality.

C.2. WID Issues

The Project continues to successfully involve women in health and sanitation activities in all target areas. Women health promoters of the MOH and their male counterparts have completed training specifically designed to achieve effective community involvement through gender integration in the actual construction and operation of rural water and sanitation facilities. The NGOs participating in the Project have also focused on the inclusion of women both as an integral part of their direct workforce as well as water committees in the target communities. Women comprise 28% of the water committees in the 30 communities where CREA is working. 40% of the engineers and 36% of the promoters on CREA's staff are women. In the four municipalities where CARE is working, women comprise 35% of the water committee membership. One third of CARE's professional staff are women. The new NGO, PCI, is specifically seeking women to serve at all levels as it undergoes its initial recruitment of staff.

D. Problems and Delays

1. UPDATE ON PROBLEMS/ISSUES from previous SAR.

Problem: An unusually long rainy season characterized by higher-than-average rainfall was one of the factors which resulted in the achievement of very low progress on road rehabilitation in regions of the country covered under Component II. **Status:** While significant progress was achieved on road rehabilitation during the current period it was not enough to complete project goals within the original PACD. As noted earlier, an extension of six months of the implementation period for road rehabilitation was necessary, thus ensuring sufficient time to complete all remaining road rehabilitation. The remaining work represents 3% of the programmed

target for road rehabilitation for both Component II and Component V. **Problem:** Another factor which impeded progress under Component II and water supply activities by ANDA under Component III was the month-long strike by the GOES Court of Accounts. During this period, none of the 16 contracts for road rehabilitation (Component II) or the 4 contracts for well drilling (Component III) could be ratified so that Notices to Proceed could be issued by the executing agencies of record; MOP/DGC and ANDA. **Status:** All contracts were finally ratified and Notices to Proceed issued by approximately the mid-point of the current reporting period. As mentioned above, MOP/DGC fell somewhat short of target completion, while all the ANDA well drilling contracts were completed during the period. **Problem:** Since no responsive efforts were received, it was necessary to rebid the procurement of services for the rehabilitation of Pier "B", Acajutla. A further delay resulted from the unusually long time it took for the ultimate approval of the award by the CEPA Board of Directors. Originally scheduled to begin in February, it is most likely that construction will not begin until May. **Status:** After interventions at highest levels of the GOES, the Notice to Proceed was finally issued on 4 July 1994. As of 30 September 1994, the contractor has achieved 30% progress compared to the 40% originally planned for that time. Completion of the Project is presently estimated for mid February in spite of the maximum effort being made by the contractor to finish by the originally planned date of 15 December 1994. The implementation period for completion of this work is now 31 March 1995. **Problem:** The sluggishness of the Court of Accounts when in session, coupled with the total lack of activity during its month-long strike in late January, has greatly reduced the probabilities that the GOES Agencies will accomplish goals currently programmed within the original PACD. **Status:** Covered earlier in Section C.1. of this Report. **Problem:** the MOU between USAID and the GOES still has not been signed so there are no additional HCOLC funds available for any Project activities. If there are no residual funds under any of the LC Action Plans for administrative costs, the capacity to meet unforeseen requirements over the next six months will be very problematic. **Status:** The MOU was finally signed on 13 May 1994, and sufficient residual funds were found in all LC Action Plans to cover the gaps.

2. THIS PERIOD

The prospect of major problems and delays which would negatively impact the completion of those non-water related activities by the new close-out date of 31 March 1995 is currently seen as very low. The work remaining for each of the construction activities can be reasonably accomplished before 31 December 1994; the lone exception is the work at Pier "B", Acajutla. Current estimates project the completion of this activity by early February 1995. For other elements of the Project, contract liquidations and other close-out requirements have already commenced.

E. Major Activities or Corrective Actions during the Next Six Months

- Execute amendments to expand the scopes of NGOs already on board and Municipalities to implement water supply, sanitation, and health activities under the two-year extension for such activities for Component III and Component V.
- Close out all other activities of Project 0320 by 31 March 1995.
- Conclude the final evaluation of the Project for all activities not included in the two-year extension by 15 December 1994.
- Conclude the transfer to NGOs of all commodities procured for ANDA for water supply activities which could not be utilized by ANDA for Project Activities within the original PACD.

PROJECT STATUS REPORT
April 1, 1994- September 30, 1994

MISSION DIRECTOR RATING:
Private Sector Component: A ___ B ___ C X
Public Sector Component: A ___ B ___ C X

I. BACKGROUND DATA

Project Title: Industrial Reconstruction (former Free Zone Dev.)
Project Number: 519-0123
Date of Authorization: Original 08/30/88 Amend: 05/11/94 (GOES Component)
Date of Obligation: Original 08/31/88 Last Amend: 08/02/94 (FUSADES Component)
FACD: Original 09/01/93 Amend: N/A
Implementing Agencies: Private Sector Public Sector
FUSADES Ministry of Economy
Major Contractors: None
AID Project Manager: Roxana Blanco, PRO
Status of CPs/Covenants: CPs to First Disbursement-All Met; Pending
CPs to Subsequent Disburse-All Met; Pending
Planned Number of Non-Federal Audits during Fiscal Year: Two
The Number of such Audits Contracted for/Completed: One
Date of last evaluation: None Next evaluation: 10/96
Date of last audit: 4/94 (*) Next audit: 10/94

(*) Audit conducted only in FUSADES Component. Period covered 1/93-12/93.

FINANCIAL DATA

		<u>Private Sector</u>	<u>Public Sector</u>
Amount Authorized:	DA/ESP Grant	\$5,000,000	\$15,545,000
Amount Obligated:		\$5,000,000	\$15,545,000
Amount Committed:	Period:	\$ 43,978	\$ -0-
	Cumulative:	\$4,346,113	\$ 8,861,912
Accrued Expend.:	Period Proj:	\$ 40,000	\$ 12,000
	Period Actual	\$ 2,988	\$ -0-
	Cumulative	\$1,862,350	\$ 8,861,912
	Proj next sem.	\$ 20,000	\$ 15,000
Counterpart	Planned:	\$ 426,333 (1)	\$ 3,085,636 (2)
Contributions:	Actual	\$ -0-	\$ -0-
% LOP Elapsed:		73%	71%
% of Total Auth. Obligated:		100%	100%
% of Total Oblig. Expended:		37%	57%
% of Total Auth. Expended:		37%	57%

(1) Redefined after Amendment No. 9. FUSADES provided \$65,689 during the first phase of the project (Free Zone Development).
(2) Redefined after Amendment No. 2. The GOES provided \$6,476,855 during the first phase of the project (Free Zone Development)

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVES

A. Specific Linkage to Strategic Objectives

The Industrial Reconstruction Project supports the Strategic Objective No. 1, to assist El Salvador to make the transition from war to peace, since the purpose of the Project is to promote the generation of productive employment in the ex-conflictive zones, through the financing of infrastructure for industrial development in those areas. The generation of employment also supports the Strategic Objective No. 2 Broad Based Economic Growth Increased.

B. Percent of LOP Funds Relating to Strategic Objectives

Project's funds are 80% dedicated to Strategic Objective No. 1, and 20% to Strategic Objective No. 2.

III. PROJECT PURPOSE AND DESCRIPTION

A. Project Purpose

To promote productive employment in the ex-conflictive zones through financing of infrastructure for industrial parks and provision of technical assistance to industrial park developers.

B. Achievements to Date

The Project Amendment was signed this year, on May 31 by the GOES and on August 2 by FUSADES. Both, the GOES and FUSADES, have experienced some administrative delays to comply with the Conditions Precedent to first disbursement, therefore, not been able to start project implementation. In the meantime, the GOES is analyzing the study on El Salvador's Foreign Trade Legislation carried out by Nathan Associates, which was done to comply with Project's Special Condition aimed at facilitating investor's demand for the industrial parks to be funded by the project.

C. Project Description

The Project consists of two inter-related components designed to provide public services infrastructure and technical assistance to industrial park investors: 1) the GOES Component, provides funds to finance the construction of external infrastructure for industrial parks in the ex-conflictive zones, train public sector officials involved in this Project in areas related to industrial development and environmental protection, and provide institutional support for the Project Coordination Unit within the Ministry of Economy; and 2) the Private Sector Component, provides funds to FUSADES/PRIDEX to carry out pre-investment studies for private sector investors interested in developing industrial parks in the ex-conflictive zones; to support the reform of export legislation and other measures directed at trade expansion; to promote the assistance available to developers under the Project; and to cover the operational costs of managing the Project.

IV. PROJECT STATUS

A. Planned EOPS

	<u>Progress to Date</u>
1. 14,100 new jobs generated	-0-
2. \$19,000,000 in new business investment	-0-
3. 100,000 square meters of industrial space built	-0-

1. PUBLIC SECTOR COMPONENT

B. Major LOP Outputs

	<u>Planned</u>				<u>Accomplished</u>		
	<u>This</u>		<u>Next</u>		<u>This</u>		<u>% of</u>
	<u>LOP</u>	<u>ESM&S</u>	<u>ESM&S</u>	<u>ESM&S</u>	<u>ESM&S</u>	<u>LOP</u>	
Public infrastructure for industrial parks 1	-	-	-	-	-	-	0

19/2

C. Other Accomplishments and Overall Status

- First discussions of Nathan's recommendations with GOES Official evidenced that they still need more time to analyse the document to be able to discuss it with the private sector or to implement some of the recommendations.
- MINEC has informed of one investor very interested in developing an industrial park in Usulután. He has obtained already the pre-qualification of the autonomous institutions for public services and will be contacting FUSADES to obtain technical assistance through the Project.

D. Issues

Considering the delays experienced by the counterparts to start project implementation, the status of the analysis of the study on El Salvador's foreign trade legislation, and the prevailing concerns regarding the viability of the project the way it has been designed, it is advisable to revisit project conditions to the GOES and planned overall activities to find additional project funds use in order to comply with the purpose of the project, which is the promotion of productive employment in the ex-conflictive zones.

E. Major Activities During the next six months

- The Project Coordination Unit will be created within the Ministry of Economy, and it will start coordinating activities with FUSADES and other GOES institutions.
- MINEC will submit to USAID for approval, an Action Plan for the first year activities of the Project Coordination Unit.
- PRO will develop a Concept Paper analysing pros/cons of current Project design and recommend additional activities with the GOES for project implementation. This might include the possibility of providing public services infrastructure to existing industrial firms in the rural areas, as well as focussing on new industrial parks.

F. Women in Development Issues

N/A

2. PRIVATE SECTOR COMPONENT

B. Major LOP Outcomes

	LOP	Planned		Next Issues	Accomplished		% of LOP
		This Issues	Qm		This Issues	Qm	
a) Pre-investment studies	6	-	-	1	-	-	0
b) Studies on trade legislation and other related	5	-	-	1	-	-	0

C. Other Accomplishments and Overall Status

PRIDEX is preparing the Annual Action Plan and budget for the first year of activities to submit it to the Mission.

D. Issues

FUSADES Officials have expressed concern about the project's viability given its current restrictions, since potential clients of the industrial parks will be only domestic producers or partial exporters.

E. Major Activities/Actions during the next six months

- FUSADES will carry out a study on investment demand for industrial parks in the MRP areas that show greatest potential for industrial development, in order to determine the viability of the Project under current design conditions. This study will also provide information for the promotion of the Project.
- PRIDEX will contract a Project Manager for the implementation of the Project, and will start promotion activities.
- First study on legislation reform will be started.
- PRO will develop a Concept Paper analysing pros/cons of current Project design and recommend additional activities with FUSADES for project implementation. This might include the possibility of working with existing industrial companies in the rural areas, as well as focussing on new industrial parks.
- Actions to carry out the first feasibility study of an industrial park will be started.

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PROJECT STATUS REPORT
April 1, 1994 - September 30, 1994

MISSION DIRECTOR RATING: A ___ B X C ___

I. BACKGROUND DATA

Project Title : Strengthening Rehabilitation Services OPG
 Project Number : 519-0346
 Date of Authorization : Original 08/31/87 amendment 06/29/94
 Date of Obligation : Original 08/31/87 last amendment 06/30/94
 PACD : Original 09/31/90 amended to 12/31/95
 Implementing Agencies : Telethon Foundation Pro-Rehabilitation
 Major Contractor : Baja Orthotics/Prosthetics SVCS (thru 10/90)
 AID Project Manager : Héctor Rodríguez-Casanova
 Status of CPs/Covenants : CPs to First disbursement -All Met: 11/17/87
 Amendment : CPs to amendment. -All Met: 03/31/92
 Planned Number of Non-Federal Audits During Fiscal Year: 1
 The Number of such Audits contracted for/completed: 1
 Date of Last Evaluation: 09/11/90 Next evaluation: 08/95
 Date of Last Audit: 07/94 Next audit: 05/95

FINANCIAL DATA:

Amount Authorized:	DA/ESF Grant:	Orig. \$ 2,450,000	amended to \$6,350,000
Amount Obligated:	DA/ESF Grant:	Orig. \$ 1,450,000	amended to \$6,350,000
Amount Committed:	Period:	\$ 212,088	
	Cumulative:	\$ 5,882,504	
Accrued Expend:	Period - Projected:	\$ 341,000	
	Period - Actual	\$ 550,339	
	Cumulative:	\$ 4,892,310	
	Projected Next Sem:	\$ 324,162	
Counterpart	Planned	\$ 3,063,000	
Contribution	Actual	\$ 2,626,205	
% LOP Elapsed		86%	
% of Total Auth. Oblig.		100%	
% of Total Obligation expended		77%	
% of Total Auth. Exp.		77%	

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVE

A. Specific Linkage to Strategic Objectives (SO)

FUNTER is supporting the Mission's Strategic Objective No. 1, to assist El Salvador to make the transition from war to peace, through the reactivation of the key factor of production labor. Specifically, the project is facilitating the medical and social reintegration of disabled Salvadorans into the society via the provision of prosthetics/orthotics devices and other complementary functional rehabilitation services.

B. Percent of LOP Funds Relating to S.O.

Transition from War to Peace (SO 1) 100%

III. PROJECT PURPOSE AND DESCRIPTION

A. Project Purpose

To increase FUNTER's capacity to establish and support private-public rehabilitation services in El Salvador.

B. Achievements to Date

This project has accomplished its overall objective through the provision of prosthetic/orthotic devices and other physical rehabilitation services to the majority of civilian population affected by the war, facilitating their re-integration into the society. During the semester, the prosthetic production has averaged 45 devices per month, the orthotic has averaged 32 devices per month, and FUNTER has registered a total of 2,830 amputees to date (1,226 amputees are conflict related). Under the National Reconstruction Component, a total of 4,164 patients have been attended either by FUNTER directly or by services supported by FUNTER under the Project (civilians and cx-combatants).

C. Project Description

The Project has six components: Integrated Patient Care which is the central focus of the Project; Information, Education and Communication: which improves integrated rehabilitation services; Administration: to support the management of the Project; Infrastructure: contributing to the construction of those section of a building to house the components supported by the Project; Orthotics: under this component FUNTER is expanding its production to offer the public a wider range of rehabilitation services; National Reconstruction: through which FUNTER is strengthening their outreach and decentralization program within former conflictive areas of the country.

IV. PROJECT STATUS

A. Planned EOPS

Progress to Date

1. Prosthetic Production

Average 40 devices/month, but has reached 74/month depending on demand. Production capacity could be increased to 100 per month if needed. A total of 4,903 disabled patients have been treated (2880 are amputees) and a total of 19,199 have benefitted from the Project (people trained and informed).

B. Major Outputs

	Planned				Accomplished		
	LOP	This Sem.	Cum.	Next Sem.	This Sem.	Cum.	% of LOP
- Number of Prostheses(1)	3,550	255	2,895	304	270	3,220	90%
- Number of Orthotics devices	1852	112	326	200	191	579	68%
- People trained/informed (1)	22,530	620	17,809	1,060	857	19,199	85%
- Printed Material Dist. (1) (000)	110.5	3.0	100	2,800	6.5	82.5	77%
- Reconstruction: (2)							
(a) - New Patients	3,280	240	1,778	660	1,203	3,857	118%
(b) - New centers	16	3	15	1	2	15	94%
-Fundraising activities (In Colones x 1000) (3)							
In cash	9,305	287	5,062	308	308	7,840	84%
In kind	7,860	457	6,750	386	386	6,982	89%
Total Income	17,165	744	11,812	694	694	14,822	86%

(1) Goals revised as per Amendment No. 8

(2) This information is also reported in the 519-0394 SAR (SO1)

(3) Programmed by FUNTER as per Amendment No. 5

C. Other Accomplishments and Overall Status During Period

- FUNTER in coordination with PAHO and ASALDIG organized the First Centroamerican Symposium of Multidisciplinary Attention to the War-Wounded.
- On June 29, 1994, the subject Cooperative Agreement was further amended to: a) extend the PACD from June 30, 1994, to December 31, 1995; b) to modify the "Schedule"; c) to modify the "Detailed Project Description"; and d) to include the revised Mandatory Standard Provisions.
- A new financial monitoring, one-year contract was awarded to Castellanos Campos (CC), a local auditing firm affiliated with Coopers & Lybrand.
- On July 6, 1994, by means of PIL No. 44, USAID approved the selection process of the construction firm followed by FUNTER, and the contract to be signed between FUNTER and AQSA S.A. de C.V. for the amount of c9,755,981.57.
- On July 29, 1994, PIL No.45 approved the first disbursement of USAID funds for the construction of the building. FUNTER demonstrated that they have sufficient funds to complete the construction of the building, up to the point of obtaining a Certificate of Occupancy.
- During this period the firm Management Systems International (MSI) completed the First Phase of a TA contract approved by PIL no. 40. MSI is assisting FUNTER in the development of a five-year sustainability plan. On August 30, 1994, PIL No. 46 approved an amendment to the FUNTER-MSI contract to increase the amount approved to \$71,810.00.
- On August 15, 1994, FUNTER submitted a 17-month Action Plan, describing the Project activities scheduled for the period from July 1, 1994, through December 31, 1995.

8. FUNTER actively participated in coordination with the MOH and PAHO in the certification process of the eradication of the locally transmitted "Poliomyelitis".

9. FUNTER promoted the organization of a multisectorial Orthopaedic Technology Coordination Committee, that has significantly improved the coordination among: a) international donors involved in the area; and b) local GO's and NGO's.

D. Issues**1. Previous SAR (update):**

- The 1993 Recipient Audit contract was awarded to Fernandez & Fernandez in April of 1994. The subject audit report was submitted by F&F on September 7, 1994.
- As part of the Financial Monitoring Services provided by CC, FUNTER's inventory controls were significantly improved. However, deficiencies in the inventory controls of the Prosthetic-Orthotic facility remain. These are in part the result of the lack of appropriate space to store the raw materials and components. FUNTER has taken measures to correct these audit findings, furthermore CC will be monitoring the correction of the inadequacy.
- The new computerized accounting system is now fully functional.
- Final determination regarding FUNTER's Conflict of Interest was made by the Contracting Officer.

2. This Period: None**E. Women in Development Issues:**

FUNTER has detected and treated a total of 26 new disabled women during this period and the functional rehabilitation services offered by FUNTER will facilitate their socio-economical reintegration process. This makes a total of 679 (24% of the total) amputee women registered in the National Registry.

F. Major Activities or Corrective Actions during the Next Six Months:

- FUNTER will prepare and submit a plan to implement the recommendations included in the 1993 Recipient Audit. The closure date for the resolution and corrective actions on audit recommendations is March 7, 1995. A request for closure will then be requested from the Mission Director.
- The construction of FUNTER's "Integrated Rehabilitation Institute" is scheduled to be completed in February of 1995. The consolidation of the various FUNTER divisions under one building is expected to improve the management, coordination and communication among FUNTER personnel. Furthermore, this is an important factor in FUNTER's ability to continue providing prosthetic/orthotic and other complementary rehabilitation services.
- FUNTER will continue to coordinate with the MOH and the Salvadoran Institute for Rehabilitation, as well as with other international donors, to develop regulations and procedures to improve the functioning of the national rehabilitation centers, thereby supporting the decentralization of the services.

PROJECT STATUS REPORT
April 1, 1994 - September 30, 1994.

MISSION DIRECTOR RATING: **B**

I. BACKGROUND DATA

Project Title: Small Enterprise Support Project
 Project Number: 519-0387
 Date of Authorization: Original 09/30/93 Amendment: N/A
 Date of Obligation: Original 09/30/93 Last Amend: 03/22/94
 PACD: Original 09/30/94
 Implementing Agencies: FUSADES - PROPEMI
 Major Contractors: None
 USAID Project Manager: Sandra Lorena Duarte, PRO
 Status of CPs/Covenants: All met
 Planned Number of Non-Federal Audits during Fiscal Year: 1 annually
 The Number of such Audits Contracted for/Completed:
 Date of last evaluation: None Next evaluation: 09/30/96
 Date of last audit: None Next audit: 12/31/94

FINANCIAL DATA

Amount Authorized: DA/ESF Grant \$5,000,000
 Amount Obligated: \$1,000,000
 Amount Committed: 0
 Accrued Expend.: Period: \$2,870,000
 Cumulative: \$1,698,235
 Period Proj: \$2,041,779
 Period Actual: \$2,471,779
 Cumulative: \$1,621,620
 Proj. next sem. Planned: \$ 1,250,000
 Counterpart Actual: \$ -
 Contributions: 33%
 % LOP Elapsed: 60%
 % of Total Auth. Obligated: 82%
 % of Total Oblig. Expended: 49%

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVES

- A. Specific Linkage to Strategic Objectives
 The Small Enterprise Support Project relates to SO1, Transition From War to Peace and to SO2, Broad based Economic Growth Increased since its main objective is to increase employment and income opportunities for Salvadorans from lower socio-economic groups especially in NRP (National Reconstruction Plan) areas.
- B. Percent of LOP Funds Relative to Strategic Objectives
 Even though the Project contributes 60% to Transition From War to Peace, (SO1), Project activities also relate to Broad-based Economic Growth Increase (SO2) in 40%.

III. PROJECT PURPOSE AND DESCRIPTION

- A. Project Purpose
 To promote the development of small enterprises in El Salvador especially those located within National Reconstruction Plan zones through the provision of credit, training and technical assistance.
- B. Achievements to Date
 Of the \$1,000,000 obligated to date, a total of \$1,839,430 has been disbursed through 453 loans benefiting 430 entrepreneurs. From the 453 loans, 2,568 jobs have been created and 2,548 persons have received training. NRP: 250 loans have been disbursed for NRP zones, with 225 beneficiaries, 1,362 jobs created/strengthened and 770 entrepreneurs trained.
- C. Project Description
 The Small Enterprise Support Project is a \$5 Million, three year Handbook 1) Grant designed to assist small businesses to increase their incomes and employment and thereby further the Mission's second strategic objective, Broad Based Economic Growth Increased. The Project will increase access by small enterprises to credit, training and technical assistance and will assist them to expand their operations and create jobs for unemployed and underemployed Salvadorans, including ex-combatants.

IV. PROJECT STATUS

- A. Planned FOPF
- | | |
|--|--------------------|
| 1. 1,500. No. of credits | 453 credits |
| 2. 1,000. No. of beneficiaries | 430 beneficiaries |
| 3. 7,000. jobs created | 2,568 jobs |
| 4. 14,000 small entrepreneurs will have recvd. training | 2,548 recvd. Trng. |
| 5. Over half of the beneficiaries will be from the Ex-Conflictive Zones (510). | 225 beneficiaries |
| | \$939,000 in loans |

B. Major Outputs

	Planned				Accomplished		
	LOP	This Semes	Next Semes	Cum	This Semes	Cum	% of LOP
1. Loans	1,500	291	404	347	336	453	10 %
2. Beneficiaries	1,000	201	279	244	316	430	43 %
3. Jobs Created	7,000	1,201	1,741	1,589	1,977	2,568	37 %
4. Entrepreneurs Trained	14,000	2,400	2,475	2,604	2,398	2,548	18 %
5. Ex-Conflictive Zones Benefics.	51 %	201	279		111	225	%

- C. Other Accomplishments and Overall Status
 PROPEMI has promoted its services (Credits and T.A.) in the ex conflictive zones through meetings and door to door visits. Cities where meetings took place: Jiquilisco, La Palma, Apopa, Tezatepeque, Metapan (Sta Rosa Guachipilin, Masahuat). They also designed an information pamphlet. To date, credit demand in the ex-conflictive areas has been heavy, and loan delinquency has been less than 2%. This number may be higher. (PROPEMI has just started to recuperate loans.)

- D. WID Issues
 11.16% (103) of the 336 beneficiaries during this semester are women, with an allocated amount of \$3,829 (30.6% of the total amount).
 *PROPEMI has reported \$1.7 million but the concept of counterpart they are using will be reviewed next semester.

E. Major Activities/Actions during the next 6 months

- 147 Credits will be allocated
 - 244 beneficiaries will benefit from loans.
 - 1,589 jobs will be generated/strengthened.
 - 2,604 small entrepreneurs will have received training.
 - 197 beneficiaries will be from the ex-conflictive zones.
 - 253 credits will be granted to ex-conflictive zones.
- Programming and obligation of \$1.3 million for the Project.
 - The Actual Counterpart Contribution based on training, technical assistance and Investigation and Research will be determined.
 - PROPEMI will conduct an analysis to estimate the economic impact of its program.
 - The 1995 Action Plan will be presented to the Mission.
 - PROPEMI will keep on studying the possibility of becoming a Financial Institution.

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PROJECT STATUS REPORT

1 April 1994 - 30 September 1994

MISSION DIRECTOR'S RATING: A ___ B X C ___

I. BACKGROUND DATA

Project Title & No.: Peace and National Recovery Project
Project Number: No. 519-0394 **Project Manager:** Henry Alderfer, IRD

Supporting Projects & Project Managers:
 519-0281: (closed) 519-0308: Jack R. Dale
 519-0315: Mike Cavallaro 519-0320: James W. Habron
 519-0346: Hector Rodriguez 519-0357: Bill Harwood
 519-0358: Raul González 519-0287: Ana de Aguilar
 519-0361: Jaleh de Torres MEA: Tom Hawk

Date of Authorization: Original: 01/17/92 Last amendment: n/a
Date of Obligation: Original: 05/06/92 Last amendment: 09/30/94
PACD: Original: 04/30/97 Amended to: n/a
Status of CPs and Covenants: Met: 07/29/92

Implementing Agencies: A total of 122 NGOs (of which, 52 represent the "opposition") have worked, or are working with the Peace and National Recovery Project. At the end of the period, the NRP had funded 72 Action Plans, implemented by 14 governmental and 122 non-governmental organizations (some organizations are implementing more than one Action Plan.) Seven "umbrella" organizations which work with and through small local NGOs are included in the figures noted above. In addition to the Action Plans, the NRP is working with nine "existing" projects, which are implemented by NGOs and governmental agencies.

Major Contractors: Currently Active: Price Waterhouse, CREA, MSI

Date of Last Evaluation: November 1993
Date of Next Evaluation: January 1996

Planned number of non-Federal Audits during Fiscal Year: 1
The number of such Audits Contracted for/Completed: 0

Date of Last Audit: 12/92
Date of Next Audit: 11/94

FINANCIAL DATA (Additional information in Annex D)

	ESF/DTP	GOES CONTRIBUTION	EXISTING PROJECTS*	TOTAL
Amount Authorized:	\$191,000,000	\$57,815,463*	\$61,000,000	\$309,815,463
Amount Obligated:	\$154,052,000	\$57,815,463	\$60,878,639	\$272,746,102
Amount Committed:				
Period-Actual	\$ 9,756,510	\$11,496,420	\$ 4,802,893	\$ 26,055,822
Cumulative	\$122,402,330	\$51,238,664	\$44,999,298	\$218,640,291
Accrued Expenditures:				
Period-Projected	\$ 25,000,000	\$ 1,500,000	\$ 8,000,000	\$ 34,500,000
Period-Actual	\$ 36,645,648	\$ 3,224,023	\$ 13,027,361	\$ 52,897,032
Cumulative	\$ 87,426,457	\$- 1,695,347	\$ 37,473,750	\$165,595,554
Projected Next Semester	\$ 21,000,000	\$10,500,000	\$ 4,000,000	\$ 35,500,000

- * Originally set at \$48 million, the GOES increased contributions to offset unexpected additional costs for land transfer.

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVES

- A. **Specific Linkages to Strategic Objectives**
 Strategic Objective No. 1 "to assist El Salvador to make the transition from war to peace" is focused on National Reconstruction which this project (519-0394) fully supports.
- B. **Percent of LOP funds relating to S.O.:** 100%

III. PROJECT PURPOSE AND DESCRIPTION

A. **Project Purpose:** To assist the GOES to support its National Reconstruction Plan and the process of national reconciliation and economic stabilization by restoring basic humanitarian, social and health services, rebuilding basic infrastructure, reactivating the economy in areas torn by the war, and by reintegrating individuals and families affected by the conflict.

B. **Achievements to Date:**

1. **Credit** - Approximately 47,000 small farmers have received agricultural credit, and about 3,500 people have benefitted from micro-enterprise credit.
2. **Land** - The Land Transfer Program (LTP) has conveyed legal titles for more than 91,348 acres. More than 10,200 FMLN and nearly 3,300 ESAF have taken advantage of this program, which uses USAID, EEC, and GOES funding resources.
3. **Health** - 31 Ministry of Health facilities in the NRP have been rehabilitated and are receiving medical supplies. Additionally, the APSISA Project has completed repairs to potable water and sewage systems for 16 health facilities.

III. PROJECT PURPOSE AND DESCRIPTION (Continued)

4. **Micro-Enterprise** - 212 micro-enterprise loans have been approved for the "FMLN 600" ex-combatant program.
 5. **Documentation** - Documentation efforts in the NRP areas enabled 634,227 people to register to vote in the 1994 national election, an increase of 42,730 people over the previous election. Of these, 51% voted.
 6. **Education/Training** - 8,221 ESAF, 8,560 FMLN ex-combatants, and 114 National Police have received or are receiving some form of training assistance.
 7. **MEA** - The MEA program has implemented more than 2,100 basic infrastructure projects.
- C. **Project Description:** The Project is providing a full range of assistance, including technical assistance, commodities, credit, reconstruction of infrastructure, training and employment, basic health and other services for Salvadorans most affected in the ex-conflictive zones and those needing to be reintegrated into the social and economic life of the country.

1/ These numbers represent the total Land Transfer Program, which includes EEC and GOES contributions. The total is reported because numbers being submitted regularly to Washington aggregate these programs. EEC and GOES contributions are: 2,463 beneficiaries who have received 24,959 acres of land.
 2/ *Existing Project* financial data, including accruals and projections, are based on Controller's MACs reports for those with established NRP line items, and on Technical Office data for those with no NRP involvement.

V. **PROJECT STATUS**

A. **Planned EOPS**

1. Increase voter registration in the ex-conflictive zones.
2. Decrease percentage of people living in poverty in the ex-conflictive zones.
3. Decrease percentage of people living in extreme poverty in the ex-conflictive zones.
4. Increase employment in NRP areas.
5. Increase income of project beneficiaries.
6. Reintegrate ex-combatants into civilian life.

B. **Major Outputs**

COMPONENT I:

	PLANNED				ACCOMPLISHED		
	LOP	THIS SEM.	CUM.	NEXT SEM.	THIS SEM.	CUM.	% OF LOP
Immediate Conflictive Zone Relief							
No. of new personal ID cards (cédulas) issued	70,000	17,500	52,500	n/a	192,500	260,000	371%
Increase in registered voters ⁸⁰	(Baseline 1991 - 591,496 / Registered 1994 - 634,227)						

COMPONENT II:

	PLANNED				ACCOMPLISHED		
	LOP	THIS SEM.	CUM.	NEXT SEM.	THIS SEM.	CUM.	% OF LOP
Assistance to Ex-Combatants							
No. receiving demobilization packages	22,900	500	22,900	0	0	17,548	76%
a) FMLN	11,200	0	11,200	0	0	10,740	96%
b) ESAF	11,200	0	11,200	0	0	6,800	61%
c) PN	500	500	500	0	1	1	0%
No. of FMLN disabled receiving medical/surgical attention ⁸⁰	2,600	230	2,600	0	124	2,494	95%
No. of disabled receiving rehabilitation assistance ⁸⁰	5,000	950	2,000	700	268	898	17%
a) FMLN	4,400	700	1,400	700	27	517	11%
b) ESAF	600	250	600	0	241	381	63%
No. of ex-combatants receiving training ⁸⁰							
1) 2-5 yr. academic schol.	1,650	450	1,650	0	1,166	1,166	71%
a) FMLN	600	0	600	0	690	690	115%
b) ESAF	600	0	600	0	416	416	69%
c) PN	450	450	450	0	60	60	13%
2) 6-month voc./ag. trng.	17,800	2,600	14,800	800	1,490	15,729	88%
a) FMLN	7,500	0	7,500	0	219	7,870	105%
b) ESAF	6,500	1,800	6,500	0	1,217	7,805	120%
c) PN	3,800	800	800	800	54	54	1%
No. receiving shelter materials	3,000	0	3,000	0	1,252	1,252	42%
a) FMLN	1,500	0	1,500	0	571	571	38%
b) ESAF	1,500	0	1,500	0	681	681	45%

COMPONENT II (Continued):

	PLANNED				ACCOMPLISHED		
	LOP	THIS SEM.	CUM.	NEXT SEM.	THIS SEM.	CUM.	% OF LOP
Assistance to Ex-Combatants							
No. of ex-combatants receiving credit ⁸⁰	15,000	3,400	9,000	2,000	4,182	8,987	60%
No. of ex-combatants and teneiores receiving land (See Component IV)							
No. receiving reintegration counseling							
	40,300	3,000	40,300	0	3,346	33,462	83%
a) FMLN ^{1/}	7,500	0	7,500	0	0	0	0%
b) ESAF ^{2/}	28,500	0	28,500	0	0	29,316	103%
c) PN	4,300	3,000	4,300	0	3,346	4,146	96%

COMPONENT III:

	PLANNED				ACCOMPLISHED		
	LOP	THIS SEM.	CUM.	NEXT SEM.	THIS SEM.	CUM.	% OF LOP
Social and Economic Reactivation ^{3/}							
No. of people trained ^{80 4/}	54,115	9,415	37,880	9,415	16,830	41,806	77%
a) men	43,392	7,756	31,312	7,756	11,905	n/a	n/a
b) women	10,723	1,659	6,568	1,659	4,925	n/a	n/a
No. of credit beneficiaries ^{80 5/}							
a) agriculture	63,000	15,000	19,900	3,600	11,044	47,286	75%
b) micro-enterprise	5,000	1,000	3,000	2,090	2,425	3,509	70%
c) village banks	12,000	5,000	7,000	293	330	8,697	72%

Percent of clients receiving credit and training with increased income ⁸⁰

This is a new indicator. Data will be available next semester.

No. of NGOs participating in reconstruction activities (cum.) ⁸⁰

80	9	49	9	6	122	153%
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No. of civilian war-wounded receiving physical rehabilitation assistance

2,500	300	1,200	300	543	1,234	49%
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No. of disabled civilians receiving physical rehabilitation assistance in NRP facilities

3,000	480	1,600	480	1,203	4,164	139%
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⁸⁰ Strategic Indicator

1/ The FMLN declined counseling on behalf of their members after LOP goal was set; PN LOP established this period.

2/ 7,329 ESAF trainers were trained, who counselled approximately 4 people each.

3/ The beneficiaries in this category are both civilians and ex-combatants.

4/ Cumulative gender breakdowns are not available because no gender information was taken at beginning of project. Total gender for the semester based on formula of 40% women civilians and 14% women ex-combatants trained.

5/ Planned figures have been revised to reflect greater-than-expected agricultural credit needs, and lower-than-expected village bank needs.

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COMPONENT III (Continued): Social and Economic Reactivation	PLANNED				ACCOMPLISHED		
	LOP	THIS	CUM.	NEXT	THIS	CUM.	% OF
		SEM.		SEM.			
Primary health facilities with adequate water and sanitation	73	10	71	10	16	56	77%
No. of MEA basic infrastructure projects ^{1/2}	4,700	875	3,595	875	350	2,116	45%
a) roads	n/a	n/a	n/a	n/a	173	610	n/a
b) school rooms	n/a	n/a	n/a	n/a	33	510	n/a
c) community buildings	n/a	n/a	n/a	n/a	5	81	n/a
d) electric projects	n/a	n/a	n/a	n/a	73	394	n/a
e) health posts	n/a	n/a	n/a	n/a	26	83	n/a
f) potable water projects	n/a	n/a	n/a	n/a	10	102	n/a
g) municipal buildings	n/a	n/a	n/a	n/a	25	269	n/a
h) other projects	n/a	n/a	n/a	n/a	5	71	n/a

Percent of NRP population served by MEA infrastructure projects ^{2/3/4}

Percentage of cantons participating in MEA open town meetings ^{5/6}

No. of open town meetings held ^{2/3/4}

COMPONENT IV: Legally Transferred Land	PLANNED				ACCOMPLISHED		
	LOP	THIS	CUM.	NEXT	THIS	CUM.	% OF
		SEM.		SEM.			
No. of ex-combatants and tene-dores receiving land ^{2/3}	36,000	4,000	12,000	8,500	2,882	13,516	38%
No. of acres transferred ^{4/}	250,000	20,000	88,000	58,000	52,901	91,348	37%
Percent of Land Bank clients with land in production ^{2/3/4}	75%	64%	n/a	n/a	53%	n/a	n/a

- 1/ Because MEA-funded activities are demand-driven by the communities, planned outputs under this category cannot be calculated at the sub-component level. Planning is based on average number of projects which can be accomplished with a given amount of funding. Activities funded by SABE and built by MEA are included in the "Accomplished" column.
- 2/ Planned target for semester was not reached due to start up delays for newly-elected municipal governments.
- 3/ New Strategic Indicator
- 4/ Percentages are now based a percentage of cantons served; a more precise database will be implemented by next reporting period.
- 5/ Number of meetings held per semester based on a total of four meetings held in each of the 115 municipalities per year.
- 6/ Because numbers being submitted regularly to Washington aggregate beneficiaries of the whole Land Transfer Program, which is funded from USAID, EEC, and GOES sources, data have been revised upward.
- 7/ This indicator will be reported only annually in September due to crop cycles. Target has been revised downward this period. Former number reflected United Nations estimates, not those of USAID. Accomplished percentages are based on surveys; hence, cumulative figures do not apply.
- 8/ Target has been revised downward this period, due to shortage of funding.
- 9/ Planning numbers rounded.

COMPONENT V: Infrastructure	PLANNED				ACCOMPLISHED		
	LOP	THIS	CUM.	NEXT	THIS	CUM.	% OF
		SEM.		SEM.			
No. of physical rehabilitation facilities opened in NRP areas	16	3	13	0	2	15	94%
No. of:							
a) km./roads rehabilitated ^{2/3}	3,600	100	600	600	142	899	24%
b) km./railways rehabilitated	78	13	78	0	13	77.5	99%
c) km./electric transmission and distribution lines rehabilitated ^{2/3}	600	400	400	200	194	256	42%
d) additional beneficiaries w/ access to potable water	34,500	10,000	20,000	7,200	12,807	27,307	79%

Cumulative percent of NRP population benefitting from rural road improvement/expansion activities ^{2/3} (The SAR will report on this new indicator as of next semester.)

C.1. Other Accomplishments and Overall Status

Since the NRP began almost three years ago (52% of the LOP period), almost \$216 million has been committed (amount represents approximately 69% of the present \$310 million LOP funding) to implement more than 72 project activities. The majority of the Action Plans approved during the semester were in the Social and Economic Reactivation, Land Transfer, and Infrastructure Components. No new activities have been approved under the Ex-Combatants Component; however, additional funding was allocated to two ongoing ex-combatant activities: FUSADES (FMLN 600) and the National Police. It is expected that funding priorities and trends established during the past semester will continue through FY95.

With reference to Major Outputs, accomplishments remain in line with "cumulative planned" targets. In the Ex-Combatant Component, major design and implementation difficulties with the "FMLN 600" program were resolved, and training activities for the demobilizing National Police began. In the Social and Economic Reactivation Component, NGO institutional strengthening activities continue; global strategies for agricultural and micro-enterprise credit, civilian war-wounded, and vocational training were approved, and related activities begun. Under the Land Transfer Component, new procedures for distributing land titles were devised which will accelerate project implementation. In the Infrastructure Component, the "caminos vecinales" (rural roads) program and the Intermodal Transportation study were approved, among others.

Specific Accomplishments - Regular 0394:

Program Activities: 1) Provision of 20,000 new personal ID cards (*cédulas*) to NRP ex-combatants and civilians helped increase the number of registered voters in the 115 target municipalities from 591,496 (1991) to 634,227 (1994). 2) 16,895 ex-combatants have received some form of training since the project began. 3) 59,492 small farmers and micro-enterprise owners have received credit from the Agricultural Development Bank and from 39 NGOs. 4) 122 NGOs have received NRP support, amounting to 40% of the funds committed (excluding land transfers and credit, which are executed by GOES agencies). 5) The Municipalities in Action (MEA) activity added 350 basic infrastructure interventions during the semester, for a cumulative total of 2,116 activities. The Land Bank transferred an additional 22,331 acres to more than 3,300 ex-combatants during the reporting period.

PROGRAM ACTIVITIES:

Program Management: 1) Management Systems International (MSI) completed follow-up work on a Management Assessment of the Secretariat for National Reconstruction (SRN). The evaluation provided specific recommendations and implementation actions regarding the restructuring of the SRN. The SRN accepted these recommendations, of which the most salient included a down-sizing of personnel from 391 to 285, the merging of two major departments (Social Development and Program Development/Evaluation), the reorganization of the Municipal Development Department, and the reorganization of all departments to include a Systems and Methods Unit to maintain, improve, and integrate information management. 2) A strategy has been implemented to ensure greater NGO participation within the NRP. As part of this strategy, a workshop was held in September to broaden participation in the SRN annual program planning process. Sixty participants, representing 28 NGOs (11 from "opposition" organizations), five government institutions, the SRN, and AID participated in the workshop. Five working groups were formed to design program strategies to be considered for inclusion in the 1995 Annual Plan. These strategies will be presented and discussed at a follow-up NGO workshop in mid-October. 3) The SRN and AID participated in a LogFrame Workshop and related program planning sessions which have significantly improved the understanding and design of a pragmatic and operational strategic objective program matrix, which will guide the NRP through the remainder of its LOP. The program planning process will continue during the next semester with the design of the 1995 and 1996 Annual Plans. 4) A new format for Activity Close-Out Reports has been devised. 5) The liquidation rate of advances has doubled during the reporting period, and is now approximately 80% of advances.

Project Status by Component

Component A - Immediate Assistance: Completed.

Component B - Ex-Combatant Assistance: Last semester marked a transition from a focus on ex-combatant activities to longer-term development activities under Component C. No new ex-combatant activities were undertaken during the semester; however, additional funds were added to two important ex-combatant activities - "FMLN 600" and the National Police.

Component C - Social and Economic Reactivation: Activities in Component C are concentrated in five areas: (1) MEA; (2) Civilian War Wounded; (3) PVO Support; (4) Micro-Enterprise Credit and TA; and (5) Agricultural Credit and TA. LOP funding for Component C is planned at \$122 million.

Activities within this Component reflect broad-based programming criteria, as outlined in the FY94 Annual Plan: concentrate, focus, and integrate discrete activities; promote the use of NGOs as implementing institutions; and support of activities which improve incomes and increase job opportunities. A number of ongoing activities (e.g., FEDISAL, CRS, PRODEPAZ) have been reformulated or discontinued to meet these criteria. Five new NGOs have received funds during the reporting period.

Major accomplishments in this Component include:

- MEA has implemented more than 2,100 small infrastructure projects.
- Agricultural and micro-enterprise credit has been provided to almost 59,500 beneficiaries.
- 32% of the total NRP commitments (if land transfer and credit, which are executed by GOES entities are excluded, the percentage is 40) have been programmed through NGOs. To date, 49 NGOs have received institutional strengthening.
- World Rehabilitation Fund was contracted to implement a three-year program to provide services to both civilians and ex-combatants suffering physical and emotional handicaps as a result of the armed conflict. The program will provide functional rehabilitation services to 4,800 war-wounded, prosthetic/orthotic devices to 3,000 amputees, specialized medical attention to 500 civilians, and institutional support to 10 war victim treatment centers.

C.1. Other Accomplishments and Overall Status (Continued)

Component D - Land Transfer: During the semester, a new strategy for facilitating land transfer was adopted. Under this strategy, beneficiaries have been issued certificates worth up to €30,000 (approx. \$3,480) from the Land Bank. These certificates can be used to negotiate land purchases, making the beneficiaries independent from the Land Bank in the identification of properties. The Land Bank is available to assist the beneficiaries in negotiations and in the use of the certificates. This new system has reduced overall delays in processing land transfers; however, problems still remain in land surveying and property valuation, and, most importantly, in actually getting land into the hands of targeted beneficiaries. New procedures are being discussed to further facilitate measurement of properties, transfer of land and titles, and registry of titles.

A recently completed survey by a Salvadoran Government Land Transfer Agency (OCTA) indicates that nearly 53% of the land transfer beneficiaries have their land in production. This is a significant increase over the last survey figure of only 25%; however, greater effort needs to be made to further increase the percentage. A total of 91,348 acres have been transferred to 13,516 beneficiaries.

Component E - Infrastructure

The Infrastructure Component began to gather momentum during the previous semester -- a momentum which should now continue through the end of the NRP.

During the semester: • Work was begun and completed on the construction of flood protection improvements on the Lower Lempa River. This system of levees and dikes has greatly reduced the potential for flood damage along both sides of the lower Lempa River in Ersequin in the Department of Usulután. • An inventory of "caminos vecinales" (rural roads) in the NRP Zone was completed. This inventory, and complementary maps, provided the necessary database to select the most important rural roads to be improved/constructed in the NRP. The Action Plan for the "caminos vecinales" program was approved in September. This Action Plan will improve/construct 17 secondary access roads (248 kilometers). Roads have been prioritized in terms of reactivating agricultural production, particularly in the NRP areas attended by the Land Transfer Program. Construction is scheduled to begin in November 1994, to coincide with the end of the rainy season. • The Intermodal Transportation Study was awarded to Fredrich R. Harris, Inc. Implementation began on 1 September 1994, and will continue for 10 months. The study will perform an analysis of legal, institutional, regulatory, and administrative aspects of the transportation sector; recommend, describe, and prioritize specific projects within the sector; and present a plan of action and a time frame for its implementation. • The Habitat Program was significantly modified to provide, in addition to housing materials, essential infrastructure and basic services (e.g., water, access roads) to ex-combatant housing sites.

Specific Accomplishments -- Support from "Existing Projects"

1) Educational materials have been delivered to all official schools, and to 61 of the 200 "Escuelas Populares" in the ex-conflictive areas through the SABE project. 2) The APSISA project completed repairs on 56 water and sewer systems at health facilities in the NRP area. 3) The FUNTER project has increased its goals due to a higher than expected demand for assistance in the ex-conflictive zones. To date, it has given assistance to 4,164 disabled in the NRP areas, well over the 3,000 expected. The new target is 6,200 disabled civilians receiving physical rehabilitation assistance. 4) Working through 35 NGOs in the NRP areas, the PROSAMI project has improved health care for more than 250,000 beneficiaries (primarily women of child-bearing age and children.) 5) To date, the CAPS/CLASP Peace Scholarship Programs have benefitted 234 leaders or potential leaders from 85 of the 115 ex-conflictive municipalities. 6) The FINCA project has assisted 155 village banks in the ex-conflictive zones, and credit has been extended to 451 female and 88 male beneficiaries. 7) The FEPADE project has trained 13,588 individuals in the NRP areas, 42% of whom have been women. 8) Under Project 519-0320, 809 latrines have been constructed, 8 wells drilled or restored, and 379 kilometers of roads have been rehabilitated.

C.2 Women in Development Issues

Tracking for gender disaggregation is now required by Project Implementation Letter for new Action Plans. No gender-specific projects are planned, but the program is working with several NGOs which focus on women (e.g., the Salvadoran Foundation for the Development of Women (FUDEM), and the FINCA/CAM Village Bank program).

In planning credit and training strategies, AID has suggested a minimum target ratio of 60 males to 40 females. These targets should augment the levels of income and productivity of traditionally disenfranchised and under-employed women.

D. Issues

1. ISSUES FROM PREVIOUS SAR (0394)

Issue: Based on sectoral strategies and Annual Plan programming guidelines, broad-based and integrated activities need to be designed and implemented for training, micro-enterprise and agricultural credit, civilian war-wounded, and land transfer. **Status:** Strategies have been prepared for training, credit (both micro-enterprise and agricultural), civilian war-wounded, and land transfer; and specific activities reflecting these new strategies have begun. These strategies, and others, are presently under review by five NGO sectoral working groups, and will be further refined in the 1995 Annual Plan. **Issue:** The NRD and SRN Management Information Systems (MIS) need to become compatible and mutually supportive to assure timely and accurate reporting. **Status:** The IRD/NRD MIS was completely overhauled during the semester. The IRD/NRD MIS is compatible with the SRN MIS as to types of information. Under the restructuring plan of the SRN, all offices (Direcciones) will include Systems and Methods Units to provide technical leadership and supervision in the design, maintenance, and documentation of institutional information systems and methods, vastly improving SRN's MIS and its compatibility with IRD/NRD's system. **Issue:** To improve administrative effectiveness, the SRN needs to implement MSI management assessment recommendations. **Status:** The SRN has agreed in writing to implement all of MSI's management assessment recommendations. (The principal recommendations are outlined above under C.1. Program Management, No. 1.) **Issue:** With program impact indicators and a Strategic Objective monitoring and evaluation plan established, surveys and studies need to be conducted to measure NRP impact. **Status:** Two surveys to measure NRP program impact were completed during the reporting period: an OCTA survey to determine land transfer clients with land in production (result: 53%); and a CID Gallup Poll, which measured re-insertion of ex-combatants (result: a majority of ex-combatants considered themselves better off this year than last). During the upcoming semester, project data will be collected to measure the economic impact of representative activities, impact of job-related training, and the overall economic situation in the NRP zone compared to the rest of the country. **Issue:** How can agricultural credit be moved faster and more effectively? **Status:** The BFA credit line (C85 million) has now been fully allocated. The GOES has agreed to provide additional credit monies to the BFA; the NRP has expanded credit funds for small farmers through NGOs during the semester (e.g., CRS, CARE, CLUSA), improving the swiftness and efficiency of providing agricultural credit. The F-16 was contracted to provide technical assistance and credit collection services to its constituency, which is expected to augment credit recuperation rates.

2. ISSUES FROM THIS PERIOD:

Issue: The SRN needs to implement its proposed restructuring plan. **Issue:** Through FY94, 0394 has provided the majority of administrative funds for the SRN to manage the NRP. As of CY95, the SRN must obtain administrative funds from sources other than 0394. To date, it is unclear whether these funds have been identified and secured. **Issue:** Through a series of workshops and working groups, which began during the past semester, a broad range of NGOs have been consulted on the elaboration of program strategies for the 1995 Annual Plan. These efforts have resulted in a wider consensus of program strategies, an increased number of NGOs implementing projects directly, and a renewed commitment by the NGO community to the goals and objectives of the NRP. Means need to be devised to assure continuity of NGO involvement in the program planning and implementation of the NRP.

2. ISSUES FROM THIS PERIOD (CONTINUED):

Issue: As the NGO community becomes more active in the design and implementation of the NRP, a coherent strategy needs to be developed which addresses issues of how to integrate discrete activities, institutionally strengthen fledgling NGOs, and improve outreach and beneficiary participation. **Issue:** The SRN completed a number of program evaluations during the last semester; however, standardized evaluation methodology has yet to be developed, decreasing the objectivity and usefulness of the evaluations performed. Based on increased demand for in-house evaluations, the SRN Program and Evaluation Unit needs to be strengthened and evaluation guidelines developed.

"Existing" Projects

Issue: Funds remaining to be obligated in FY95 and FY96 need to be programmed more effectively/efficiently by existing projects to achieve greater impact, e.g., credit and training (FINCA/PROPEMI), education (SABE), etc. **Issue:** (Project 0318 - FINCA/CAM) Should AID offer incentives to expand activities in the NRP?

E. Major Activities or Corrective Actions During the Next Six Months

Project 519-0394 (major activities)

- FEPADE and TechnoServe will have completed diagnostic surveys to identify job opportunities in the NRP. Based on these surveys, training activities will be initiated for 1,600 beneficiaries.
- The National Police will have completed demobilization and the NRP will have provided reintegration services to approximately 4,300 PN agents.
- Approximately 8,000 beneficiaries will receive land transfers during the next semester. Complementary activities related to the land transfer program (e.g., infrastructure and basic services) will begin in approximately 15 pilot communities.
- 13,800 beneficiaries will receive agricultural or micro-enterprise credit and technical assistance during the semester.

Project 519-0394 (management)

- The SRN will implement its restructuring plan. Within its restructuring plan, the SRN will focus special attention on improving program evaluation methodology and its MIS; redesigning guidelines for presentation and approval of Action Plans; measuring project and program impact; and implementing program strategies as outlined in the 1995 and 1996 Annual Plans.
- The SRN will secure funds from non-0394 sources to cover its management and administrative costs from CY 1995 through the LOP.
- As part of the policy to broaden NGO participation through workshops, working groups, and consulting bodies, the SRN and USAID will continue to encourage and enhance NGO participation in the design and implementation of the NRP. An NGO strategy will be developed and incorporated, as appropriate/possible, in the 1995 and 1996 Annual Plans.
- The 1995 and 1996 Annual Plans will be designed and the 1995 Plan implemented.
- AID/W has recently cited the NRP as a model reinsertion/reconstruction program which needs to be more fully documented, and its "lessons learned" applied to new war-to-peace transition situations. To further these objectives, the Mission plans to: (a) write a paper entitled "Peace and National Recovery Project: Lessons Learned"; and (b) propose that a regional seminar for Central American countries be held to share "lessons learned" from reinsertion/reconstruction programs.

"Existing" Projects

- The NRP "Existing Project" budget will be revised and a strategy developed to improve overall impact of these project activities on the National Reconstruction Program.
- (Project 0318 - FINCA/CAM) RIG's audit on San Miguel and other areas will continue, and corrective measures will be established.

PEACE AND NATIONAL RECOVERY PROJECT 519-0394 AND SUPPORTING PROJECTS
FINANCIAL STATUS REPORT AS OF SEPTEMBER 30, 1994
(US. DOLLARS)

Components	LOP Approved Budget	Total Obligated	Total Amount Committed	Total Accrued Expenditures
A. IMMEDIATE RELIEF	5,686,351	5,686,351	5,686,351	5,686,169
1. ESF FUNDING	1,500,000	1,500,000	1,500,000	1,500,000
2. DTF FUNDING	0	0	0	0
3. HCOLC FUNDING	2,229,878	2,229,878	2,229,878	2,229,696
4. EXISTING PROJECTS	1,956,473	1,956,473	1,956,473	1,956,473
B. EX-COMBATANT ASSISTANCE	96,702,850	95,102,850	81,241,184	53,363,376
1. ESF FUNDING	4,264,130	2,664,130	2,164,131	0
2. DTF FUNDING	69,161,643	69,161,643	61,259,388	44,759,829
3. HCOLC FUNDING	23,277,077	23,277,077	17,817,665	8,603,547
4. EXISTING PROJECTS	0	0	0	0
C. SOCIAL & ECONOMIC REACTIVATION	121,774,432	103,005,071	88,407,794	70,898,080
1. ESF FUNDING	70,120,942	51,472,942	41,603,056	30,814,177
2. DTF FUNDING	7,202,718	7,202,718	7,202,718	6,000,000
3. HCOLC FUNDING	18,809,411	18,809,411	17,692,024	17,603,280
4. EXISTING PROJECTS	25,641,361	25,520,000	21,909,996	16,480,623
D. LAND TRANSFER MECHANISM	20,736,311	11,836,311	8,000,000	8,000,000
1. ESF FUNDING	12,736,311	3,836,311	0	0
2. DTF FUNDING	0	0	0	0
3. HCOLC FUNDING	8,000,000	8,000,000	8,000,000	8,000,000
4. EXISTING PROJECTS	0	0	0	0
E. MAJOR INFRASTRUCTURE	51,113,612	44,213,612	25,473,646	20,482,687
1. ESF FUNDING	17,711,446	10,811,446	4,340,817	1,446,033
2. DTF FUNDING	0	0	0	0
3. HCOLC FUNDING	0	0	0	0
4. EXISTING PROJECTS	33,402,166	33,402,166	21,132,829	19,036,654
F. PROGRAM AUDIT & MANAGEMENT	13,801,907	12,901,907	9,831,316	7,165,242
1. ESF FUNDING	5,667,171	4,767,171	2,168,132	1,325,998
2. DTF FUNDING	2,635,639	2,635,639	2,164,087	1,580,420
3. HCOLC FUNDING	5,499,097	5,499,097	5,499,097	4,258,824
4. EXISTING PROJECTS	0	0	0	0
1. TOTAL ESF & DTF FUNDING	191,000,000	154,052,000	122,402,329	87,426,457
ESF FUNDING	112,000,000	75,052,000	51,776,136	35,086,208
DTF FUNDING	79,000,000	79,000,000	70,626,193	52,340,249
2. TOTAL HCOLC FUNDING	57,815,463	57,815,463	51,238,664	40,695,347
3. TOTAL EXISTING PROJECTS	61,000,000	60,878,639	44,999,298	37,473,750
GRAND TOTAL	309,815,463	272,746,102	218,640,291	165,595,554
	ESF/DTF	EXISTING PROJECTS	HCOLC FUNDING	TOTAL
ACCUMULATED EXPENDITURES FOR THIS PERIOD:	36,645,648	13,027,361	3,224,023	52,897,032
CUMULATIVE ACCRUED EXPENDITURES FOR THIS PERIOD:	87,426,457	37,473,750	40,695,347	165,595,554
PROJECTED ACCRUED EXPENDITURES/NEXT PERIOD:	21,000,000	4,000,000	10,500,000	35,500,000

% Life of Project (LOP) Elapsed 48%
% Of Total Authorized Obligated 88%
% Of Total Obligated Expended 61%
% Of Total Authorized Expended 53%

PROJECT STATUS REPORT
Art. 1. to Section 20, 1994

MISSION DIRECTOR RATING: **C**

BACKGROUND DATA

Project Title: Reconciliation-Credit & Income Generation
 Project Number: 518-0399
 Date of Authorization: original: 07/18/92 amendment: 07/31/95
 Date of obligation: Original 7/18/92 Last amendment: 7/20/94
 PACO: Original: 07/31/94 amended to: 07/31/95
 Implementing Agencies: Catholic Relief Services (CRS)
 Major Contractor: None
 Project Manager: Ana Luz Joya de Mena
 Status of CPs/Covenants: CPs to first disbursement: All Met
 CPs to Subsequent Disbursement: All Met
 Covenants: None
 Date of Last Evaluation: 00/00/00 Next Evaluation: March 1995
 Planned Number of Non-Federal Audits During Fiscal Year: Pending
 The Number of Such Audits Contracted for/Completed: One
 Date of Last Audit: June, 1994 Next Audit: June 1995

FINANCIAL DATA

Amount Authorized: DA Grant: orig \$1,000,000
 Amount Obligated: DA Grant: orig \$1,000,000
 Amount Committed: Period: \$ 200,000
 Cumulative: \$1,000,000
 Period - Projected \$ 300,000
 Period - Actual \$ 61,670
 Counterpart Cont.: Cumulative \$ 400,807
 Projected Next Sem. \$ 300,000
 Planned: \$ 313,123
 Actual: \$ 180,702
 % LOP Elapsed: 73%
 % of Total Authorized Obligated: 100%
 % of Total Obligated Expended: 40%
 % of Total Authorized Expended: 40%

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVE

A. Specific Linkage to Strategic Objective

Strategic objectives #1 & #2 by seeking through credit and Technical Assistance to improve income levels to meet food security & other needs of families living in poverty.

B. Percent of LOP Funds Relating to Strategic Objective

80% of funds related to Strategic Objective number One, Transition from war to Peace, and 20% to S.O. #2 Broad-Based Economic growth increased.

III. PROJECT PURPOSE AND DESCRIPTION

A. Project Purpose

To assist Catholic Relief Services (CRS) in expanding its support of productive enterprise initiative through credit and technical assistance to targeted low income beneficiaries.

B. Achievements to Date

Credit under RALFs component: \$251,464 were invested in loans to 1,697 small farmers in 74 communities (\$150,884 in AID funds and \$100,600 in CRS funds).
 Credit under the Village Bank component: \$106,926 was invested, of which \$26,389 was in AID funds & \$80,567 in CRS funds, participating in 34 village bank.

C. Project Description

This Operational Program Grant (OPG) is designated to improve income levels to meet food security and other needs of 2,800 families living in poverty. The Project consists of two credit programs. The first program is village banking, designated to meet the credit needs of 1,200 urban women. The second program is the rotating agricultural loan fund (RALFs) designed to reach 1,600 poor farmers. Operating expenses, Training/TA and Management of the program will absorb \$665,096 of AID funds, equivalent to 58% of total funds.

IV. PROJECT STATUS

A. Planned ROPs

	Planned ROPs	Progress to date
1. Village Banking: (88% expected repayment rate)	88%	88%
a. 30 village banks (26 new banks) will be established by Caritas in three participating Dioceses (\$153,800 seed cap.)	30*	24
b. 800 new indiv. borrowers	800**	847
2. Rotating Agricultural Loan Fund (Repayment projected 95%)	95%	80%
a. 75 new RALFs to be organized (\$261,400 seed cap.)	75	64
b. 1,600 indiv. borrowers	1,600	1,697

B. Major Outputs

	Planned			Accomplished		
	LOP	This Sem	Next Sem.	This Sem.	Compl.	% of LOP
1. VILLAGE BANKS						
a. No. of field offices (only 21 new)*	30	4	30	0	10	34
b. Total Amount of credit disb. (\$000)	270	70	168	55	29	91
AID funds**	153.6	35	88	37	8	24
CRS counterpart funds	116.8	36	80	18	21	67
c. # of Beneficiaries (All women)***	800	240	1280	63	178	847
2. ROTATING AGRICULTURAL LOAN FUND (RALFs)						
a. Total Amount of Credit disb. (\$000):						
AID funds**	362	67.4	171.4	30	0.3	251.4
CRS funds	261.4	67.4	171.4	30	6.3	168.8
b. Number of indiv. farmers rec. loans	1,600	300	1600	0	6	168.8
3. TRAINING						
-Total Agr. Promoters	n/a				6	10
Male/Female		10/10	10/10	10/10	6	10
Number of Days trained		6	18	6	7	21
-TR-Fin Mgmt RALFs						
Male/Female/Days		20/20/6	200/20/6		3677/6/10	
-TR-Soil Conserv.						
Male/Female/Days		300/30/4	300/30/4		881/1/108	
-TR-Seed Sel/Tmt						
Male/Female/Days		226/40/4	226/40/4	44/6/3	617/6/11	
-TR-Other						
Male/Female/Days		403/75/6	403/75/6	263/28/26	688/73/40	

* The No. of field offices was recently corrected from 40 to 30

** US\$600 borrowed from village bank credit was transferred to RALF credit

C1. Other Accomplishment and Overall Status

The project was extended to 7/31/95 in order to allocate all credit and complete crop cycle.

- Training workshop were held for V.Banks's beneficiaries. Topics covered include sales, marketing, nutrition, communication, women's rights, financial controls, credit committee responsibilities, business development and bookkeeping. A computerized Financial Information Monitoring System has been installed in Caritas, which will improve data collection and analysis at the beneficiary level, as well as improve project monitoring.
- For the RALF's benef., 25 communities received training on four modules:
1) Organiz. of rotating Agri. Loan Comm. 2) Storages of basic grains 3) Marketing and 4) Selection and treatment of seeds.

C.2 WID Issues

Of the 2,544 loan participants, 1,075 are women (93% of V.B. benef.; 17% of RALF benef.)

D. Issues

- Low recuperation rate for RALF's component as of the date, reaching 82%. Problems during this semester have included a delay in recuperation of agricultural loans from 1993-94 in two dioceses. The difficulty in repayment has been compounded by the effects of a large-scale drought in the eastern part of the country, which affected beneficiaries of the RALF. Related to conflict of charity practices from Caritas & Diocesis, workshops were on Credit Committees responsibilities, business development and bookkeeping.
- Low disbursement of funds under OPG components, mainly under the loan component for V.B.
- A number of Village Banks have closed following inauguration,

E. Major Activities or Corrective Actions During the Next Six Months

- Agricultural loans will be refinanced as a result of a drought
- Training activities will continue with additional focus on strengthening the local RALF's credit committees.
- Projects funds will be authorized to include financing of small individual sites into RALF component.
- Audit report to be discussed.
- Training and monitoring at the beneficiary and counterpart level will increase in an effort to deter bank closing.
- Project evaluation will also be performed.

Project close out activities will be started

STRATEGIC OBJECTIVE NO. 2: BROAD BASED ECONOMIC GROWTH INCREASED

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PROJECT STATUS REPORT
April 1 - September 30, 1994

MISSION DIRECTOR RATING: A X B C
Private Sector Component:

I. BACKGROUND DATA

Project Title: Industrial Stabilization and Recovery
Project Number: 519-0287.01
Date of Authorization: Original: 09/17/84 Amendment: 02/18/94
Date of Obligation: Original: 09/24/84 Last Amendment: 07/31/92
FACD: Original 09/30/87 Amendment: 12/31/94
Implementing Agencies: FUSADES
Major Contractors: Washton Brown Ass., Interamericas Group Inc., HNZ
Market Search
AID Project Manager: Ana Vilma Albanex de Aguilar
Status of CPs/Covenants: CPs to First Disbursement - All Met
Covenants: All Met
12/17/84; 01/14/85; 01/09/85; 10/22/85;
06/17/85; 10/17/85; 04/27/88; 06/13/88;
08/15/89.
CPs to Additional Disbursement under the Investment
Fund - All Met

Date of Last Evaluation: 06/30/88 Next Evaluation: 4QCY94
Planned Number of Non-Federal Audits during Fiscal Year: one
Number of such Audits Contracted for/Completed: one
Date of Last Audit: 12/93 Next Audit: 09/94

FINANCIAL DATA

Amount Authorized: Orig.	\$6,890	Amended to	\$43,000,000
Amount Obligated: Orig.	\$2,157	Amended to	\$43,000,000
Amount Committed: Period:	\$ 226,134		
	Cumulative:	\$42,765,000	
Accrued Expand.: Period-Projected	\$ 5,651,000		
	Period-Actual	\$ 5,002,000	
	Cumulative:	\$42,351,000	
	Projected next sem.	\$ 0	
Counterpart Contribution Planned:	\$ 8,465,000 -		
	Actual:	\$ 13,560,000	
% LOP elapsed:	100%		
% of Total Auth. Oblig.	100%		
% of Total Oblig. Expanded	98%		
% of Total Auth. Exp.	98%		

* This figure was adjusted to reflect planned counterpart according to PP Supplement #2.
** Subject to audit.

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVE

A. Specific Linkage to Strategic Objective

The export and investment promotion activities of FUSADES contribute to SO No. 2 Broad Based Economic Growth Increased, by increasing private investment, exports, productive employment, market assistance and availability of technical assistance and credit. The activities of the Center of Studies of FUSADES contribute to the creation and maintenance of appropriate economic policy framework.

B. Percent of LOP Funds Relative to Strategic Objective

100% to Broad Based Economic Growth Increased.

III. PROJECT PURPOSE AND DESCRIPTION:

A. PROJECT PURPOSE:

To stimulate growth in the nontraditional export sectors of El Salvador, resulting in increased levels of employment, income, investment, and foreign exchange earnings.

B. Achievement to Date

As a result of PRIDEX' efforts in supporting local export projects in promotion of foreign investment in El Salvador, PRIDEX has generated to date over 47,635 jobs, \$272 million in foreign exchange earnings, and \$6.4 million in new investment in export enterprises. The PRIDEX activities have been supported by FIDEX. In Addition, the Center of Studies of FUSADES periodically monitors the GOES economic and social policy performance.

C. Project Description

PRIDEX - This Unit carries out the export and investment promotion efforts of FUSADES. It supports domestic firms with export potential, focusing on a small number of industrial sectors, selected on the basis of their potential for increased exports and job creation.

CENTER OF STUDIES - This Unit conducts an active program of economic, social and legal research, policy analysis, and dissemination activities in support of FUSADES' free enterprise, private sector led growth model.

BANPRIDEX - The former financial arm of FUSADES is now an independent bank which manages FUSADES credit funds. It was established under this Project as a diversified financial institution, which deepens the financial sector by providing development financing for non-traditional activities.

IV. PROJECT STATUS:

A.	Planned EOPS*	Accompl. This Semester	Progress To Date:
1. Estimated 37,500 jobs in export enterprises (No.):	37,500	5,227	47.635
2. An estimated \$139 million in foreign exchange earnings (US\$ millions):	\$139.0	\$ 33.2	\$272.2
3. An estimated \$135 million of new investment in export enterprises (US\$ million):	\$135.0	\$ 8.6	\$ 86.4

*NOTE: EOPS reflect results stated in Project Paper Supplement No. 2.

B. MAJOR OUTPUTS

	Planned				Accomplished		
	LOP	This Semester	Next Semester	Next Semester	This Semester	Next Semester	% of LOP
1. \$15.0 million in investment fund disbursement for industrial export projects. (US\$ millions)							
Loans	\$15	1.6	15	0	1.24	14.7	98%
Equity	0	0	0	0	0	0	0
2. Sub-projects identified promoted and developed by PRIDEK	300	0	288	0	0	532	177%
3. Number of investing ^{1/} companies assisted		0	100	0	0	312	

^{1/} This output was added to provide additional useful information.

C. I OTHER ACCOMPLISHMENTS AND OVERALL STATUSFUSADES

- During this period, the FUSADES Board, Executive Committee and staff met regularly to discuss self-sustainability. The institutional objectives have been defined as: a) promotion of private enterprise and free-market systems and values; b) greater investments in the productive sector, and c) enhancement of social stability. The organization has three arms to carry out these objectives: a Center of Studies composed of the DEES and the Legislation Department; an Economic Development Center encompassing PRIDEK, PROMEMI and DIVAGRO; and a Social Development Center.

The organization is not expected to undergo dramatic changes when A.I.D. support ceases. However, FUSADES, is focusing on operating as a business,

charging fees for professional services. The PRIDEK staff has made significant progress in packaging its services for various market segments. During this period, steps have been taken to obtain feedback from clients on which services are perceived as more valuable. The DEES on its part is also prioritizing its activities and paying special attention to those which represent revenue sources. FUSADES, however, does not view the DEES as a profit center in an effort not to jeopardize the autonomy of its studies, criticisms and recommendations.

- On its part, DIVAGRO is progressing firmly towards self-sufficiency with income expected from agricultural exports cultivated in the two farms purchased by FUSADES, "La Colina" and "Amulunga". In addition, the Quality Assurance Program (lab) is expected to become self-sufficient by mid 1995 through the sale of its services. Last, the microenterprise program of FUSADES is already self-supporting.
- During this period, FUSADES and AID staff have also taken concrete steps towards Project close-out. Actions have been initiated to close the 1993 audit findings, to analyze Project counterpart contributions, to transfer fixed assets purchased with Project funds to FUSADES, and to produce a final liquidation report presenting all Project expenditures.
- In addition, during this period, the Mission worked on a scope of work for the final evaluation of the Project, seeking insight on overall impact. The evaluation will not be initiated until the 4QCY94.
- During this period, FUSADES contracted Peat Marwick to perform a recipient contracted audit to cover the period January 1, to December 31, 1993, which, among other things, reviewed the overhead rate. The final document has been presented to FUSADES and this Mission, which are collaborating in the closing of the findings. A new provisional overhead rate of % has been established.

CENTER OF STUDIES

- The DEES has actively continued the publication of its monthly bulletins, weekly economic section in local newspapers and the organization of quarterly presentations on the country's economic situation. Main topics included in those activities have been: regional economic integration, private solutions to public problems, educational reform, modernization of the state, human capital development, etc. Other studies and presentations in the DEES agenda include: Strategy for Agricultural Development 1994-2000; the US Trade Agenda and its impact on El Salvador; the effects of NAFTA on El Salvador; the Rate of Exchange and Economic Development in El Salvador; Study on Family Remittances; and others.
- During this period, FUSADES hired a well-known Salvadoran economist as head of the Program.

PRIDEK

- This Program continues to focus on activities for achievement of self-sufficiency. These include filling the pipeline with foreign investors, beginning to charge for core services, selecting new business opportunities, identifying new international funding sources and improving the organizational structure. An Asian investment promotion program has been implemented in accordance with the plan developed by PRIDEK earlier this year. The consulting firms engaged by PRIDEK in Seoul and Taipei have performed well, and the contacts made by PRIDEK during a visit to the Far East in July have identified leads which should generate revenues during 1995. In addition to contacts made with individual companies, PRIDEK will benefit from persuading an investment mission from Korea to add El Salvador

to its itinerary. One of the most important challenges for PRIDEX staff was to begin selling services to clients. PRIDEX, however, has made significant progress in meeting this objective. Foreign investors and contractors have willingly paid to receive support from PRIDEX staff during site visits. Salvadoran firms have become accustomed to paying fees to PRIDEX in order to participate in international trade shows and sales missions. Salvadoran entrepreneurs, however, are not likely to pay for high-cost training and technical assistance by foreign experts. In the area of selecting new business opportunities, the Trade Information Center and the Electronic Bulletin Board System established in PRIDEX are now operational. Initiatives were also carried out to offer the services to importers, exporters and investors. The TIC includes a reference library with up-to-date CD-ROMs, technical manuals, current import-export procedures and the most comprehensive collection of business directories in Central America and South America and other regions. The BBS offers an array of data and business opportunities, with daily postings, offers to buy, offers to sell, joint-venture projects and accurate, up-to-date information on the nation's economic, political, industrial, cultural and tourism status.

C. II. FUSADES' CONTRIBUTION TO NRP

Although FUSADES is contributing to the NRP through several activities, these are not funded by this Project.

C. III. WID ISSUE

As a result of the Project's contribution to private investment, more than 30,000 jobs for women have been created during the LOP, in the garment sector. This is particularly significant given that 70% of these women are heads of family.

D. MAJOR ACTIVITIES DURING THE NEXT 6 MONTHS

- An overall Project evaluation is scheduled for 4QCY94.
- A final Project audit will be completed during 4QCY94.
- Project close-out activities will be completed.

E. ISSUES

- FUSADES transition from AID funding to self-sufficiency.

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PROJECT STATUS REPORT
April 1 - September 30, 1994

MISSION DIRECTOR RATING: A X B ___ C ___

I. BACKGROUND DATA

Project Title: Training for Productivity and Competitiveness
 Project Number: 519-0315
 Date of Authorization: original 03/31/87 amendment 00/00/00
 Date of Obligation: original 03/31/87 last amendment 06/30/93
 PACD: original 08/31/92 amended to 08/31/97
 Implementing Agencies: Fundación Empresarial para el Desarrollo Educativo (FEPADE)
 Major Contractors: N/A
 AID Project Manager: Michael Cavallaro, OET
 Status of CP's/Covenants: CPs: All Met: 8/87
 Covenants: All Met: 8/87
 Date of Last Evaluation: 02/91 Next Evaluation: 05/95
 Planned number of Non-Federal audits during FY: 1
 The number of such audits contracted for/completed: 1
 Date of Last Audit: 10/93 Next Audit: Oct./94

FINANCIAL DATA

Amount Authorized:	DA/ESF Grant: orig	\$ 14,000,000	amended to	\$19,000,000
Amount Obligated :	DA/ESF Grant: orig	\$ 6,000,000	amended to	\$17,481,053
Amount Committed:	Period:	\$ 2,181,053		
	Cumulative:	\$ 17,208,362		
Accrued Expenditure:	Period - Projected	\$ 2,457,568		
	Period - Actual	\$ 1,554,723		
	Cumulative	\$ 13,308,305		
	Projected Next Sem.	\$ 1,100,000		
Counterpart Contribution	Planned:	\$ 9,680,000		
	Actual:	\$ 14,829,714 *		
% LOP elapsed:	71%	* Per MOM 780, the exchange rate		
% of Total Auth. Obligation	92%	in effect at agreement signing		
% of Total Oblig. Expended	79%	(c/\$1) was used to calculate		
% of Total Auth. Expended	91%	counterpart.		

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVES

A. Specific Linkage to Strategic Objectives

- a) Strategic Objective No.2 Increase Equitable Economic Growth. FEPADE is providing training opportunities for thousands of poor Salvadorans who would otherwise be unable to afford technical training.
- b) Strategic Objective No.1 Assist El Salvador Make the Transition from War to Peace. FEPADE training programs were among the first activities initiated to support this objective. The programs at present are responding to the vocation training needs of individuals living within the National Reconstruction areas.

B. Percent of LOP Funds Relating to S.O.

60% No.2 --- 40% No.1

III. PROJECT PURPOSE AND DESCRIPTION

A. Project Purpose

To develop or upgrade the human resources needed by the Salvadoran private sector for increasing production, productivity and competitiveness through the establishment of special training programs and linkages between the productive sectors and educational institutions.

B. Achievements to Date

- 1) FEPADE has trained 55,859 individuals (36,693 male, 16,166 female) in vocational training courses. It also has trained 12,726 individuals (8,818 male, 3,908 female) under management training seminars.

2) In relation to the National Reconstruction Plan (NRP), apart from funds disbursed through the SRN. FEPADE has trained 9,030 individuals (4,916 male, 4,114 female) in ex-conflictive areas.

C. Project Description

Improves vocational and technical skills training needed by priority sectors of El Salvador's economy, especially the non-traditional export segment.

The four components are: (1) Institutional Strengthening; (2) Vocational Technical Training; (3) Management and Information Training; (4) Scholarships.

IV. PROJECT STATUS

A. Planned EOPS

- 1. FEPADE to be 100% self-sufficient.

Progress to Date

According to FEPADE's strategy for self-sufficiency, several operational components of the organization will be self-sufficient by 1995. At present those components are at varying levels of self-sufficiency - Escuela Automotriz (75%), RTAC II and other textbooks (113%), Gerencia Administrativa (93%), and Maestría (129%). The endowment, composed of program income from USAID-funded activities and FEPADE's own sources of financing, is now worth \$2.9 million. Funds are deposited with six different banks at an average interest rate of almost 16%. Once the endowment is fully constituted in 1996, it will increase by 10% annually to offset inflation, and will support FEPADE's core administration as well as some level of subsidized tech/voch training.

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2. 80% of FEPAD training graduates to be employed in area of training and rated as better prepared than average employees.
3. 95% of all programs should be with visible industry/education relationship.
4. Under NRP activities 21,000 persons will be trained.

FEPAD's follow-up evaluations show an average of 93% employment after training. 100% of employers rate FEPAD students as better prepared than employee.

100% of all current programs have visible industry/education relationship.

70% of the total has been obtained.

B. Major Outputs

	Planned		Accomplished			% of LOP	
	LOP	This Semest.	Cum	Next Semest.	This Semest.		Cum
1. Institute personnel trained in technical-vocational systems	950	96	665	96	206	883	93
	(Sex desegregated)		data this semester		M/F: 66%/34%		
2. Competency based curriculum designed	40	2	28	1	2	63	158
3. Persons trained in competency based skills	47,500	2,976	32,250	2,976	5,198	55,859	118
	(Sex desegregated)		data this semester		M/F: 71%/29%		
4. Institute Programs received equipment and materials	18	0	13	0	2	91	505
5. Management Administrative Training course participants	12,500	1,310	8,750	1,310	1,882	12,726	102
	(Sex desegregated)		data this semester		M/F: 69%/31%		
6. NRP	21,000	4,170	14,700	3,128	3,662	14,729	70
	(Sex desegregated)		data this semester		M/F: 54%/46%		

C. Other Accomplishments and Overall Status

1. General

- a) FEPAD continues with its 27 Advisory Committees composed of representatives from the private sector, technical institutes, and other groups interested in insuring that training programs are appropriate to demand, local technology, and the specific geographic area, and are of high quality.
- b) FEPAD has expanded its services within National Reconstruction by beginning a program of customized Management Training to the REDES and the former guerrilla radio station Radio Venceremos.

- c) The president of INSAFORP, a FEPAD executive committee member, has managed to dramatically cut INSAFORP's legacy of government employees, and has had success, with FEPAD, in convincing INSAFORP's director to place much less emphasis on direct training.
- d) FEPAD has delivered 494 courses (8,704 individuals) in the last year (September 93 - September 94), and in the process has fortified 2 institutions.
- e) FEPAD has been actively implementing projects in the areas of National Reconstruction, and has spent to date \$1,227,629 of \$2.6 million, delivering 819 courses to 14,729 participants.
- f) FEPAD continues to train between 1,000 and 1,500 individuals per month in all its USAID-funded activities.

2. Women in Development Issues

- a) FEPAD continues to strive for its goal of 40% female participation in all of its programming. This reporting period, 2,392 women were trained through the technical vocational program and 656 through the management-administrative program. Several special courses were given during the period directed especially at training women in two non-traditional areas, Residential Electrical Installation, and Industrial Work Safety. Unfortunately, except in NRP activities, the percentages of women trained this reporting period dropped below 40%. FEPAD feels that this is simply cyclical, and in no way represents a trend. Nonetheless, special attention will be given during the following six months.
- b) As part of the \$500,000 reconstruction zone industrial employment survey, placement, and training program, which began in mid-September, FEPAD will actively pursue the training and placement of women in non-traditional occupations.

D. ISSUES

1. Status of Issues Last Reporting Period

None.

2. Issues this Reporting Period

None.

E. Major Activities or Corrective Actions During the Next 6 Months

1. Monitor progress of the \$500,000 reconstruction zone industrial employment survey, training, and placement program. The data collection stage was completed within this reporting period.
2. Evaluate FEPAD's performance in specialized management training for REDES and Radio Venceremos.
3. Participate in AED technical assistance, due to begin in November, designed to develop the ability within FEPAD to both perform comprehensive institutional analysis and to provide appropriate customized interventions.

PROJECT STATUS REPORT
April 1, 1994 - September 30, 1994

MISSION DIRECTOR RATING: A B C

I. BACKGROUND DATA

Project Title: Technical Support, Policy Analysis, and Training
 Project Number: 519-0349
 Date of Authorization: original 09/23/88
 Date of Obligation: original 08/30/88 last amendment 08/30/91
 PACD: original 07/31/93 amended to 07/31/95
 Implementing Agencies: Ministry of Planning
 AID Project Manager: Michael Radmann, PPD
 Status of CPs/Covenants: CPs to First Disbursement - All Met: 10/26/88

Date of Last Evaluation: 9/92 Next evaluation: 6/95
 Planned Number of Non-Federal Audits during Fiscal Year:
 The Number of such Audits Contracted for/Completed:
 Date of Last Audit: 1/94 Next Audit:

FINANCIAL DATA

Amount Authorized:	DA/ESF Grant: orig	\$17,000,000	amended to \$32,000,000
Amount Obligated:	DA/ESF Grant: orig	\$ 2,000,000	amended to \$32,000,000
Amount Committed:	Period:	\$ 1,998,014	
	Cumulative:	\$26,869,251	
Accrued Exp.:	Period-Projected:	\$ 4,000,000	
	Period-Actual:	\$ 2,343,872	
	Cumulative:	\$23,880,626	
	Period-Next-Planned:	\$ 2,000,000	
Counterpart Planned:		\$10,200,000	
*Contribution Actual:		\$ 7,731,063	
% LOP Elapsed		86%	
% of Total Auth. Oblig.		100%	
% of Total Oblig. Exp.		75%	
% of Total Auth. Exp.		75%	

* This includes HCOLC and counterpart from MOST, IFM, Agdivest, MCA and Superintendency programs
 * Per MOM 780, exchange rate in effect at Agreement signing (C5/91) was used to calculate counterpart

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVE

A. Specific Linkage to Strategic Objective. The Project contributes to the Mission objectives of broad-based economic growth increased, promoting enduring democratic institutions with broad based participation, and supporting the transition from war to peace, by financing the implementation of priority economic and social reforms which are improving the effectiveness and transparency of the public sector institutions, building the framework for a sustained economic growth. Through activities such as the agricultural privatization, broad-based economic growth is promoted by supporting private sector market development. The MOST program also contributes to increasing broad-based economic growth by improving the equitable aspects of the tax system and reducing economic distortions. Through Municipal Development activities, democratic institutions with broad based participation have been promoted by supporting institutional strengthening of municipal governments and decentralization. In addition, assisting the GOES to adopt an integrated financial management system and post audit institution will strengthen democracy by raising the accountability of public officials and helping in reducing corruption, fraud and mismanagement. By the training of ex-combatant leaders with the objective of facilitating their reintegration to society, the Project promoted the transition from war to peace.

B. Percent of LOP Funds Relating to Strategic Objective

62% of the funds are devoted to increasing broad-based economic growth, 33% are devoted to promote enduring democratic institutions with broad based participation, and 5% to support transition from war peace.

III. PROJECT PURPOSE AND DESCRIPTION

A. Project Purpose Is to enhance Salvadoran capabilities to identify and address priority development problems, undertake policy and strategy reform, and to improve development programs and project implementation.

B. Achievements to Date Program and Policy development studies such as the household and income surveys, a study of decentralization models of water and sanitation programs in Chile and Brazil, a study of new social security alternatives for the Commission for Modernization of the Social Security System and others have provided updates to the national development plan and have filled gaps in the GOES information base and strengthened GOES economic decision making. Conferences, technical assistance and training activities in municipal development, privatization, modernization of the tax system, social sector initiatives, integrated financial management and tax modernization have prepared the ground for and facilitated implementation of reforms in those areas. One recent training course in the management of public investment projects is strengthening public and private sector official's competence to assess public investments according to resources and set priorities over the GOES Economic and Social Strategy

C. Project Description The Project has two components: (a) Grantee Program Development and Implementation, under which technical assistance and training for the public sector is provided; and (1) Grantee Financial Management and Accounting, which purpose is to increase public sector efficiency through integrated financial management and the modernization of the audit function.

IV. PROJECT STATUS

A. Planned EOPS

1. Increased availability and use of statistical and analytical materials and methods.
2. Improved monitoring/auditing capabilities of GOES entities.
3. Increased rate of disbursement of donor funds.

Progress to Date

- 10 household surveys including NRP areas provided input for planning. Training on methods provided.
- Constitutional reform establishing Controller-General to be ratified by Assembly in October, 1994
- Reforms provided through MOST, IFM and audit have increased the rate of disbursements.

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R. Major Outputs

	Planned			Accomplished			% of LOP
	LOP	This Semest	Cum	Next Semest	This Semest	Cum	
Annual Household surveys	5	2	8	1	2	10	200%
Program/policy development studies carried out	25	4	24	4	2	21	84%
Tech assistance provided*	1140	75	1206	75	87	1375	120%
Short term training for GOES personnel and private sector*	370	70	769	100	36	808	218%
Long term training*	175	-	140	-	-	171	97%
Technical assistance in financial management*	311	60	449	50	54	619	199%

* in person months

C. Accomplishments and Overall Status

Training was provided throughout the period. Approximately 186 persons (75 women and 111 men) attended 7 in-country short-term courses and 30 (13 women and 17 men) attended 8 offshore short-term seminars. Long term training portion of the project has been completed with a total of 171 person months of training accomplished.

The assistance provided under the Modernization of Salvadoran Tax Program (MOST) has centered on achieving agreement with the GOES to set objectives for tax collections and efficiency including quantitative performance targets, to commit human capital and financial resources to the program, to program coordinating committee meetings and to agree that further USAID assistance would be contingent upon reforms in Customs and the Court of Accounts. The recent ratification of the constitutional amendment of the Court of Accounts smoothes the way for the passage of a new organic law for the Court that will remove the Court from Customs operations. During the program's operation there has been a substantial increase in the country's tax ratio, which had reached an abyss of 7.9% of GDP in 1989 and by 1993 had reached 9.4%. It is expected that the total tax revenues will reach 10.4 of GDP in CY 1994. The KPMG/Peat Marwick contract will be closed out by 12/31/94. It is planned that three advisors will be maintained through July 1995, one in customs, one in systems and tax administration and one as economic advisor to the Minister of Finance.

The Superintendency of the Financial System includes four separate intendencies for: commercial banks and finance companies, insurance companies and pension funds, the stock market, and administration. The Project scope has focussed on strengthening the intendency of banks and finance companies in order to assist the banking intendency to support the re-privatization of the country's commercial banks. The IDB agreed to fund TA to strengthen the other intendencies from its newly created Multilateral Investment Fund (MIF). Technical assistance has made a full revision of the laws of the financial system, given guidelines for preparing regulations in 24 different areas, proposed 8 modifications to the banking laws and one to the Superintendency law. A reorganization of the Superintendency was approved by the Board of Directors in 11/93 and the reorganization has been completed.

The Superintendency now has available state-of-the-art automation and computer equipment and more advanced procedures and technical criteria for use in the supervision and surveillance of the financial system. This project will terminate in December 1994.

A new activity, Support for Policy Analysis and Agricultural Sector Investment (PRAP) began January 1994 providing support to the MAG to strengthen its capacity in policy and investment analysis. Through TA, training, and commodities the project assists in the development of agriculture policy, modernization of an agriculture information system, and the identification & development of short & medium-term Agricultural Investment Plan. All computer, printing and audiovisual equipment has been purchased and is being fully utilized. Sub-sector studies to help define the policy framework are being prepared and the agriculture sector strategy 1994-99 is being reviewed.

Accomplishments under the Integrated Financial Management and Audit Program for the period include 1) Draft umbrella law for GOES Financial Management was prepared through assistance by the Program's legal advisor and is expected to be presented to the Assembly by 11/94, 2) A Constitutional reform of the Court of Accounts was ratified by the previous Assembly in April 1994 and is expected to be ratified by the current Assembly in October 1994; shortly thereafter a stronger reform firmly eliminating pre-control will occur through presenting a new Organic Law for the Court to the Assembly, 3) Program advisor provided training and assisted the GOES in implementing the new Government Accounting Law in all GOES entities within the time frame established by law, and 4) an initial agreement was reached on the introduction of the new budget structure with the Ministries of Agriculture, Public Works, Education and Health. The KPMG/Peat Marwick contract will be closed out by February 1995.

Through the MAG Privatization unit, seven IRA and one BFA facility have been sold and transferred to their new private owners. The new MAG authorities have changed the sale process from public bidding to share purchases where more participation from small and medium farmers is expected. The Project has been extended until 11/30/94 to assist new owners of facilities in renovation, management and equipment installation as required.

C.I. Women in Development Issues

The Project Technical Unit within MIPLAN continues to encourage the participation of women in training activities (2 women executives comprise the unit). Of the 186 persons attending in-country training, 40% are women. Off-shore training has included a total of 13 women out of 30 off-shore participants (43%) Under the PRAP activity, over 10 women from different units of the MAG and other institutions have received training. In addition, the major activities of the project including MOST, integrated financial management and others have incorporated activities emphasizing WID issues.

D. Issues

. Based on the ratification of the constitutional reform of the Court of Accounts, decision needs to be made on the fate of the proposed new Public Sector Accountability Project.

E. Major Activities During the Next 6 Months

. Further assistance to the Court of Accounts shall be explored based on ratification of the constitutional amendment and organic law.

. Grant amendment planned to extend Project life for 3 years in order to finance TA permitting implementation of economic & social policy reforms supported by the Mission's policy dialogue agenda

. Close-out of the MOST, Integrated Financial Management, Agriculture Sector Privatization and Superintendency Contracts

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PROJECT STATUS REPORT

Apr 1, 1994 - Sept 30, 1994

MISSION DIRECTOR RATING: A_B X C_

I BACKGROUND DATA

Project Title: Agncultural Sector Privatization
 Project Number: 519-0349
 Date of Authorization: 06/01/91 amendment 00/00/00
 Date of Obligation: 06/01/91 last amendment
 PACD: original 06/30/94 amended to 11/30/94
 Implementing Agencies: MAG Privatization Unit
 Major Contractor: Kansas State University Food and Feed Grain Institute
 Project Manager: Rafael Cuellar, PRO
 Status of CPs/Covenants: None
 CPs to Subsequent Disbursement: All Met
 Covenants: None
 Date of Last Evaluation: 00/00/00 Next Evaluation:
 Planned Number of Non-Federal Audits During Fiscal Year:
 The Number of Such Audits Contracted for/Completed:
 Date of Last Audit: Next Audit

FINANCIAL DATA

Amount Authorized:	DA Grant:	orig	\$541,000	amended to	\$826,000
Amount Obligated:	DA Grant:	orig	\$541,000	amended to	\$826,000
Amount Committed:	Period:		\$0		
Accrued Expend:	Cumulative:		\$826,000		
	Period - Projected		\$ 50,000		
	Period - Actual		\$ 48,000		
	Cummulative		\$812,000		
Counterpart Cont.:	Projected Next 3am		\$ 14,000		
	Planned:		2,000,000 (colones)		
	Actual:		2,176,497 (colones)		
% LOP Elapsed:					
% of Total Authorized Obligated:			100%		
% of Total Obligated Expended:			98%		
% of Total Authorized Expended:			98%		

II RELATIONSHIP TO MISSION STRATEGIC OBJECTIVE

A Specific Linkage to Strategic Objective

This activity supports Broad Based Economic Growth Increased (S O #2) by passing former GOES/IRA/BFA grain storage facilities to grain merchants, small producers and agrarian reform beneficiaries

B Percent of LOP Funds Relating to Strategic Objective

Broad Based Economic Growth Increased 100%

III PROJECT PURPOSE AND DESCRIPTION

A. Project Purpose

To assist the MAG Privatization Unit to dispose of 18 MAG IRA and 5 BFA grain storage facilities and to develop the ancillary services required by private economic agents and public officials in support of an efficient private grain market.

B. Achievements to Date

The project has made excellent progress towards the Project purpose. Seven IRA and one BFA facilities have been sold and transferred to their new private owners. The new MAG authorities have changed the sale process from public bidding to share purchases where more participation from small and medium farmers is expected. A study was conducted in order to assess potential buyers in the area of influence of each facility. BFA is trying to sell its four remaining facilities separately from MAG. The project has been extended until Nov/30/94.

C Project Description

The Project assists MAG Privatization Unit to pass former GOES-IRA and BFA grain storage facilities to the private sector. It includes training, technical assistance and six activities in support of private market development. Assistance and training are given to public and private sector technicians and to the new owners of the grain storage facilities. Of the 21 facilities, eight are located in NRP areas, although two of these were destroyed by the war.

IV PROJECT STATUS

A. Planned EOPS

Progress to date

- | | |
|---|---|
| 1. IRA closed and BFA out of commercial activities such as input sales and grain marketing. | IRA was closed in 1991. BFA is no longer involved in commercial activities. |
| 2. Twenty one grain facilities offered for sale to the public. | Twenty one facilities (16 of IRA and five of BFA) have been offered for sale. |
| 3. Six activities in support of private market. | Six activities completed. |
| 4. T.A and training supplied to public and private sector in the grain market. | T.A and training have been provided. |

B: Major Outputs

	LOP	Planned		Next Sem.	Accomplished		% of LOP
		This Sem.	Cum.		This Sem.	Cum.	
		Facilities passed	21		4	20	
Tech. Assistance persons days	924	60	1,049	10	50	1000	119
MAG technicians trained	4	0	4	0	0	4	100
Private technicians trained	6	0	6	0	0	6	100
Men	7	0	7	0	0	7	100
Women	1	0	1	0	0	1	100
Market Support Activities	6	0	6	1	0	6	100

C1. Other Accomplishment and Overall Status

- Assessed current market values of various grain handling, drying, and rice milling equipment of IRA at San Martin that will be sold to the public in the near future.
- Assisted small scale poultry producer interested in purchasing IRA silos to be incorporated in his feed processing plant.
- Assisted AVISAL who is interested in purchasing several IRA silos in Guaymango.
- The field work of the salvadoran ethnic market study in the United States was concluded. A survey of salvadoran immigrants in the United States was accomplished.
- Assisted in preparation of documentation for upcoming sale of 7 facilities.
- Assisted potential buyers in making plans for bidding on the 7 facilities to be offered for sale.
- The temperature monitoring system of the San Isidro storage facility was renovated.
- A technical feasibility study for rehabilitating a small Kyowa rice mill was prepared for SOCOPI.
- Assisted the Privatization Unit of the Ministry of Agriculture in literature search on soybean storage, processing and product handling.
- A flour mill in San Salvador was assisted to get their grain temperature monitoring system calibrated and repaired.
- The plant located in San Martin has been partially sold. In addition, equipment located in other plants has been sold too.

C.2 WID Issues

- There are no significant WID issues to report this semester. Many of the grain producers are women and passing facilities to them will improve their capabilities to receive value added for their product. The ethnic food study has been conducted by a woman.

D. Issues

- Due to the presidential elections and change of government, the project faced some delays in its implementation

E. Major Activities or Corrective Actions During the Next Six Months

- Prepare final report of the ethnic food study.
- Review strategy of, and assist the MAG Privatization Unit regarding sale of remaining government owned storage facilities.
- Reasses present market value of remaining storage facilities and equipment for possible sale to private sector.
- Extend assistance to new private sector owners of facilities in renovation, operations management, and equipment installation as required.
- Provide consultant services for advice on legal and administrative procedures related to the public offering of grain handling and storage facilities.
- Project close-out and Project Activity Completion Report will be carried out.
- Inventory of all commodities bought with project funds will be requested to KSU.

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PROJECT STATUS REPORT
April 1, 1994 - September 30, 1994

MISSION DIRECTOR RATING: A B/C

<p><u>I. BACKGROUND DATA</u></p> <p>Project Title: Support for Policy Analysis and Agricultural Sector Investment (PRAP)</p> <p>Project Number: 519-0349</p> <p>Date of Authorization: original: January 14, 94 amendment PACD: original: July 30, 95 last amendment</p> <p>Implementing Agencies: MAG's OAPA, OSPA, DGEA</p> <p>Project Manager: Luis Antonio Gonzales, PRO</p> <p>Status of CP's/Covenants: All met</p> <p>Major Contractors: IICA</p> <p>Date of Last Evaluation: Next evaluation: June, 95</p> <p>Planned number of non-federal audits during fiscal year: 1</p> <p>The number of such audits contracted for/completed:</p> <p>Date of last audit: Next audit: January, 95</p>	<p><u>FINANCIAL DATA</u></p> <table border="0"> <tr> <td>Amount Authorized:</td> <td>DA Grant:</td> <td>orig \$500,000</td> </tr> <tr> <td>Amount Obligated:</td> <td>E.A Grant:</td> <td>orig \$500,000</td> </tr> <tr> <td>Amount Committed:</td> <td>Period:</td> <td>\$500,000</td> </tr> <tr> <td></td> <td>Cumulative:</td> <td>\$500,000</td> </tr> <tr> <td>Accrued Expend.:</td> <td>Period-Projected:</td> <td>\$287,712</td> </tr> <tr> <td></td> <td>Period-Actual:</td> <td>\$132,039</td> </tr> <tr> <td></td> <td>Cumulative:</td> <td>\$132,039</td> </tr> <tr> <td></td> <td>Proj.Next Sem:</td> <td>\$200,000</td> </tr> <tr> <td>Counterpart Cont.: GOES</td> <td>Planned:</td> <td>\$350,000</td> </tr> <tr> <td></td> <td>Actual: C143,008.38</td> <td>\$ 16,437</td> </tr> <tr> <td></td> <td>IICA Planned:</td> <td>\$ 84,000</td> </tr> <tr> <td></td> <td>Actual:</td> <td>\$ 42,534</td> </tr> <tr> <td>% LOP Elapsed</td> <td></td> <td>47%</td> </tr> <tr> <td>% of Total Auth. Oblig.</td> <td></td> <td>100%</td> </tr> <tr> <td>% of Total Oblig. Exp.</td> <td></td> <td>26%</td> </tr> <tr> <td>% of Total Auth. Exp.</td> <td></td> <td>26%</td> </tr> </table>	Amount Authorized:	DA Grant:	orig \$500,000	Amount Obligated:	E.A Grant:	orig \$500,000	Amount Committed:	Period:	\$500,000		Cumulative:	\$500,000	Accrued Expend.:	Period-Projected:	\$287,712		Period-Actual:	\$132,039		Cumulative:	\$132,039		Proj.Next Sem:	\$200,000	Counterpart Cont.: GOES	Planned:	\$350,000		Actual: C143,008.38	\$ 16,437		IICA Planned:	\$ 84,000		Actual:	\$ 42,534	% LOP Elapsed		47%	% of Total Auth. Oblig.		100%	% of Total Oblig. Exp.		26%	% of Total Auth. Exp.		26%
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<p><u>II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVE</u></p> <p><u>A. Specific Linkage to Strategic Objective</u></p> <p>This activity supports S.O #2, Broad Based Economic Growth Increased by improving (1) agricultural policy analysis and decision making, (2) agricultural project formulation, and (3) the agricultural information system in the country.</p> <p><u>B. Percent of LOP Funds Relating to Strategic Objective</u></p> <p>Broad-Based Economic Growth Increased 100%</p> <p><u>III. PROJECT PURPOSE AND DESCRIPTION</u></p> <p><u>A. Project Purpose</u></p> <p>To provide support to the MAG to strengthen its capability in policy and investment analysis. The project will improve the advisory and institutional capability of MAG to promote modernization of the agricultural sector through the formulation of coherent policy, better investments, and improvement in agricultural information.</p>	<p><u>B. Project Description</u></p> <p>The project has three components: policy analysis, sectoral investment, and agricultural information. Through technical assistance, training, and commodities the project assists GOES in the development of agricultural policy, the modernization of an agricultural information system, and the identification and development of a short and medium-term Agricultural Investment Plan.</p> <p><u>C. Achievements to Date</u></p> <p>All three components of the project are fully staffed with national counterparts, national and international consultants.¹ All computer, printing and audiovisual equipment has been purchased and is being used. Technical assistance and training (in-country and outside) is being provided in all three components. Reports are being prepared and advice is being provided to the Minister and Vice-minister; sub-sector studies to help define the policy framework are being prepared; agricultural sector strategy 1994-99 is being reviewed. Methodologies and instruments for identification, formulation and evaluation of projects are being reviewed and improved; a project data bank is being established; and a short- and medium term investment program is being developed.</p>																																																

¹With the exception of the policy component where one national consultant resigned and a replacement is being sought.

The action plan for updating of the "area frame", a statistical sampling framework used to gather all the agricultural production information in the nation, is being prepared; terms of reference for evaluation of agricultural information system are being discussed; and improvements in the data processing system are in progress.

IV. PROJECT STATUS

A. Planned EOPS

Progress to Date

- | | |
|---|---|
| 1. OAPA skills in policy analysis and formulation has been strengthened | Technical assistance and training are ongoing |
| 2. Policy decision making has been improved | Despacho is receiving frequent advice and position papers |
| 3. Technical capacity in project formulation has been improved | Technical assistance and training are ongoing |
| 4. Project data bank in operation | Data bank has been started |
| 5. Agricultural information system has been improved | Technical assistance and training are ongoing |

B. Major Outputs

	<u>Planned</u>				<u>Accomplished</u>		
	<u>LOP</u>	<u>Sem.</u>	<u>Cum.</u>	<u>Next Sem.</u>	<u>This Sem.</u>	<u>Cum</u>	<u>% of LOP</u>
1. TA person months	79	19.5	19.5	30.0	19.5	19.5	25
2. Techs trained	80	50.0	50.0	30.0	50.0	50.0	62
Men	60	40.0	40.0	20.0	38.0	38.0	
Women	20	10.0	10.0	10.0	12.0	12.0	
3. Studies pub.	6	0	0	2	0	0	0
4. Updated area frame	1	0	0	0	0	0	0
5. Project data bank	1	.5	.5	.5	.5	.5	50

C. Other Accomplishments and Overall Status

- In spite of a slow start, due in part to an election year and a change in Government the project is likely to meet all expectations, specially in maintaining and strengthening the policy analysis and the statistical units until CRECER takes off. PRAP is serving as a "bridge" between a project financed by IDB, which finished in Dec./93, and the future CRECER project which will strengthen MAG capabilities.
- The project has been instrumental in assisting MAG in carrying out the Foro Nacional de Consulta y Concertación sobre la Política Agrícola.
- The Cabinet abolished the physical strategic reserves in basic grains and replaced it with a cash reserve and a "swap" agreement with a major international grain broker.
- The new director of OAPA, who is also the National Director of the project, is scheduling regular monthly meetings to review progress and adjust project if necessary.
- Dirección General de Economía Agropecuaria obtained commitment of \$500,000 colones from SETEFE and negotiations to obtain satellite images are ongoing.
- The new Director of OAPA, has agreed to let PRAP personnel work more on project related goal.

D. Problems and Delays

- No major problems or delays.

E. WID Issues

A woman is one of the consultants in the Policy Analysis Unit of MAG, specialized in international commerce. Over 10 women from different units of MAG and other institutions have received training under the project.

F. Major Activities or Corrective Actions During the Next Six Months

- The illustrative budget will be reprogrammed to allow the project the procurement of satellite images.
- During the last quarter of CY 1994, the Technical Committee of PRAP will evaluate the progress of the project and take corrective actions, if necessary. Procurement of project audit will be initiated.
- Procurement of Project Audit will be initiated.
- Publish three studies.

PROJECT STATUS REPORT

April 1, 1994 - September 30, 1994

MISSION DIRECTOR RATING: A ___ B X C ___

I. BACKGROUND DATA

Project Title: Modernization of Salvadoran Taxes (MOST)
Project Number: 519-0349
Date of Authorization: original 04/04/91
Date of Obligation: original 10/18/91 last amendment 02/24/94
PACD: original 10/17/93 amm. 12/31/94
Implementing Agencies: Ministry of Finance
AID Project Manager: Mark Gallagher, ECON
Status of CPs: 2/3 achieved, C.de Cuentas pending
Date of last evaluation: 9/92 Next evaluation: 1/95
Planned number of non-federal audits during fiscal year: Pending
The number of such audits contracted for/complete: None
Date of last audit: None Next audit: None

FINANCIAL DATA

Amount authorized: DA/ESF Grant: orig \$6,699,825 amended \$7,986,602
Amount obligated: DA/ESF Grant: orig \$6,699,825 amended \$7,986,602
Amount committed: Period \$
Cumulative \$7,986,602
Accrued Exp.: Period-Projected: \$ 874,428
Period-Actual: \$ 960,000
Period-Next-Planned \$ 600,000
Counterpart planned: \$ 290,000
Contribution actual \$ 205,000
% LOP elapsed 92%
% of total auth. oblig. 100%
% of total auth. exp. 89%

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVE

A. Specific linkage to strategic objective. The MOST program contributes to the Mission goal of increasing broad-based economic growth by financing the implementation of tax policy and administrative reforms, which are improving the equitable aspects of the tax system while raising the effectiveness of the Ministry of Finance, reducing economic distortions and building the framework for sustained economic growth.

B. Percent of funds relating to strategic objective. 100% of the funds are devoted to increasing broad-based economic growth.

III. PROJECT PURPOSE AND DESCRIPTION

A. Project Purpose is to help the GOES implement a comprehensive reform of tax policy and administration as well as improve the operations of Customs, in order to establish a fairer and economically and administratively more efficient tax system. A recent restatement of the program's objectives, now that most important legal changes have been made, is to improve tax administration, as evinced by higher rates of collection given current tax rates and bases.

B. Achievements to date The Program has been key in assisting the GOES in designing, implementing and enforcing a far reaching tax reform. The result is a tax system that is much less distortionary, fairer, less burdensome and better enforced. This is evinced by the fact that tax revenues have risen rapidly over the reform period while at the same time tax rates have been reduced and the number of different taxes has

treasury's collection system, greatly raising administrative efficiency, enabling accounts reconciliation, and providing analytic and accounting information on a near instantaneous basis, and speeding the transfer of funds from banks to GOES. The GOES now has the tools necessary for good tax enforcement, it needs only to continue to put them to use.

C. Project description The project, through a contract with KPMG/Peat Marwick, provides the Ministry of Finance (Hacienda) technical assistance in the areas of: tax and general fiscal policy; training and assistance in establishing analytic ability, including the development of micro-simulation computer modelling and training in economics; systems design and assistance with implementation. The project has provided training in audit, information systems development, and has provided assistance in legal drafting, especially for Customs operations, technical assistance in tax and budget policy, and general tax administration. Information systems developed and implemented under MOST include, VAT, income tax data entry, and treasury receipts. In addition, a number of other systems have been designed and are in the process of implementation, including: withholding taxes, vehicle registration, vehicle valuation for Customs, and other goods valuation data base. Phase II will help bring the Appeals Tribunal up to par with other efforts in improved tax administration.

IV. PROJECT STATUS

A. Planned EOPS

1. Increased availability and use of analytical models and methods

Progress to date

Models developed for personal and corporate income taxes, indirect taxes, computable general equilibrium, receipts forecasting, and budget; training and manuals provided.

2. Improved tax auditing

Developed audit plans

and monitoring systems, recommended organizational changes, and provided training. Assistance provided in procedures and monitoring.

3. Improved overall tax structure

Three major tax laws have been enacted: VAT, Income tax, sanctions code. Import duty schedule improved before project inputs delivered. Assistance provided in the system of withholding. Improved legal and regulatory framework, e.g. passage in 1993 of "delito fiscal" and improvements being prepared at present.

4. Improved information bases for taxation in MOF

Major info systems designed and installed, including VAT, income taxes, and assistance in taxpayer current accounts. Fully developed system of "super consulta". Also, the POS-system for treasury functions of receipts has been piloted and fully evaluated. POS has been installed almost nationwide and collects most receipts.

5. Improved Customs operations

Assist. provided in legal drafting and regulations, incl. new organic law, baggage law, RECAUCA, and free shops. Developed vehicles system. RECAUCA approved by President,

organizational regulations sent to President. Due to certain actions re other countries in Central Am. the RECAUCA has not yet taken effect. Expect it, or a national version (RENCAUCA) to take effect by Jan. 95. Drafted a new contraband law.

Short term training 150 -- -- 50 681 --
for GOES personnel (# of persons trained)

* in person months, increased due to program extension from Oct. 18, 1993 to Dec. 31, 1994.
*** Chief of Party paid under IFM contract.

Long-term technical assistance in Tax administration (13 months) months, Tax Systems (32), Customs operations (32), Economics (34), Customs Computerization (32), General Computerization (31), miscellaneous.

Breakdown of short term technical assistance is not quite as refined but generally reflects the distribution of Long-Term TA.

TA is provided in Ministry of Finance in the following departments: Computer Center, Fiscal Policy, Treasury, Internal Revenues, and Customs.

6. Improved Customs information

Valuation databases and interactive systems have been designed. Awaiting legislation and regulatory changes before implementing. These have been sent to President for approval.

C. Accomplishments and Overall Status

Over the period the MOST project has helped achieve a number of changes in tax administration and has helped improve the MOF's analytic capabilities. The project has fully installed all micro-simulation tax models. These models were used in the study of tax policy under the modernization of the state activities.

7. Improved appeals process

The GOES is considering a new tax evasion and appeals law, which may entirely repeal the tax appeals law of 1991. In such case we must await this new law to see how appeals would be handled in the future.

MOST helped to extend the POS system to the national level and almost all revenue collection sites have been incorporated into the system. The POS system ensures more rapid and more accurate reporting of government receipts.

The customs baggage law has been passed and put into effect. This results in less bribes and has greatly sped the processing of passengers in the international airport. This does not result in significant revenue losses since in 1992 the GOES only collected about \$5,000 from all its passenger operations.

B. Major outputs

	Planned			Accomplished		
	LOP	This Semes Cum	Next Semes	This Semes	Cum	% IOP
LT Tech assist*223	30	214	15	30	201	90%
ST Tech assist*163	21	84	08	18	72	44%

During the program's operations there has been a substantial increase in the country's tax ratio, which had reached an abyss of 7.9% of GDP in 1989: as shown:

1989	1990	1991	1992*	1993*
------	------	------	-------	-------

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taxes/GDP % 7.9% 8.1% 8.5% 8.7% 9.4%
*program years

We are expecting total tax revenues to reach 10.4 of GDP in CY1994. It should also be kept in mind that the improvements in tax collections took place with lower tax rates than in prior years, and with less economic distortions.

C.I. Women in development issues

Approximately 20% of training has been of women professionals.

D. Problems and delays

Problem: The Court of Accounts is still functioning in Customs operations. The draft plan that was presented was not acceptable.

Solution: The recent ratification of the Constitutional amendment changing the role of the Court of Accounts smoothes the way for the passage of a new Court of Accounts law, which specifically removes the Court from Customs operations.

Problem: The BLUE BOOK law (D.L.647 - Customs Procedures for valuation of vehicles) has met considerable resistance in Leg. Ass. New car dealers are urging its passage while the Assembly is concerned about ensuring that individuals are given fair treatment by customs officials.

Response: Once the RECAUCA or RENCAUCA can actually take effect this BLUE BOOK system can begin to be applied.

E. Major activities during the next 6 months

1. Close out the KPMG/Peat Marwick contract by December 31, 1994.
2. Prepare SOWs to maintain three advisors under host country contracts until July 31, 1995. One in Customs, one

in systems and tax administration, and one as economic advisor to the Minister of Finance.

3. Come up with proposals for special treatment of small and difficult to manage tax payers.

4. Put into effect the automated notification of non-filers system.

5. Finish the present special tax enforcement sweep, which aims to visit 25,000 taxpayers over the next quarter.

6. Follow-up the MOF's 22 cases of "delito fiscal" passed to the Attorney General.

7. Make sure the RENCAUCA or RECAUCA take effect. We should include this specific item in our ESF94 conditionality.

8. Develop plans to privatize Customs warehousing and auctioning. Include this specific measure in ESF94 conditionality.

PROJECT STATUS REPORT
April 1993 - September 30, 1994

MISSION DIRECTOR RATING: **B**

I. BACKGROUND DATA

Project Title: Improvement and Modernization of the Superintendency of Banks of El Salvador.
Project Number: 519-0349
Date Starting: original 03/23/92
Date of Completion: original 07/31/93 amended 12/31/94
Implementation Agencies: Superintendency of the Financial System
AID Project Manager: Anabella Lardé de Palomo, ECON

FINANCIAL DATA

Amount Authorized:	\$1,643,418.00
Amount Committed:	\$1,643,418.00
Accrued Exp.: Period-Projected:	\$ 15,000.00
Period-Actual:	\$ 71,299.09
Cumulative:	\$1,518,261.59
Period-Next-Planned:	\$ 23,000.00
Counterpart contribution since 1993:	€ 341,000.00
% LOP Elapsed	91%
% of Total Auth./Exp.	92%

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVE

A. Specific Linkage to Strategic Objective. The Improvement and Modernization of the Salvadoran Superintendency of the Financial System contributes with the success of financial sector reform, including the privatization of commercial banks, which facilitates economic growth.

B. Percent of LOP Funds Relating to Strategic Objective. 100% of the funds are devoted to SO#2 Broad Based Economic Growth increased.

III. PROJECT PURPOSE AND DESCRIPTION

A. Project Purpose. To develop the Financial System Superintendency into a viable, effective entity undertaking prudential regulation and examination of the Salvadoran financial system and functioning with modern techniques and procedures, which is basic to enabling it to ensure the safety and soundness of the financial system.

B. Achievements to Date. The project has provided the Superintendency with improved procedures, manuals, and organization proposal. In addition the regulatory framework for the commercial banking system has been revised. Furthermore, the Superintendency has been provided with state-of-the-art computer equipment. Computer applications are being developed that will facilitate the surveillance function of the Superintendency. A team is being trained in the development of this applications. A technical and psychological evaluation of the Superintendency staff was conducted. As a result, Superintendency personnel have been reassigned, as appropriate, and trained in the use and application of the new procedures and manuals.

C. Project Description. The Project has five components: (a) Institutional framework, which includes a revision of the legislative and regulatory frameworks; (b) Organizational aspects, which includes a review of the internal organization and proposal of a new one; (c) procedures and manuals to cover both off-site surveillance and on site-bank examination; (d) human resource development, through a staff development training program to upgrade the skills of the Superintendency personnel; (e) automation, the Superintendency has been provided all necessary equipment in support of its strengthening.

IV. PROJECT STATUS

A. Planned EOPS

1. Adequate legislative and regulatory framework to ensure the Superintendency can perform adequate prudential supervision of the banking system.

2. Coordinated internal organizations.

Progress to Date

Technical assistance was provided to revise the legal and regulatory framework. The activities included under the contract were completed in the first semester/92. On January 12, 1994 the Legislative Assembly approved modifications to the Law of Banks and Financial Institutions incorporating the recommendations made by project-funded consultants.

The activities included under the contract were completed in November/92. The Superintendency has implemented the recommendations made in the organizational proposal.

3. Developed procedures and manuals.

Technical assistance was provided to develop procedures and manuals. The procedures and manuals have been implemented by the Superintendency.

4. Trained Superintendency personnel.

A training program was designed after a technical and psychological evaluation was conducted. The Superintendency personnel have been trained in the use of the new procedures and manuals, and currently are being trained in the use of the computer software.

5. Automation of the Institution.

The procurement of hardware and software was divided in two phases. The procurement of the first phase was made in Jan./93, the second procurement on June/93. Computer applications are being developed.

B. Major Outputs

	Planned			Accomplished			% of LOP
	LOP	This Semest	Cum	Next Semest	This Semest	Cum	
Revision of the Legislative and Regulatory Framework*	7.0	0.0	6.0	0.0	0.0	6.0	86.0%
Organization Proposal*	7.0	0.0	7.0	0.0	0.0	7.0	100%
Human Resources Development*	15.3	0.0	7.3	0.0	0.0	7.3	48%
Procedures and Manual Development*	15.3	0.0	15.3	0.0	0.0	15.3	100%
Automation*	14.0	0.5	14.5	3.0	9.0	23.0	164%
Automation Procurement (Thou. \$)	277	55.0	336.8	0.0	128.4	336.8	122%

* in person months

C. Accomplishments and Overall Status

The Technical assistance team (group) made a full revision of the laws of the financial system and gave guidelines for the preparation of regulations in 24 different areas. They also proposed 8 modifications to the banking laws and one to the Superintendency law. To date, 60 percent of the regulations have been developed, and have been approved by the Board of Directors of the Superintendency. The banking law was modified on Jan.12/94 to include the observations made by the consultants. The Superintendency law has not been modified yet because it wants to make an in-depth study in order to address additional deficiencies already detected.

A proposal for an internal re-organization of the institution was presented on November/93 and approved by the Board of Directors of the Superintendency. Most of the points in the proposal have been implemented. New personnel were contracted to complete the organization.

Procedures and manuals for the unit of bank supervision have been developed and are gradually being implemented in accordance with the newly adopted organizational structure. The Superintendency personnel has been trained in the use of these procedures and manuals.

A technical and psychological evaluation of Superintendency personnel was conducted to assist in the identification of human resources available, their capacities and potential for professional development within the institution.

The automation process was divided in two phases. The first covered the automation of the offices and the development of the administrative software applications. For this purpose, the following was acquired in January 1993: a network file server, 3 workstations 486/33, a workstation 486/33 (desktop publishing), 30 workstations 486/25, 16 laptops 386 sx, 1 scanner, 3 network laser printers, and other. The second phase includes the development of the strategic software applications, a relational data base management system and a data dictionary. A Risc Unix File server was acquired for this purpose.

As a result of the above, the Superintendency now has available state-of-the-art equipment and more advanced procedures and technical criteria for use in the supervision and surveillance of the financial system. This restructuring process has helped the Superintendency, to make its presence felt in the activities of the financial system, demanding that these be carried out in accordance with the present legal and regulatory framework.

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C. Accomplishments (Cont.)

The Superintendency of the Financial System includes four separate Intendencies for: commercial banks and finance companies, insurance companies and pension funds, the stock market, and administration. Following Mission priorities, the project to date has focussed its efforts on strengthening the Intendency of banks and finance companies. The project never intended to fully cover all four Intendencies, but to concentrate its assistance toward a quick strengthening of the banking Intendency to support the recent re-privatization of the country's commercial banks. The IDB has agreed to fund technical assistance to strengthen the other Intendencies from its newly created Multilateral Investment Fund (MIF).

At this moment, a team is being trained on the use of software, and computer applications identified as critical are being developed. These applications are:

Public Exchange Register: By law, the Superintendency is required to have this register, to have an updated knowledge of the institutions that participate in the exchange market, the instruments that are being negotiated, etc.

Central of Risks: It keeps an inventory of the borrowers in the financial system, and a classification of their loans according to the punctuality in their payments.

Other Institutional Registers: It has general data of all the institutions that are being supervised by the Superintendency.

Statistical-Accounting System for Banks and Financial Institutions: With the data that the analysts introduce in this system, it produces financial analysis of the institutions.

Performance Evaluation System for the Superintendency Personnel.

Public Shareholders Register: According to the Banking Law, no one is permitted to hold more than five percent of the shares of a Bank or Financiera. This register helps the Superintendency to see that this law is obeyed.

D. Problems and Delays

Problems - None.

Delays

Due to a wrong salary policy, most of the personnel in charge of computer applications left the Superintendency. Now this policy has been corrected and new personnel has been hired. The new team has to be trained and this required an extension of the project until December 31, 1994.

Women in Development

In the Superintendency, 26% of the technical staff are women. Lately, the project has been focusing in upgrading the new computer team. The team is composed by 12 technicians, six of them, including the head of the team, are women.

Major Activities during the next 6 months

1. Finish the implementation of the training program in the use of computer software.
2. Finish the development of computer applications.
3. Overall project completion.

PROJECT STATUS REPORT
April 1, 1994 - September 30, 1994

MISSION DIRECTOR RATING: **C**

I. BACKGROUND DATA

Project Title: Microenterprise Development Project
 Project Number: 519-0318
 Date of Authorization: Original 08/31/90 Amendment: N/A
 Date of Obligation: Original 08/31/90 Last Amend: 5/20/94
 PACD: Original 08/30/97
 Implementating Agencies: FINCA INTL. - CAM
 Major Contractors: None
 AID Project Manager: Sandra Lorena Duarte, PRO
 Status of CPs/Covenants: CPs to First Disbursement - All Met: PIL's No.1 Dec. 7, 1990 and No. 6 June 11/91
 Other CPs, for Disburs. of Program and NonP.
 Planned Number of Non-Federal Audits during Fiscal Year: 1 (9/93)
 The Number of such Audits Contracted for/Completed: 2 (9/91 and 9/92)
 Date of last evaluation: 8/93 Next evaluation: 12/95
 Date of last audit: 10/94 Next audit: 10/95

FINANCIAL DATA

Amount Authorized:	DA/ESP Grant	\$10,000,000.
Amount Obligated:		\$10,000,000.
Amount Committed:	Period:	\$ 1,045,637
	Cumulative:	\$ 9,845,111
Accrued Expend.:	Period Proj:	\$ 757,040
	Period Actual	\$ 705,647
	Cumulative	\$ 8,948,607
	Proj.next sem.	\$ 400,000
Counterpart	Planned:	\$ 4,919,000.
Contributions:	Actual	\$ 2,341,336

% LOP Elapsed:	71 %
% of Total Auth. Obligated:	100 %
% of Total Oblig. Expended:	89 %
% of Total Auth. Expended:	89 %

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVES

A. Specific Linkage to Strategic Objectives
 This Project promotes Broad-based Economic Growth Increase by providing credit access to microentrepreneurs.

B. Percent of LOP Funds Relating to Strategic Objectives
 100% of this Project is related to Strategic Objective II, Broad-based Economic Growth Increase.

2. 2,320 new village banks. 1,203 village banks inaugurated, 36,777 borrowers and \$4,243,189 total funds loaned to village bankers.
 3. 2,333. new ind. borrowers 3,886 members of 795 solidarity groups and 392 individual borrowers have received loans totaling \$2,516,831.

III. PROJECT PURPOSE AND DESCRIPTION

A. Project Purpose
 To establish a new, viable, sustainable Salvadoran institution to provide microentrepreneurs with increased access to financial and non-financial services.

B. Achievements to Date
 Creation of a Salvadoran Institution for microenterprise support and disbursement of a total of \$6.7 million in loans benefiting a total of 41,055 borrowers.

C. Project Description
 The project is designed to develop a Salvadoran Institution, the Microenterprise Support Center (CAM), which will provide financial and non-financial services to rural and urban microenterprises in El Salvador through village banks and individual loans.

B. Major Outputs

	Planned				Accomplished		% of LOP
	LOP	This Semes	Cum	Next Semes	This Semes	Cum	
1. Inst. Dev.*	\$ 2,018	\$ 691	\$3,578	\$ 696	\$ 622	\$3,796	1.88%
2. Fin. Serv.*	\$ 3,382	1,323	\$4,275	1,292	\$2,246	\$6,764	2.00%
a. Field Off.		19	0	0			
b. Vil. Bank							
- Tot. Funds*	\$ 2,182	\$ 862	\$2,288	\$ 800	\$1,325	4,247	1.95%
- New Banks	2,320	60	1,044	40	162	1,203	0.52%
- Members (borrowers)	69,600	4,882	37,748	4,000	4,924	36,777	
0.53%							
c. Microenterprise:							
Total Funds	\$ 1,200	\$ 461	\$ 1,987	\$ 492	\$ 920	\$ 2,516	2.10%
No. loans	2,333	468	3,729	660	825	4,278	1.83%
3. Non Finan. Services*	\$ 860	\$ 2	\$ 137	\$ 4	\$ 1	97	
a. Vil. Banks							
Lead. Trained	9,280	2,124	10,065	2,122	1,842	8,398	0.90%
b. Vil. Banks							
Mem. Trained	69,600	93,006	291,187	34,370	29,894	260,235	3.74%
c. Microentrepreneurs							
Trained	2,800	548	13,168	500	70	4,248	1.52%

* Figures in US\$ thousand

IV. PROJECT STATUS

A. Planned ROFS

Progress to Date

1. The establishment of a micro-enterprise institution (CAM), the provision of financial services, and provision of selected non-financial services to microentrepreneurs. On Apr. 5/91 the CAM was legally recognized (established). Conditions Precedant to disbursement for Project activities were approved on June 11, 1991.

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- C. Other Accomplishments and Overall Status
- On May 1994, the last \$1.0 million was disbursed. The new obligated amount is \$10,000,000. 100% of the authorized funds have been obligated.
 - An Strategic Planning Workshop (3 days) FINCA-CAM was held on May/94.
 - The PSO was closed on June 1994. FINCA no longer has resident advisors in El Salvador.
 - The 1994 Annual Audit was done by Arthur Andersen & Co.
 - On July 1994, unlawful activities were discovered in the eastern regional office of the CAM relative to use of USAID funds. USAID froze all disbursement of credit funds. CAM contracted Fernandez and Fernandez, an auditors firm. Their report of September 8, 1994 to 309 village banks from the Eastern Region showed a loss of C7,693,198.36 (\$880,228). A judicial process was started. FINCA and USAID endorse the prosecution of all offenders. RIG has also started an audit of the region.
 - CAM Executive Director (Lic. Alma Luz Chavarría) presented her resignation on September 15, 1994.
 - CAM has hired local consultants to provide TA for the updating of all of their internal manuals.
 - During the reporting period 4,924 new village bank members received their first loan.
 - 141 solidarity groups with 545 members were formed during the present period for a total amount of \$632,819 in loans.
 - 180 individual loans outside of the village bank and solidarity groups, with total amount of \$287,951.
 - The Project coverage is the 14 geographical departments of the country and 39 of the 109 municipalities of the ex-conflictive zones.
 - The Project's repayment rate has been as follows:
The Village Bank repayment rate is 97%;
on Microenterprise, 92%.
This numbers will change after audits now in progress.

NATIONAL RECONSTRUCTION PLAN ISSUES

- During reporting period, the project has been active in the ex-conflictive zones as follows: 18 new Village Banks were created; this represents 539 Beneficiaries; a total amount of \$27,459 for women and \$5,230 for men.
- Total solidarity groups for reporting period: 61 beneficiaries (14 groups). Individual loans: 10. With a total amount loaned of \$75,229.

C1. WID ISSUES

- From the 4,924 beneficiaries from the 162 village banks created this semester, 83% are women and 17% are men.
- From the 3,886 members of the 795 solidarity groups through the life of the project, 76% are women (2953 women)

D. Issues

- Due to the fact that all remaining funds were expected to be disbursed by and CAM was expected to be self-sufficient by Aug. 94, the Mission had considered to change the PACD of the Project (Aug. 1997) to Aug. 94. However, due to the findings in the San Miguel Region, a new PACD must be established. PRO is considering December 1995. Also, the counterpart contribution amount corresponding to the new PACD must be established.

- Should the Mission consider to redirect the Technical Assistance and - - - Training components to the CAM? What kind of support will the Mission give to CAM, since the purpose of the Agreement (to establish a sustainable Salvadoran institution) has not been met?
 - According to MXCOM, there are \$404,235 still available for project disbursements (including \$201,674 for credits). A reprogramming of funds will be needed.
- E. Major Activities/Actions during the next 6 months
- RIG's audit on San Miguel and other regions will continue. Corrective measures will be established.
 - Peter Marion's audit to San Miguel Region and CAM's internal controls will be completed.
 - Price Waterhouse Institutional review on CAM will be completed.
 - Arthur Andersen & Co. will have completed their audit to the Project.
 - FINCA methodology and procedures relating to financial controls will be reviewed and revised as necessary by FINCA and any proposed amendments will be presented to the Audit Committee for consideration and review. The Audit Committee will present any such proposed changes to the Board of Directors at the FINCA December 1994 meeting for consideration and adoption where necessary.
 - CAM will keep pursuing its self-sufficiency.
 - A new PACD for the Project will be established.
 - The final evaluation of the Project will begin based on the new PACD.

318.sar

PROJECT STATUS REPORT
Apr.1 - September 30, 1994

MISSION DIRECTOR RATING: A X B _ C _

I. BACKGROUND DATA

Project Title: Agribusiness Development
 Project Number: 519-0327
 Date of Authorization: original: 09/27/87 amendment: 03/31/95
 Date of Obligation: original: 09/27/87 last amendment: 03/07/90
 PACD: Original: 09/30/92 amended to: 03/31/95
 Implementing Agencies: FUSADES (Divagro/Fidex)
 Major Contractor: None
 Project Manager: Antonio Gonzalez, ANR
 Status of CPs/Covenants: CPs to first disbursement: 01/28/88
 CPs to first disbursement (Line of Credit): 07/13/88
 Covenants: All met.
 Date of Last Evaluation: June 1992 Next Evaluation:
 Planned Number of Non-Federal Audits During Fiscal Year: One
 The Number of Such Audits Contracted for/Completed: Two
 Date of Last Audit: Dec. 1993 Next Audit: Dec. 1994

FINANCIAL DATA

Amount Authorized: DA Grant:	orig	\$20,000,000	amended to	\$33,000,000
Amount Obligated: DA Grant:	orig	\$10,116,000	amended to	\$33,000,000
Amount Committed: Period:		\$0		
Accrued Expend.: Cumulative:		\$32,982,937		
Period - Projected		\$3,147,330		
Period - Actual		\$4,032,201		
Cumulative		\$32,301,950		
Projected Next Sem.		\$698,050		
Counterpart Cont.: Planned:		\$11,000,000		
Actual:		\$11,539,409		
% LOP Elapsed:		93%		
% of Total Auth./Oblig.:		100%		
% of Total Oblig./Expend.:		98%		
% of Total Auth./Expend.:		98%		

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVE

A. Specific Linkage to Strategic Objective

The Project contributes directly to S.O number 2, Broad Base Economic Growth Increased, by providing technical assistance, training and credit to producers and exporters of non-traditional agricultural products. The Project also contributes to strategic objective number 5, improved environment and natural resources management through its quality assurance program which includes an analytical laboratory.

B. Percent of LOP Funds Relating to Strategic Objective

Broad Base Economic Growth Increased	85%
Improved environment and natural resource management	15%

III. PROJECT PURPOSE AND DESCRIPTION

A. Project Purpose

To increase the production and export of new agricultural products.

B. Achievements to Date

The Project is performing successfully in the promotion of non-traditional export crops. La Colina, FUSADES' farm, will start producing and exporting pineapples in Nov/94 which will contribute to DIVAGRO's self-sufficiency. A sales contract has been signed with Chestnut Hill which is not limited to pineapple but also to other NTAEs such as watermelon, cucumbers, chilis, etc. Additionally, a second farm has been bought with FUSADES own funds to continue with the promotion and diversification of NTAEs beyond PACD.

C. Project Description

The Project is designed to provide technical assistance, training and credit to private non-traditional export agribusiness in El Salvador, thereby increasing foreign exchange and employment.

IV. PROJECT STATUS

A. Planned EOPS

	<u>Planned EOPS</u>	<u>Progress to date</u>
1. Increase foreign exchange earned by the agricultural sector	\$49.0 million	\$56.9
2. Increase employment in the agricultural sector	12,600 fulltime equivalent jobs generated	17,396 F 9,550 M
3. Increased non-traditional crops being commercially produced and exported	15 NTAES being produced and exported	19
4. Increased area under cultivation of NTAES	23,000 has. under NTAES by 1994	28,981

B. Major Outputs

	LOP	Planned		Next Sem.	Accomplished		
		This Sem.	Cum.		This Sem.	Cum.	% of LOP
1. A functional technology transfer program instituted:							
- 30 new products identified and technology disseminated	30	0	30	0	3	37	123%
- Four experimental stations testing new varieties and training agrobusinessmen, farmers, students and coop. members	4	0	4	0	0	4	100%
- On-farm demos to validate NTAE technology	90	4	90	0	9	96	107%
- An established quality assurance program, including pest control and post harvest activity	1	0	1	0	0	1	100%
- An integrated T/A delivery system established reaching:							
a. 40 agnbusiness	40	0	N/A		10	119	298%
b. 20 ag.reform coop.	20	0	N/A		13	165	825%
c. 11,000 small farmers (000)	11.0	1	N/A	1	0.03	9.66	88%
- Aquaculture exporting \$3 million annually (\$000)*	\$3,000	300	N/A	300	705.5	3,090	103%
2. A functional credit program established:							
- \$5.6 million in loans committed to NTAE projects (\$000)***	5,600	400	5,200	400	800	5,242**	94%
- \$2.2 million of the above committed to aquaculture activities (\$000)	2,200	200	N/A	200	800	2,306**	105%
3. A viable marketing capability developed:							
- 12 foreign investments in El Salvador promoted by DIVAGRO*	12	1	12	0	2	12	100%
4. Economic benefits to 23,000 rural households (000)	23	0.8	N/A	0.8	1	26.3	114%

* Indicator added during Project implementation

** These figures have been revised to reflect the value of the loans actually committed.

*** Credit line of \$10 million reprogrammed to \$5.6 million as of amendment 11 and PIL 41

C.1 Other Accomplishments and Overall Status

- A No Cost Extension until March 31/95 was approved by USAID in order to fully disburse the credit line and give DIVAGRO the opportunity to progress on self-sufficiency. The heavy machinery for pineapple farming operations will arrive in October/94.
- An aquaculture project (Pescanova S.A) was funded using the project's credit line.
- A second farm, Amulunga, next to La Colina, was bought with FUSADES own funds to continue with the promotion and diversification of NTAEs.
- The Quality Assurance Program (QAP) incorporated three additional para-technicians to work in the tissue culture laboratory, an increasing activity.
- The QAP has in progress two proposals to develop projects with the German Cooperation Agency (GTZ) and with the Interamerican Development Bank (IDB).
- DIVAGRO met its counterpart contribution requirement.
- Progress has been made in regards to users paying 100% of technical assistance services.

Accomplishments directly related towards self sustainability:

- a) FUSADES signed a sales contract with Chestnut Hill, an american firm, to sell all the pineapple produced at La Colina, as well as other vegetables. The pineapple contract is on comission basis and the export modality will be jet-fresh, 20 pound boxes.
- b) 90 manzanas (63 has) of pineapple for export have been planted at La Colina. Harvest and export will start in November 1994. Total area to be planted for 1994 will be 100 manzanas (70 hectares).
- d) The QAP has held 7 meetings with agricultural and industrial sectors to promote/sell its services. Samples from Guatemala are being received as part of the regional market plan; the representative agent for Nicaragua has been identified. Next in the list is Belize.
- e) 96 food products from the Ministry of Health agreement have been analyzed during the period.
- f) Four small exports of ornamental plants produced at La Colina have been done.
- g) A research contract has been signed with Asgrow, an american seed producer company.
- h) A T.A. contract for 80 mza. of watermelons has been signed with Sun World, an american firm.

C. WID Issues

- Employment was created for 258 women (65% of total) by DIVAGRO assisted enterprises. NTAEs open opportunities for seasonal and permanent jobs. Harvest and post-harvest activities are usually better paid, thereby improving the family income.
- 36 participants out of 155 (23%) in training seminars were women.
- 16 out of 31 positions in the Quality Assurance Program are women.

D. Issues

- No major problems or delays.

E. Major Activities or Corrective Actions During the Next Six Months

- The QAP and DIVAGRO will carry out minor adjustments to be better prepared for self-suffic.
- The project close-out procedure will be initiated in October 94.
- 116,500 twenty pound pineapple boxes are expected to be exported for the period Oct-Mar., as well as thirty 40,000 pound containers of watermelon.
- DIVAGRO will send representatives to the Produce Marketing Association Conference to be held in San Antonio, Texas and the World Pineapple Symposium.
- The QAP will host the EPA/FDA/AID regional meeting in November 94.
- DIVAGRO and the QAP will attend AGRITRADE, a regional agricultural fair to be held in Guatemala in December/94 to promote/sell their services.
- Continue pineapple plantings, 4 manzanas (2.8 has) per month at the new farm, Amulunga.
- Eleven training activities/seminars are scheduled for this period.
- Starting October the QAP will start producing 45,000 monthly 3 cm. diameter Colored Callas bulbs and from January/95, the production will increase to 90,000 units per month.

PROJECT STATUS REPORT
April 1, 1994 - September 30, 1994

MISSION DIRECTOR RATING: A B C

I. BACKGROUND DATA

Project Title: Rural Electrification
 Project Number: 519-0358
 Date of Authorization: original 08/12/88 amended 03/05/93
 Date of Obligation: original 08/12/88 last amendment 06/30/89
 PACD: original 09/30/92 amended to 09/30/95
 Implementing Agencies: National Rural Electric Cooperative Association
 Mayor Contractor: None
 AID Project Manager: Raúl González, IRD/MID
 Status of CPs/Covenants: None

Date of Last Evaluation: 07/15/91 Next evaluation: 02/95
 Planned Number of Non-Federal Audits during Fiscal Year: 0
 The Number of such Audits Contracted for/Completed: 0
 Date of Last Audit: 07/15/93 Next Audit: 07/95

FINANCIAL DATA

FY 1994

Amount Authorized: DA Grant:	\$5,000,000	amended to	\$10,000,000
Amount Obligated: DA Grant:	\$5,000,000	amended to	\$10,000,000
Amount Committed: Period:	\$ - 0 -		
	Cumulative:		\$10,000,000
Accrued Exp.: Period-Projected:	\$ 400,000		
	Period-Actual:		\$ 527,843
	Cumulative:		\$9,136,589
	Projected Next Sem:		\$400,000
Counterpart Contribution Planned: (colones)	89,520,000		
Contribution Actual: (colones)	47,850,000		
% LOP Elapsed:			86
% of Total Auth. Oblig.			100
% of Total Oblig. Exp.			92
% of Total Auth. Exp.			92

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVE

A. Specific Linkage to Strategic Objective.

By increasing the efficiency of El Salvador's electrical utility through training, technical assistance and improved operating procedures, the Project contributes to Strategic Objective No. 2, **Broad-Based Economic Growth Increased**, especially in underserved rural areas. The reconstruction support component of the project focuses on the National Reconstruction Program areas, thus supporting Strategic Objective No. 1, **Assisting El Salvador Make The Transition From War To Peace.**

B. Percent of LOP Funds Relating to Strategic Objective .

Broad-Based Economic Growth Increased 85%
 Assisting El Salvador Make The Transition From War to Peace 15%

III. PROJECT PURPOSE AND DESCRIPTION

A. Project Purpose

To implement and demonstrate proven methods for improving delivery and end use of electricity in rural areas. The purpose was amended to support privatization of the Comision Ejecutiva Hidroelectrica del Rio Lempa (CEL), construction/rehabilitation of lines

in NRP areas, and improve end use efficiency of the electricity.

B. Achievements to Date

As shown in the Outputs Section, the Project has demonstrated increased electrical distribution efficiency and availability, especially in rural areas. The rehabilitation of electrical lines in the NRP areas is now in the construction phase and has reached a physical progress level of 45%. With the recent GOES legislative approvals for privatization of the distribution sector, CEL has renewed its interest in the Mission-financed study; Distribution Sector Strengthening, and will incorporate parts of it in the overall privatization plan. The Energy Efficiency component of the Project has documented its impact on improved secondary line designs and lighting systems through reduction of CO2 emissions and imported oil substitutions.

C. Project Description

The Project assists CEL to improve overall electrical distribution efficiency, including the promotion of private distribution entities. It constructs distribution lines in rural areas and demonstrates productive use of electrical energy to rural consumers. Project activities have been redirected toward serving the energy needs of NRP area residents, and the Project has expanded its counterpart relationships to include municipalities, NGO's, etc. in order to reach more persons within the NRP areas.

IV. PROJECT STATUS

A. Planned EOPS

1. Improved productivity and Standards of living for 26,000 rural families.
2. CEL's operating efficiency improved resulting in increased service to expand rural coverage.
3. In the NRP areas electrical service will be restored to an estimated 20,000 families.

Progress to Date

Line construction and supervision continue in the original planned project areas with 24,500 consumers having benefited to date.

CEL's operating efficiency will be improved by putting into operation the new billing system designed under the Project and procured under Project 519-0320.

Electrical service has been restored to about 3,000 families in the NRP areas.

B. Major Outputs

	Planned				Accomplished		
	LOP	This Sem.	Next Sem.	This Sem.	Next Sem.	% OF LOP	
1. Reduce RE cost	5%	0	5%	0	0%	11%	220
2. Const substations	4	1	4	1	0	3	75
3. Reduce peak demand	2%	2%	2%	0	0	2%	100
4. Train utility staff	90	200	890	67	138	1,761	1,957
Men (person days)	NA	175	775	60	120	1,503	
Women (person days)	NA	25	115	7	18	258	
5. Conduct PU demos.	200	30	160	15	15	175	88
6. Small hydro inventory and pilot projects	1	0	1	0	0	1	100
7. Increase No. of consumers of electricity	26,000	2,500	17,800	2,000	4,479	24,500	95
8. Reduce power losses	5%	0	5%	0	0	13%	380
9. Increase availability of electricity	10%	0%	8%	0%	0	13%	130
10. Studies to improve RE management	4	0	4	0	0	4	100
11. Studies to improve RE SOP's	3	0	5	0	0	5	167
12. Construct rural distribution lines (kms)	1,000	200	1,001	260	0	501	51

C. Other Accomplishments and Overall Status

1. Through the training component of the Project, NRECA has provided to CEL technical courses, seminars, a power line job safety and certification program, and educational videos for long-term career development and formal training in the electrical distribution sector.
2. The productive uses component has continued with its traditional presentation of equipment in all the rural areas including the NRP areas. Also, the CEL/BFA credit program has been revitalized and credits totalling about \$100,000 have been granted by the BFA.
3. Under the energy efficiency activity the following seminars have been developed: The Efficient Use of Energy and the Electricity Cogeneration Workshop. Also, NRECA has continued with the implementation of two energy efficiency demonstration projects: The Efficient Neighborhood and Wind Energy
4. With NRECA support, CEL is in the process of legalizing the sales contract with ACAEM (Rural Electric Cooperative of Morazán).
5. NRECA has supervised the reconstruction of about 300 kilometers of subtransmission and distribution lines. The general status of the three components of the reconstruction is as follows:

Component	Physical Progress
NRECA (Project 0394)	90%
Project 0320	65%
MEA	5%

6. Three training seminars relating to line construction and supervision have been given to private contractors and CEL's supervisors. As a result, the quality of the construction has improved.

D. Issues

1. Update on Problems and Delays from Previous SAR

Problem: The credit portion of the productive uses component continues to be weak. **Status:** As mentioned above, the credit problem has greatly improved.

Problem: Rural line construction continues behind schedule due to delays caused by CEL's restructuring plan. **Status:** NRECA and CEL are looking for a mechanism to continue with the construction program without incurring further delays.

2. This Period.

Problem: Approximately 30 million colones of local counterpart funding remains unprogrammed. **Status:** 15 million colones of local counterpart contribution have been recently approved and allocated for project activities. However, due to CEL's reorganization they will not be able to take advantage of this approved funding to complete the original construction goals on time. Given the approved level of funding, the total number of kilometers of subtransmission and line improvement will be reduced. These reductions

in no way will reduce the number of the consumers considered under the Project.

E. WID Issues

There are no significant WID issues to report this semester. NRECA continues to support **Women In Development** by training women technicians and managers in CEL and supplying electricity to rural areas. Many of the Productive Use activities are aimed at easing chores traditionally assigned to rural women and expanding women's economic opportunities.

F. Major Activities or Corrective Actions During the Next Six Months

1. The continuation of supervision support by NRECA through December 1994 in light of the delays in CEL and MEA electrical line reconstruction.
2. The preparation by NRECA and presentation to USAID of an alternative plan for concluding the Project within the existing level of approved funding and minimizing the impact of CEL's administrative problems.
3. Develop the necessary documentation, including manuals, and implement a strategy which would ensure adoption by CEL of operating norms and standards, utilizing programs and policies prepared and utilized by NRECA that pertain to: commodity procurement, project site evaluation, construction program management, productive uses, and technical studies.
4. Conclude an Amendment to the MOU with the GOES to reflect changes in project implementation.

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**PROJECT STATUS REPORT
APRIL 1 - SEPTEMBER 30, 1994**

MISSION DIRECTOR RATING: A

I. BACKGROUND DATA

Project Title: Coffee Technology Transfer
 Project Number: 519-0362
 Date of Authorization: original: 07/15/92 amendment: 00/00/00
 Date of Obligation: original: 07/15/92 last amendment: 4/11/94
 PACD: original: 03/31/97
 Implementing Agencies: Salvadoran Coffee Foundation (PROCAFE)
 Major Contractor: IRI Research Institute, Inc.
 Project Manager: Antonio González, PRO
 Status of CPs/Covenants: Major CPs Completed

Date of Last Evaluation: 00/00/00 Next Evaluation: 02/95
 Planned of Non-Federal Audits During Fiscal Year: One
 The Number of Such Audits Contracted for/Completed: One
 Date of Last Audit: 12/31/93 Next Audit: 12/31/94

FINANCIAL DATA

Amount Authorized:	DA Grant: orig	\$12,000,000	amended to
Amount Obligated:	DA Grant: orig	\$ 3,200,000	amended to \$8,207,000
Amount Committed:	Period	\$ 2,022,000	
	Cumulative	\$ 8,137,000	
Accrued Expend.:	Period - Projected	\$ 1,800,000	
	Period - Actual	\$ 2,142,291	
	Cumulative	\$ 5,780,259	
	Projected Next Sem.	\$ 2,000,000	
Counterpart Cont.	Planned	\$11,250,000	
	Actual	\$ 2,464,749	
% LOP Elapsed:		47%	
% of Total Authorized Obligated:		68%	
% of Total Obligated Expended:		70%	
% of Total Authorized Expended:		48%	

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVE

A. Specific Linkage to Strategic Objective

The Project contributes to the Mission SOB#2 Broad Based Economic Growth Increased, by assisting coffee producers, especially small producers, to increase yields, profits, foreign exchange, and rural employment through improved coffee production technology. Since the majority of El Salvador's existing forests are coffee plantations, the Project also contributes to the Strategic Objective #5 of Improved Environment and Natural Resource Management.

B. Percent of LOP Funds Relating to Strategic Objective

Broad Based Economic Growth Increased	65%
Improved environment and natural resource management	35%

C. Project Description

The Project will provide technical assistance, training and equipment to establish a modern coffee research and extension capability under the direction of the industry's growers/processors. By adapting improved technology, the Salvadoran coffee industry will halt the decline in annual production and surpass previous levels. Project activities will extend throughout the country (including NRP areas) and all growers, but they will focus on the special problems of the almost 30,000 small growers and cooperative members. Project impacts will be multiplied, where possible, by transferring technology through organized groups of farmers.

III. PROJECT PURPOSE AND DESCRIPTION

A. Project Purpose

To improve per unit coffee yields and overall industry performance with a special emphasis on small producers.

B. Achievements to Date

After a slow start, PROCAFE is now covering all of the coffee areas in El Salvador. The Geographic Information Service (GIS) is completed in the North-East (Ciudad Barrios) and all extension agencies are in place. 15.25 person/month of short term T/A to PROCAFE has been provided in all areas of research and extension, as well as 105 person/months of Long Term TA. Most of the laboratory equipment has been purchased and the old equipment is being returned to MAG (vehicles and office furniture as well).

IV. PROJECT STATUS

A. Planned EOPS

- | | |
|---|--|
| 1. Technology transferred to 15,000 small producers and 46 ag. reform cooperatives | 3,638 small producers
22 ag.reform coops. |
| 2. New Technology and improved cultural practice (ICP) employed on 120,000 manzanas. | 36,740 |
| 3. Yield increased to: | |
| 25 QQ/Mz fully replanted | 0 |
| 20 QQ/Mz partially planted | 15 |
| 15 QQ/Mz cultural practices | 14 |
| 4. PROCAFE will have sustainable admin, research and extension units with 68 trained technology transfer agents | 56 |

B. Major Outputs

	P L A N N E D				A C C O M P L I S H E D		
	LOP	This	Cum	Next	This	Cum	% of
		Sem		Sem.	Sem		LOP
Farmers att.(X1,000)	18	3.10	6.48	1.06	3.31	8.01	44.5%
No.of small farmers	11	0.70	2.10	0.70	2.10	3.76	34.2%
No.of female farmers	2	0.80	0.71	0.12	0.33	0.67	33.5%
No.of male farmers	16	2.30	5.77	0.94	2.98	7.34	45.9%
Manzanas att.(X1,000)	120	8.50	29.19	3.10	18.74	31.09	25.9%
No.of fully renovated	20	0.00	0.00	0.00	0.31	0.41	2.1%
No.of part. renovated	31.25	4.10	1.85	0.00	0.51	1.67	5.4%
No.of inp.cult practices	68.75	4.40	27.79	3.10	17.92	29.01	42.2%
Technical agent trained	160	40	182	40	5	59	36.9%
No.of female agents	15	15	28	15	0	13	86.7%
No.of male agents	145	25	132	25	5	46	31.7%
Number of field days, training events, etc. (X1,000)	20	1	4	6.16	2.8	7.8	39.0%
"Check-off" funds received (Million dollars)	\$11.25	\$1.00	\$3.00	\$1.00	1.16	5.43	48.3%

C. Other Accomplishments and Overall Status

Research:

- **Soils and Environment:** The Geographic Information Service has been completed for the coffee area of Ciudad Barrios, North of San Miguel Department. The system is performing as expected considering the limitations in the local property registry and aerial photograph. The Technology Transfer Division of PROCAFE is now using this tool. PROCAFE has developed a handbook on pesticide use and application consistent with the protection of the environment.

- **Analytical Services:** Soils and foliage laboratory completed 33,300 analyses from 4,900 samples. The lab results are incorporated in a data bank to typify soils in the different coffee areas. Two research activities were completed dealing with organic matter determination and Calcium and Magnesium determination.

- **Genetics:** Genetic research designed to improve and adapt over 16 varieties and lines of dwarf, high yielding coffee varieties are under way. 177 persons (23.7% women) have been trained in grafting young seedlings of coffee, using soil disease and insect resistant rootstock.

- **Agribusiness:** Research is being conducted in the area of production of compost from coffee pulp and clean water disposal.

- **Vegetal Protection:** Other parasite to control coffee borer was successfully introduced. PROCAFE is giving technical assistance to 52 laboratories covering 50,000 hectares (about 30% of the coffee area.). 212 persons (15.1% females) have been trained in parasite culture.

- **Agronomy:** PROCAFE has promoted the planting of 17,750 forest plantules associated with coffee in 25 demonstration plots in the different coffee areas assisted.

- **Economic Studies:** PROCAFE completed the 1994/95 coffee crop survey. Data has been passed to the GOES through Consejo Salvadoreño de Café. Results indicate an increase of 14% over last year crop.

Technology Transfer:

- 3,300 new small and medium size coffee growers were incorporated into PROCAFE's portfolio, which represents 18,740 mzs. (13,096 hectares) of coffee land. Increased coffee prices are putting pressure in the TA to growers. 36 events in demonstration plots in the three regions reaching over 1,500 small growers were completed. 34 groups of small farmers are being assisted. Dr. Bertrand Salet from the SIRAD, France, has been incorporated into PROCAFE's extension service.

Administration:

- PROCAFE completed a reorganization study to adjust the size of the institution and the quality of services to the future income within a self sufficiency strategy. Two technicians and a member of the board visited Brazil to evaluate damage in coffee plantations due to frost. \$1.27 million received from the "dollar check-off". The Project is expending an average of \$350,000 per month. This figure includes IRI contract expenses.

D. Issues

- No major problems or delays

E. WID Issues

- PROCAFE actively participated in the May 1994 WID Conference sponsored by USAID. 184 women have been trained by PROCAFE during the semester. 125 women are directly employed by PROCAFE, and 381 women are employed in enterprises directly assisted by PROCAFE.

F. Major Activities and Corrective Actions During Next Six Months

- \$2,500,000 additional funds will be obligated, increasing total obligation to \$10,707,000.

- A mid-term evaluation has been programmed for the first quarter of CY95.

- PROCAFE will implement its reorganization plan.

- PROCAFE will purchase two research farms; one in the eastern zone, and the other in the western zone.

- Ten person/months of short term technical assistance, and 48 person/months of long term technical assistance will be provided to PROCAFE by IRI.

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PROJECT STATUS REPORT
April 1, 1994 - September 30, 1994

MISSION DIRECTOR RATING: **A**

I. BACKGROUND DATA

Project Title: Rural Enterprise Development II
 Project Number: 519-0382
 Date of Authorization: original: 06/28/90 amendment: 00/00/00
 Date of Obligation: original: 06/28/90 last amendment: 06/19/92
 PACD: Original: 05/31/94 amended to: 04/30/95
 Implementing Agencies: TechnoServe, Inc.
 Major Contractor: None
 Project Manager: Luis Antonio Gonzalez, PRO
 Status of CPs/Covenants: CPs to first disbursement: 10/30/90
 Covenants: All met.
 Date of Last Evaluation: 00/00/00 Next Evaluation: Feb. 1995
 Planned Number of Non-Federal Audits During Fiscal Year: One
 The Number of Such Audits Contracted for/Completed: Pending
 Date of Last Audit: 12/31/93 Next Audit: 12/31/94

FINANCIAL DATA

Amount Authorized: DA Grant: orig \$8,500,000
 Amount Obligated: DA Grant: orig \$4,500,000 amended to: \$8,500,000
 Amount Committed: Period: \$ 0
 Accrued Expend.: Cumulative: \$8,500,000
 Period - Projected \$ 650,000
 Period - Actual \$1,067,422
 Cumulative \$5,783,206
 Projected Next Sem. \$ 600,000
 Counterpart Cont.: Planned: \$2,167,000
 Actual: \$3,330,550
 % LOP Elapsed: 90%
 % of Total Authorized Obligated: 100%
 % of Total Obligated Expended: 86%
 % of Total Authorized Expended: 86%

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVE

A. Specific Linkage to Strategic Objective

TechnoServe is transferring environmentally friendly technology to Phase I, Phase III, and traditional cooperatives (Strategic Objective No.5) thus, increasing exports and jobs (Strategic Objectives No.2).

B. Percent of LOP Funds Relating to Strategic Objective

Broad Based Economic Growth Increased 85%
 Improved Environment and Natural Resource Management 15%

III. PROJECT PURPOSE AND DESCRIPTION

A. Project Purpose

To develop self-managed enterprises and assist institutions which serve these enterprises.

B. Achievements to Date

The Project has made satisfactory progress in meeting its purpose. More than 5,800 persons have been trained in cooperatives and farm management, the number of coops assisted has been increased to 61. The Project has created 6,435 additional jobs increasing total family income to C210,064,000. The Project is supporting other institutions in the promotion of NTAES and in the creation of new institutions dedicated to the sustainable promotion of NTAES.

C. Project Description

Project activities will emphasize strengthening Phase I, Phase III, and Traditional cooperatives. Limited support will be provided to GOES institutions, mainly in terms of sharing information and lessons learned. Technical assistance and training will also be provided in a limited way to cooperative federations and private development institutions, which service rural enterprises. The Project will place emphasis on production and enterprise development of NTAES among coops; coordinate on-going activities in the promotion of NTAES with CLUSA and FUSADES; collaborate with CLUSA and other institutions in the development of long term institutional structure to provide a sustainable promotion of NTAES.

IV. PROJECT STATUS

A. Planned EOPS

	<u>Planned EOPS</u>	<u>Progress to date</u>
1. Increase Employment (person years)	42,000	40,073 ***
2. Increase family income (C000)	162,597	210,064 ***
3. Increase area under cultivation (has.)	88,190	81,227 ***

*** Preliminary figures

B. Major Outputs

	<u>Planned</u>				<u>Accomplished</u>		
	<u>LOP</u>	<u>This Sem</u>	<u>Cum.</u>	<u>Next Sem.</u>	<u>This Sem.</u>	<u>Cum.</u>	<u>% of LOP</u>
Cooperatives assisted	50	7	44	4	4	61	122
Preliminary investigations	72	7	70	6	5	76	106
Project agreements	72	7	80	5	8	114	158
Project activities analyzed	204	20	223	4	70	330	132
Project plans implemented	98	8	121	4	14	157	160
Training activities	64	8	132	5	2	122	191
Feasibility studies	24	3	24	2	33	89	371
Coordination activities	112	9	134	4	3	221	197
Persons trained	3,200	250	3,992	200	524	5,823	182
- Women					3	320	
- Men					521	5,503	

C.1 Other Accomplishments and Overall Status

- A no-cost extension of PACD was authorized, extending the Life of the Project until April 30, 1995. This extension will permit TNS to participate more actively in the promotion of NTAES, and to collaborate with CLUSA, FUSADES/DIVAGRO and other institutions in the promotion of NTAES.
- TNS personnel were trained in NTAES and a new unit was incorporated to the multidisciplinary assistance teams.
- TechnoServe, CLUSA and UCRAPROBEX are jointly supporting the creation of PROXSAL, a new NTAES service company formed by small farmers, cooperatives and exporters/processors involved in the production, processing and marketing of NTAES.
- Five preliminary investigations were completed previous the signature of an assistance agreement. Four new cooperatives were incorporated to the TNS portfolio, increasing the number of coops assisted to 61, eleven over the planned for the LOP.
- 524 persons were trained in cooperativism and cooperative administration.
- TechnoServe is participating with CLUSA and UCRAPROBEX in the reconversion of CORALAMA Coop. cashew processing plant. This coop. produces and processes natural and organic cashew for export. TNS implemented a new salary system for the processing of cashew (100% manual) based on efficiency of labor, increasing productivity and salaries. Annual business plan was elaborated and approved by the coop. and by the financing institution - UCRAPROBEX. Loans with commercial banks were fully paid.
- TechnoServe assistance to SOCOPI, a cooperative formed as a result of the privatization of IRA facilities in Usulután, has continued to elaborate administration manuals, doing marketing research in Honduras and Nicaragua, obtaining a 2 million colones revolving line of credit for the purchase of grains, and training the personnel in grain handling. 2,000 MT of fertilizer were imported through a BFA loan.
- TechnoServe, CLUSA and FUSADES/DIVAGRO sponsored a seminar designed to improve post harvest handling of fruits and vegetables.
- TechnoServe is actively participating in the Management Committee of the Forestry Plan for El Salvador, at the Secretaria del Medio Ambiente (SEMA).
- Design for approximately 88 hectares in irrigated land was developed for the cultivation of NTAES during the next dry season.
- Four new non-traditional crops were demonstrated during the rainy season. These crops were for training purposes in coops that usually produce traditional crops.
- As a result of increased coffee prices, family income increased 1,480 colones over last year level of income.
- TechnoServe proposed 10 candidates from the ex-conflictive area of Ciudad Barrios for CAPS in the area of microenterprise development. Only four were accepted.

C.2 WID issues

- A technical assistance proposal was submitted to the Salvadoran Rural Women Association. This assistance would be in areas of business administration, credit and accounting.
- 150 women workers of the CORALAMA cashew processing plant were trained in production efficiency, increasing yield and personal income.
- Two new cooperatives, San Simon and San Carlos, were added to TNS portfolio. Membership of the San Simon coop, dedicated to the production of coffee, is 57% women. In San Carlos coop., women membership is 22%.

D. Issues

- No major problems or delays.

E. Major Activities or Corrective Actions During Next Six Months

- Initiate the Close-out process.
- Final Evaluation is programmed for first quarter of CY95.
- Four new cooperatives are expected to be added to TNS portfolio.
- TNS and PROCAFE will initiate a joint effort to provide technical assistance to coffee coops. to include production as well as administration and other social aspects of the enterprise.
- TNS will do a feasibility study for UCRAPROBEX, to create a finance company.
- PROXSAL charter will be signed.
- Approximately 88 hectares of irrigated land will be incorporated in NTAES production.

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PROJECT STATUS REPORT
Apr. 1 - Sept. 30, 1994

MISSION DIRECTOR RATING: A Δ B _ C _

I. BACKGROUND DATA

Project Title: NTAE Production and Marketing
 Project Number: 519-0392
 Date of Authorization: original: 06/28/91 amendment: 00/00/00
 Date of Obligation: original: 06/28/91 last amendment: 09/06/94
 PACD: Original: 06/30/96 amended to: 00/00/00
 Implementing Agencies: Cooperative League of the U.S.A. (CLUSA)
 Major Contractor: None
 Project Manager: Luis Antonio Gonzalez/PRO
 Status of CPs/Covenants: CPs to first disbursement: All Met
 CPs to Subsequent Disbursement: All Met
 Covenants: None
 Date of Last Evaluation: 00/00/00 Next Evaluation: March/95
 Planned Number of Non-Federal Audits During Fiscal Year: Pending
 The Number of Such Audits Contracted for/Completed: One
 Date of Last Audit: Next Audit:

FINANCIAL DATA

Amount Authorized: DA Grant: orig \$9,000,000
 Amount Obligated: DA Grant: orig \$2,500,000 amended to: \$8,400,000
 Amount Committed: Period: \$1,500,000
 Cumulative: \$8,361,487
 Accrued Expend.: Period - Projected \$ 800,000
 Period - Actual \$ 414,084
 Cumulative \$4,412,153
 Projected Next Sem. \$ 900,000
 Counterpart Cont.: Planned: \$2,260,375
 Actual: \$1,367,670
 % LOP Elapsed: 60%
 % of Total Authorized Obligated: 93%
 % of Total Obligated Expended: 52%
 % of Total Authorized Expended: 49%

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVE

A. Specific Linkage to Strategic Objective

Because of the environmentally friendly technology packages extended by CLUSA to cooperatives and small farmers, as well as the increasing application of Certified Organic farming techniques (S.O. # 5), exports and employment will be increased, thus increasing Broad Base Economic Growth (S.O. # 2).

B. Percent of LOP Funds Relating to Strategic Objective

Broad Base Economic Growth Increased 85%
 Improved environment and natural resource management 15%

III. PROJECT PURPOSE AND DESCRIPTION

A. Project Purpose

To increase the production and marketing of non-traditional agricultural exports (NTAES) by cooperatives and small farmers.

B. Achievements to Date

The project has made excellent progress towards the Project purpose and is on target to have a major impact on non-traditional exports by cooperatives and small farmers. The project has been extremely successful in increasing NTAE production by over 1000 percent and thereby increasing incomes for 132,616 beneficiaries.

C. Project Description

The Project provides intensive in-the-field training and technology transfer to producers in the production, harvesting, and postharvest handling and packing of NTAE products. The Project also links coops and producers, private sector suppliers and local buyers (processors/exporters). Intensified marketing/investment efforts in the U.S. and other foreign markets are made. A separate unit has been established to address business, financial and training needs of participating cooperatives. A record keeping and reporting system to monitor production of participating coops has been established.

IV. PROJECT STATUS

A. Planned EOPS

	Planned EOPS	Progress to date
1. Additional hectares planted in selected non-traditional agricultural export crops due to CLUSA's assistance and market facilitation	6,000	7,861
2. Total direct/indirect beneficiaries	126,471	132,616
3. NTAE crops produced with net profits	40	67
4. NTAE production increased by 250%	250%	1041%

B. Major Outputs

	Planned			Next Sem.	Accomplished		
	LOP	This Sem.	Cum.		This Sem.	Cum.	% of LOP
- Increase in NTAE products exported	8	1	8	0	4	13	163
- Increase in irrigated hectares	800	30	214	67	31	395	49
- Employment days generated Person/days (X1,000)	533	27	93	25	141	479	90
- Women	107	5	18	10	26	94	86
- Men	426	22	75	31	113	385	90
- Increase in Action Plans	52	13	34	6	7	46	88
- Exporters/processors/brokers assisted	10	1	7	5	1	12	120
- Foreign investors assisted	5	1	2	0	3	9	180
- Production increased (lbs X1,000)	26,146	1,584	4,893	1,584	8,558	52,606	201
- Cooperatives and groups of small producers assisted	36	10	26	2	3	57	158
- Environment:							
a) Coops trained in pesticide management and safety	36	10	35	10	23	75	208
b) Cooperatives sign a letter of understanding	36	10	26	2	3	40	111
c) No. of person/days of TA/T dedicated to crop & environment protection	420	6	62	25	155	366	87

C1 Other Accomplishment and Overall Status

- The new NTAEs service company, PROXSAL, has been formed with participation of cooperative producers, export companies, Technoserve, CLUSA, PROESA and local processors.
- CLUSA provided technical assistance to additional 522 manzanas (365 has.) during the semester; Blackeye peas, Chilis, Marigold, Sesame (both traditional and organic), Certified organic black beans, Watermelons, Aster, Papyrus. In addition, 4126 manzanas (2891 has.) of permanent crops were assisted including Nardos and organic coffee and cashews.
- The Organic Crop Improvement Association (OCIA) elected the first Central American, Ulises Palma (President of UCRAPROBEX), to their Board of Directors. In addition, OCIA will hold the 1995 Annual Meeting and Conference in El Salvador.
- Plantings of organic sesame have increased 450% over last year production area.
- 21 Action Plans were evaluated/revised by the Agribusiness Unit.
- CLUSA staff conducted training sessions in 23 cooperatives on "Safe Pesticide Use and Mgmt."
- Linkages were established with the Peace Corps, resulting in CLUSA assisting in the placement of volunteers in three cooperatives.
- CLUSA cooperated with Technoserve and FUSADES in sponsoring a training event titled "Low Cost, Low Volume Precooling for Fruits and Vegetables", designed to improve post harvest handling.
- Three new export crops were successfully produced and shipped by cooperatives: Asters, Cured White Onions, and Papyrus. A fourth, Organic Cashew, is in the process of certification.
- CLUSA has started to work in the Chalatenango area and is assisting nine small growers who will be producing organic lettuce, artichokes and cut flowers.
- Certified organic coffee exports by cooperatives increased 500% during the current period, and earned a 10% price premium.
- The 1993/94 CLUSA assisted Cooperative production results have shown a 23% increase in yields over the previous year.
- CLUSA technicians provided technical assistance and training to 8 cooperatives which has resulted in 225,000 tree seedlings for a planned 500 manzanas of additional reforestation, 125 manzanas of completed reforestation, and 511 mzs. of soil conservation works.

C.2 WID Issues

- Due to CLUSA's participation in the USAID sponsored "Gender in Development" conference, effort was made to include women in some of the training events and work sessions that are typically directed toward male coop members.
- Women participated in the following training and planning sessions: "Safe Use of Pesticides" (10), "Organic Coffee Field Day" (3), "Organic Coffee Produc. Methods" (4); "Workgroup for the Restructuring of the Las Tablas Coop Association" (5), "Analysis and Interpretation of Internal Statutes" on the Cara Sucla Coop (1).
- Four women were included in the planning and development of the NTAE services company, and one was elected to the board of directors.

D. Issues

- No major problems or delays.

E. Major Activities or Corrective Actions During the Next Six Months

- Sign two letters of understanding with two cooperatives.
- Develop and implement two new action plans.
- Finalize and submit documentation to OCIA for the certification of 25 organic coffee cooperatives and small producer groups.
- Assist cooperatives with melon exporter negotiations and contracts.
- Sign four technical assistance contracts with foreign brokers.
- Sign four technical assistance contracts with local exporters.
- Attend the Produce Marketing Association Conference and Trade fair to be held in San Antonio, Texas in October 1994.
- Attend the Annual OCIA Meeting in El Salvador.
- Due to a mutual agreement with PPD the scheduled evaluation for August/94 has been postponed for the second quarter of the 1995 fiscal year.

PROJECT STATUS REPORT
April 1, 1994 - September 30, 1994

MISSION DIRECTOR RATING: A _____ B _____ C X

I. BACKGROUND DATA

Project Title: I.E.S.C. Technical Assistance to Business
 Project Number: 519-0395
 Date of Authorization: Original 07/07/92
 Date of Obligation: Original 07/07/92
 PACD: Original 06/30/94 Amended to: 6/30/95
 Implementing Agency: International Executive Service Corps
 Major Contractors: None
 AID Project Manager: Roxana Blanco, PRO
 Status of CPs/Covenants: PIL No. 1, July 24, 1992.
 Date of last evaluation: None Next evaluation: 2/95
 Planned Number of Non-Federal Audits during Fiscal Year: none
 The Number of such Audits Contracted for/Completed: none
 Date of last audit: received by the IG 5/94 (*) Next audit: Pending

(*) This audit covered CY'92 only.

FINANCIAL DATA

Amount Authorized:	Grant: Original:	\$ 500,000
Amount Obligated:	Grant: Original:	\$ 500,000
Amount Committed:	Period:	\$ -0-
Accrued Expend.:	Cumulative:	\$ 500,000
	Period Projected	\$ 80,000
	Period Actual	\$ 64,867
	Cumulative:	\$ 349,887
	Proj.next sem.	\$ 66,500
Counterpart Contributions:	Planned:	\$ 562,800
	Actual	\$ 266,629 (*)
% LOP Elapsed:		75%
% of Total Auth. Obligated:		100%
% of Total Oblig. Expended:		70%
% of Total Auth. Expended:		70%

(*) Amount corrected based on IESC's Headquarters revision up to 6/30/94.

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVES

A. Specific Linkage to Strategic Objectives

The Project relates to the Broad Based Economic Growth Increased Strategic Objective, since the technical assistance provided by IESC to Salvadoran private sector companies will permit them to become more productive, quality conscious and cost efficient, which will increase exports, private investment and productive employment.

B. Percent of LOP Funds Relating to Strategic Objectives

Project funds are 100% dedicated to Strategic Objective No. 2.

III. PROJECT PURPOSE AND DESCRIPTION

A. Project Purpose

Assist Salvadoran private sector companies to become more productive, quality conscious, and cost efficient in order to help in the economic reactivation of El Salvador.

B. Achievements to Date

During the reported period, IESC provided technical assistance to three new private sector companies: Cajas y Bolsas (paper industry); Saltex, S. A. (construction industry); and Intusa (plastic industry). These companies received assistance in the production area, which will allow them to increase productivity, product quality and to diversify production.

C. Project Description

IESC will provide technical assistance to small, medium and large Salvadoran companies to expand business, increase productivity and sales, improve competitiveness and technology transfer, and avoid business closures. The assistance will be provided to individual private sector industrial firms or groups of companies that due to their size may have to group in order to receive it. Priority will be given to companies identified by the Salvadoran Association of Industrialist (ASI) in its Industrial Reconversion Program.

IV. PROJECT STATUS

A. Planned EOPS

- | | |
|---------------------------------------|--|
| | <u>Progress to Date</u> |
| 1. Productive employment | - 190 new jobs, out of which 147 have benefitted women (77% of the total). |
| 2. Business expansion | - In twelve companies |
| 3. Increase in productivity and sales | - From 10% - 20% increase in productivity in 11 companies |
| 4. Technology transfer | - Partially achieved in 18 companies. |
| 5. Avoidance of business closures | - None. |

B. Major Outputs

LOP	Planned		Accomplished		% of LOP	
	This Semes	Next Semes	This Semes	Cum		
40	8	26	5	3	18	45%

Technical Assistance

Carry out sub-projects partially financed by the Grant

C. Other Accomplishments and Overall Status

- The Project was amended to extend the PACD to June 30, 1995, to allow IESC to achieve Project goals, and to modify the level of Project funding to companies receiving IESC's assistance, in order to reach more medium to small sized companies.
- During this semester USAID authorized IESC to carry out three new sub-projects in the plastic, chemical and construction industries. IESC informed that it has been contacted by many more companies, and in the following months it will be requesting new sub-projects authorizations, once they are sure of the VE's availability (USAID/PRO has requested IESC's Director of Operations to request authorizations once the provision

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of the assistance is assured). On the other hand, they have canceled four sub-projects for different reasons, i.e. IESC could not find a VE with the necessary expertise, new financial priorities in the companies, client's financial problems to cover TA cost.

D. Women in Development Issues

Of the 190 new jobs generated by the assistance provided by IESC, 147 women have been benefitted. These jobs indirectly benefit 735 persons, considering that each family group is in average constituted by 5 persons.

E. Issues

Considering IESC's accomplishment during these two years of implementation (only 18 technical assistances completed), and the current pace of the Project, we estimate that at the most it will be able to reach about 65% (26 companies) of the target. Based on this, USAID/PRO recommends to finance IESC up to the PACD with no further extension.

F. Activities or Corrective Actions during the next six months

IESC is in the process of recruiting VEs for the provision of seven technical assistance to private sector companies, four already authorized by USAID and three just starting the recruiting stage in the following industries: plastic, construction, wood, metal, dairy products, and chemical:

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PROJECT STATUS REPORT
April 1, 1994 - September 30, 1994

MISSION DIRECTOR RATING: A B C

I. BACKGROUND DATA

Project Title: Special Development Activities
 Project Number: 519-0094
 Date of Authorization: FY 94
 Date Funds Available: N/A
 PACD (estimated): 03/01/94
 PACD (estimated): 03/30/96
 Implementing Agencies: Community Groups, Associations,
 Voluntary Organizations, Hospitals,
 and Schools
 Major Contractors: N/A
 AID Project Manager: Patricia Echeverria
 Status of CPa/Covenants: N/A
 Date of Last Evaluation: November 1993
 Next Evaluation: FY 96
 Planned Number of Non-Federal Audits during Fiscal Year: 0
 The Number of such Audits Contracted for/Completed: 0
 Date of Last Audit: January 91 (Financial Review)
 Next Audit: Early FY 95

FINANCIAL DATA (HGOLC)

	<u>FY 1994</u>	
Amount Authorized: Original	\$100,000	
	\$137,612	
Amount Obligated: Initial	\$100,000	
	\$137,612	
Amount Committed:	\$137,612	
Accrued Expend.:	\$ 46,002	
Counterpart Contrib.:		
Planned: (in kind)	\$25,000	(25%)
Actual:	\$81,840	(59%)
% LOP Elapsed	N/A	
% of Total Auth. Obligated	100%	
% of Total Oblig. Expended	33.4%	
% of Total Auth. Expended	33.4%	

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVE

- A. Specific Linkage to Strategic Objective No. 2, Broad Based Economic Growth Increased
 LAC Bureau Sub-Objective I.C. encourages increased economic opportunities for disadvantaged persons. The SDA Project finances small projects in such areas as vocational training, road improvement, equipping or constructing classrooms, electrification, library reference and technical books, potable water, etc.
- B. Percent of LOP Funds Relating to Strategic Objective
 85% of funding directly relates to S.O. No. 2, Broad Based Economic Growth Increased. (15% of funds go to Strategic Objective No. 4, Better Educated and Healthier Salvadorans).

III. PROJECT PURPOSE AND DESCRIPTION

- A. Project Purpose
 To finance quickly and with a minimum of procedural red tape small activities which will have an immediate impact and will advance U.S. objectives. To allow the Mission to respond immediately and without reference to goal plans, sectors of concentration or other elements of a country assistance strategy.
- B. Achievements to Date (FY 1994)
 The Project contributed to the development of poor communities through the financing of 23 sub-projects for a total of \$137,612.

C. Project Description

Funds are used for activities which cannot be supported, or supported quickly, within the structure of currently established projects. The opportunity is provided for involving segments of the local population not normally reached by other formally established USAID projects and programs. Sub-projects are generally small. A.I.D.'s contribution is an average of \$5,000 with a possible maximum of \$10,000 per sub-project.

IV. PROJECT STATUS

- A. Planned EOPS: N/A
 B. Major Outputs: 1/

<u>FY 94</u>	<u>Planned</u>	<u>Accomplished</u>
Sub-Projects	15	23

- 1/ Outputs of this Project are programmed on an annual, not a semester basis. Due to the USAID funding cycle most sub-projects are funded in the second half of the FY.

C.1 Other Accomplishments and Overall Status

1. FY-93 Liquidations are completed.

C.2 Women in Development

1. 5,000 women are participating in/or benefitting from 20 of the 23 FY-94 projects.

D. Problems and Delays

1. No problems or delays.

E. Major Activities or Corrective Actions during the Next 6 Months

1. Complete liquidations of FY 94 projects.
2. Start approval process for FY 95 projects.

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STRATEGIC OBJECTIVE NO. 3: STRENGTHENED DEMOCRATIC INSTITUTIONS AND PRACTICES

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PROJECT STATUS REPORT
 April 1, 1994 - September 30, 1994

I. BACKGROUND DATA

Activity Title: Integrated Financial Management
 Project Number: 519-0349
 Date Starting: Ministry of Finance: 02/12/93
 Court of Accounts: 10/18/92
 Date of Completion: Ministry of Finance: 02/11/95
 Court of Accounts: 10/17/94
 Implementing Agencies: Ministry of Finance
 Court of Accounts
 AID Project Manager: Thomas Clarkson/Richard Persons/CONT

FINANCIAL DATA

Amount Authorized: \$ 4,500,000
 Amount Obligated: 3,270,908
 Amount Committed: 3,001,087
 Accrued Expenditures:
 Period Projected: 900,000
 Period Actual: 776,373
 Cumulative: 2,101,087
 Period-Next-Planned: 900,000
 % of LOP Elapsed: 75%
 % of Amount Auth./Exp: 47%
 Estimated Counterpart
 Contribution \$ 525,272

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVE

Mission Strategic Objective No. 3 is to promote enduring democratic institutions with broad-based participation. Program Output No. 3.3 calls for improved public sector financial management and accountability.

The improvement and integration of the GOES financial management and auditing systems will directly contribute to the achievement of this Strategic Objective inasmuch as effective and transparent financial management and auditing systems will enhance people's confidence in their government thus promoting consolidation of democratic institutions. Decentralization will force internal controls in the line ministries, autonomous agencies, public enterprises and municipalities. The improvements will establish consistency among accounting systems, and enable the issuance of consolidated governmental financial reports by the Finance Ministry. Independent audit capability will promote honest rendering of accounts, and form the basis for effective legislative oversight for results. 100% of funds are devoted to Strategic Objective No. 3.

III. ACTIVITY PURPOSE AND DESCRIPTION

A. Activity Purpose

To provide technical assistance and training to the Ministry of Finance and the Court of Accounts in the design and implementation of an integrated financial management and modern auditing system for the ministries, autonomous agencies, public enterprises and municipalities capable of producing timely and reliable data on all aspects of public sector financial operations and performing post audits of governmental functions, institutions and programs and reporting on the results.

B. Activity Description

The activity has three major components: (a) the modernization and integration of budgeting, treasury and accounting and debt management systems of the GOES managed by the Ministry of Finance, (b) installation of standardized accounting systems in the government entities, and (c) the creation of post audit capability in the Court of Accounts.

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IV. ACHIEVEMENTS TO DATE

(Project Accomplishments)

A. Ministry of Finance:

1. Budget Division:

- a) Reviewed and modified budget instruction forms for the 1995 budget process. Standards and norms for public entity budgets were made ready for review on the part of budget authorities. In addition, undertook coordination with the Treasury and Accounting directorates to assure that the classifiers for the budget, the accounting system and the cash flow budget were compatible.
- b) Initial agreement reached on the introduction of the new budget structure with the Ministries of Agriculture, Public Works, Education and Health.
- c) A three-day internal training seminar on the new budget structure titled "Budget by Management Area" was given twice during the semester to seventy Budget Directorate personnel.
- d) Prepared a proposal for the budget policy document which analyzed available documentation as to the government's plans, political party documents and others.
- e) Prepared a seminar with the purpose of informing the other General Directorates within the Ministry of Finance as to the 1995 budget in general, and the basic concepts behind "budget by management area" in particular. It was reported that this had been the first time in memory that the Budget Directorate had made such a presentation of the budget before the fact; that very fact made for a notable change in the atmosphere for intra-Ministry coordination.
- f) The IFM budget conceptual framework and budgetary changes training given to 67 agencies and 400 government personnel. The overall impression is that the courses served their planned purpose and that the budget changes being introduced by the project had been grasped by the different public sector entities.

- g) Initial proposal for a work plan for modernizing budget execution was prepared. The proposal required a preparatory analysis of the norms methods and procedures for budget execution within the executing agencies and an investigation as to actual practice for execution and monitoring within the executing agencies and the central organisms within the Ministry of Finance.
- h) Formulated a training plan for the 1996 budget. The integrated process would commence in October and run through January 1995, with emphasis on training instructors.
- i) Developed consistent and compatible classifiers for accounting and budget functions for the entire IFM system.
- j) Prepared draft of manual for execution of budget to be approved by the Ministry.
- k) Prepared a proposal for the Budget Message to accompany the Budget Law to be presented to the Assembly on September 30, 1994.

2. Treasury Division:

- a) Prepared a strategic planning seminar and workshop for the Treasury directorate to define concrete objectives for the directorate in the medium term, consistent with the modernization efforts undertaken within the Ministry of Finance.
- b) Prepared a report on the legal aspects related to Letras de Tesoro Público. This report involved defining the procedures and mechanisms to be adopted in order to shift the Treasury's checking accounts from the BCR to the private banking system, in accordance with recent modifications to the BCR law.
- c) Prepared the strategic plan for the new organizational structure of the Directorate of the Treasury, based in good part on the projected SAFI law and the modernization proposals developed under the IFM project. The plan was approved by the Ministry in August 1994 and will be presented to the Assembly at the beginning of November 1994.

- d) Prepared a report on the current status of the IFM project within the context of the overall government goals for modernizing the State.

3. Public Debt:

- a) Concentrated on building an accurate and detailed database of existing loans, and designing a prototype version of the model. The design is focusing on the monitoring component of the model, which tracks the descriptive information for each loan, and the financial flows associated with loan payments. Once the design has been established for this component, the financial analysis component (which reviews alternative financial scenarios associated with each loan) will be included in the prototype. USAID provided additional computers to augment the computer capacity to analyze debt components.
- b) Provided training sessions to the Financiamiento Público staff on the structure of debt instruments.
- c) Prepared 5 year projection of debt service payments and disbursements which is one key element in the determination of the country's debt capacity.

4. Automation:

- a) The government accounting system software was successfully implemented in the Government Accounting Directorate and a number of Ministries, enabling the Project to discontinue extensive, direct support in this area.
- b) Completed the design and development of a prototype system for budget formulation, including the personnel budget processes.
- c) Developed the payment system prototype for Treasury which has been combined with the development of expanded, new and revised system design, development and documentation tools and standards.

- d) Completed design and analysis of the first prototype system/module for the administration of public debt.
- e) Developed prototype tools and reports for the analysis and modeling of public debt.
- f) Established independent informatics unit within the Government Accounting Directorate with a staff of five programmer-analysts. This unit has the governmental accounting system software functioning adequately in central government entities and in a number of the decentralized institutions.
- g) Budget formulation module/system prototype installed in the Ministry of Education. The prototype system was not only implemented in their central budget office, but was also distributed out to the regional offices with a great degree of success.
- h) A standard, effective and efficient, table-driven security feature was implemented in the Treasury Directorate to enhance security against both accidental and malicious data loss.
- i) Developed the first prototype of the Treasury automated payment system.

5. Government Accounting:

- a) Evaluation of the use and application of the Accounting System in the Institutional Financial Units in the Ministry of Justice, the Vice Ministry of Housing and the Supreme Electoral Court.
- b) Prepared basic accounting norms to be followed by the public sector with respect to IVA.
- c) Prepared procedures and manuals for accounting operations.
- d) Prepared accounting supervision programs for exercising control over the entire accounting system.
- e) Designed methodology and corresponding systems for financial analysis within the Accounting Directorate.

12.

- f) Evaluated the degree of compliance with the accounting system in the decentralized agencies and autonomous institutions; and an analysis of the reports produced through the accounting consolidation software.
 - g) Prepared an in-depth study on the differences between revenue and expenditure classifiers utilized by the Accounting and Budget directorates in the Ministry of Finance.
 - h) Internal Control and Supervision seminars were prepared and presented to all accounting supervisors in the Ministry during August and September 1994.
 - i) Prepared the terms of reference for the consolidation and full application of the government accounting system, together with a work plan.
 - j) Developed a registry of properties acquired through donations; their values are recorded according to sales value.
 - k) A financial analysis unit was created within the Government Accounting Directorate.
6. Other:
- Final draft of the umbrella law for financial administration prepared by the legal advisor and revised by MIPLAN, BCR, and Hacienda which will be presented to the legislative assembly shortly.

B. Court of Accounts:

- 1. USAID consultant at the Court of Accounts completed a conferences to the deputies of the Assembly and opinion leaders on the modernization of the Court of Accounts, the organic law and the constitutional reform. Currently, at this writing the reform of the constitution is being presented to the Legislature for multi-partisan approval. It is expected the constitutional reform will be approved by the end of the October 1994.
- 2. Currently implementing the 1994 audit plan.

- 3. Prepared draft law in conformity with the proposed constitutional reform. The details on the new law will be defined after the constitutional reform is passed. The new organic law is expected to be submitted to the Assembly by the end of October 1994.
- 4. Administrative rules prepared for implementation of the organic law were prepared.
- 5. The Auditing Directorate has completed 81 audits and special examinations of GOES entities. 12 audits are in progress at September 30, 1994.
- 6. Government accounting, internal control and auditing courses currently being taught to the staff of the audit directorate.

C. Other

Donor's conference held in September in Washington, D.C. with World Bank, IMF, BID and UNDP to discuss coordination of government financial management improvement projects.

Completed Training Needs Assessment for new project. The assessment identified the direction for training people to implement the IFM project within the GOES.

V. PROJECT STATUS

(Project Management Milestones)

A. Ministry of Finance:

1. KPMG TA Contract:

- a) All KPMG consultants are in the Finance Ministry and working on the project.
- b) Counterpart workteams actively involved with advisors on the project.

B. Court of Accounts:

1. The USAID-funded international consultant completed providing technical assistance to the Court of Accounts on October 17, 1994.
2. Additional USAID assistance is dependent on the passage of the constitutional amendment.

VI. PROBLEMS AND DELAYS

The ratification of the constitutional reform of the Court of Accounts passed in April by the previous Assembly is the only major delay which is affecting the project. However it is expected the change in the constitution should be ratified by the current Assembly by the end of October 1994.

VII. WID ISSUES

The project has four women GOES counterparts in Hacienda and the Court of Accounts who actively participate in the project implementation. The project also provided in-house training to approximately fifteen women in the Court of Accounts and Hacienda in the last six months

VIII. MAJOR ACTIVITIES DURING NEXT SEMESTER

A. Project Outputs, Ministry of Finance:

- 1) Approval of the organic Integrated Financial Management Law. It is expected to be presented to the Assembly by the beginning of November 1994.
- 2) Completed unification of the budgets.
- 3) Decentralized cash disbursement within the ministries.

B. Project Outputs, Court of Accounts:

- 1) Constitutional amendment changes the duties of the Court of Accounts from control previo functions to post audit work.
- 2) Organic law approved for the Court of Accounts in conformity with the constitutional reform.
- 3) Start Court of Accounts audit training component with the passage of the constitutional reform.

C. Project Management Milestones:

- 1) Decision of the fate of the new Public Sector Accountability Project will be determined.
- 2) Donor coordination for Court of Accounts reform and participation in new follow-on activities.

D. Close-Out of KPMG contract:

- 1) Project Activities Completion Report prepared.
- 2) Complete inventory of all commodities and transfer of goods to GOES institutions.

IV. PROJECT STATUS

A. PLANNED EQPS

1. Increased access of representatives to policy oriented information.

Progress to date
All the eight Project policy analysts, four assigned to the four major parties and four to the central unit, have become permanent staff of the Assembly. The ten technicians and the analysts have produced analytical packages for representatives on bills that have become laws; examples are the constitutional amendments, privatization of the sugar refineries law, and the environmental funds law.

2. Assembly debates improve in quality and vigor

Lively debate of the above legislation, all supported by information packages for representatives, indicates strengthened debate of policy issues.

3. Increased public understanding of the role of the legislature.

A local firm will be contracted by the end of October/94 to implement a public awareness campaign as part of a strategy to improve representative/constituents relations.

B. MAJOR OUTPUTS

	Planned			Accomplished			% of LOP
	LOP	This Semester	Cum	Next Semester	This Semester	Cum	
1. Technical Support Services							
-Policy analysts hired and trained	8	-	8	-	-	8	100
-Policy analysts institutionalized	8	4	8	-	4	8	100
-Information packets produced	15	5	20	0	5	23	153
-Laws indexed for priority policy areas	1	1	1	-	1	1	100
-Legislative manual developed	1	0	0	1		Being Printed	
-Bill-tracking system	1	0	0	1		Under review	
-Orientation Seminar	2	1	2	0	1	2	100
-Observational training for Deputies, Analysts and Técnicos	7	2	5	2	2	5	72
-Workshops for Committees, analysts and técnicos	10	2	9	3	0	3	30
-Symposia	2	1	1	1	1	1	50
-Books/Library		Books were acquired					100
-Indexed constitution		Indexing was finished and printed					100
2. Infrastructure							
-Semi-private offices for Deputies constructed and equipped		100 % equipped and 90% constructed					90
-Equipment purchased							
a) Computers	3	-	3	-	-	4	130
b) Audio system	1	-	1	-	-	1	100
3. Constituency Services							
-Pilot public education project designed		Strategy was finalized					100
-Pub. Relations Unit strengthened		Local consulting firm will start implementation of these activities in November/94					0
-Newspaper columns/radio spots							0
-Hearings held outside S. Salvador							0

C.1 OTHER ACCOMPLISHMENTS AND OVERALL STATUS

A six-month, no-cost extension was granted on June 6, 1994, to the Legislative Assembly to allow it to fully implement the Project's third component, constituency outreach for better public understanding of the Assembly's role, and to further strengthen the Assembly's committee system and its technical capacity (legislative analysts and technical staff).

After the new Assembly entered into session, a series of planning meetings were held with the new President of the Assembly and the Junta Directiva, to establish working relationships and determine the new Technical Committee, a team comprised of one member from each political party represented in the Assembly (FMLN, ARENA, PDC AND PCN) which operates as the Project's oversight group. A separate series of meetings was held with new members of this committee and its new coordinator. The Project seems now to be better placed for high-level support with the appointment of an Assembly Vice-President as coordinator of the Technical Committee. Members of this committee have expressed their commitment to the Project.

As part of the Second Component, Constituency Services, the Resident Advisor, Dr. Allan Austin, and the Technical Committee, organized a request-for-proposals and prepared a rating scale in order to choose, from 19 bidders, a contractor to review a draft design and implement a civic education and public relations strategy to improve the Assembly's image and representative-constituents relations.

From May 26-28, 1994, the Resident Advisor, working closely with the Junta Directiva and the Technical Committee, organized and carried out an orientation seminar for the newly elected Legislative Assembly. The objectives were to provide the representatives an overview of the role and function of the legislature and legislators in a democratic society, to analyze the representative-constituent relations, and to study the legislative procedures and support structures (bill tracking system).

Technical staff and legislative analysts, coordinated by the Oficial Mayor and the Resident Advisor, have designed the last draft of the first Legislative Manual. After a long period of discussion on its form and content the Manual will be printed in November, 1994. The Legislative Manual will provide representatives with information on the legislative process, the physical and personnel support structure of the Assembly, and other information that will help them to become effective legislators.

The Technical Committee, in collaboration with the Resident Advisor, selected the firm Price Waterhouse to carry out an Administrative Study for a new organizational structure in the Assembly. Although the prior Assembly leadership did not make any decision on the implementation of this study, the new Assembly leadership set it up as first priority. It is important to emphasize how important this study is to modernize the Assembly. Some of the outputs will be a new organizational structure, a procedures manual, and a job description manual, among others.

Two workshops have been organized to be carried out after this rating period to strengthen the Assembly committee system. The first two-day workshop will be to prepare the Assembly members (Political Committee, Budget Committee, Members of the Junta Directiva, legislative analysts and technical staff) for their constitutionally-mandated task to review the National Budget for 1995, and ultimately, approve it. This seminar has been scheduled for October 13-14, 1994. The second seminar will be on the proposed new Property Tax (Impuesto Predial) addressed to Assembly members of the Finance and Budget Committee and the Interior and Public Safety Committee (responsible for municipal affairs). The seminar is expected to be carried out on November 14, with the participation of COMURES (Corporación de Municipalidades de la República de El Salvador).

Research Triangle Institute's (RTI) contract to provide technical assistance to the Assembly expired on September 30, 1995. A contract extension was granted the same date to include 7 months of

additional technical assistance to fully implement the activities contemplated in the Agreement. No new activities have been included. The new contract expiration date will be the same as the PACD, April 30, 1995.

C.2 WID ISSUES

Ten percent of elected representatives are women, most of whom play a very active role in the policy making process. Two of them belong to the Board of Directors, the highest authority within the Assembly, and one of the main Committees, the Finance and Budget Committee, is headed by a woman representative. To the extent that women hold leadership roles in the Assembly, issues of concern to Salvadoran women will be taken into account in the drafting and implementation of legislation.

D. PROBLEMS AND DELAYS

After the March 20, 1994 elections, it took time for the Assembly to conform the fourteen different Committees, including the Technical Committee. Once this was established, a series of meetings were held to reestablish working relationships with the new representatives and, in general, to develop support for Project goals and objectives among the new Assembly leaders. This caused delays in the implementation of Project activities.

The current opposition group to the ruling party within the Assembly has questioned the former administration (the President and the Internal Auditor of the Assembly) about the transparency in the use of local currency generated PL-480/92 funds utilized for the remodeling of the main building. The media covered this issue which has preoccupied the ARENA party. Both the Court of Accounts and the Secretaría Técnica de Financiamiento Externo (SETEFE) are carrying out an external audit, requested by the opposition, of the ESF/91 and the PL-480/92 allocated to the Assembly. Final results will be presented by mid-November.

E. MAJOR ACTIVITIES OR CORRECTIVE ACTIONS DURING THE NEXT SIX MONTHS

a) Within the Technical Support Services Component:

- o Assist the Assembly in implementing the administrative studies to be recommended by Price Waterhouse.
- o Arrange an observation trip for selected Assembly representatives to view successful experiments in decentralization and municipal development in other Latin American Countries.
- o Carry out four seminars/workshops for Assembly representatives and/or technical staff and analysts. First, the National Budget Review Workshop scheduled for October 13-14, 1994; second, the Property Tax Workshop planned for November 14, 1994; third, a workshop to be determined, but probably on the "Role of Alternate Assembly Members (suplentes);" and fourth, a workshop for Assembly technical staff and analysts, emphasizing the complementarity of their functions.

b) Within the Constituency Services Component:

- o Start implementation of the civic education and public relations study and strategy to be carried out by a local firm. Initiate newspaper columns/radio spots and plan how to carry out hearings outside the San Salvador area.
- o Perform Project Evaluation scheduled for February 1995.

PROJECT STATUS REPORT
April 1, 1994 - September 30, 1994

MISSION DIRECTOR RATING: A X B ___ C ___

I. BACKGROUND DATA

Project Title: Caribbean and Latin American Scholarship Program (CLASP) II
 Project Number: 519-0361
 Date of Authorization: original 07/02/90 amendment None
 Date of Obligation: original 09/30/90 last amendment 09/23/94
 PACD: original 07/15/97
 Implementing Agencies: USAID/EI Salvador
 Major Contractors: Development Associates, Inc. (DA)
 AID Project Manager: Jaleh de Torres
 Status of CPs/Covenants: N/A

Date of Last Evaluation: September 1993 Next Evaluation: 1996
 Planned number of Non-Federal audits during FY: One
 The number of such audits contracted for/completed: One
 Date of Last Audit: Date of Next Audit:
 CPA Audit: December 1993 December 1994
 DCAA Audit: July 1992 January 1995

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVES

A. Specific Linkage to Strategic Objectives

The CLASP II project is directly linked to almost all Mission's Strategic Objectives.

- a) S.O.1: Assist El Salvador to make the transition from war to peace. CLASP trains mayors and grassroots local leaders to increase civic participation. It also trains special concern groups from the NRP areas and ex-combatants to make them ready to return to civilian life.
- b) S.O.3. Enduring Democratic Institutions with broad-based participation. CLASP is providing training opportunities in leadership skills and workings of democratic processes in a free market economy to foment participation, mobility and democratic pluralism for all participants (Mayors, Women Leaders, and Labor/Management).
- c) S.O.4: Improved Quality with Equity in Health and Education. CLASP is assisting with development of a more educated and more highly skilled population. This technical training contributes to efficiency and impact, both in public and private sector, and also facilitates integration into the productive process (Physically Challenged, ESL, and Junior Achievement). In primary education training programs, the results have also impacted the K-6 educational system.
- d) S.O.5: Improved Environmental and Natural Resources Management. CLASP has trained 75 environmental specialists and promoters. Many CLASP Alumni groups are carrying out such activities in the local communities.

FINANCIAL DATA

Amount Authorized:	DA/ESF Grant:	orig	\$ 28,500,000.00	amended to \$ N/A
Amount Obligated:	DA/ESF Grant:	orig	\$ 4,983,240.00	amended to \$22,469,479
Amount Committed:	Period:		\$ 73,873.00	
	Cumulative:		\$ 19,424,601.00	
Accrued Expenditure:	Period - Projected		\$ 1,870,787.00	
	Period - Actual		\$ 2,056,941.00	
	Cumulative:		\$ 11,301,563.00	
	Projected Next Sem.		\$ 2,030,348.00	
Counterpart Contribution	Planned:		\$ N/A	
	Actual:		\$ N/A	
% LOP elapsed:			59 %	
% of Total Auth. Obligated			79 %	
% of Total Oblig. Expended			50 %	
% of Total Auth. Expended			40 %	

B. Percent of LOP Funds Relating to Strategic Objectives

S.O. 1	18%	S.O. 4	25%
S.O. 3	50%	S.O. 5	7%

III. PROJECT PURPOSE AND DESCRIPTION

A. Project Purpose

The purpose of the project is to equip a broad base of leaders and potential leaders with technical skills, training, and academic education as well as an appreciation for the working of a free enterprise economy in a democratic society.

B. Achievements to Date

CLASP II project has trained 763 Salvadoran leaders and potential leaders in democratic practices and technical skills such as disaster relief, community service, protection of environment, enterprise development, health education, municipal management, mass communication, basic education, ESL teaching, university strategic planning, child care, vocational rehabilitation for physically/mentally challenged, and labor-management leadership training. Of the 763 scholars, 234 have come from ex-conflictive zones (National Reconstruction Plan - NRP).

C. Project Description

CLASP II stresses leadership development and consists of short and long-term technical or academic training, and exposure to the U.S. culture, society and democratic system. The program components are: 1) Pre-departure technical orientation, English language training and cultural orientation seminars; 2) U.S. training (leadership training, academic or technical training, Experience America activities and ELT); and 3) Follow-on program designed to reinforce training, facilitate the returnees' dissemination of knowledge and experience as well as exercise of leadership roles in their professions and their communities.

6. 50% of Americans in contact with Scholars have increased understanding of El Salvador.

100% of Americans, in contact with scholars, have increased understanding of El Salvador.

7. 50% of short and long-term Scholars making efforts to further knowledge and exposure to U.S. culture.

54% of scholars.

8. 50% of short and long-term Scholars actively participating in CLASP Alumni Assoc., attending at least one official function per year.

91% are participating in more than one function per year, at local level.

9. 75% of short and long-term Scholars are actively participating in at least one CLASP follow-on program per year.

83%

10. 90% of short and long-term Scholars have 50% increase in knowledge of role of leaders and how leadership is essential to the democratic process and for successful community activities.

98%

IV. PROJECT STATUS

A. Planned EOPS

Progress to Date

LEADERSHIP TRAINING

1. 50% of CLASP short-term and 75% of long-term Scholars transmitting their technical training, Experience America insights and demonstrate leadership skills, involved in voluntary activities in their communities.

The scholars (96%) short term and (85%) long term are transmitting their new learnings through the implementation of action plans including the multiplier effect seminars.

SKILL DEVELOPMENT

2. All short-term and 95% long-term scholars successfully completed training.

621 short-term (100%) and 66 long-term (92%) scholars successfully completed training.

3. All short-term Scholars return to their jobs and assume increased responsibility and 90% of long-term Scholars employed in areas related to training, 6-12 months of return.

92% short-term and 94% of long-term scholars are working in areas related to training.

4. 90% of short-term and 50% of long-term Scholars employed in geographic area of origin prior to training.

90% of short-term and 94% of long-term scholars have returned to their jobs in geographic area of origin.

EXPERIENCE AMERICA

5. 25% short-term and 50% long-term established long-term friendships and links with Americans 6 to 12 months after return.

60% Short-Term and 50% Long-term.

**B. Major Outputs
(Revised 09/94)**

	Planned		Next Semest	Accomplished				
	This LOP	Cum Semest		This Semest	Cum Semest	% of LOP	% to Date	
1. LT scholars trained	141	—	110	25	8	80	57%	11%
2. ST scholars trained	1,598	142	550	150	144	683	43%	89%
3. Total LT and ST Scholars	1,739	142	660	175	152	763	44%	100%
4. Participation of special groups								
a) 40% female participation	695	71	264	70	91	381	55%	50%
b) 10% of U.S. training months at HBCUs	610	50	217	75	77	282	43%	14%
c) 20% long-term training	347	—	70	25	8	80	23%	11%
d) 70% disadvantaged	1,217	100	540	120	129	666	55%	87%
e) Nat. Reconst. Plan (Rev.)	370	75	144	75	91	234	63%	31%

C. Support CAPS/CLASP

The CAPS/CLASP programs have also benefitted a total of 54 persons as members of support groups to provide assistance in the implementation of action plans for specific training groups.

5. Impact: a) **ESL Teachers:** Since August 1994, long and short-term CLASP scholars are conducting English reinforcement classes for MOE English teachers in the three regions on Friday mornings. The new validated curriculum for grades 7-9 was delivered to the ESL teachers and is now being implemented nation-wide. A student packet developed by long-term scholars was revised and is being reproduced in the MOE to be delivered to the English teachers from 7-9. The curriculum for grades 10-12 is being validated and corrections made to be used nation-wide in school year 1995. DA and USAID continue to backstop and support all actions to facilitate the follow-on process.

b) Labor-Management Leadership training program: under this program, a support group of 30 national profile leaders from both private and labor sectors, participated in a successful two-week training in the Washington area. This was the first time a combined group from the two sectors visited representatives from U.S. Congress, Labor and Commerce Departments, demonstrating willingness to work out differences. A group of 25 labor leaders attended a four week training at the George Meany Center; a second group of 25 labor leaders will receive training at this same institution in October-November 1994. This training program was coordinated with FOES and AIFLD. FOES representatives accompanied the combined support group and the group of trainees. FOES has adopted the action plan from the support group to carry out activities aimed to promote more productive relationships among the two sectors. FOES participation in the CLASP program has improved its convening capability and has increased participation of leaders from both sectors in FOES seminars and workshops.

c) Mental Health Promoters from the Ministry of Public Health (MOH) carried out multiplier effect seminars for 60 promoters and supervisors of community health from four Eastern departments. MOH has included mental health component in the training program for new health promoters. 52 new health promoters received training in mental health. Working teams of mental health have been formed for departments Morazán, La Unión, San Miguel, and Usulután. MOH supported the follow-on activities with special budget of approximately \$2,300.

d) ASECHA (Asociación Ecológica de Chalatenango) has been formed by a group of CAPS scholars. They have a membership of 30 CAPS and non-CAPS people. They have also obtained their "personería jurídica." Currently they are coordinating with FONAES in order to implement environmental projects.

e) NRP - To date CAPS/CLASP Peace Scholarship Programs have benefitted a total of 347 leaders or potential leaders from 84 ex-conflictive municipalities. The training areas include: primary education leaders, mayors, members of service clubs and emergency relief organizations, environmental promoters, health educators, mass communicators, ESL teachers, child care workers, vocational rehabilitation counselors for physically challenged, mental health promoters, and community leaders.

CAPS/CLASP Programs have trained 140 Mayors, 55 of whom belong to NRP areas. CLASP Training has enabled them to perform more effectively as municipal leaders.

50 community leaders from NRP areas will be trained in small business development area (25 in Aug-Sep/94 and 25 in Sep-Nov/94). These scholars were recruited from 13 NGO's working in ex-conflictive areas. Additionally, 50 NRP community development leaders will be trained next semester in community development; they were recruited from 10 NGO's.

C. Other Accomplishments and Overall Status

C.1 General

a) New programs: 13 Vocational Rehab. Counselors for Physically Challenged from CERPROFA, 26 NRP Community Leaders; 25 Labor Union Leaders departed and returned from U.S. training; 25 Child Care Workers, 24 NRP Community Leaders and a second group of 13 Vocational Rehab. Counselors from CERPROFA received their pre-departure training and are currently in the U.S. A second group of 25 Labor Union Leaders has been selected and are now receiving their in-country training. Selection process in progress for 50 NRP Community Development Leaders. Eight long-term scholars from University of El Salvador

were placed in three U.S. universities for master's degree in 6 academic programs.

- b) A combined group of 19 top level representatives from the private and labor sectors attended seminars in Washington with labor related U.S. government officials and observed models of labor-management relationships. The ten-day visit is part of the CLASP program directed to improve the relations between the labor unions and the private sector, a deep seated historical problem for El Salvador.
- c) Needs Assessment/program design phase in process for Child Survival, Mayors, and Public Sector Planners short-programs; for master's degree in Fundamentals of Education; and for long-term certificate programs in Library Science.
- d) Follow-on activities: 5 two-day re-entry seminars were conducted for 88 returned scholars.
- e) Two technical workshops were conducted for 46 returned scholars.
- f) 128 short-term scholars returned to the country. To date, 621 short-term and 72 long-term scholars have completed their programs. Currently 70 scholars are in U.S. training.
- g) Ten technical seminars were conducted for scholars from 12 departments. A total of 542 scholars attended. (51% female and 49% male participants).
- h) Fifth Annual Reunion for CAPS/CLASP scholars from the Central region took place with attendance of 473 scholars. Conferences on democratic participation, education in environmental protection, and sustainable development were delivered.
- i) CLASP Alumni Directory was developed, published, and distributed. CLASP brochures in English and Spanish were published.
- j) PIO/T and RFP issued for Amendment No. 3 with Development Associates. Negotiations near completion.
- k) Other: OHE representative conducted monitoring visit to two U.S. training sites.
- l) OHE consulted with all concerned USAID offices re: change of source of funds for CERPROFA training. It was decided and agreed upon that DTF funds should be used for this purpose. DA developed and submitted action plan to SRN.

C.2 Wid Status.

CLASP continues to meet/surpass the 40% female participation goal. To date, 381 (50%) women have benefitted from CLASP training. The evaluation survey has indicated that a significant percentage of female participants, upon completion of training, adopted increased responsibilities, received increased income and promotion.

D. PROBLEMS AND DELAYS

None

E. MAJOR ACTIVITIES AND CORRECTIVE ACTIONS DURING THE NEXT 6 MONTHS.

1. Send to U.S. training: a) 25 Labor Union Leaders (2nd group); b) 75 Municipal Leaders; c) 50 (two groups) of NRP Community Development Leaders; and d) approximately 25 long-term scholars.
2. Carry out Fifth Annual Reunion for CAPS/CLASP scholars in the Eastern and Western Regions.
3. Finalize production of a video tape on the CLASP Program.
4. Sign Contract Amendment No. 3 with Development Associates, Inc.

PROJECT STATUS REPORT
April 1, 1994-September 30, 1994

MISSION DIRECTOR RATING: A B x C

I. BACKGROUND DATA:

Project Title: American Institute for Free Labor Development (AIFLD)
Project Number: 519-0368
Date of Authorization: Original: 05/31/90 amendment 07/31/93
Date of Obligation: Original: 05/31/90 amendment 05/26/94
PACD: Original: 05/31/93 amendment 03/31/96
Implementing Agency: AIFLD
Major Contractor: N.A.
AID Project Manager: Mauricio Herrera Coello, ODI
Status of CP's/Covenants: CP's to First Disbursement: All met
CP's to Subsequent Disburs: All met
Planned Number of Non-Federal Audits during Fiscal Year: N/A
The Number of such Audits Contracted for/Completed : N/A
Date of Last Evaluation: 08/13/93 Next Evaluation : 12/95
Date of Last Audit: 06/1/94 Next Audit: 06/1/95

FINANCIAL DATA

Amount Authorized:	DA Grant:Original	\$14,000,000 amended to \$17,800,000
Amount Obligated:	ESF-Grant:Original	\$ 6,400,000 amended to \$17,800,000
Amount Committed:	Period:	\$ 1,243,786
	Cumulative:	\$17,643,786
Accrued Expend:	Period Projected:	\$ 1,071,230
	Period Actual:	\$ 327,500
	Cumulative:	\$14,130,963
	Projected Next. Sem:	\$ 800,000
Counterpart Cont:	Planned:	Waived
	Actual:	Waived
% LOP elapsed:		75 %
% of Total Authorized Obligation:		100 %
% of Total Obligation Expended:		79 %
% of Total Authorized Expended:		79 %

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVE

A. Specific Linkage to Strategic Objective

This Project supports USAID/EI Salvador's strategic objective to promote strengthened democratic institutions and practices by strengthening citizen participation in decision-making processes. Specifically, AIFLD is enhancing the democratic process by strengthening the capacity and competence of trade unions to represent workers' interest as pluralistic and democratic institutions. Through the unions' constructive dialogue with private sector management, and development services to members, the project provides expanded channels of communication and democratic participation.

B. Percent of LOP Funds Relating to Strategic Objective

100% Strategic Objective No. 3 "Strengthened Democratic Institutions and Practices." Supports Program Outcome "Improved Citizen Participation in the Public Policy Decision Making Process."

III. PROJECT PURPOSE AND DESCRIPTION

A. Project Purpose

Develop a strong and vigorous democratic labor movement, and improve labor-management relations.

B. Achievements to Date

AIFLD has assisted labor unions to develop their capacity to serve member needs as development

organizations; formulate more coherent proposals for policies, including a proposal for a new labor code, which was presented to the Socio-Economic Forum and the National Assembly; and deal more constructively with the private sector in contract negotiations. UNOC (National Union of Workers and Peasants) played a major role in drafting and negotiating the "Agreement on Principles and Commitments," and the "Work Program to Develop a Legal Framework for Labor Issues," historic documents which set objectives and mechanisms for agreement on labor-management issues. UNOC also played a major role in negotiating changes to the 49 articles proposed by the ILO, which the GOES used to elaborate the Labor Code which was passed by the National Assembly in April, 1994. The Labor-Management Institute for the Construction Industry (IOPIC) provides technical capacity to students on different areas of construction thus increasing skills, opening employment opportunities, and offering qualified personnel to the construction industry.

C. Project Description

The Project, as amended, has four major Components: 1) Urban Unions to provide operational and technical assistance to the UNOC and other urban unions through workshops, conferences, and seminars; 2) Rural Unions to provide training, technical assistance, and administrative support to about four rural unions, mainly, in cooperativism, agrarian reform issues, agro-industrial and microenterprise development; 3) Vocational Training to support the Labor-Management Institute for the Construction Industry (IOPIC) to give workers new skills in the construction trades and foster improved labor-management cooperation in this sector; and 4) Operational Support to AIFLD for Project Management and local operational costs.

IV. PROJECT STATUS

A. PLANNED EOPS

- Progress to date**
1. Upgrade technical and operational capability of UNOC, and urban and rural unions. Operational support, technical assistance and training through Project continue; UNOC's technical and legal departments provide timely support to UNOC and labor in general.
 2. Improve labor/management relations. Joint labor-management participation in vocational training (IOPIC) in the area of skills development of workers in the construction industry. AIFLD supported UNOC'S contribution to the trilateral (GOES, private sector, labor) agreement on 42 of the 49 articles of the approved reforms to the Labor Code. AIFLD worked in the selection and training of a group of trade unionists in new methods of industrial relations sponsored under the CLASP II Program.
 3. Increase skills, employment opportunities. Urban organizations have received specialized education through AIFLD's Educational Department on collective bargaining, women workers' rights, and other issues. IOPIC trains youth in masonry, carpentry, plumbing, and electrical installation. ACOPAI, FESACORA, and FEDECAS have carried out several seminars on pesticides, privatization, commercialization and exportation of agricultural products.
 4. Support Phase I and III farmers in defense of rights as land reform beneficiaries. AIFLD-supported campesino organizations are active in various fora to present their views on beneficiary rights and legislation. Operational support to them continues, under overall scaling down of assistance to unions.
 5. Improve the welfare of urban/rural workers. To date, the micro-enterprise and the village bank program has benefited in the rural area, through short-term loans, technical and administrative assistance and training, 3,132 people, the majority of them women, and 88 union members in urban areas, of which 72 were women. Through the Mobile Clinic Program and IOPIC, there have been more than 1953 beneficiaries. Voluntary health promoters, trained by the Mobile Clinic, continue their work with the support of the Cooperatives' Board of Directors.

B. MAJOR OUTPUTS

LOP	PLANNED			ACCOMPLISHED			% of LOP
	PERIOD	Cum	Next Period	Period	Cum	Period	
1. Provide technical assistance and training in union development to urban unions.	5	0	2	0	0	6	120
2. Consolidation of support to unions through UNOC.							

Education and organizing activities for unions and federations are being combined by sector

B. MAJOR OUTPUTS

LOP	PLANNED			ACCOMPLISHED			% of LOP
	PERIOD	Cum	Next Period	Period	Cum	Period	
3. Provide rural unions with technical assistance and training.	4	0	4	0	0	4	100
4. Self-Sufficiency of the IOPIC							
5. Improve efficiency and management of 8 urban unions.							
6. Short-term Training (persons)	M	F	M	F	M	F	M
	34000	3600	28062	600	530	34048	100
	15000	900	4558	500	608	11782	78

The Pesticide and Mobil Clinic Programs ended. Village Bank program in final stage.

IOPIC received its Personería Jurídica in August 30/94. Self-sufficiency strategy for the IOPIC is being formulated and implemented.

AIFLD provides regular administrative program and support, on a reduced scale, to urban unions. Federations have been encouraged to increase income through labor dues.

C.1 OTHER ACCOMPLISHMENTS AND OVERALL STATUS

UNOC (National Union of Workers and Peasants)

UNOC had a principle role in analyzing and stating organized labor's position with regard to the reforms to the labor code recently passed by the National Assembly.

UNOC has continued to pressure the GOES and the private sector to continue tri-partite dialogue with the Forum. The union has also participated in the discussion of the creation of the Concejo Superior del Trabajo.

In addition, the legal component of the UNOC assistance was involved in registering of new unions with the Ministry of Labor and the development of statutes and by-laws, as well as representation of the unions on the issue of dismissal of workers joining unions in the free zones.

Rural Program

During this review period, AIFLD sponsored technical seminars on topics such as foreign trade, non-traditional agricultural cultivation, and agrarian administration. Also, logistical support was given to technicians from rural organizations for seminars they sponsored.

Technical assistance continued to rural organizations (ACOPAI, FEDECAS, FESACORA) to enable them to carry out their own educational activities. ACOPAI carried out 17 seminars on issues such as Proper use of Pesticides, Diversification of Cultivation, Organic Agriculture, Human Relations, Natural Pesticides, and Study of Statutes, with the participation of 609 individuals (534 men and 75 women.) Moreover, FESACORA carried out 9 seminars with 506 participants (458 men and 48 women) on the subjects of Land Tenancy, Management of Dairy Cows, Enterprise Reconversion, and Enterprise Formation and Privatization. In addition, FEDECAS with 533 participants (466 men and

67 women) carried out 20 seminars on Domestic Gardens, Commercialization of Agricultural

C.I OTHER ACCOMPLISHMENTS AND OVERALL STATUS (cont.)

Products, Exportation of Agricultural Products, Privatization, and Opening of the Coffee Exportation Market.

AIFLD financial support for the village banks terminated on September 30th, and much of the activity during this quarter was aimed toward collection of outstanding loan amounts and the development of a follow-on program.

Urban Program

During the semester AIFLD, through its Educational Department, began a specialized education program and 5 events were carried out with 83 participants (47 men and 36 women) on the following subjects: Collective Bargaining, The Rights of Women Workers within the Labor Legislation, Strategies for Union Organizations, and the New Direction of True Unionism.

IOPIC continues offering a positive alternative to the construction movement. During this period, 136 students were graduated at the IOPIC in the skills areas of masonry, electrical installation, painting, general carpentry, and plumbing. Financial assistance to IOPIC, which began in 1987, will terminate in February 1995.

AIFLD participated along with Development Associates in the selection and training of twenty five trade unions in new methods of industrial relations under the CLASP II program.

Administrative

All of the recommendations in the Price-Waterhouse financial review were closed. Deloitte Touche carried out a financial review of AIFLD which covered the 1993 calendar year. Initial discussions have been held to close recommendations.

AIFLD/EI Salvador changed its organizational structure to allow it to serve as seat of both the Central American Regional Office as well as the Salvadoran one.

FOES

AIFLD continued to monitor at low pace its sub-grant activities with FOES.

C.II WID ISSUES

Because of generally low participation of women in the union and cooperative movements in El Salvador, women's participation in AIFLD activities overall remains low. Through its Educational Department, AIFLD carried out two events on women workers' rights. Only 190 women (12%) participated in 66 seminars conducted during the review period. The overwhelming majority of the Village Bank Program (VB) beneficiaries were women, however. The credit available to these women through the VB helped them to expand business and improve their families' standard of living.

Ten groups were benefitted by the micro-enterprise program with 88 beneficiaries, 72 women and 16 men.

D. PROBLEMS AND DELAYS

AIFLD continues its educational program to improve labor-management understanding, but the number of activities remain low. More seminars and workshops will be carried out in the next semester on several topics including labor-management cooperation.

AIFLD has yet to develop a self-sustainability plan for its client unions and federations.

E. MAJOR ACTIVITIES OR CORRECTIVE ACTIONS DURING THE NEXT SIX MONTHS

UNOC

AIFLD will continue to promote dialogue between UNOC and its affiliates and with other worker organizations aimed at arriving at consensus on issues of importance to labor.

UNOC will participate in the installation process of the Concejo Superior del Trabajo which will address issues related to local labor disputes, as well as promote dialogue and reconciliation among the three different sectors.

Rural Program

During the semester, campesino organizations will continue to carry out seminars concerning agrarian code and other land tenancy issues. However, given the budget reduction, only ACOPAI in the rural sector will continue to be supported by AIFLD, at a reduced level.

AIFLD will continue to support campesino organizations through its education and technical programs.

AIFLD will follow the proper steps to assure the correct closure of the Village Banks Program.

Urban Program

AIFLD will sign a subagreement with the IOPIC Foundation this semester for the remaining period.

AIFLD will continue its education and technical assistance program in this sector. Operational support will continue to the CGT (until December) and the UNOC.

Administrative

AIFLD will implement the recommendations made in the 1993 financial review.

AIFLD's 1994-95 Implementation Plan will be approved and will address issues of union and federation self-sustainability.

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PROJECT STATUS REPORT
April 1, 1994 - September 30, 1994

MISSION DIRECTOR RATING: A B C X

I. BACKGROUND DATA:

Project Title: Federation of Bar Associations
Project Number: 519-0373
Date of Authorization: Original: 09/26/90 amendment N/A
Date of Obligation: Original: 09/26/90 amendment N/A
PACD: Original: 09/30/94
Implementing Agency: Inter-American Bar Foundation; Salvadoran Federation of Bar Associations
Major Contractor: N/A
AID Project Manager: Linn Hamnergren/Beatriz Molina
Status of CP's/Covenants: Complied
Date of Last Evaluation: 6/93 Next Evaluation : N/A
Planned Number of Non-Federal Audits during Fiscal Year:
The Number of such Audits Contracted for/Completed : 1
Date of Last Audit: 5/93 Next Audit: 1/95

FINANCIAL DATA

Amount Authorized: DA/ESF-Grant: Orig.	\$ 500,000	amended to \$ N/A
Amount Obligated: ESF-Grant: Original	\$ 500,000	amended to \$ N/A
Amount Committed: Period:	\$ -0-	
	Cumulative:	\$ 474,992
Accrued Expend. : Period Projected:	\$ 34,722	
	Period-Actual:	\$ 11,000
	Cumulative:	\$ 470,111
	Projected Next Sem.:	\$ -0-
Counterpart Contr: Planned:	\$ Waived	
	Actual:	\$ Waived
% LOP elapsed:		100%
% of Total Authorized Obligation:		100%
% Total Obligation Expended:		94%
% of Total Authorized Expended:		93%

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVE

A. Specific Linkage to Strategic Objective

This project supports USAID/EI Salvador's strategic objective to strengthen democratic institutions and practices by contributing to the professionalization and independence of the judiciary.

USAID's support for the strengthening of the Salvadoran Federation of Bar Associations is focused on preparing the Bar to take a more active role in justice system improvement. In addition to serving as a professional independent monitor of the judiciary, the Bar may play a larger role in legal education and preparing Salvadorans for the implementation of legal reforms.

B. Percent of LOP Funds Relating to Strategic Objective

100% Strategic Objectives number 3 "Strengthened Democratic Institutions and practices".

III. PROJECT PURPOSE AND DESCRIPTION

A. Project Purpose

To strengthen the Salvadoran Federation of Bar Associations (SFBA) to enable it to better serve its members' interests as well as those of the citizenry in general.

B. Achievements to Date:

The SFBA's Continuing Legal Education and Popular "street law" type programs have augmented interest in and knowledge of legal reform and citizens rights while establishing a more positive image of the Federation. Federation Leaders have also promoted constitutional and by-law changes to strengthen the institution, although only this former was approved. These were the last six months of the project and they worked on cleaning up their bookkeeping and preparing their project close-out report. As the Federation successfully conducted the first election of a slate of candidates for the Supreme Court in March 1994, they have been requested to conduct the first election of slate of candidates for the National Council of the Judiciary which will be held in January 1995.

C. Project Description

The Project institutes a reciprocal, professional association between the U.S. non-profit Inter-American Bar Foundation (IABF) and the SFBA, through which the Foundation assists the Federation in carrying out three specific activities: (1) a continuing legal education program; (2) a law-related education program, (3) activities related to strengthening the SFBA institutionally.

V. PROJECT STATUS

A. Planned EOPS

Progress to Date

- 1. Increase in financial and organizational resources available to the SFBA
Project-financed administrative staff is undertaking overall program planning and helping the SFBA to improve collection of dues. Progress in dues collection has been minimal, but Fed. reports that this and other sources non donor contributions will now cover 50% of needs.
- 2. Enhanced capacity to carry out activities responsive to member/citizen needs
SFBA has a broad law-related education program that is responsive to public interest.
- 3. Increased independence both from judicial system and from political pressures
Bar members prepared and presented a proposed constitutional amendment to eliminate Supreme Court control over the legal profession. SFBA bylaws are also under review. A similar amendment seems likely to be ratified, but the by law change remain

B. Major Outputs

	Planned			Accomplished			%
	LOP	This	Next	This	Cum	%	
		Semes	Semes	Semes	Semes		
1. Lectures sponsored	240	0 240	NA	-	53	27 (*)	
2. Average participants per lecture	45	0 45	NA	NA	-	NA	
3. Radio spots in law education	1152	0 1152	NA	-0-	129	12(*)	
4. Newspaper inserts on law education	96	0 96	NA	-0-	131	137	
5. Publications on law education	12	- -	-	-0-	34	284	
6. Bar member visit to U.S.	10	0 12	-	0	0	0	

* Outputs met were less than programmed as the SFBA in the absence of other funding sources was eventually forced to redirect most of the grant into administrative constant changes of leadership (renewed at least annually) also also accounted for lost impetus.

C.1. OTHER ACCOMPLISHMENTS AND OVERALL STATUS

The SFBA has substantially increased its presence in Salvadoran society and the services offered to associates and the legal community in general. Official institutions such as the Ministry of Justice and the Institute for Liberty and Progress have used the SFBA as the dissemination channel for important government programs. Private institutions have also begun requesting SFBA cooperation in the organization of seminars on critical issues. The SFBA is for the first time in its history offering its associates access to up-to-date reference materials, including special printing of new legislation. A library open to all the legal community is now functioning at SFBA headquarters. While in the past judicial facilities were the general recourse for meetings or seminars, today the SFBA headquarters is considered the ideal place for these events. The Federation is attempting to seek funding from other sources to maintain their locale.

The SFBA has continued to expand its services to and thus presence in the wider community through its Law-related Education Program and legal clinic. The former provides information (through television and radio programs) on the law in response to real life problems described in viewers' letters and used the services of several prestigious lawyers who have volunteered their time. The write-in clinic delivers a similar service through a local newspaper. Additionally, the program has distributed wallet size cards that enumerate individuals rights. Since much of this used pro bono services, it should be sustainable.

In the last year of the project, the SFBA stepped up activities aimed at introducing a constitutional amendment to make membership in this or some other national bar obligatory for all lawyers to this association (as opposed to the Supreme Court) this amendment was approved by the Assembly leaving office May 1 and will require ratification by the present Assembly. However, since it does not use the Federation, but creates a new entity, its direct effect on the former are unclear. The SFBA has also become active in sponsoring discussions on other proposed constitutional amendments aimed at increasing judicial independence (and removing power from the Supreme Court).

Despite some advances, the project has not overcome the institutional weakness of the SFBA to transform the SFBA into a self-sustaining organization which can take an independent role in promoting legal reform, public service, and representing professional interests. The project has provided information to the SFBA and other members of the legal community on how such goals have been reached by bars and other countries, but has not been able to generate the momentum either within or outside of the SFBA to carry such actions forward.

While the project has undeniably reinforced the image and activities of the SFBA, and exposed its members and the rest of the legal community to ideas as to how it might function more dynamically, most observers (and the projects evaluators) concur that the further transition to self sustaining, independent institution with an active role in development of the legal sector may require much more time, or in the end be achieved only by a different organization.

C.2 WID ISSUES

Women were included in the US tour and have more direct participation in the direction of bar programs. 20% of all participants in legal education program were women.

D. PROBLEMS AND DELAYS

Mid term evaluation while recognizing value of programs coordinated under the grant, casts serious doubts on SFBA's ability to become a self sustaining organization performing any of the functions (eg. monitoring of professional conduct, lobbying for professional interest, promoting of legal reforms) usually associated with an active bar. On the basis of the evaluation, USAID decided not to extend the project.

IABF has not been strongest source of guidance, especially as regards such basics as financial management. The Facility provided by a US-based NGO transferring funds and periodic technical assistance to a local NGO has not compensated the probable requirement for a more direct and sustained coordination and assistance effort.

Efforts to encourage the SFBA to seek other sources of funding produced inconclusive results. The Federation's backing of a pension and mutual fund for lawyers was presented as one solution, but aside from its own precarious sustainability the fund will apparently not ease the SFBA's financial problems. AID has informed the SFBA that equipment purchased under the project may be kept only as long as the Federation keeps a locale. They claim they will do this.

E. Major Activities or Corrective Actions during the Next Six Months

None. Close out report being prepared.

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PROJECT STATUS REPORT
April 1, 1994-September 30, 1994

MISSION DIRECTOR RATING: A B X C

I. BACKGROUND DATA:

Project Title: Strengthening Democratic Processes
Project Number: 519-0375
Date of Authorization: Original: 03/29/90 amendment N/A
Date of Obligation: Original: 03/30/90 amendment 07/07/92
PACD: Original: 06/30/94 amended to 06/30/95
Implementing Agency: Centro de Investigaciones Tecnológicas y Científicas (CENITEC)
Major Contractor: N/A
AID Project Manager: Mauricio Herrera Coello, ODI
Status of CP's/Covenants: CP's to First Disbursement: All met
Covenants: All met

Planned Number of Non-Federal Audits during Fiscal Year: N/A
The Number of such Audits Contracted for/Completed : N/A
Date of Last Evaluation: October, 1992 Next Evaluation : None
Date of Last Audit: August, 1994 (RCA) Next Audit: 05/95 (RCA)

FINANCIAL DATA

Amount Authorized:	ESF-Grant:	Original	\$2,500,000	amended to N/A
Amount Obligated:	ESF-Grant:	Original	\$ 600,000	amended to \$2,500,000
Amount Committed:	Period:		\$ 14,968	
	Cumulative:		\$2,457,883	
Accrued Expendit:	Period Projected:		\$ 200,000	
	Period Actual:		\$ 140,446	
	Cumulative:		\$1,859,327	
	Proj. Next Sem.		\$ 250,000	
Counterpart Cont:	Planned:		\$1,148,507	
	Actual:		\$1,045,917 (91%)	

% LOP elapsed: 86 %
% of Total Authorized Obligation: 100 %
% of Total Obligation Expended: 75 %
% of Total Authorized Expended: 75 %

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVE

A. Specific Linkage to Strategic Objective

CENITEC supports the development of the democratic process and institutions in El Salvador by encouraging the participation of the different economic, social and political sectors of the society in broader public discussion and better understanding of policy-relevant issues.

B. Percent of LOP Funds Relating to Strategic Objective

100% Strategic Objective No. 3 "Strengthened Democratic Institutions and Practices." Supports program outcome "Improved Citizen Participation in the Public Policy/Decision Making Process."

III. PROJECT PURPOSE AND DESCRIPTION

A. Project Purpose

To assist the Center for Technological and Scientific Research (CENITEC) to enhance the democratic process in El Salvador, by encouraging the participation of the different economic, social and political sectors of the society, as well as by carrying out social problem studies and elaborating problem-solving proposals.

B. Achievements to Date

During the four years of implementation of the Project, CENITEC has proven itself to be a well-regarded research and publication institute and key forum for exchange of ideas. CENITEC has promoted and

enhanced the democratic process of the country through the fostering of dialogue and understanding among the different sectors of Salvadoran society. They have done this by conducting and disseminating socio-economic studies which provide information, analysis and alternative solutions to problems on education, environment, health, social security, human rights, economic reforms, and others. Some of these studies have made, according to CENITEC, positive impact on government policies to benefit the people of El Salvador. Also, through CENITEC's seminar program, which has sought out and reached a broad spectrum of important decision-making groups and individuals in the country, highly relevant ongoing policies and issues have been discussed, usually involving 100-150 participants per event, and thus has contributed to increased dialogue and citizen participation. Seminar topics on modernization of the State, privatization, free trade, Salvadoran economy, environment, and social and economic reforms, among others, have been debated with participants from a broad spectrum of Salvadoran society. Based on CENITEC's self-sufficiency study, the institution is implementing strategies to diversify its sources of income in the short, medium, and long-run.

C. Project Description

The Project consists of three components: a) research studies of contemporary issues, including assessments of the economic and social situation; b) sponsorship of seminars, which facilitate discussion of contemporary issues among leaders of different sectors of society; and c) production and dissemination of publications, which allow informed dialogue of significant public policy and development issues involving a broad spectrum of Salvadoran society.

IV. PROJECT STATUS

A. PLANNED EOPS

Institutionalized Mechanism/Forum created for the non-partisan discussion of contemporary social and economic issues and the formulation of proposals reflecting the consensus of political forces in El Salvador.

Progress to date

CENITEC seminars and publications are bringing together different sectors of society in issue-oriented discussion, thus contributing to the construction and consolidation of the peace process and democracy.

B. MAJOR OUTPUTS

	LOP	Planned		Accomplished		% of LOP	
		This Semester	Cum	Next Semester	This Semester		Cum
1. Research Studies Program *							
a. Research studies	49	3	59	5	7	63	128
2. Seminar Program							
a. Monthly Seminars	50	3	48	2	4	47	94
Number of attendees	-	-	-	-	504	11.0K	-
b. Bi-weekly "Charlas"	100	4	94	4	17	96	96
Number of attendees	-	-	-	-	0.92K	7.4K	-
c. Bi-weekly Meetings	100	2	65	2	10	63	63
3. Publications Program *							
a. Presencia Magazine							
-Issues	17	1	17	2	3	17	100
-Total Published**	18K	0.8K	18.8K	1.6K	2.4K	17.6K	98
b. Socioeconomic Bulletin/ Política Económica							
-Issues	48	2	41	2	4	47	100
-Total Published**	50K	6K	61.6K	1.6K	3.2K	46.6K	93

* Based on recommendations of the mid-term evaluation and the self-sufficiency study carried out CENITEC discontinued the socioeconomic bulletin studies, the seminar booklets and the research study booklets.

** Based on the same studies, CENITEC reduced numbers printed by half.

C.1 OTHER ACCOMPLISHMENTS AND OVERALL STATUS

On June 30, 1994, Grant Agreement Amendment No. 4 was signed. A one-year, no cost extension was granted to CENITEC with a new PACD of June 30, 1995. This extension will allow CENITEC to continue to support the development of the democratic process and institutions in El Salvador, as well as diversify its sources of income and eventually become more self-sustainable.

The Research Studies Program, considered to be the backbone of the institution, continues to play a significant role in socio-economic policy discussion and formulation in El Salvador. During this review period, CENITEC continued to emphasize its studies on social issues. The study entitled "Social Policy of Consensus for El Salvador" was completed after discussion with different sectors of the country and will be published in October 1994. In this study, CENITEC is presenting basic agreements on guidelines for a social policy that responds to the challenges faced by Salvadoran society. Also, the studies on "The Educational Reforms of ARENA," "The Educational Reforms in El Salvador," "Health and the Social Security System in El Salvador," and "The Cultural, Economic and Social Human Rights in El Salvador," reflect the importance that CENITEC is giving to social issues. Moreover, in the economic area, CENITEC carried out studies on "The Socioeconomic Effects of Family Remittances," "The Salvadoran Economy During the First Semester of 1994," "The Role of the State, Social Policy and Macroeconomic Stabilization in El Salvador," and "Foreign Investment in El Salvador," which were discussed with a broad spectrum of opinion leaders. CENITEC, through the Survey and Public Opinion Department, published results for the First Business Quarterly Report for 1994, an activity through which CENITEC is generating some income to contribute to its financial independence after the PACD.

Within the same Program, CENITEC continues publishing the bi-weekly "Economic-Social Analysis," in one of the most important local newspapers to keep Salvadoran society informed on economic and social issues, in order to increase the level of discussion and debate and produce alternative solutions to these problems. Topics included were on fiscal reforms and tax evasion. In addition, CENITEC continues publishing "CENITEC's Notes" which consists of the discussion of economic and social issues, but is written in layman's language for non-specialized readers, as recommended in the mid-term evaluation. Examples are, "The Need for an Educational Reform in El Salvador," and "Poverty and Social Reforms." CENITEC also organized a tailored course for military personnel and Assembly members for the first time, and journalists on socio-economic issues. Finally, staff members of the Research Unit participated in lectures, conferences, and training courses organized by CENITEC and many other institutions as well as in national and international TV and radio interviews to convey to the public the results of their research studies and alternative solutions to the main economic and social problems faced by the country.

Similarly, the Seminar Program, which includes seminars, lectures and bi-weekly meetings, has sponsored discussion and debate on economic, social, political, cultural, and technical issues. Topics like "Modernization of the State and Privatization of Basic Services," "The Need and Urgency for an Integrated Educational Reform in El Salvador," and "Draft Law for Environmental Protection," were examined. Participating in these seminars were a wide range of groups, including political parties, private sector organizations, government officials, unions, municipal officials, and other research centers. Through lectures held outside San Salvador, CENITEC has also brought

together a less-often reached segment of Salvadoran society to hear speakers on important contemporary issues.

CENITEC hired the new Director for the Financial Development Unit, which was established to develop policies and strategies that will lead to income generation. The Director of this Unit has gathered information, established contact, and explored program opportunities with international organizations, multilateral institutions, and local public and private enterprises. As a result, CENITEC is in the process of being registered as a consulting firm for the Government of El Salvador, the World Bank, the Inter-American Development Bank, and the U.N. Development Program for which CENITEC staff were selected as part of a research team to work on the Project "Program on Enhancing Security and Development" to be carried out in conjunction with the Overseas Development Council and the Inter-American Dialogue, which consists of four country case studies on the transition from war to peace.

The Financial Development Unit, in conjunction with the Research Unit, carried out a study financed by the private sector on the impact of free trade on the iron industry for member countries of the "North Triangle" (El Salvador, Guatemala, and Honduras). With this CENITEC strengthened its relationship with the business sector, contributed proposing alternatives that can be used during the negotiations for the best interests of the country, and sought to find alternative sources of income for the institution.

C.2 WID ISSUES

CENITEC seminars and research activities have addressed women's issues in the context of overall analysis, rather than as a separate, isolated issue. It is currently estimated that 45% of attendees at these activities are women.

D. PROBLEMS AND DELAYS

The President of CENITEC and also President of the Junta Directiva requested, on September 22, 1994, that USAID suspend the activities (lectures, seminars, conferences, and closed discussions) carried out by the Seminar Unit, as well as new personnel appointments due to "certain anomalies" that are occurring within the institution. CENITEC is facing an internal problem between the President of CENITEC and the Honorary President and former secretary of the Christian Democratic Party. The President claims that the Honorary President, whose office is located in the same building as CENITEC, but is not paid with USAID funds, is interfering in the development of the activities of this Unit. Based on the preliminary analysis of the information provided, USAID agreed to the suspension, effective September 23, 1994, of the activities of the Seminar Unit as well as the appointment of new personnel at CENITEC, but will follow-up with the President on the exact nature of these anomalies. A meeting with the President of CENITEC has been scheduled for mid-October to discuss this issue.

Also, six invoices presented for June 1994 liquidation were fraudulently altered and the RIG carried out an investigation. The RIG concluded that because only a small amount was involved, a full investigation was not warranted.

The Konrad Adenauer Foundation (KAF), which provides 33% of CENITEC's total budget, as counterpart contribution to USAID's project, is pursuing a full investigation to determine if there has been misuse of their funds.

E. ACTIVITIES AND CORRECTIVE ACTIONS DURING THE NEXT 6 MONTHS

USAID, deeply concerned about the internal situation, has requested that CENITEC inform the Mission in writing about the anomalies, the possibility of correcting them, the time frame to determine whether these anomalies can be corrected, and the consequences to the Project purpose of these anomalies. Based on this, USAID will decide the course of action to be taken.

However, due to the altered vouchers and the possibility of misuse of counterpart funds (KAF), ODI and CONT/FA will implement a concurrent financial monitoring service to oversee CENITEC's operations, probably until the PACD.

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PROJECT STATUS REPORT
April 1, 1994 - September 30, 1994

MISSION DIRECTOR RATING: A B X C C

I. BACKGROUND DATA:

Project Title: Judicial Reform II Project
 Project Number: 519-0376.1 GOES
 519-0376.2 transfer to USIA
 519-0376.3 transfer to ICITAP
 Date of Authorization: Original: 09/28/92
 Date of Obligation: Original: 09/29/92 amendment May 27, 1993; August 12, 1994
 PACD: Original: 09/30/97 amended to:
 Implementing Agency: Ministry of Justice, Public Ministry
 Court Systems and National Council for the Judiciary
 Major Contractor: Checchi and Company Consulting, Inc.
 AID Project Manager: Linn Hambergren/Beatriz Molina
 Status of CP's/Covenants: CP's to First Disbursement: All met
 CP's to subsequent disbursement four met/two pending
 Date of Last Evaluation: N/A Next Evaluation: March/95
 Date of Last Audit: N/A Next Audit: pending
 Planned Number of Non-Federal Audits during Fiscal Year: 0
 The Number of such Audits Contracted for/Completed : 0

(*) The two CPs have been completed but the Pil has not been issued yet.

FINANCIAL DATA

Amount Authorized: DA/ESF-Grant: Original	\$15,000,000	amended to	\$20,500,000
		USIA	\$ 500,000
		ICITAP	\$ 5,000,000
		GOES	\$15,000,000
Amount Obligated: ESF-Grant:Original	\$ 4,500,000	GOES amended to	\$ 8,400,000
		USIA	\$ 200,000
		ICITAP	\$ 1,800,000
Amount Committed:		GOES	
Period	\$2,656,343	USIA	\$ 200,000
Cummulative	\$6,019,590	ICITAP (**)	\$ --
Amount Expend.:			
Period Projected	\$2,000,000		\$ --
Period-Actual	\$1,826,132		\$ --
Cummulative	\$4,645,992		\$ --
Projected Next Sem.	\$2,000,000		\$ --
Counterpart Contr.:		Planned	\$7,800,000
		Actual:	\$ 987,006 (*)
% LOP elapsed:	46 %	USIA	40 %
% of Total Auth. Obligation	51 %	ICITAP	40 %
% Total Obligation Expended	56 %		-- %
% Total Authorized Expended	24 %		-- %

(*) Incorrect amount was reflected in previous SAR

(**) Figures for ICITAP are managed in AID/W.

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVE

A. Specific Linkage to Strategic Objective

The Project supports Mission strategic objective number 3, promoting enduring democratic institutions with broad based participation. The project provides resources needed to support Salvadoran efforts to make the justice system more effective and impartial, thus contributing to greater citizen confidence in democratic government.

B. Percent of LOP Funds Relating to Strategic Objective
 100%

III. PROJECT PURPOSE AND DESCRIPTION

A. Project Purpose

The Project purpose is to accelerate and deepen El Salvador's judicial reform process so that due process and equality of citizens before the law are guaranteed.

B. Achievements to Date:

- A new Family Code and a new Family Procedures Law creating a complete new jurisdiction and expanding fundamental rights to women, children, and senior citizens will go into effect on October 1, 1994. The National Commission for the Justice Sector coordinated the implementation of the new laws at all levels (this Commission is formed by the President of the Supreme Court, the Attorney General, the Solicitor General, the Minister of Justice and the President of the National Council for the Judiciary).
- A Juvenile Offenders Law establishing a special rehabilitation process for offenders under age 18 has been approved and will go into effect on March 1, 1995.
- Final drafts of the Criminal Procedure Code, Criminal Code, and Sentencing Law have been submitted to the Congress for study and passage. To ensure full citizen participation, extensive consultations of the three pieces of legislation were carried out with NGOs, professional organizations, the media, religious organizations, and other groups.
- The National Council for the Judiciary, in part through its Judicial School, has trained all the new family judges and support personnel (a total of 21 judges and 115 support staff). It has also trained 190

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prosecutors, 109 public defenders and 380 criminal judges on the proposed criminal law reform. This independent institution also has evaluated the performance of all national judges.

- Case flow management, case tracking and case purging activities have advanced on schedule and are producing concrete effects and achievements. 4,502 cases purged - manual case tracking and case flow management procedure are being developed under the Pilot Project.
- Two street law campaigns (Family Law and Rule of Law) were launched. The participation of 12 NGOs has been crucial for the implementation of these campaigns which also use traditional media.
- The coordination of justice sector reform activities (including coordination with police) has been carried out through the National Commission for the Justice Sector and its policy executing agency, the Implementing Technical Unit (ITU).
- The Attorney General's Office and the Solicitor General's Office institutional strengthening activities began with the assessment of current institutional capabilities and reform of the organizational laws.

IV. PROJECT STATUS

A. Planned EOPS

1. Criminal case backlog will have been reduced and fewer detainees will be awaiting trial or sentencing.
2. Increased percentage of Criminal case resolved within legal time periods.
3. Citizens afforded greater guarantees of due process through improved procedural protection.
4. Legal and juridical barriers to increased trade and investment will have been reduced.
5. Greater public support and political commitment for judicial reform exists.

Progress to Date

- The case purging activity has produced concrete results: 4,502 purged cases (work done by a task force of 30 people).
- A new Juvenile Offenders Law approved and to go into effect March 1, 1995.
- New organizational structures, docketing, judicial statistics and case flow management have been designed. They are being tested under the administrative System Pilot Project.
- Three other codes designed to protect due process, including oral proceedings, and to improve the effectiveness of criminal investigation, were drafted and extensively consulted with NGOs, professional organizations, churches, media. The three (Criminal Procedure Code, Criminal Code and sentencing Law) were submitted to the Congress for approval.
- An assessment of El Salvador's corporate laws registries (copyright and corporations) was performed.
- TV, press and radio campaigns conducted highlighting rights for women, children (including born out of wedlock) and senior citizens.
- NGOs are participating actively in the effort to

promote comprehension on how to access justice system under the new laws (hundreds of workshops and small seminars are in progress).

6. Adequate budgets and other donors participation.

- New budgets were authorized for the Attorney General's Office and for the Solicitor General's office allowing significant salary increases for prosecutors and public defenders.
- Meetings held with the U.N. representatives and with a mission of the IDB, to provide them with basic information so a coherent international TA and training plan can be developed.

B. MAJOR OUTPUTS

	Planned				Accomplished		
	LOP	This Semes	Cum	Next Semes	This Semes	Cum	% LOP
- Develop multi-year comprehensive justice sector strategy	1	1	1	0	1	1	100
- Monthly meetings of National Coordinating Commission	60	6	24	6	6	22	36
- Subjects covered in topical brochures and radio spots on AOJ	15	2	2	2	4	6	40
- Topics covered in public debate	15	-	-	-	8	11	70
- Establish merit-based judicial appointment process	4	3	3	1	1	1	0.25
- Professionals trained by NCJ Judicial School(*)	*2000	2000	2000	600	2000	2000	100
- Pilot courts operational	* 27	-	10	10	10	10	40
- Modern, reliable, judicial statistics system established	1	-	-	0.25	0	0	0
- Legal & admin proced. enacted	8	-	3	3	3	3	40

* These outputs vary from the original plan; training goal will have to be increased.

C.I OTHER ACCOMPLISHMENTS AND OVERALL STATUS

Programmatic:

- The project carried out an assessment of 160 NGOs which included an organizational profile of each institution. From these, 12 NGOs were selected to work intensively on the nation wide campaign to promote understanding of the Family Code.
- The implementing Technical Unit, executive instrument of the Coordinating Commission for the Justice Sector, organized the first seminar to discuss common policy problems. Prosecutors, criminal judges, public defenders and police discussed the main problems related to the lack of efficiency in the fight against the crime.
- Special publications describing the achievements of the backlog reduction, the case inventory and the training program have been disseminated among all the legal community. (1500 copies of each for a total

of 4500).

- The technical committees (inter-institutional groups) for institutional planning and law reform implementation are in place and actively functioning.
- The new Supreme Court fully accepts and supports the goal, objectives and purposes of the Project.
- 38 journalists have been trained on how to cover the judicial news respecting due process and privacy. The professional staff on ten radio stations, two newspapers, and three TV stations, participated in workshops concerning the new Family Law, the new role of the prosecutor in the criminal procedure, the delinquency problem and the objectives of the law reform.
- For the two street law campaigns, 4 TV and 9 radio spots were designed and are currently being broadcasted through a high-intensity nation-wide plan. This campaign included 30,000 brochures explaining the new Family Code, which were distributed to the army, new police, the NGOs and public in general (hand outs).
- The Attorney General's Office new organizational draft law is finished and has been coordinated with lawyers' associations and prosecutors. The Solicitor General's Office's new organization draft law is in process. The by-laws for the National Council for the Judiciary were finished and approved. The drafting of the Coordinating Commission for the Justice Sector and the ITU law have been finished.

C. Project Description

The project supports and strengthens the capacity of leaders and the organizations they represent to analyze judicial issues and design solutions, and provides technical and commodity assistance to improve the capacity of the courts, prosecutors, public defenders and National Council of the Judiciary to implement reforms. Additionally to complement project activities, the Project provides financial support, through Inter-Agency funds transfers to USIA and ICITAP to support their leadership development and criminal investigative training programs respectively.

Project Administration

- All long-term advisors (6) in country and working on Project. All short-term technical assistance (1775 working days) requested by counterpart and approved by AID, was identified and mobilized by the institutional contractor.
- The Communications and Street Law Specialist successfully completed one year of TA.
- Upon request of the counterpart, a new long-term position for institutional strengthening has been created to work with the Attorney General's Office and the Solicitor General's Office. The amendment is finished and the negotiations with the contractor is in process.
- Upon request of the counterpart AID is considering additional TA for the institutional strengthening of the Supreme Court.
- Second stage of agreements with ICITAP (police training) and USIS signed.

C.II. WID ISSUES

The New Family Law, the NGOs work and the two campaigns deal directly with women's equal rights. The new legislation went into effect on October 1, 1994. The campaigns and the NGOs are organizing workshops and publishing materials.

D. PROBLEMS AND DELAYS

- Internal political problems delayed the election of the new Supreme Court and this affected the case purging and the Pilot Project in Administrative Systems. This was aggravated by a 22-day strike of the judicial employees. The contractor was forced to withdraw some consultants from the judicial facilities for three weeks.
- The Juvenile Offenders Law which deals with delinquent conduct performed by persons under age 18 was postponed to March 1, 1995 because of the coordination and work required by the Family Code.

- Expenses authorized under Other Direct Costs have exceeded planned levels because of the unforeseen demand for local technical assistance and training, xeroxing and the case inventory effort.

E. MAJOR ACTIVITIES OR CORRECTIVE ACTIONS DURING THE NEXT SIX MONTHS

Programmatic Achievements:

- Pilot Project in Administrative Systems finished in the 10 courts. The Pilot Project will start the automation of the system especially for case tracking and caseload management uses.
- Case purging activities will be finished.
- The ITU and the contractor will combine facilities in order to accelerate the transfer of administrative and strategic systems from the contractor to the ITU.
- The street law campaigns (Family and Rule of Law) will be evaluated before any other campaign is authorized.
- Package of law reforms to improve due process, human rights protections and the efficiency of the system to fight crime, will be passed by the Congress. This includes the Criminal Procedure Code, the Criminal Code and the Sentencing Law.
- The Project will concentrate its institutional strengthening and training efforts in the implementation of the Juvenile Offender Law and the follow-up of the new Family Code.
- ITU working with the justice sector institutions, NGOs, private organizations and the contractor will prepare the 1995 annual operating plan.
- Second Iberoamerican Conference on Criminal Reform held.
- Direct institutional strengthening technical assistance provided to the Attorney General's Office, the Solicitor General's Office and the Supreme Court.

Project Administration

- Joint operation of the ITU and the contractor.
- Reduction of local personnel and ODCs of the contractor.
- Amendment, negotiation and selection of the two long term consultant providing direct technical assistance to the Attorney General's .
- Definition, identification and contracting of TA to be provided to the court for its institutional strengthening.
- The long term technical assistance located in facilities of the counterpart institutions.

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PROJECT STATUS REPORT
April 1, 1994 - September 30, 1995

MISSION DIRECTOR RATING: A_ ~~B~~ C_

I. BACKGROUND DATA

Project Title: Municipal Development Project
 Project Number: 519-0388
 Date of Authorization: original September 30, 1993
 Date of Obligation: original September 30, 1993 Amendment: 04/25/94
 PACD: 12/31/95
 Implementing Agencies: COMURES, MIPLAN, (ISDEM, SRN)
 Mayor Contractor: Research Triangle Institute (RTI)
 AID Project Manager: Tom R. Hawk
 Status of CPs/Covenants: All met
 Date of Last Evaluation: N/A Next evaluation: 11/95
 Planned Number of Non-Federal Audits during Fiscal Year: None
 The Number of such Audits Contracted for/Completed: None
 Date of Last Audit: N/A Next Audit: 11/95

FINANCIAL DATA

FY 1994

Amount Authorized: Grant original	\$4,000,000
Amount Obligated: Initial	\$3,406,057
Amount Committed: Period:	\$1,326,713
Cumulative:	\$1,328,713
Accrued Exp.: Period-Projected	\$
Period-Actual	\$282,162.83
Cumulative	\$282,162.83
Planned Next Sem	\$ 500,000
Counterpart Contribution Planned	\$1,630,000
Counterpart Contribution Actual	\$311,790
% LOP Elapsed	44%
% of Total Auth. Oblig.	85%
% of Total Oblig. Exp.	8%
% of Total Auth. Exp.	7%

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVE

- A. Specific Linkage to Strategic Objective. The Project directly contributes to the S.O. #3 Promoting Enduring Democratic Institutions with broad-based participation by enhancing the participation of the Salvadoran populace in the democratic process and improving the capacity of municipalities to respond to the needs of their constituents.
- B. Percent of LOP Funds Relating to Strategic Objective. 100% of the budget directly contributes to promoting democratic institutions and practices.

III. PROJECT PURPOSE AND DESCRIPTION

- A. Project Purpose. Promoting enduring democratic institutions and practices in the Salvadoran populace in the local democratic process and improving the capacity of municipalities to respond to the needs of their constituents.
- B. Achievements to Date. RTI was selected as the institutional contractor. Following contract signing, RTI set up its office in the COMURES building. The long-term professional team began work on August 15, 1994 and since that time held a strategic planning exercise in project goals and implementation and made initial contacts with mayors of the two pilot departments through departmental CDA meetings and meetings in individual municipalities. Meetings were held between RTI and local implementing agencies and cooperating private and public institutions. Plans were finalized for a seminar on the property tax in October for the Assembly deputies.

- C. Project Description. The Project is designed to provide technical assistance, training and a limited amount of commodities to the Ministry of Planning, COMURES and other entities as appropriate for the purpose of enhancing the participation of the Salvadoran populace in the local democratic process and to improve the capacity of the municipalities to respond to the needs of their constituents. The Project is composed of three major components:
- Policy Reform and Formulation: Technical Assistance and training to move forward with the National Decentralization and Municipal Development Strategy and to identify, analyze and facilitate the reform/formulation of policies leading to more autonomous and participatory municipal governments.
 - Municipal Strengthening: Includes T.A. and training to develop the administrative, technical and financial capacity of municipalities to respond effectively to the needs of their constituents by providing improved, expanded public services on a sustainable basis.
 - Local Democratic Development: The Project will increase and enhance citizen participation in the local decision-making process.

IV. PROJECT STATUS

A. Planned EOPS

1. Legal reforms including: 1) legislation for strengthening municipal finances; 2) enabling legislation and/or other legal means to allow for decentralized administration of basic services; 3) preliminary groundwork legislation to broaden political representation on municipal councils (to be pursued during the expanded Project upon completion of the pilot phase).
2. Selected municipalities will have updated and computerized cadastral systems for implementing a property tax and for increasing current taxpayer roles.
3. Additional significant revenues will have been generated by all municipalities in the pilot program through more effective tax administration and new collection techniques; full utilization of existing laws; and updated services fee rates to reflect cost plus a reasonable surplus.
4. Municipalities selected under the pilot program will have a capital investment budget that accounts for at least 10 percent of total municipal expenditures.
5. Selected municipalities within the pilot Departments will operate their own systems for selected basic services and show a net gain in municipal revenue.
6. Municipalities selected for the pilot phase will have implemented at least one revenue-generating project with Municipalities in Action (MEA) Program resources.
7. Enhanced citizen participation in local government will be achieved through participatory mechanisms established in the Municipal Code. NGOs will be utilized as one means of enhancing citizen participation.
8. A citizenry educated regarding local democratic development and their role in the process.

B. Major Outputs

	LOP	Planned			Accomplished		
		This Sem.	Cum.	Next Sem.	This Sem.	Cum.	% of LOP
1. Percentage of Cantones attending Open Town Meetings.	90%	85%	85%	85%	74%	70%	77
2. Regular use of open municipal council mtg. in 39 municipalities.	39	3	3	2	1	1	2.5
3. Annual increase in locally generated revenue in 39 municipalities.	30%	15%	15%	15%	22.5%	35%	116
4. National budget transfer to local government.	3.5%	0.25%	0.25%	1.0%	0.25%	0.25%	XXX
5. Municipalities managing Water Systems in 39 pilot municipalities.	39	4	4	6	4	4	10

C. Other Accomplishments and Overall Status

1. New ANDA authorities have agreed to transfer some water systems to the municipalities.
2. Draft decentralization strategy was completed and is being presented to CDA for input.
3. RHUDO, ANDA and USAID continue to work on water system in contiguous jurisdictions in Usulután.
4. A draft for a Municipal Property Tax Law was finished and presented to the President of El Salvador and is being prepared for presentation to the National Assembly for approval.
5. Training of new majors and council member was completed in April.

C.1. Women in Development

1. Special emphasis will be given to women Mayors for CLASP training.

D. Problems and Delays

1. Lack of support for the Municipal Property Tax Law from some GOES sectors.
2. Institutional conflicts have delayed the Property Tax approval and in general has created implementation problems.
3. The MEA amendment which conditions disbursements to the municipalities based on one open council meeting per quarter has not been signed.

E. Major Activities During the Next 6 Months

1. Continue policy dialogue with GOES in order to obtain approval of Municipal Property Tax law.
2. Continue to work closely with the mayoral association (COMURES) to strengthen its role as the legitimate mayoral voice in the decentralization and municipal development process. Confirmation of the new board of directors will be key in this effort.
3. Select pilot municipalities.
4. Monitor the water projects in Sonsonate and Usulután in which ANDA will allow municipal management of the systems.
5. Extend project beyond December 1995 if Property tax is approved.
6. Selection process of the 150 Mayors who will be sent to the U.S.A. under CLASP will begin.
7. MEA amendment will be signed in October.

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10/17/94

PROJECT STATUS REPORT
April 1, 1994 - September 30, 1994

MISSION DIRECTOR RATING: A B C

I. BACKGROUND DATA:

Project Title: Democratic and Electoral Processes
Project Number: 519-0391.0 GOES
 National Democratic Institute (NDI)
 519-0391.1
 International Republican Institute (IRI)
 519-0391.2
 Freedom House (FH)
 519-0391.3
 Southwest Voters Research Institute (SVRI)
 519-0391.4
Date of Authorization: Original: 09/28/92
Date of Obligation: Original: 09/30/92 amend. 08/12/94
PACD: Original: 09/30/95 amend.
Implementing Agencies: Supreme Electoral Tribunal (SET), IRI, NDI, SVRI,
 Freedom House, and local NGOs
Major Contractors: IHHR/CAPEL, Creative Associates
AID Project Manager: Salvador Novellino, ODI
Status of CP's/Covenants: CP's to First Disbursement: SET, SVRI, CAPEL,
 NDI, IRI and Freedom House - All met
 CP's to Subsequent Disburse: CAPEL, SVRI - met
Planned Number of Non-Federal Audits during Fiscal Year: 3
The Number of such Audits Contracted for/Completed : None
Date of Last Evaluation: 03/94 **Next Evaluation :** 04/95
Date of Last Audit: None **Next Audit:** AID:W

FINANCIAL DATA

Amount Authorized:	DA/ESF-Grant: Original	\$ 4,000,000	amended to	\$ 6,500,000
Amount Obligated:	ESF-Grant:Original	\$ 4,000,000	GOES amended to	\$ 4,450,000
			NDI	\$ 250,000
			IRI	\$ 250,000
			FH	\$ 250,000
			SVRI	\$ 1,300,000
			Total	\$ 6,500,000

Amount Committed:	GOES	NDI	IRI	FH	SVRI
Period	\$ 107,736	\$ 125,000	\$ 125,000	\$ 125,000	\$ 130,000
Cumulative	\$ 3,839,550	\$ 125,000	\$ 125,000	\$ 125,000	\$ 1,300,000
Amount Expend.:					
Period Projected	\$ 875,000	\$ 50,000	\$ 50,000	\$ 25,000	
Period-Actual	\$ 759,162	\$ 74,074	\$ 13,273	\$ 0.00	\$ 45,926
Cumulative	\$ 2,856,778	\$ 24,074	\$ 13,273	—	\$ 1,300,000
Projected Next Sem.	\$ 0.00	\$ 0.00	\$ 0.00	—	\$ 0.00
Counterpart Contr.:					
Planned:	\$ 1,625,000			\$ 42,080	
Actual:	\$ 2,700,000				

	GOES	NDI	IRI	FH	SVRI
% LOP elapsed:	66 %	57 %	57 %	25 %	100 %
% of Total Authorization Obligation	100 %	100 %	100 %	100 %	100 %
% Total Obligation Expended	63 %	9 %	5 %	0 %	100 %
% Total Authorized Expended	63 %	9 %	5 %	0 %	100 %

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVE

A. Specific Linkage to Strategic Objective

Free, fair and broadly participatory elections are essential to the functioning of democratic societies. These essential formal mechanisms of representative democracy are supported by an involved citizenry aware of issues, whose actions are integrated and given meaning through myriad civic, professional, and community organizations which make up civil society and which provide the means for continuing citizen participation in the wider democratic process.

This project supports Strategic Objective number 3, strengthened democratic institutions and practices by expanding channels of communications and participation, and by increasing effective access of citizens to the polls in free, fair and inclusive elections.

B. Percent of LOP Funds Relating to Strategic Objective

100% Strategic Objective No. 3 "Strengthened Democratic Institutions and Practices." Program

Outcome improved citizen participation in the public-policy/decision-making process.

III. PROJECT PURPOSE AND DESCRIPTION

A. Project Purpose

To strengthen the integrity and inclusiveness of Salvadoran democratic and electoral processes, especially the participation of women, young citizens and rural people.

B. Achievements to Date

On March 20 and April 24, 1994, over 1.3 million Salvadoran went to the polls, increasing by over 30% in absolute terms voter turnout from the 1989 presidential elections. ONUSAL and other international observers determined that the elections were carried out peacefully, free of intimidation, and voters exercised their franchise freely and fairly. The technical problems reported after the March 20 elections were satisfactorily addressed during the presidential run-off. Twenty NGOs, under the SVRI agreement, received sub-grants to work in the promotion of the voter registration process throughout the country. ESF-generated local currency of 23.6 million Colones (\$2.7 million) provided

funding for the massive voter registration campaign, and through this support, 622,000 voter cards (new and replacement) were delivered from the time the campaign started in July 1993, with an overall voter registration rate of over 95% of the eligible adult population (up from only 73% nine months earlier). Seven NGOs implemented civic education projects across the country, increasing citizen awareness of their political rights. At the local level, NDI and IRI began implementation of their projects by conducting a baseline survey and a series of workshops on citizen participation in the municipal decision making process.

C. Project Description

Project activities include: 1) technical and commodity assistance to the Supreme Electoral Tribunal; 2) technical and financial support to Salvadoran NGOs to expand citizen involvement in elections and democratic processes; 3) grants to US PVOs for election observation; and 4) grants to US PVOs to support democratic leadership development at the municipal level.

IV. PROJECT STATUS

A. PLANNED EOPS:

PROGRESS TO DATE

1. Increased citizen confidence in the electoral process in general, specifically in the ability of the SET to register voters and conduct fair, open elections, according to established rules and transparent procedures.

As of 4/24/94, 2,463,000 citizens had voting cards (95% of the estimated voting population) SET's massive voter registration campaign resulted in 622,000 cards delivered (new and replacement). Logistical and Registry-related problems which affected the March 20 elections, were satisfactorily addressed during the April round. (Confidence in SET as a democratic institution measured by the "Democratic Values Study" to be carried out in January/95.)

2. Increased participation of Salvadorans in the 1994 elections, especially the participation of young adults, and rural residents, by helping to overcome attitudinal barriers to participation.

1.3 million Salvadoran went to the polls in 1994. Compared to the 1989 presidential election, turnout increased by over 30% in absolute terms. Women, young adults, and rural people were especially targeted by SET media messages. Post election survey will measure participation of target groups.

3. Increased availability of information about government through more objective reporting, broader coverage of issues, and its wider dissemination through mass and informal media.

Project assisted networking among NGOs with initial focus on women's issues. Other topics covered include youth problems and family code.

4. Broadened geographical and numerical outreach of civic education efforts, leading to increased citizen awareness of political rights and responsibilities.

Over 20 NGOs have worked in voter registration and civic education activities, across the 14 departments.

5. Populations of participating

Training of municipal leaders has started in 3 locations.

municipalities show greater understanding of the process of governance in their locale, as well as greater knowledge of how to represent themselves and their opinions to local leadership.

B. MAJOR OUTPUTS

	LOP	THIS SEMESTER	ACCOMPLISHED	%
- Percent of voting age population reached through NGO voter education programs	25%	-	30%	120
- New voters registered with carnet				
- Preparation and dissemination of voting pamphlets	250,000	-	410,000	164
- Increase in citizens reached by issue-awareness NGOs	-	-	-	TDB
- Pollworkers trained and provided with manuals for the 1994 elections	100%	-	60%	60%
- Reduction in time to issue registration cards	30 days		45 days*	50%**
- 1994 Election observers delegations	3	-	3	100%

*some 30,000 out of an estimated of 50,000

**initial average time of 60 days

C.1 OTHER ACCOMPLISHMENTS AND OVERALL STATUS

- The Center for Electoral Assistance and Promotion (CAPEL) completed the provision of technical assistance in the areas of voter registry, transmission of results, and training. This assistance allowed the SET to resolve several major problems prior to the run-off presidential election. CAPEL also prepared an Action Plan for the implementation of the single identity/voting document.

- Free transport was provided during the second round of the presidential election. UNDP provided funding for this activity and USAID funded a contract with Price Waterhouse to guarantee prompt payment to the suppliers, and the transparency of the whole process.

- Under the contract with Creative Associates (CREA), seven NGOs received grants to carry out programs oriented to increase civic participation, especially of women and young adults. In addition, CREA continued conducting networking sessions with NGOs, focusing on issues of women's legal rights and civic/political participation. These activities helped to strengthen the integrity and inclusiveness of the democratic electoral process.

- The International Republican Institute and the National Democratic Institute for International Affairs presented action plans for their municipal level projects. IRI and NDI conducted baseline studies to allow for a post-project impact analysis. NDI started training municipal leaders to cope with devolution of authority from the central government; plan municipal budgets, including revenues, expenditures, and program goals in promoting citizen participation; and validate municipal decisions through open town

meetings and other means.

- A Cooperative Agreement was signed with Freedom House to work jointly with IRI and NDI. Freedom House will coordinate exchange visits of US and Salvadoran municipal leaders.
- Three US PVOs conducted election observation during the second round of the presidential elections. Over 30 observers from the U.S. and Latin American countries participated on these observation teams.

C 2. WID ISSUES

Women are one of three special target groups identified for this project. Anecdotal data found women strongly represented among both voters and pollworkers during both electoral rounds. In support of the Mission's Strategic Objective to promote "Strengthened Democratic Institutions and Practices," USAID will measure increases in female voter registration and participation against a baseline established by a CID-GALLUP poll post-election conducted in March 1991.

D. PROBLEMS AND DELAYS

No major problems have been encountered at this time.

E. MAJOR ACTIVITIES AND CORRECTIVE ACTIONS DURING THE NEXT SIX MONTHS

- o Freedom House will start the exchange visits program with US municipal leaders.
- o IRI, NDI and Freedom House Action Plans will be approved during next semester, and training activities will continue to be provided.
- o CREA will continue conducting several seminars focussed on women and young adult civic participation, and will award some 12 grants to equal number of NGOs to carry out civic education activities. In addition, CREA will present a proposal to amend the existing contract to include a youth project at the national level.

8. Independent data sources

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PROJECT STATUS REPORT
April 1, 1994 - September 30, 1994

MISSION DIRECTOR RATING: A ~~X~~ B C

I. BACKGROUND DATA

Project Title: Social Stabilization and Municipal Government Strengthening
 Project Number: N/A
 Date of Authorization: original N/A amendment: 6/04/94
 Date of Obligation: original Original MOU 1987 last amendment 12/31/92
 PACD: N/A amended to:
 Implementing Agencies: SRN, ISDEM, COMURES
 AID Project Manager: Tom Hawk, IRD
 Status of CPs/Covenants: N/A
 Date of Last Evaluation: December 1993
 Next Evaluation: N/A
 Planned Number of Non-Federal Audits during Fiscal Year: 1
 The Number of such Audits Contracted for/Completed: Contract in Process
 Date of Last Audit: 09/31/91 and on-going/concurrent NFA
 Next Audit:

FINANCIAL DATA (HGOLC)

	ESF	PL-480
Amount Authorized: MOU: ESF/92	\$ 5,747,127	\$ --
Amount Obligated:	\$15,527,379	\$163,000
Amount Committed:	\$ 5,915,250	\$163,000
Period:	\$19,909,000	\$163,000
Cumulative:	\$ 5,228,473	\$
Advanced:	\$ 8,365,998	\$
Accrued Exp.: Period-Projected:	\$ 7,836,031	\$163,000
Period-Actual:	\$16,771,475	\$163,000
Cumulative:	\$ 3,137,525	\$
Projected Next Sem:	N/A	N/A
Counterpart Planned:	N/A	N/A
Contribution Actual:	N/A	N/A
% LOP Elapsed	N/A	N/A
% of Total Auth. Obligated	100%	100%
% of Total Oblig. Expended	84%	100%
% of Total Auth. Expended	0%	100%

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVE

A. Specific Linkage to Strategic Objective. The project directly contributes to S.O.3, Promoting, Enduring Democratic Institutions with broad based participation by strengthening local government, encouraging devolution of power to local level, promoting citizen participation and responding to the basic infrastructure needs of the communities.

B. Percent of LOP Funds Relating to Strategic Objective
 100% of the budget directly contributes to promoting democratic institutions and practices.

III. PROJECT PURPOSE AND DESCRIPTION

A. Project Purpose
 To support the strengthening of the democratic process at the grassroots and local government level and to increase local revenues.

B. Achievements to Date
 During this period there have been 145 Open Town Meetings with the participation of 71.30% of cantones. The total number of small-scale infrastructure projects implemented was 306. Also, 231 municipalities have updated their user fees based on the Ley General de Tributos, but only 216 have been published in the Diario Oficial. The ISDEM/ACNUR Documentation Project was completed 06/30/94.

C. Project Description

The Project seeks to establish functional democratic governments in the 146 municipalities of the Republic of El Salvador and has two complementary major activities that support the strengthening of the democratic process at the grassroots level:

1. Direct technical assistance, including training, for: a) municipal level identification, prioritization and implementation of basic infrastructure projects; and b) assessments of financial and administrative capacities of municipal government, including mechanisms for increased local revenue generation.

2. Funding of projects for restoration and construction of basic municipal infrastructure, identified by open town meetings and prioritized by community associations and municipal councils.

The Project thus views infrastructure and projects per se as both an end and a means to an end, and places equal emphasis on technical assistance and training in the process by which local associations and governments respond to the needs of their constituents expressed through open town meetings, community associations and town council meetings -- formal mechanisms mandated by the Municipal Code of 1986.

This project only covers 146 municipalities outside the PRN areas.

The authorized amount shows new funds budgeted for FY 94, the obligated amount reflects FY 93 Action Plan, which is still ongoing, thus not yet reflecting the FY 94 authorized.

IV. PROJECT STATUS

A. Planned EOPS: The project targets the following:

1. Increased responsiveness of local governments to their constituencies.
2. Improved basic infrastructure in 146 municipalities outside the PRN.
3. Increased local capacity to resolve local problems, including increased capacity to generate revenues.
4. Local level economic reactivation through project-funded small-scale infrastructure activities.

B. Major Outputs

October 1994 - March 1995

	LOP	Planned	Actual	Cumul.	%
Basic Infrastructure Projects	556	300	306	966	174
Open Town Meetings: Events	600	292	145	743	124
Total Attendance:	146000	100000	61876	103721	71
Participants trained by ISDEM	1000		450	1041	104
I.D. issued by municipalities	N/A		12000	272966	N/A
Municipal Records replaced	3000	300	165	3479	116
Percentage of Cantones attending Open Town Meetings	90%	80%	71.30%	71.30%	

C.1 Other Accomplishments and Overall Status

1. 75% of 519-0320/MEA Water Projects have been completed.
2. 216 Municipalities have updated their user fees. Revenues generated locally have increased by 100% over the previous year, excluding San Salvador.
3. ISDEM's documentation project, with ACNUR support, issued 272,966 new documents and 1,141,250 birth certificates. This project was closed out 6/30/94.
4. A draft property tax law was completed and approval is being presented to the mayors for input.
5. MEA amendment was negotiated with GOES and COMURES which will include a higher threshold to become eligible for funding, such as: a) counterpart funding, b) funding of infrastructure that municipalities control, c) municipal budget must include 10% locally generated resources for capital investments and d) council meetings open to the public. These changes have been discussed with the SRN and are included in the proposed MEA amendment.

C.2 Women in Development

Of 966 projects implemented by the municipalities, more than 50% of the beneficiaries have been women, e.g., farm-to-market road projects, schools and community centers.

D. Problems and Delays

1. Monitoring capacity of SRN field people continues to suffer from logistical support deficiencies.

E. Major Activities or Corrective Actions during the Next 6 Months

1. Training of new mayors will be key element for MEA and the new Municipal Development Project, 519-0388 under CLASP.
2. The National Congress of Mayors will be held on November.
3. AID will meet with SETEFE and SRN to assess the real logistic support needs and based on the analysis will purchase the necessary equipment before the end of CY 94.

PROJECT STATUS REPORT
April 1, 1994-September 30, 1994

MISSION DIRECTOR RATING: A_B_x_C_

I. BACKGROUND DATA:

Project Title: Centro DEMOS Project
Project Number: 519-0411
Date of Authorization: Original: 09/30/93 amendment 09/30/94
Date of Obligation: Original: 09/30/93 amendment 09/30/94
PACD: Original: 09/30/94 amendment 09/30/95
Implementing Agency: Institute for Central American Studies (ICAS)
Major Contractor: N/A
AID Project Manager: Mauricio Herrera Coello, ODI
Status of CP's/Covenants: CP's to First Disbursement: All met
CP's to Subsequent Disburs: All met
Planned Number of Non-Federal Audits during Fiscal Year: N/A
The Number of such Audits Contracted for/Completed : N/A
Date of Last Evaluation: None Next Evaluation : 07/95
Date of Last Audit: None Next Audit: AID/W

FINANCIAL DATA

Amount Authorized:	ESF-Grant:Original	\$1,000,000 amended to \$1,750,000
Amount Obligated:	ESF-Grant:Original	\$1,000,000 amended to \$1,750,000
Amount Committed:	Period:	\$ 298,382
	Cumulative:	\$ 973,045
Accrued Expendit:	Period Projected:	\$ 532,552
	Period Actual:	\$ 484,972
	Cumulative:	\$ 952,420
	Projected Next. Sem:	\$ 430,000
Counterpart Cont:	Planned:	\$ 86,000 (5%)
	Actual:	\$ 0
% LOP elapsed:		50 %
% of Total Authorized Obligation:		100 %
% of Total Obligation Expended:		55 %
% of Total Authorized Expended:		55 %

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVE

A. Specific Linkage to Strategic Objective

The Project is dedicated to strengthening Salvadoran leadership and democratic practices by enhancing skills and understanding of issues and providing a pluralistic forum for the interchange of opinions. Open dialogue plays an important role in creating a stronger foundation upon which Salvadorans are building a pluralistic, tolerant and democratic society.

B. Percent of LOP Funds Relating to Strategic Objective

100% Strategic Objective No. 3 "Strengthened Democratic Institutions and Practices." Supports program outcome "Improved Citizen Participation in the Public Policy/Decision Making Process."

III. PROJECT PURPOSE AND DESCRIPTION

A. Project Purpose

To support national reconciliation through the establishment of a democratic leadership training program.

B. Achievements to Date

Centro DEMOS inaugurated the first year of the training program on January 6, 1994, with 60 participants representing a wide cross-section of Salvadoran society, including many of the key political, economic, and social organizations. The training program, comprised of three stages, was

completed by only 50 of the original 60 participants at the end of July, 1994. A survey conducted at the end of the program to determine the impact of the training, showed that the greatest benefits were: better relationships among the different participant sectors, increased tolerance of positions different from participant's own, and better understanding of national problems, which in turn fosters peace and reconciliation in El Salvador. Also, ex-participants have organized an association named Asociación de Cursos Democráticos (ACDS), to continue on their own with the DEMOS experience and to follow up on the strategic planning discussed during the training period. DEMOS/ICAS has brought together 26 Salvadoran leaders to establish the founding board of the Foundation for the Development of the Rule of Law and Salvadoran Democracy, or FUNDEMOS, which will oversee and perpetuate the Center, and develop a diversified financial base. The Project was amended by adding \$750,000 and extending the expiration date to September 30, 1995 to carry out a second year training program.

C. Project Description

The Project has two interrelated components: a) Leadership Training Program, which consists of three stages of a series of seminars, workshops, and fora to discuss and analyze political, economic, and social issues, lasting ten weeks each, and involving participation of all segments of Salvadoran society such as the FMLN, military leaders, labor representatives, businessmen, political party leaders, GOES officials, church leaders, NGOs, women, and special interest groups in order to promote tolerance, pluralism, and trust; b) Organizational Technical Assistance, to build a national consensus on the creation of a Salvadoran foundation, broadly representative of the myriad social and economic factions in Salvadoran society, to serve as the permanent home of Centro DEMOS and sponsor of the training program.

IV. PROJECT STATUS

A. PLANNED EOFS

Progress to date

1. National reconciliation/willingness on the part of Salvadoran leaders their representative groups to listen to and understand opposing viewpoints, engage in dialogue and build tolerance and trust
2. Plans laid for a more permanent establishment of a forum for dialogue (hereinafter referred to as the Foundation for the Development of the Rule of Law and Salvadoran Democracy, or FUNDEMOS)

The results of the first year training program, which involved 50 participants from a wide cross-section of Salvadoran and society, including many of the key political, economic, and social organizations, were that the participants have learned to respect and tolerate opposing viewpoints, have shared experiences and information with colleagues and members of their respective organizations and have acquired better understanding of national problems.

The Founding Board of FUNDEMOS, composed of 26 Salvadoran leaders, was established. The Board of Directors will emanate from this Founding Board which is reviewing the Foundation's mission statement and its bylaws.

B. MAJOR OUTPUTS

1. Leadership Training Program

	PLANNED			ACCOMPLISHED			% of LOP
	LOP	This Semester	Cum	Next Semester	This Semester	Cum	
a. Centro DEMOS created/staffed and equipped	1	1	1	0	1	1	100
b. Participants selected	120	0	60	60	60	60	50
c. Training curriculum devised	2	0	1	1	0	1	50
d. First Training Program (workshops, fora, conferences, strategic studies and field trips)		This program was completed					100
e. Second Training Program	This Program will be initiated next semester						0

2. Organizational Technical Assistance

a. Centro DEMOS Salvadoran Foundation (FUNDEMOS) established	Founding Board established	50
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C.1 OTHER ACCOMPLISHMENTS AND OVERALL STATUS

After intensive negotiations with ICAS, the Project was amended on September 30, 1994 by adding the sum of \$750,000, bringing the total amount of funding under the Agreement to \$1,750,000, and by extending the PACD to September 30, 1995. The amendment will finance a second year training program for another 60 participants and will allow Centro DEMOS/ICAS to take steps toward its income generation by legalizing the foundation (FUNDEMOS) and seeking local and international financial support for the future of the Center. As part of the amendment, ICAS agreed to provide \$86,000 as counterpart contribution to, among other things, partially cover the stipends for the participants. Moreover, during the extended period, the two expatriate Executive Directors will transfer responsibilities to a permanent national employee who will act as Technical Director for the overall management of Centro DEMOS.

Parallel to the program extension negotiations, and recognizing that it lacked any objective basis for evaluating the program's impact, the Mission contracted in August a survey to determine the impact the training had on ex-participants' knowledge, attitudes, beliefs and/or practices with regard to tolerance of other groups in Salvadoran society. The sample (55 participants) was drawn from the ex-participants and was based on personal interviews and a questionnaire. As a result, the survey found that 86% of interviewed participants report having changed their attitudes toward other political groups or organizations' points of views; 92% opines that, somehow, the program has helped them increase their tolerance of opposing viewpoints; and 87% thinks that the rest of participants have increased their capacity to tolerate other groups in Salvadoran society. In addition, 65% believes that the topics discussed were relevant to strengthening the peace process and national reconciliation. Other feedback on topics discussed and the quality of speakers will be used by Centro DEMOS as input into the design of the new academic curriculum for the next training program.

The first training program was completed on July 29, 1994 as scheduled. Only 50 participants graduated, the rest quit prior to completion for different reasons. Based on the results of the above mentioned survey and the USAID/ODI direct involvement, the training program is considered to be successful.

One of the benefits derived from the program is that the Universidad Tecnológica made a formal commitment to offer former participants college credit for their 7-month's work. Also, the National Geographic is elaborating a documentary on El Salvador in which Centro DEMOS will be featured as a key activity in El Salvador. In addition, former participants have become involved with Habitat for Humanity and they are now in the process of organizing the Asociación de Cursos Democráticos (ACD) aimed at continuing on their own with the DEMOS experience following up on the strategic planning produced through the DEMOS methodology.

The Founding Board of FUNDEMOS, comprised of 26 Salvadoran leaders, met for the first time to discuss their participation in DEMOS. A smaller group was selected to review the Center's mission statement and its bylaws. It is expected that the members of the Board of Directors will come from the Founding Board. The Foundation will oversee and perpetuate the Center and will secure financial support from different sectors of Salvadoran society as well as from international organizations. Centro DEMOS/ICAS has begun dialogue with key Salvadorans and a range of international donors including the National Endowment for Democracy (NED), the U.S. Institute of Peace, and the North-South Center. ICAS has also targeted the Ford Foundation, the MacArthur Foundation, the Pew Charitable Trusts, the Hewlett Foundation and the Rockefeller Foundation. For the new training program, ICAS is committed to raise \$86,000 to cover part of the training program operation and administration, including participants stipends, as counterpart contribution.

C.2 WID ISSUES

Twenty percent of participants in the training program were women. They represented institutions and interest groups from varied segments of Salvadoran society, and played a very active role in the discussions. By strengthening the leadership skills of women, the Project has prepared them to play a role in encouraging increased reliance on debate, dialogue, compromise and other democratic, non-violent means for resolving conflict and improving national stability. Women will also be included in the second training program to be carried out next semester.

D. PROBLEMS AND DELAYS

- o FUNDEMOS' personería jurídica.
- o Future funding for FUNDEMOS.
- o ICAS/Centro DEMOS will have to diversify its financial base for its institutional permanence. For this reason, a new Special Provision was included in the Agreement Amendment with respect to a fund-raising strategy for the Foundation, which will serve as the permanent sponsor of the Centro DEMOS program.

E. MAJOR ACTIVITIES OR CORRECTIVE ACTIONS DURING THE NEXT SIX MONTHS

- o Monitor, very closely, Stage I and II of the training program .
- o Ensure that a baseline survey is carried out to allow measurement of end-of-program impact.
- o Follow-up on the legal establishment of FUNDEMOS (personería jurídica).
- o Follow-up on the financial support from other donors.

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PROJECT STATUS REPORT
April 1, 1994 - September 30, 1994

MISSION DIRECTOR RATING: A B CX

I. BACKGROUND DATA:

Project Title: Strengthening Labor Organizations for Development
Project Number: 519-0000-980-B2
Date of Authorization: Original: 02/04/92 amend. N/A
Date of Obligation: Original: 02/04/92 amend. N/A
PACD: Original: 01/31/97 amend. N/A
Implementing Agency: Salvadoran Labor-Management Foundation (FOES)
Major Contractor: N.A.
AID Project Manager: Mauricio Herrera Coello, ODI
Status of CP's/Covenants: CP's to First Disbursement: All met
CP's to Subsequent Disburs: All met
Planned Number of Non-Federal Audits during Fiscal Year: N/A
The Number of such Audits Contracted for/Completed : N/A
Date of Last Evaluation: 3/93 Next Evaluation : 10/1/96
Date of Last Audit: 8/15/94 Next Audit: 04/15/95

FINANCIAL DATA

Amount Authorized:	DA Grant: Original	c80,000,000	amended to N/A
Amount Obligated:	ESF-Grant: Original	c30,000,000	amended to c45,000,000
Amount Committed:	Period:	c 249,938	
	Cumulative:	c37,978,437	
Accrued Expend. :	Period Projected:	c 8,500,000	
	Period-Actual:	c 3,813,313	
	Cumulative:	c18,290,456	
	Proj. Next Sem.:	c 5,500,000	
Counterpart Contr:	Planned:	c27,000,000	
	Actual:	c 822,012 (3%)	
% LOP elapsed:		57%	
% of Total Authorized Obligation:		56%	
% Total Obligation Expended:		41%	
% of Total Authorized Expended:		23%	

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVE

A. Specific Linkage to Strategic Objective

This Project supports USAID/El Salvador's strategic objective to promote strengthened democratic institutions and practices by strengthening the institutional capacity of unions to serve workers' needs and channel worker participation in the benefits of economic growth. As a forum whereby labor and management can work together to solve problems, FOES also contributes to equitable economic growth through an appropriate policy framework for increased private investment.

B. Percent of LOP Funds Relating to Strategic Objective

100% Strategic Objective No. 3 "Strengthened Democratic Institutions and Practices." Supports program outcome "Improved Citizen Participation in the Public Policy/Decision Making Process."

III. PROJECT PURPOSE AND DESCRIPTION

A. Project Purpose:

Strengthen the capabilities of worker organizations to promote their own development projects in a democratic manner, and to carry out activities which promote labor-management cooperation.

B. Achievements to Date

FOES was established as a Salvadoran private, voluntary, and non-partisan organization in 1991 with AIFLD assistance. After the Agreement was awarded, FOES hired and trained qualified personnel to implement Project activities. Rental office space, office furniture, computer equipment and vehicles were acquired and internal control systems were designed and implemented. A self-sufficiency plan study was conducted to diversify FOES' base of support and to continue the organization's activities

in the future. FOES has developed, in conjunction with labor union organizations, 12 plans consisting of priority projects for worker organizations which include training, technical assistance, loans and grants involving about 25,000 beneficiaries. FOES has made significant improvements in its implementation of the labor-management cooperation component of the Project. A support group, comprised of businessmen and labor leaders, is working to review and implement an action plan which contains objectives and activities directed at improving labor-management relations. This represents an initial step toward fostering communication between labor and management.

C. Project Description:

The Project consists of the following three components: a) FOES Institutional Development to provide technical assistance and financial support to strengthen FOES' institutional capability to coordinate and manage the Project activities; b) Development Program for Worker Organizations: Loans, Grants, Technical Assistance, and Training to assist worker organizations in developing organizational and individual skills to carry out a comprehensive package of assistance that includes project preparation, feasibility studies, material, technical assistance, training, and grants and/or loans; and c) Development of Labor Management Cooperation for which FOES will serve as a catalyst to foster labor-management communication and to develop concrete forms of collaboration on projects of self-evident benefit to both.

IV. PROJECT STATUS:

A. Planned EOPS

Progress to Date

1. A maximum of 20 unions, federations, employee associations, and campesino organizations will have T.A. and training in project development-implementation. Development plans* have been prepared by FOES and approved by USAID for twelve organizations.
2. Approximately 250 worker organizations will be capable of managing projects and have access to other lending institutions. The twelve development plans mentioned above assist an estimated 194 individual labor organizations to manage projects and this will help them obtain access to commercial credit in the future.
3. Mechanisms to improve labor-management relations established and implemented. FOES developed a draft labor-management cooperation plan which was reviewed by representatives of both sectors. This plan contains objectives and activities that will improve labor-management relationships. The plan will initiate activities in November/94.

* NOTE: Development plans for each worker organization include technical assistance, training, loans, and grants.

B. MAJOR OUTPUTS

	PLANNED				ACCOMPLISHED							
	LOP	PERIOD	CUM.	NEXT PERIOD	PERIOD	CUMUL.	% of LOP					
1. Institutional Development.	Personnel hired and trained, office space rented, equipment acquired. Little progress to ensure FOES' long-term sustainability.											
2. Loans made.*	50	14	60	0	4	17	34					
3. Grants made.*	50	11	60	0	5	19	38					
4. Unions, federations, or campesino organizations which have received technical assistance/training.	20	3	20	0	2	13	65					
5. Labor-Management Cooperation.	LMP was reviewed by both sectors and will be implemented in Nov./94											
6. Beneficiaries T.A./ training (persons)	M	E	M	E	M	F	M	F	M	F	M	F
	10000	4264	12664	4000	6525	12936	129					
	6000	936	3286	1000	1400	5284	88					

* NOTE: The planned LOP for loans and grants has been consolidated by worker organization, which will in-turn provide for on-lending and grants to beneficiaries.

C.I. OTHER ACCOMPLISHMENTS AND OVERALL STATUS

During this review period, FOES has focused its efforts on labor-management relationships (third Component). Financed and organized through the CLASP II program, three different groups, one comprised of 10 businessmen, another 10 labor leaders and 10 businessmen, and one group of 25 labor union leaders, were trained in the United States, to learn, among other things, about labor-management cooperation models. FOES staff members also participated in each trip as FOES will play a critical role in follow-up activities.

As a result of this training, each group developed its own action plan on labor-management cooperation activities to be implemented after their return to the country. FOES, acting as the follow-up coordinator, put together, for the first time, high-ranking CLASP II training participants from both sectors, called the Support Group (SG), to review FOES's Labor-Management Plan (LMP) and incorporate into it the ideas contained in the three separate action plans. The output was a new LMP approved by the SG, which makes its implementation more viable. The LMP includes five main objectives and a series of activities to be initiated in November, 1995.

Moreover, FOES carried out a forum to foster labor-management cooperation which was well attended. Approximately 160 individuals from different sectors of Salvadoran society mainly from labor and management sectors attended. The quality of the speakers was also high; in particular, the Executive Director of the National Association of Private Enterprises (ANEP), and the General Secretaries of the General Confederation of Salvadoran Workers (CGT) and the National Federation of Unions of Salvadoran Workers (FENASTRAS). The speeches were very promising from both sectors, but indicated that there is still a long way to go.

In addition, FOES carried out a one-week series of seminars on the topic "Mediation in Industrial Relations, Its Importance and Use," organized and implemented by James Power of the Federal Mediation and Conciliation Service (FMCS) with the participation of both sectors, GOES officials and all FOES technical staff. The purpose of this event was to establish a framework for the creation of a quasi-independent mediation service in El Salvador which would be supported by the Ministry of Labor, and to identify potential Salvadoran mediators to perform this role in the future if it became law.

The new FOES Board of Directors for the period 1994-1996 was elected in July 1994, and consists of four labor union leaders and four business sector representatives. FOES established the procedure for the selection of the members inviting 61 labor and management organizations. Nevertheless, ANEP complaint about the voting procedure - they would have preferred that ANEP present a list of business sector leaders chosen through its own internal processes. Some of ANEP's affiliates presented candidates who became members of the board. After the new Board of Directors took office, a member from the management sector was unanimously elected as President, the Executive Director remained the same. With better private sector representation on the Board of Directors, FOES may have more possibilities of success in labor-management cooperation.

In addition, FOES has promoted its labor-management cooperation program through the dissemination of pamphlets containing FOES' mission, objectives, and statutes among different Salvadoran organizations and institutions. This process has been supported by the publication in the most important local newspapers of different articles produced by FOES on this endeavor.

FOES has made few steps toward its financial self-sufficiency. This effort was limited to the exchange of letters with international organizations that may be interested in supporting this kind of institution.

Finally, FOES developed a plan for the Confederación de Asociaciones Cooperativas de El Salvador de R.L. (COACES) which consisted of seven different projects for two federations FENACITES and FEDECONSUMO.

C. II. WID ISSUES

The labor union and campesino movement in El Salvador has not generally included women in the decision-making process. However, FOES has made "females as beneficiaries" one of its criteria for consideration of loan and grant proposals from assisted organizations. About 28% of total beneficiaries from loans, grants and training are women.

Technical assistance was provided by Joan Goodin of MSI to integrate gender considerations in the design phase of the assistance packages. FOES will implement recommendations included in the final report.

D. PROBLEMS AND DELAYS

- o FOES continues to be behind in fostering interest among international organizations and foundations in its activities. As a result, counterpart contributions are behind schedule and prospects for self-sufficiency appear dim.
- o Under the Loans and Grants to Workers Organizations Component, FOES and the organizations it works with have been slow in complying with internal procedures as required by the Project, which has slowed disbursement for project activities. Because of this, it may not be possible to approve more development plans under the Project as FOES needs time to fully implement those twelve plans that have already been approved.
- o Even though FOES has made progress on implementing labor-management cooperation activities, FOES will have to continue to focus its efforts in this area to obtain positive results.
- o Leadership from Executive Director has been somewhat weak, resulting in management weakness in the organization.

E. MAJOR ACTIVITIES OR CORRECTIVE ACTIONS DURING THE NEXT SIX MONTHS

- o The revised Labor-Management Plan will be completed and its implementation initiated in November 1994. This includes seminars, conferences, publications, radio and T.V. spots. As part of this plan, FOES staff will be trained in labor-management cooperation techniques, three plant-level experiments in labor-management cooperation will be conducted. Another series of workshops will be carried out on mediation.
- o FOES will carry out more activities which increase the possibility for its self-sufficiency.
- o The financial monitoring team contracted by FOES will continue to assess worker organizations' compliance with FOES requirements regarding loans and grants.
- o Meetings with FOES will be held to analyze and implement courses of action to strengthen its leadership.

STRATEGIC OBJECTIVE NO. 4: IMPROVED QUALITY WITH EQUITY IN HEALTH AND EDUCATION

PROJECT STATUS REPORT
April 1, 1994 - September 30, 1994

MISSION DIRECTOR RATING: A__ B_X C__

I. BACKGROUND DATA

Project Title : Health Systems Support Project (APSISA)
 Project Number : 519-0308
 Date of Authorization : Original 08/28/86 amendment 09/22/94
 Date of Obligation : Original 08/29/86 last amendment 09/22/94
 PACD : Original 09/30/91 amended to 08/28/96
 Implementing Agencies : MOH
 Major Contractor : Clapp & Mayne
 AID Project Manager : Jack R. Dale
 Status of CPs/Covenants : CPs to First disbursement - All Met:12/19/86
 Covenants: all 9 covenants met 5/28/91
 Amendment No.06 : CPs All 7 met. Covenants all 3 met.
 Amendment No.10 : Covenants 3 - 1 on going

 Date of Last Evaluation : 12/01/93 Next evaluation: 1/96
 Planned Number of Non-Federal Audits during Fiscal Year : 1
 The Number of such Audits Contracted for/Completed : 0
 Date of Last Audit : 03/22/90 Next Audit: 01/10/95

FINANCIAL DATA

Amount Authorized : DA/ESF Grant: orig \$48,000,000 amended to \$77,000,000
 Amount Obligated : DA/ESF Grant: orig \$14,900,000 amended to \$73,235,000 *
 Amount Committed : Period : \$ 242,932
 Cumulative : \$67,042,519
 Accrued Expend : Period - Projected : \$ 3,000,000
 Period - Actual : \$ 1,807,143
 Cumulative : \$61,823,013
 Projected Next Sem. : \$ 3,000,000
 Counterpart Planned : \$50,538,000
 Contribution : Actual : \$74,072,500

 % LOP Elapsed 81%
 % of Total Auth. Oblig. 94%
 % of Total Oblig. Expended 84%
 % of Total Auth. Expended 80%
 * Includes \$1,077,000 obligated separately in FY's 91,92 & 93 for contraceptives.

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVE

This project supports the Mission's Strategic Objective No. 4 to improve quality and equity in health and education by increasing and improving the basic management of contraceptive prevalence and increasing access to health and child survival services. Specifically, the project will strengthen the MOH in logistics, basic health services delivery, policy and planning and management. The project also supports the Mission's Strategic Objective No 1 - Assist El Salvador to make the transition from war to peace, through certain Project activities focusing on NRP areas to reestablish access to basic services.

B. Percent of LOP Funds Relating to Strategic Objective:

60% objective No.4 and 40% objective No.1.

III. PROJECT PURPOSE AND DESCRIPTION

A. Project Purpose

To support and strengthen the capability of the MOH to deliver and support basic health care services, including preventive and primary care services important to the MOH Child Survival Program. Project purpose will be revised next semester in accordance with Project Agreement Amendment No. 10

B. Achievements to Date

This project has assisted the MOH to continue to provide and improve the delivery of basic health care services to the high risk population of El Salvador. It has played the most important role in improving the basic management systems of the MOH. It has stimulated and supported a series of key policy reforms within the MOH. Several concrete successes contributing to project purpose are:

- The MOH has doubled the number of its community health promoters and the malaria volunteer collaborators.
- The MOH has taken over the procurement of all pharmaceuticals.
- Procurement, reception, and distribution systems of pharmaceuticals is considered one of the best in Central America, according to the APSISA Project Evaluation.
- Malaria cases continue to drop dramatically in the country.
- Primary health care facilities with adequate water and sanitation systems.

C. Project Description.

The project provides commodity assistance to the MOH to meet the gap between public health sector needs and what can be provided through the regular GOES budget. This is done to maintain basic services at all MOH facilities and assist the MOH to resolve key impediments to the provision and extension of basic health services to under-served areas. Project has also supported MOH on needed reforms to increase revenues, rationalize the planning process, and optimize personnel levels. NRP Project resources are being used to support and restore

ex-conflictive areas. Under Amendment No.10 the Project will provide assistance to the MOH to strengthen its institutional capability to decentralize the delivery of primary health care. Emphasis will be placed on planning, development of norms and standards training and supervision and financing health services to the indigent.

IV. PROJECT STATUS

A. Planned EOPS

	<u>Progress to Date</u>
1. Increased vaccination coverage	85% Rural 85% Urban
2. Greater MOH coverage for rural population.	Community Health Program serving 1,472 rural communities
3. 90% of functioning MOH facilities w/minimum stocks of basic drugs/supplies.	83% of random sample of facilities surveyed had 100% of recommended basic drugs
4. 90% of Bio-medical equipment functioning.	87% functioning

B. Major Outputs

	Planned			Accomplished			
	LOP	This Sem.	Cum	Next Sem.	This Sem.	Cum.	% of LOP
90% of primary care facilities have adequate water and sanitation.	64	0	54	0	5	41	64
Vehicle fleet upgraded:							
Vehicles	250	0	223	0	4	227	91
Motorcycles	90	0	152	85	0	152	169
Rural Health Aid Program expanded and improved.	MIS System						Developed 100
Residual spraying for malaria (3 cycles/yr).	3/yr.	1	3/yr	0	1	3/yr	100
Emer.Med.Svcs.Mgrs.Trnd.	2,000	0	2,026	0	0	2,533	127
Health Promoters Trnd.	2,000	45	1,544	30	30	1,873	94
Nurses Trained.	2,000	50	1,443	50	50	1,772	89
Computerized MIS installed Sub-(At Central & Region Level) systems	0	0	42 Sub-	0	0		42 systems
MOH staff trnd computers.	1,000	25	872	30	90	1,618	162
Applied Health Services studies completed.	50	2	49	1	2	55	110
MOH staff trnd policy/program planning.	250	10	175	10	30	224	90
Decentralization Plan.	1	0	1	0	0	1	100
Cost Recovery Plan.	1	0	0	0	1	1	100
NRP outputs:							
Primary health facilities with adequate water and sanitation	73	10	71	10	16	56	77

C. Other Accomplishments and Overall Status

- APSISA Project redesign has been completed and includes greater focus on FP, MCH, attended deliveries, HIV/AIDS.
- APSISA Project Agreement amendment signed with the GOES on 9/22/94.
- PIO/T for the new T.A. to the MOH signed on 9/28/94.
- Completed repairs in potable water and sanitation systems for 16 health facilities under NRP.
- Prepared bid documentation for the repairs of potable water and sanitation systems for 7 health facilities under NRP.
- 16 new malaria voluntary collaborators trained (ex and non conflictive areas).
- Completed 5 small malaria drainage projects.
- 10 promoters trained in monitoring child growth and 40 trained in contraceptive methodology.
- 30 new Community Health Promoters trained.
- 60 Regional warehouse personnel trained in good warehousing procedures.
- 57 Regional personnel trained in vehicle maintenance.
- Central and Western Region Warehouses functioning at new locations.
- 8 trucks for the distribution of pharmaceuticals and medical supplies delivered to 4 regions.
- Construction of the new Malaria Warehouse initiated.
- 171 MOH drivers trained in first aid services.
- 41 Regional personnel trained in FP Computer System.
- Educational printed materials (pamphlets, brochures, etc.) purchased.
- First Norplant seminar conducted.
- Average monthly expenditure of the Project \$481,000.

D. Issues

1. Issues from Previous SAR.

Issue: Delay in implementing Cost Recovery System.

Status: The MOH has completed their part of the agreement; the system was designed, adopted and is being implemented at 15 hospitals and 15 Health Centers for all private and institutional patients.

Issue: MOH has requested an 18 month no-cost extension for the APSISA Project.

Status: Project Grant Agreement Amendment signed on September 22, 1994. New PACD is August 28, 1996. The APSISA Project has been redesigned to include greater focus on FP, MCH, attended deliveries, HIV/AIDS. New outputs will be developed for the next SAR reporting period.

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D. Issues (continued)

2. This Period.

Issue: None

Status:

E. WID Issues

The MOH at this time is developing actions to include the recommendations of the May 1994 Gender Conference sponsored by USAID in the 1995 Action Plan. Under the new administration, the MOH has given a stronger role to women with 22 (48%) appointments at Office and/or Division chiefs at the Central Level, up from 12 (26%) in the previous administration.

F. Major Activities or Corrective Actions During the Next Six Months

- Review with the CO Office the TA proposal submitted by Clapp & Mayne for the additional level of effort to be provided to the Ministry of Health.
- Sign the new Clapp & Mayne T.A. contract.
- Support the nation wide Community Health Promoter study.
- Develop the new Community Health Promoter training plans.
- Initiate repairs in water and sewage systems of 10 NRP health facilities.
- Continue to stock pharmaceuticals in all facilities located in ex-conflictive areas.
- Monitor reception of pharmaceuticals purchased under the APSISA final pharmaceutical PIO/C.
- Train approximately 60 new health promoters.
- Complete building of the new Malaria Warehouse at El Matazano Complex.
- Prepare PIO/C for the purchase of insecticides.
- Initiate documentation for the purchase of 80 motorcycles.
- Initiate procedures for the purchase of contraceptives.
- Support the Social Sector Policy Reform Design Team.
- Assist in the preparation and implementation of a Norplant workshop.

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PROJECT STATUS REPORT
 April 1, 1994 - September 30, 1994

I. BACKGROUND DATA

Project Title : Strengthening Achievement in Basic Education (SABE)
 Project Number : 519-0357
 Date of Authorization : original 09/21/90; amendment N/A
 Date of Obligation : original 09/21/90 last amendment 7/17/93
 PACD : original 08/31/98; amendment N/A
 Implementing Agencies : Ministry of Education
 Major Contractors : Academy for Educational Development (AED),
 Development Associates
 USAID Project Manager : Bill Harwood, OET
 Status of Cps/Covenants : Cps - Met
 Covenants : Various; GOES/MOE will comply in the course of project
 implementation.
 Date of Last Evaluation : 06/94 Next evaluation: 07/98
 Planned Number of Non-Federal Audits during Fiscal Year: 2
 The number of such audits contracted for/completed: 1
 Date of Last Audit : 04/94 Next Audit: 11/94

FINANCIAL DATA

Amount Authorized	:	DA/ESF Grant: orig.	\$27,000,000 amended to
			\$33,000,000
Amount Obligated	:	DA Grant	\$ 3,360,000 amended to
			\$22,110,000
Committed	:	Period:	\$ 4,078,636
		Cumulative:	\$20,441,631
Accrued Expenditure	:	Period - Projected	\$ 3,000,000
		Period - Actual	\$ 5,501,958
		Cumulative:	\$16,172,596
		Projected Next Sem.	\$ 4,000,000
Counterpart Contribution	:	Planned LOP:	\$26,000,000
		Planned Period	\$ 1,000,000
		Actual Period	\$ 762,259
		Cum. to Date Expend.	\$ 9,041,532
% LOP elapsed:	50%	% of Total Oblig. Expended	73%
% of Total Auth. Oblig.	67%	% of Total Auth. Expended	49%

MISSION DIRECTOR RATING: A ___ B X C ___

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVES

- A. Specific Linkage to Strategic Objective No. 1 - 11% LOP Funding
 We are contributing to the "transition from war to peace" by accrediting children who have been out of the system, reconstructing damaged schools, promoting dialogue between Maestros Populares and the MOE, and finally by providing all of the benefits of the SABE Project to the ex-conflictive zone.
- B. Specific Linkage to Strategic Objective No. 4 - 88.5% LOP Funding
 We are producing better educated Salvadorans by improving the quality of the basic education system, and attending to equity in education, by including teacher training, curriculum revision, providing educational materials, decentralization, and by expanding basic educational services to rural and ex-conflictive zones.
- C. Specific Linkage to Strategic Objective No.5 - 0.05% LOP Funding
 We are contributing to environmental awareness by employing a half-time curriculum specialist in "environment" since July '93.

III. PROJECT PURPOSE AND DESCRIPTION

- A. Project Purpose
 To improve the relevance, effectiveness, and efficiency of basic education at the Kindergarten through sixth grade level in El Salvador.
- B. Project Description
Component One includes curriculum validation and revision, learning assessment, national standardized test development, instructional program and classroom management improvements through educational materials and in-service teacher training. **Component Two** enhances the participation and effectiveness of the Ministry of Education, teachers, parents, and communities. Major aspects are decentralization, supervision, and community involvement. **Component Three** provides for project administration, evaluation and audit. **Component Four** expands SABE coverage and provides special attention to the ECZ.

C. Project Policy Issues

1. Access: MINED has been increasing access through EDUCO, mixing accredited teachers with maestros populares and negotiating with JICA for the construction of 86 rural schools.
2. 1995 GOES budget increases MOE by over 23% of '94 level, demonstrating significant improvement in resource allocation.
3. Absorption: A multi-year plan for the absorption of recurring and administrative expenses has been agreed upon by the MINED and USAID.
4. Pluralistic participation in educational reform: There has been a marked increase in public dialogue and discussion on educational reform.
5. Increased community involvement: District funding programs and EDUCO have increased community involvement. More is being done and needs to be done.
6. Compensation and retention of qualified public servants: This topic is addressed in the Modernization of Government movement.
7. Decentralization: Funding included in '94 Action Plan, approval of MOE strategy pending in MIPLAN.
8. Commodities Management being restudied in view of Modernization of Government issues.

IV. PROJECT STATUS

A. Planned EOPS

1. Number of children annually achieving basic education objectives, as defined by graduating from 6th grade, increasing from 69,000 to 81,000. (Objective has been rewritten).
2. Decreased average number of years needed to produce a sixth grade graduate from 9.7 ('91) to 6.6 ('98). (Objective has been modified).

Progress to Date

1. Sixth grade graduates increased from 69,000 in '92 to 72,000 in '93.
2. Rate reduced to 9.6 in 1992 and to 8.5 in 1993.

- | | |
|--|--|
| 3. Assure the provision of materials, texts, and training to students and teachers in the ex-conflictive zone. | 3. Materials were delivered to all official ex-conflictive zone schools and 61 of the 200 Escuelas Populares. Shortfall due to refusal to accept materials. |
| 4. Decentralize MOE operations. | 4. MOE has designed a Decentralization Plan that is being discussed with MIPLAN. USAID Social Sector Reform and IDB/IBRD projects will assist GOES to undertake new initiatives in decentralization. |

Since SABE is an eight year project, immediate impact has not be obvious. Nevertheless, baseline testing has been completed and achievement testing is being conducted. Comparative results will be available for the March '95 SAR report.

B. Major Outputs

COMPONENT I

Curriculum Guides in Schools

- | | |
|------------------|--|
| 1992 programmed: | grades K/1; Accomplished. |
| 1993 programmed: | grades 2/3; Accomplished. |
| 1994 programmed: | grade 4; Validation in progress.
grade 5; Design phase in progress. |
| 1995 programmed: | grade 5; Validation.
grade 6; Design phase 1995. |
| 1996 programmed: | grade 6; Validation. |

Textbooks

- | | |
|------------------|---|
| 1992 programmed: | Workbooks in K/1; Accomplished. |
| 1993 programmed: | Text development for 1-3; Accomplished.
Text delivery to grades 1-2; Accomplished.
Text delivery to grade 3; Accomplished.
Text delivery to grades 4-6 in ECZ; Accomplished. |
| 1994 programmed: | Text design for grade 4; Acquisition in progress. |

Interactive Radio

- | | |
|------------------|---|
| 1992 programmed: | Pilot of Math for 50 sections/grade 1; Accomplished. |
| 1993 programmed: | Expansion to 3,000 sections/grade 1 in 9 dpts.; Accomplished.
Pilot of Math for 50 sections/grade 2; Accomplished. |
| 1994 programmed: | Expansion to 5 dpts. in Math grade 1, Accomplished.
Expansion to 3,000 sections/grade 2 in 9 dpts.; Postponed to '95.
Pilot of Math for 50 sections/grade 3; Postponed to 1/95. |
| 1995 programmed: | Pilot of Language for 50 sections/grade 1; Delayed. |

School Libraries

- | | |
|------------------|---|
| 1992 programmed: | Pilot program for 18 schools, Feb/94; Accomplished. |
| 1993 programmed: | Expansion to 300 schools, Feb/94; Accomplished. |
| 1994 programmed: | Expansion to 600 schools; Postponed to 95. |
| 1995 programmed: | Expansion to 900 schools; Postponed to 96. |

Delivery of Educational Materials

- | | |
|------------------|---|
| 1992 programmed: | Delivery; Accomplished. |
| 1993 programmed: | Delivery; Accomplished. |
| 1994 programmed: | Delivery; Accomplished. |
| 1995 programmed: | Pilot of materials delivery via Canasta Básica. |

Training

- | | |
|------------------|---|
| 1992 programmed: | 8,000 K-1 school teachers; Accomplished. |
| 1993 programmed: | 7,000 2-3 school teachers; Accomplished.
8,000 follow-on to K-1 teachers; Accomplished.
4,800 School principals; Accomplished.
International training for 150 School teachers; Accomplished. |
| 1994 programmed: | 3,193 4th grade teachers; Accomplished.
1,435 Kinder teachers; Accomplished.
Establish 36 Teacher Training Centers; Accomplished.
4,800 School Principals, 10/94; In process.
52 Technicians/Supervisors, intern'l training, 11/94. |
| 1995 programmed: | 2,500 5th grade teachers.
Establish 59 more Teacher Training Centers. |

Testing

- | | |
|------------------|---|
| 1993 programmed: | K-2 testing; Accomplished. |
| 1994 programmed: | 3, 4, 5, 6 language/math testing; Accomplished. |
| 1995 programmed: | Language testing grades 3 and 6. |

COMPONENT II

Strengthening of Supervision

- | | |
|------------------|--|
| 1993 programmed: | Development of Strategic Plan; Not accomplished.
Refinement of Manuals; Accomplished.
Training: 230 Supervisors in use of the manuals; Accomplished. |
| 1994 programmed: | Full time consultant in Supervision; Cancelled. |

Strengthening of the Principalship

- | | |
|------------------|--|
| 1993 programmed: | Training 4,800 school principals; Accomplished.
International training (36 principals); Accomplished. |
| 1994 programmed: | Development of School Administration Manual; Accomplished. |

Decentralization

- | | |
|------------------|---|
| 1993 programmed: | Develop Plan for Decentralization; Accomplished. |
| 1994 programmed: | District Funding; Accomplished.
Fondos Distritales disbursed to pilot districts; Accomplished.
Establish Departmental offices.
Decentralization of OPCI. |
| 1995 programmed: | Implementation of Municipalization Pilot, 3/95.
Implementation of Departmentalization Pilot. |

Finance

- | | |
|------------------|--|
| 1993 programmed: | Emphasize adoption of line item budgeting; Accomplished.
Development of SABE Absorption Plan; Accomplished.
School based funding, not addressed. |
| 1994 programmed: | MOE budget with line item reporting; Accomplished.
Absorption of 6.7% of project expenses; Accomplished.
27% increase in central funding to MOE; Accomplished. |
| 1995 programmed: | Development a new format of the national budget; Accomplished.
Unified budget; Postponed.
Absorption of 25% of admin/recurring expenses; Agreed.
24% increase of national education budget. |

Community Involvement

- | | |
|------------------|---|
| 1993 programmed: | Increase emphasis on formation of PTAs, in conjunction with EDUCO; Accomplished.
Increase awareness of Escuelas Populares; Accomplished. |
|------------------|---|

1994 programmed: Continued emphasis on PTA, EDUCO and District Funding; Accomplished.
Increase awareness of Escuelas Populares as evidenced by increased participation in delivery of materials, training, mixed staffing and supervisor participation; Accomplished.

Procurements

1993 programmed: Audio equipment, photocopies, duplicator, radio-cassette, recorder, interactive radio workbooks, computers, radios, library books, educational games, warehouse equipment, school materials, workbooks for grade 1; Accomplished.

1994 programmed: Textbooks for grades 1-3; Accomplished.
Textbooks for grades 4-6 for ECZ; Accomplished.
Radio-cassette and interactive radio workbooks; Accomplished.
Library books; Postponed to '95.

1995 programmed: Workbooks for parvularia and 1st grade; Accomplished.
New textbooks for 4th grade.

Warehousing:

1993 programmed: Commodities Procurement review; Accomplished.
Contractor is providing TA to MOE on commodities system
Warehouse equipment; 60% Accomplished.

1994 programmed: Contract a new warehouse for 1994 distribution; Accomplished.
Repair and remodel the MOE warehouses; Delayed, maybe '96.

1995 programmed: Certification from Controller's Office.

Modernization:

1992 programmed: 44 new vehicles; Accomplished.

1993 programmed: \$130,000 in computer equipment; Accomplished.

1994 programmed: Implementation of the Motor Pool System; Accomplished.
Training in use of computers in administration; Postponed to '95.

COMPONENT III

Component III provides backup and administrative support to Components I, II and IV. No audits or evaluations were funded. Both an evaluation and an audit were conducted during this SAR period.

COMPONENT IV

Ex-conflictive Zone (ECZ) in general

Programmed 1993: Testing of Maestros Populares. Rehabilitation of 60 schools; Accomplished.
Equal participation of ECZ under Components I and II interventions; Accomplished.

Programmed 1994: Plan and implement long term Maestro Popular academic upgrading. Continue emphasis, especially in materials, District Funding, Supervisor participation and forming mixed schools.
Delivery of texts to grades 4 and 6; Accomplished.

Escuelas Populares in particular

Attempted 1993: Increased coverage of educational opportunities to children in Escuelas Populares; Accomplished.
Mixing teachers; Accomplished.
Training for teachers; Not accomplished.
Delivery of materials, 80% successful.

Programmed 1994: Same issues as above.
Include Escuelas Populares in Testing program; Accomplished.
Nivelacion training for maestros populares; being negotiated.
Programmed 1995: Nivelacion training for maestros populares.

C. Other Accomplishments and Overall Status

C.1 GENERAL

- a. All three integrated technical project management groups functioning well.
- b. MOE and Contractor have been integrated into Mission's Strategic Objectives approach.
- c. Project has eliminated its excessive pipeline.
- d. Training and personnel selection have been decentralized.
- e. Technical Assistance team is complete.
- f. The transition between governments was smooth.
- g. A multi-year absorption plan was agreed upon.

C.2 WOMEN IN DEVELOPMENT ISSUES

- a. Educational statistics are collected and reported by gender.
- b. Textbooks/materials are being designed free of gender bias.
- c. MOE attendance at the USAID sponsored Women in Development workshop.
- d. On going discussions between MOE and project personnel re gender education.

D.1 Status of Issues from Last Reporting Period.

- a. A critical activity, Fondos Distritales, was implemented as scheduled.
- b. The plan to bring in a one-year specialist in supervision was cancelled by the new government.
- c. The curriculum consultant and purchasing specialist were replaced.
- d. Achievement testing is being conducted.
- e. ESF Action Plan refinement was difficult, but has been resolved.
- g. Project conducted its mid-term evaluation with active participation of MOE and AED. Results pending.
- h. The pipeline was reduced to reasonable size.

D.2 Issues from Current Reporting Period

- a. Inter-donor coordination was attempted.
- b. Although an absorption plan was finalized, it still requires refinement.
- c. Annual Action Plan development was not as smooth as desired.
- d. Pluralistic participation in educational reform was initiated and needs to be strengthened.
- e. Contractor involvement and awareness of local currency activities was strengthened.
- f. Commodities management system certification being restudied.

E. Major Activities or Corrective Actions During the Next 6 Months

- a. Direct contact with the Banco Mundial, BID and JICA will be established and maintained.
- b. The Financial Commission will work to refine exactly which line items are included in the absorption plan before Action Plan planning starts.
- c. The contractor will be utilized to integrate the local currency and dollar action plan before either is presented for final approval.
- d. The project will build upon the foundation of pluralistic participation in the national dialogue on educational reform established by the Sector Study and will link with the Social Sector Design activity.
- e. The contractor will be encouraged to become more involved in the coordinating local currency funded activities with dollar funded activities.
- f. The MINED and AID will restudy their commodity management policies.

IV. PROJECT STATUS:

A. Planned EOFS **Progress to Date**

- | | |
|--|------------------|
| 1. Increase from 120,000 CYP's(*) to 200,000 by 1995 | Est. 260,000 (*) |
| 2. Increase ORS treatment by 20% | 50% (**) |
| 3. Increase rural contraceptive prevalence from 34% to 40% by 1995 | 42.8% |

(*) Couple Years of Protection. Includes CYPs of the Rural Program, four major clinics, satellite clinics social mktng. program sales, and market-based clinics. According to FESAL-93 data and the 1992 census, a total of 339,158 women in fertile age were contracepting by mid-1993 and approximately 91,000 (27%) were attended by the SDA. CYP's are not measured by FESAL, only active users at the moment of the survey. (**) Corrected figure based on the Final FESAL-93 Report and number of ORTs provided by the SDA during the reporting period. (FESAL-88 showed that ORS treatment was utilized at 10.8% and increased to 42.8% by mid-1993 according to FESAL-93)

B. Major Outputs	Planned			Accomplished			
	LOP	This Sem	Cum	Next Sem	This Sem	Cum	% of LOP
Component I:							
1. Health promoters working	1150	180	1104	55	293	1097(1)	95%
2. CBD's reduced from 850 to 400 posts	400	0	188	0	-22	398(2)	99%
3. Marketplace clinics operating	12	1	12	0	2	13	108%
4. Satellite clinics operating	6	0	6	0	1	7(3)	116%
5. No. of Private physicians in network	50	1	50	3	-2(4)	47	94% (1)

The cumulative total number of promoters is not equal to the sum of the previously

reported cumulative total and total for this semester, due to health promoters quitting altogether or leaving SDA for the MOH. (2) Presently, a total of 402 CBDs posts are functioning; the SDA will close two additional posts to achieve the 400 goal of the project. (3) The SDA is planning to increase the number of satellite clinics for 1994, subject to the results of the May 1994 mid-term project evaluation (4) two physicians were suspended because of lack of ethics to attend patients.

B. Major Outputs	Planned			Accomplished			
	LOP	This Sem	Cum	Next Sem	This Sem	Cum	% of LOP
(Cont.)							
Component II (1992-1993):							
Central Referral Clinic (*)	1	0	0	0	0	0	0%
Component III (1993):							
1. Demographic Health Survey (FESAL-93)	1	0	1	0	1	1	100%
2. MCH Morbidity and Mortality Study (**)	1	0	0	0	0	0	0%

(*) This Component will not be implemented since the SDA has replaced the Central Referral Clinic for the PROFAMILIA Hospital funded by its own funds. (**) The Study will not be carried out because of its high cost; maternal and child morbidity/mortality were included in the 1993 FESAL survey.

C. Other Accomplishments and Overall Status

1. Since the beginning of the project, the SDA has printed a total of 1,810,000 pamphlets on health and family planning and distributed a total of 1,643,125. During the reporting period, the SDA distributed 228,225 pamphlets with MCH and family planning topics.
2. The SDA finished the FESAL-93 report and initiated distribution of an innovative dual column bilingual edition. A dissemination workshop took place in April during a period of three days with participation of CDC and national governmental and private health institutions. Their comments and observations have been incorporated as an annex to the final report.
3. As scheduled, the SDA received a short assessment visit of SOMARC (The Future Groups program for Social Marketing); it is planned to strengthen the mktng. program of the SDA with technical assistance provided by SOMARC;

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meanwhile, the SDA will continue operating the mktng. program with its current direct sales structure by four salesmen.

4. During this period, the 1,097 Health Promoters provided services in their communities, as follows: 42,568 children with diarrhea were treated; 300,498 ORS packets distributed; 28,749 children and 5,456 pregnant women received vitamins; 52,584 children referred for vaccination; 39,137 ARI cases referred for treatment; and 12,868 CYPs with distribution of pills, condoms and injectables.

5. To address the issue of Sustainability, the SDA prepared a Sustainability Strategy which was submitted to USAID and approved by USAID by P.I.L. No. 41 on July 22, 1994. The strategies included are: (a) revision and increase of fees, including payments for clinical and laboratory services, medicines and contraceptives in the clinical program and in rural communities; (b) selling of technical services including research, evaluation and audiovisual services to private and public sector groups; (c) expansion of the Social Marketing program to include other medical related products as well as generic medicines.

6. During the reporting period, the SDA Project has averaged a monthly expense rate of \$418,000 and accomplished 50.66% of counterpart contribution.

7. In April 1994, the SDA awarded the mass media campaign to a local advertising agency. The campaign started on September 29, 1994 with two TV spots, 11 radio spots and 4 posters. The advertising contract totals \$293,000 (Exchange Rate: US\$1 = C\$8.70) for a one year design and diffusion of messages.

D. Issues

1. Update from Previous SAR: Issue: Delay in starting the mid-project evaluation. This was caused because of a delay faced in USAID/W to do the buy-in to the Development Associates contract. However, the evaluation took place in May-June 1994 and we're still awaiting the final evaluation report which is due in October 1994.

2. This Period: An important issue is the lack of multivitamins for children and for pregnant women as well as a lack of antiparasites and vitamin A used in the rural program of this project. The vitamins are obtained through GSA and vitamin A and antiparasites are bought through UNICEF. Procurements have been delayed because of a price increase and because of a lack of an officer in charge in USAID/W.

E. Women in Development

This project's primary target population is women in fertile age plus children under five. The positive impact this project is having on women has been measured in the FESAL-93. Health indicators in the 1993 FESAL compared with the 1988 FESAL show an increase in prenatal care and number of attended deliveries and a decrease

in child and infant mortality. This will contribute to increased national productivity. In addition, 91% of the SDA rural health promoters, 32% of the SDA executive staff, and 54% of the total SDA workforce are women.

F. Major Activities or Corrective Actions During the Next Six Months:

1. Incorporate a project refocus to cover broader reproductive health areas such as HIV/AIDS, and incorporate WID activities as recommended in the WID workshop carried out during the second quarter of FY1994. **Responsible:** the SDA with the support of the institutional contractor (CCC).

2. The SDA will request technical assistance to design adequate IEC materials for illiterate population. **Responsible:** SDA with support of CCC and Johns Hopkins University.

3. Contract services for the design, production and diffusion of the Social Marketing Program mass media campaign. **Responsible:** SDA with support of CCC and SOMARC.

4. Remodel three of the four major clinics of the Association. (Santa Ana, Santa Tecla and San Miguel) **Responsible:** The SDA.

5. Standardize the MIS system as suggested by IRM. **Responsible:** The SDA.

6. Obligate additional funding as approved in the Mission's Action Plan for 1995. **Responsible:** USAID.

7. Revisit counterpart contribution. The SDA will request the USAID's approval to modify the basis for calculating counterpart contributions to reflect more realistically their contribution to the project. **Responsible:** SDA.

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PROJECT STATUS REPORT
April 1, 1994 - September 30, 1994

MISSION DIRECTOR RATING: A_B/C_

I. BACKGROUND DATA

Project Title: Community Based Integrated Rural Development
 Project Number: 519-0384
 Date of Authorization: original 05/30/89 amendment 03/19/90
 Date of Obligation: original 04/04/93 last amendment 04/05/93
 PACD: original 08/31/94 amended to 12/31/94
 Implementing Agencies: Save the Children Foundation
 Mayor Contractor:
 AID Project Manager: Jacobo Harrouch
 Status of CPs/Covenants:
 CPs to First Disbursement: All Met
 Covenants: None
 Date of Last Evaluation: 11/01/93 Next evaluation: N/A
 Planned Number of Non-Federal Audits during Fiscal Year: None
 The Number of such Audits Contracted for/Completed: 2
 Date of Last Audit: 09/30/93 Next Audit: A-110 world wide audit will be done at the project close-out.

FINANCIAL DATA

	<u>FY 1994</u>	
Amount Authorized: DA/ESF Grant: original	\$7,300,000	amended to \$8,540,000
Amount Obligated: DA/ESF Grant: original	\$8,555,000	amended to \$8,540,000
Amount Committed: Period:	\$ - 0 -	
Cumulative:	\$8,540,000	
Accrued Exp.: Period-Projected:	\$ 717,984	
Period-Actual:	\$ 608,918	
Cumulative:	\$8,422,684	
Planned Next Sem:	\$117,338	
Counterpart Contribution Planned:	\$4,748,559	
Contribution Actual:	\$3,941,865	
% LOP Elapsed:	98%	
% of Total Auth. Oblig.	100%	
% of Total Oblig. Exp.	98.6%	
% of Total Auth. Exp.	98.6%	

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVE

A. Specific Linkage to Strategic Objective. The Project is linked to Mission Strategic Objective Number Four, Improved Quality with Equity in Health and Education. This is to be accomplished through health promoters, and the provision of community-based health and nutrition education programs in the OPG targeted areas. Also, the Project proposes an increase in access to education for the rural, school age population through a scholarship program and contracting, through the Parent Teacher Association (PTA), for teachers' materials. This activity is coordinated with the GOES Ministry of Education and EDUCO program.

The targeted areas of this OPG are included in the municipalities covered by the Peace and National Recovery Project.

B. Percent of LOP Funds Relating to Strategic Objective. The level of investment related to the strategic objective is approximately 64%, i.e., \$5,417,000. Also, the OPG's investment in the NRP is 41%, i.e., \$3,500,000 in the health sector through the provision of potable water.

III. PROJECT PURPOSE AND DESCRIPTION

A. The Project goal is to improve the social and economic conditions of low income families (children, women and men) in two new impact areas located in the Department of La U (Anamor's and San José La Fuente); and to reinforce the analytical, organizational operative capacity of community groups in three on-going impact areas to assure sustainability of the development processes established to date.

The purposes of the Project are: (1) to increase the real income of targeted households; (2) to decrease child morbidity and mortality; (3) to increase local access to education and train activities which encourage participants to achieve their full physical and intellectual potential to be active participants in the democratic process; and (4) to create and/or strengthen grassroots organizations.

IV. PROJECT STATUS

A. <u>Activities</u>	Planned EOPS	Planned		Accomplished			
		This Sem.	Next Sem.	This Sem.	Cum.	%CF	
1) Small scale farmers increase production and real income.	3,000						
2) Rural communities trained in leadership and community organization.	80						
3) Children covered by CENET comprehensive primary health care program.	1,500						
B. <u>Mayor Outputs</u>							
(Revised based on Amendment No. 7)	No. 7	Planned		Accomplished			
		<u>LOP</u>	<u>Sem.</u>	<u>Cum.</u>	<u>This Sem.</u>	<u>Cum.</u>	<u>%CF</u>
1) Undernourished children in the Health Care Program (CENET) will attain a normal nutritional status.	872	218	872	N/A	500	1,185	138
2) Pregnant women will receive pre-and post natal care under the program and will have a trained mid-wife deliver their children	158	39	158	N/A	78	515	330
3) Children age 4-10 years will attend kindergarten and primary school.	3,440	860	3,440	N/A	2,098	4,912	143
4) Small scale farmers will implement new soil conservation techniques.	592	148	592	N/A	353	849	143
5) Small scale farmers will receive training in animal health and carry out vaccination campaigns.	352	88	352	N/A	248	1,687	460
6) Small scale farmers will receive training in agricultural production.	592	148	592	N/A	212	708	120

Based on the development of short term impact indicators the table of major outputs has been revised to incorporate the Monitoring System for the Evaluation of Program Impact prepared by Sue Gant in February of 1993.

C. MAYOR ACHIEVEMENTS IN THE THREE PROGRAM SECTORS

Health and Nutrition:

798 children registered in 19 CENET's have improved their nutritional status

1,018 children registered in 19 CENET's have 100% of the required vaccinations for their a:

440 children have improved morbidity status vis.a.vis acute respiratory infections (ARI).

238 children have improved morbidity status with respect to diarrhea.

328 pregnant women were monitored by trained mid-wives.

Education:

121 women are participating in decision making and leadership in community organizations

51 communities have successfully applied for and received technical and financial support

2,164 children 4 - 10 years old have received pre-school or primary education.

Natural Resources:

827 farmers have been in trained in the prevention of livestock diseases.

Reactivation of 454 acres of land.

392 farmers are using soil conservation techniques.

Increased yields of corn crops per acre.

Sustainability:

The application of the "phase-out Instruction Manual" with standardized procedures will contribute ensuring that networking among ONGs, government agencies and community associations continue after SCF phase out of the targeted areas of San José La Fuente and Anamoros

C.1. Other Accomplishments and Overall Status

El Carpintero - El Sauce Water Project

On May 3, 1994, amendment No. 9 was signed to increase USAID participation in the project from \$1,500,000 to \$1,650,000. This increase was a result of the Value Added Tax (IVA) which added 10% to the total cost. However, USAID funds have always been used for direct cost and not for IVA. The latest financial projection for the total cost of the repair and rehabilitation is \$3,526,100 or about 18% more than the \$3,000,000 estimate which, at the time seemed very optimistic.

An official ground breaking ceremony was held on August 29, 1994 for the seven remaining potable water subsystems that will benefit 1,200 families in 37 communities. As of the date of this report the construction and supervision activities are on-going.

C.2. Women in Development

The current participation of women in the three sectors of the SCF program is as follows:

<u>Sectors</u>	<u>Percentage</u>
Health and Nutrition	80 - 90%
Natural Resources	40 - 50%
Education	40 - 50%

D. Problems and Delays

1. SCF may need three months after the no cost PACD extension to complete the seven water sub-systems financed by the FIS, due to the late order to proceed with the rehabilitation repair.
2. Based upon current estimates, the final counterpart contribution of the Project may fall short because of the delay in completion of the FIS contracts.

E. Major Activities or Corrective Action During the Next Six Months

Implement the work necessary to place the potable water seven subsystems back in operation and turn them over to organized and trained community members to manage themselves.

Close out of all activities of the Project and finalize the PACR.

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10/17/94 - lbg

PROJECT STATUS REPORT
April 1, 1994 - September 30, 1994

MISSION DIRECTOR RATING: A X B ___ C ___

I. BACKGROUND DATA

Project Title : Maternal Health/Child Survival (PROSAMI)
 Project Number : 519-0367
 Date of Authorization : Original 07/27/90 amendment 00/00/00
 Date of Obligation : Original 07/27/90 last amendment 03/23/94
 PACD : Original 07/31/97
 Implementing Agencies : Private Voluntary Organizations presently working in El Salvador
 Major Contractor : Medical Service Corporation International
 AID Project Manager : Margarita de Lobo
 Status of CPs/Covenants : CPs to first disbursement met

Date of Last Evaluation : N/A Next Evaluation: 9/94
 Planned Number of Non-Federal Next Audit: 1/95
 Audits During Fiscal Year: 36
 The Number of such Audits contracted for/completed: 36
 Date of last audit: DCAA Audit 9/92
 Limited Financial Review: 7/91

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVE

A. Specific Linkage to Strategic Objectives (SO)

The project directly contributes to Mission's Strategic Objective No. 4 "Improved Quality with Equity in Health and Education" by providing maternal health and child survival services to some 433 mostly rural high risk communities. This is accomplished through community participation with 456 health promoters, 413 traditional midwives (TBA's), health committees and volunteers. Services provided make a direct contribution to other Mission's Strategic Objectives: Strategic Objective No. 1 Assist El Salvador to make the transition from war to peace through working in the 13 municipalities under the National Reconstruction areas, and Strategic Objective No.3 Enduring Democratic Institutions and Practices through the promotion of open election for community leader and promoter.

B. Percent of LOP Funds Relating to S.O.

Improve Quality with Equity in Health and Education (SO 4)	40%
Transition from War to Peace (SO 1)	5%
Democratic Initiatives (SO 3)	5%

III. PROJECT PURPOSE AND DESCRIPTION

A. Project Purpose

Expand community based maternal health and child survival services through Private Voluntary Organizations (PVO's) in those geographical areas where such services have been weak or nonexistent.

FINANCIAL DATA

Amount Authorized:	DA/ESF Grant:	Orig. \$25,043,355	amended to	N/A
Amount Obligated:	DA/ESF Grant:	Orig. \$ 3,772,000	amended to	\$21,699,000
Amount Committed:	Period:	\$ 96,606		
	Cumulative:	\$ 21,290,713		
Accrued Expend:	Period - Projected:	\$ 3,000,000		
	Period - Actual	\$ 2,955,892		
	Cumulative:	\$ 13,988,316		
	Projected Next Sem:	\$ 2,700,000		
Counterpart	Planned	\$ 6,260,833		
Contribution	Actual	\$ 2,637,000		
% LOP Elapsed				58%
% of Total Auth. Oblig.				87%
% of Total Obligation expended				64%
% of Total Auth. Exp.				56%

B. Achievements to Date

The project is comprised of 35 Salvadoran PVOs serving an estimated population of 439,882 in 433 cantons nationwide which has far exceeded project's original goals. The number of promoters, clinics, and TBAs continued to increase over the period. Quantitative evaluations showed a high degree of primary and secondary health care coverage in Project communities. The Project/PVO network continued to grow in strength and national recognition.

C. Project Description

The Project has three major categories of activities: Maternal Health/Child Survival Service Delivery, Institutional Strengthening of PVOs, and Coordination, Policy Development and Research. The Project provides grants, technical assistance and training to 35 local PVOs to expand community based health services to high risk communities. Principal beneficiaries are women, of fertile age, and children under the age of five living in at least 433 rural or marginally urban communities.

IV. Project Status

A. The Project network includes 35 PVOs with 4-5 years grants. All 35 PVOs have been in full field implementation since January 94. Project coverage has grown to an estimated 439,882 persons in 433 cantons. Some 57% of the population served is in NRP areas.

11/9

B. Major Outputs

	Planned			Accomplished			
	LOP	This Sem.	Cum.	Next Sem.	This Sem.	Cum.	% of LOP
Maternal Health/Child Survival Service Delivery							
- Beneficiary Communities**	350	0	433	0	0	433	124%
- Beneficiaries (000s)	350	0	440	0	0	440	126%
- Health Promoters Working	410	0	537	10	49	583	131%
- Traditional Birth Att.	141	0	413	0	0	413	293%
- Clinics Functioning	10	10	182	0	10	182	1820%
- Community Committees Func.	350	00	739	0	0	739	211%
- Water Systems in place (new)	25	2	16	0	0	14	56%

Institutional Strengthening of PVOs and Coordination

a. Project PVO's

- Private Vol. Organiza.	35	0	35	0	-1	35	100%
-Personnel Trained *	480	200	62	200	200	862	179%
-Personnel Receiving T.A. *	70	200	602	200	200	602	860%

Coordination, Policy Development and Research

-PAC/EXO Director Mtngs Held	14	0	6	6	6	12	88%
-PVO Coord. Body Activities	NA	1	12	1	3	14	N/A
-OIC/MOH Activities	NA	200	3133	200	1433	4365	N/A
-Newsletter Disseminated	24	2	13	2	2	13	54%
-National Seminars Held	10	1	10	1	13	21	210%
-Other PVO's Trained	50	0	166	0	2	168	336%

* PVO personnel may receive training in more than one area
Data through 6/94

** Cantons only

C. Other Accomplishments and Overall Status During Period

During this period, the 17 PVO's in the third funding round began full field implementation as their technical teams and promoters completed training. Baseline data was collected in a estimated 34,000 households representing 170,000 population in their geographical area. Once collected, PVOs began data analysis and presentation of reports to MSCI.

By April 1994, all 35 PVO's from all funding rounds and their health promoters were in full

project implementation serving a combined population of 439,882 persons in high risk rural communities. During this period, 23,420 group education sessions were conducted and Promoters made 190,889 home visits to detect illness and provide individualized education. An estimated 10,988 community members volunteered time to help organize campaigns. promoters and PVO technical staff provided 253,334 pediatric visits for diarrheal disease, respiratory infections, prenatal and postpartum care, newborn care, and growth monitoring. Field reports showed 2,257 births attended by trained personnel, implementation of 1,288 health campaigns and 1,173 community assemblies, and 41,181 vaccines were given to children under five years of age and women in fertile age. PVO's also reported assisting project communities to request or implement 400 complementary projects in areas such as agriculture and microenterprise from other donor sources. In addition, PVO's improved 201 water systems and 2,708 latrines.

In the area of institutional strengthening, MSCI implemented 13 national level training sessions in different topics for 51 PVO technical personnel of in the areas of community participation, reproductive health, peri-neonatal health, respiratory infections, nutrition, diarrheal disease and immunizations. Two technical workshops were also held for 105 technical personnel on cholera and supervision. Three short term workshops were held for 70 administrative and financial personnel in accounting, audits, counterpart contributions and inventory. One workshop was held for 50 members of PVO boards of directors on the role of the boards.

PVO field reports continued to report significant achievement on the community level including: preliminary infant and child death rates for 1994 16.5 per 1000 which is significantly below the national rural average which is 45 deaths per 1000 children born, declining death rates among children under five, 100% follow-up of pneumonia and diarrhea, 100% referral of acute cases of diarrhea and ARI of the children detected, growth monitoring coverage of 61% for children under one year of age and 86% of children from 1-4. An average of 44 group education sessions per promoter on preventive health topics were held and 33% of women in fertile age are using modern contraceptives. During the reporting period MSCI has averaged a monthly expense rate of \$400,000.

D. Issues

STATUS OF PREVIOUS ISSUES:

1. Health Promotor Location: Detailed meetings were held with the MOH Regions and PVO's to separate geographical areas. This has been successfully completed.
2. Vehicle donation of 43 vehicles to 35 PVO's has been completed.
3. Legal status of PVO's: Five PVO's received their legal status during this period. Nine are still pending. MSCI will continue to assist the PVO with this issue.

THIS PERIOD:

1. COMAFAC, a third round PVO, was dropped from the Project due to irreconcilable divisions within the PVO. Their community level operations were assumed by ADEMUSA, another third round PVO.

E. WID Issues

In rural El Salvador, although women are those informally responsible for health, men are most commonly selected for formal leadership roles, particularly if the

position is salaried. In order to work around these traditional gender roles, the PVO's have selected women as salaried promoters. Currently 62.5% of these promoters are women. On the PVO and MSCI level, it is also common for personnel in positions of power to be men. Both MSCI and the PVO's have countered this traditional concept by hiring women administrators, accountants, project coordinators and physicians. Currently 49% of the administrative and 64% of the medical personnel are women, 47% of the 35 PVO's have women as Executive Directors.

Over all women also comprise 63.8% of the PVOs' health staff which include Physician, nurses and Maternal Child Health Technicians and 48.4% of the administrative staff. Over the period, both the technical and the administrative staff attended 13 short term workshops and one two-month course designed to strengthen their skills in the areas of maternal-child health, finances and administration. They also received individualized TA in all aspects of planning, implementation and evaluation.

Some of these women are leaders within the PVO community and have been chosen by other PVOs to represent all PVOs at national and international workshops on topics not only related to maternal-child health, but also the environment, and gender issues.

F. Major Activities or Corrective Actions During the Next 6 Months	Responsible Entity
- Investigate endowment of PVO network	USAID
- Begin implementation of Mid-Term Evaluation recommendations	MSCI
- Work on Sustainability	MSCI/USAID

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PROJECT STATUS REPORT
April 1, 1994 - September 30, 1994

MISSION DIRECTOR RATING: A ___ B ___ C ___

I. BACKGROUND DATA

Project Title: Drug Awareness and Abuse Prevention
 Project Number: 519-0377
 Date of Authorization: original 09/27/90
 Date of Obligation: original 09/27/90 last amendment 09/30/94
 PACD: original 09/30/93 amend 09/30/94
 Implementing Agencies: FUNDASALVA
 Major Contractors:
 AID Project Manager: Rafael Retana
 Status of CP's/Covenants: CPs to First Disbursement 12/13/90
 CPs to subseq. 03/1/91
 Date of Last Evaluation: 08/13/93 Next Evaluation: N/A
 Planned number of Non-Federal audits during FY: 2, 1992, 1993
 The number of such audits contracted for/completed: 2
 Date of Last Audit: 05/93 Next Audit: N/A

FINANCIAL DATA

Amount Authorized:
 Amount Obligated:
 Amount Committed:
 Accrued Expenditure:

DA/ESF Grant:	Orig \$2,000,000.00
DA/ESF Grant:	Orig \$ 500,000.00 to \$2,000,000.00
Period:	
Cumulative:	\$1,999,939.86
Period-Projected	\$ 4,969.00
Period-Actual	\$ 4,908.86
Cumulative:	\$1,999,939.86
Projected Next Sem.	\$ 0.00
Planned:	\$ 797,044.00
Actual:	\$1,158,000.00
% of Total Auth. Obligation	100%
% of Total Oblig. Expended	100%
% of Total Auth. Expended	100%

Count. Contribution

% LOP elapsed:
 % of Total Auth. Obligation
 % of Total Oblig. Expended
 % of Total Auth. Expended

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVES

- A. Specific Linkage to Strategic Objectives**
 FUNDASALVA's work in educating against drug use supports the strategic objective Improved Quality with Equity in Health and Education S.O. No. 4.
- B. Percent of LOP Funds Relating to S.O.**
 One hundred percent of the Grant supports Mission strategic objectives.

C. Project Description

- a) Drug Prevention Education. The priority focus is on education to prevent substance abuse. The Project finances four interrelated education activities. Classroom programs, Community group programs, private industry programs and mass media.
- b) Institution Strengthening. This component aids FUNDASALVA in strengthening its ability to more effectively operate drug prevention activities, and to aid other private and public organizations in substance abuse prevention.

III. PROJECT PURPOSE AND DESCRIPTION

- A. Project Purpose**
 To strengthen national drug and alcohol abuse/awareness programs directed at prevention of the abuse of harmful substances by the Salvadoran population.
- B. Achievements to Date**
 FUNDASALVA has steadily grown over the last three years since its inception in 1990. It has developed a cogent program for educating and promoting a healthy life-style without alcohol and other drugs. As findings indicate, FUNDASALVA, has been a success in terms both of its institutional development and in terms of the quality of the programs it delivers. It is progressing slowly towards sustainability, having managed in three years to secure approximately 35% of its overall budget from sources other than its USAID Cooperative Agreement.

IV. PROJECT STATUS

A. Planned ROPS

1. Substance abuse programs to be implemented in national public and private educational institutions, private businesses and marginal communities.
2. A national substance abuse campaign, information education and communications, will reach the high risk population, youth and young adults.

Training programs in 74 schools were completed. Programs have been carried out also in 52 private businesses and in 81 marginal communities.

T.V. and radio spots together with press (promotional) are under way.

1. To strengthen FUNDASALVA's internal management to more effectively operate its drug prevention activities.

Institution strengthening staff development and management system improvement underway.

B. Major Outputs

	Planned		Accomplished				LOP
	LOP	This Semest	Cum	Next Semest	This Semest	Cum	
1. Substance abuse program in:							
a) Public/Private schools	48	0	48	0	0	74	154
b) Marginal communities	50	0	50	0	0	81	162
c) Private businesses	4	0	18	0	0	52	1300
2. Abuse prevention prog.							
a) Sport Trainers	100	0	100	0	0	104	104
b) Teachers	500	0	500	0	0	629	126
c) Community leaders	200	0	200	0	0	1100	550
3. Mass media IEC campaigns							
a) T.V. Spots	19Hrs	0	0	0	0	63.89	213
b) Radio Spots	150Hrs	0	0	0	0	250.75	167
c) Press (Promotional)	300Hrs	0	0	0	0	4823	161

C. Other Accomplishments and Overall Status

C.1 Miscellaneous

1) The final report of the FUNDASALVA evaluation was submitted to USAID. Overall the evaluation is positive, indicating that the purposes of the project are being achieved. As the findings indicate, FUNDASALVA has been a success in terms both of its institutional development and in terms of the quality of the programs it delivers. It has the maturity as an organization to raise funds and to recognize the need to control costs.

2) FUNDASALVA continues to carry out antidrug activities through the Education, Community Development and Private Enterprise Divisions with local currency (SETEFE).

3) Development Associates, through the Narcotics Awareness and Education Project, provided technical assistance to FUNDASALVA in the development of proposals to a variety of funding sources. This is a support to the sustainability effort that FUNDASALVA is making.

4) FUNDASALVA negotiated and obtained an additional grant from SETEFE in the amount of \$1,026,225. With this grant FUNDASALVA will continue to carry out antidrug activities as well as Institutional Strengthening in support of the sustainability effort of the institution.

C.2 Women in Development Issues

Women have been involved from the beginning in the design, appraisal and implementation of the programs of FUNDASALVA. The increased role as voluntary, unremunerated multipliers has not had a direct impact on incomes of women over men, while it may have increased the workload of women in a community, given that women are more likely to be multipliers. Gender-specific data is available for each of the project elements.

D. Issues

FUNDASALVA needs to develop additional resources, other than grants, or limit expenditures such that it can manage the projected deficits after the PACD

E. Major Activities or Corrective Actions During the next six months

1. Finalize the close out report and complete all liquidations and outstanding financial matters, PACR and grants in aid of equipment valued over \$1,000.

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PROJECT STATUS REPORT
April 1, 1994 - September 30, 1994

MISSION DIRECTOR RATING: A ____ B ____ C ____

I. BACKGROUND DATA

Project Title: Assistance to Orphan and Displaced Children
 Project Number: 519-0410
 Date of Authorization: June 6, 1993
 Date of Obligation: July 7, 1993
 PACD: June 30, 1996
 Implementing Agencies: Salesian Missions
 Major Contractors: ---
 AID Project Manager: Cynthia Rohl, OHE
 Status of CPs/Covenants: CP's Met December 10, 1993
 Date of Last Evaluation: N/A
 Planned Number of Non-Federal Audits during Fiscal Year: 1
 The Number of such Audits Contracted for/Completed: 0
 Date of Last Audit: N/A Next Audit: Not Scheduled

FINANCIAL DATA

Amount Authorized:	DA/Grant:	\$505,000
Amount Obligated:	DA/Grant:	\$505,000
Amount Committed:	Period:	\$505,000
	Cumulative:	\$505,000
Accrued Expend.:	Period - Projected	\$175,800
	Period - Actual	\$120,992
	Cumulative:	\$185,101
Counterpart Contrib.	Projected Next Sem.	\$210,000
	Planned LOP:	\$1,824,984
	Actual Period:	\$89,500
	Cumulative:	\$525,709
% LOP elapsed:	42%	
% of Total Auth. Oblig.	100%	
% of Total Oblig. Expended	37%	
% of Total Auth. Expended	37%	

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVE

- A. Specific Linkage to Strategic Objectives
 This project supports Mission S.O. 4: Improved Quality with Equity in Health and Education.
- B. Percent of LOP Funds Relating to S.O.: 100%

III. PROJECT PURPOSE AND DESCRIPTION

- A. Project Purpose
 The purpose of this project is to assist orphan, abandoned, and displaced children make a smooth transition into Salvadoran society as responsible and productive adults.

- B. Achievements to Date
 379 orphaned and homeless boys are currently being housed at the orphanage. 623 children are enrolled in the basic education program in grades 1-9. To improve services, additional staff have been hired. All staff are receiving training. Job descriptions have been reviewed and responsibilities reorganized. Approximately 90% of the construction of a multipurpose/recreational room (capacity: 1,500 persons) has been completed. Eight new dormitories (of 20 planned) have been completed. The "Education for Democracy" program has been strengthened, with students participating in student government, sports activities, films, and lectures. Improved psychological testing and counseling services have been developed.

- C. Project Description: There are five project components:

- Social Services Program - This program provides outreach, emergency assistance (food, shelter, clothing) and medical treatment to orphaned and homeless children. Children receive individualized professional attention.
- "Hogar de los Niños" - (Orphanage Residential Program) - Children receive shelter while being prepared for reunification with their families (if possible), re-entry into the formal education system, and/or placement into a vocational training program.

- "Escuela Rafael Campo" (Basic Ed. Program) - This MOE-accredited school covers grades 1-9 and combines both academic and vocational training opportunities.
- "Centro Eduardo Hill" (Vocational Training Program) - Boys and girls, aged 13-19, are eligible to participate in various courses lasting from six months to one year.
- Job Placement, Remedial Programs, and Income-Generating Activities - Job and apprenticeship placement services are provided to those who have completed their training.

IV. PROJECT STATUS

A. Planned EOPS

- | | |
|---|---|
| | <u>Progress to Date</u> |
| 1. To provide approx. 400 orphan, homeless, and displaced boys with adequate housing and living conditions each year. | 1. 379 boys currently housed. |
| 2. To educate approx. 690 (grades 1 through 9) children each year and train 1,633 children in the first year in marketable, income-generating skills. | 2. 623 children are enrolled in the basic education program.

Approximately 2,822 children have received vocational training to date under the project. |
| 3. To upgrade the institution's services, make their delivery more effective. | 3. Admission criteria has been redefined and put in writing. Staff job descriptions have been reviewed, and an administrative manual is in preparation. |

The Social Services Department is carrying out psychological testing of all students. Motivational programs, individual therapy, support groups, and group counseling are taking place.

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4. To design vocational training programs that are both responsive to market demands and appropriate to the needs and abilities of the children.

4. New vocational training courses have been added, to include production components with "production plans" that link training with market demands.

5. To enhance the production component of the workshops so that they can provide for the material needs of the orphanage and to the institution's self financing capacity.

5. Production components added to vocational training courses generate income as well as provide for the internal needs of the orphanage.

B. Major Outputs

	Planned LOP	Accomplished This Semester	Accomplished Cumulative
1. Provide approx. 400 children residing in the orphanage with shelter, food, clothing, and social services.	400	379	379
2. Construct 20 dormitories.	20	2	8
3. Install bathroom and shower facilities		Price quotes obtained.	
4. Install laundry facilities		Price quotes obtained.	
5. Increase number of vocational trainees.	4,074	1,395	2,822
6. Increase number of trainees completing training.	3,867	1,395	2,822
7. Assist 70% of vocational graduates in job placement.		Placement arrangements with various institutions are being drawn up.	
8. Increase participation in Democracy Education program.	4,074	1,188	1,188

C. Other Accomplishments and Overall Status

1. GENERAL

a. Construction of the large multipurpose/recreational room is 90% complete. This room contains a basket/volleyball court for sports, and will also be used as a meeting area. Construction of all 20 planned dormitories is scheduled to be complete by December 1994.

b. Both staffing and initial training for the Social and Psychological Services Department is now complete. A total of 55 employees participated in the training and follow-up sessions.

c. The basic education teaching staff are being trained to diagnose some of the learning, emotional, and psychological problems affecting the school population, as well as to report

student absenteeism. Home visits, individual, group, and family counseling are being used to address these problems.

d. The Social Services Department provided the following services to 1,411 children (94 girls) during the reporting period: case management, psychological services, psychological testing (up to 7th grade), individual counseling and therapy, and group therapy. Additionally, referrals were made for medical and dental care, dermatological treatment, eye doctors, and various other services.

e. The following new courses were added in vocational training during the reporting period: breadmaking, computers, electronics, typing, sewing, tailoring, shoe-making, and microenterprises. An agreement was signed with "Empresarios Juveniles" (Junior Achievement) to participate in the training program for small businesses.

2. WOMEN IN DEVELOPMENT ISSUES

Because the residential orphanage houses only boys, some programs show a predominance of male participation. Nevertheless, all programs other than housing are open to both girls and boys. 15% of the students in the basic education program are girls. During the 1993 school year, a total of 1427 children (666 girls) received vocational training. While 107 of these girls received training in the more traditional area of breadmaking, the majority (559 girls) opted for training in computer skills. Data for 1994 will be available at the end of the calendar year.

D. ISSUES

1. Status of Issues from Last Reporting Period
N/A

2. Issues from Current Reporting Period

1. The orphanage's basic education school (Escuela Rafael Campo) is not receiving MINED materials, and whether or not this is considered an "official" MINED school is in question. Since USAID/El Salvador's Office of Health and Education has a close working relationship with the MINED on a large basic education project, the USAID project manager is checking on this situation to clarify this issue of linkage with MINED programs.

E. Major Activities or Corrective Actions During the Next 6 Months

1. Construction of all 20 dormitories is expected to be complete by the end of CY 1994. Construction of dining facilities will be completed within the next SAR period.

2. Psychological testing as well as IQ testing will be carried out for all students from the 6th to the 9th grades.

3. The Education for Democracy program activities will be reassessed and redesigned where appropriate.

4. Support groups among the orphanage's children will be established, regular group counseling will begin.

5. Vocational counseling for 9th graders will begin.

BACKGROUND DATA

Project Title: Regional Technical AID Center II (RTAC II)
 Project Number: 598-0791
 Date of Authorization: Original 08/22/86 amendment 04/22/91
 Date of Obligation: Original 08/22/86 last amendment N/A
 PACD: Original 09/30/91 amend 9/24/96
 Implementing Agencies: FEPADE (El Salvador)
 Major Contractors:
 AID Project Manager: Rafael Retana
 Status of CP's/Covenants: N/A

Date of Last Evaluation: 08/89 Next Evaluation to be determined
 Planned number of Non-Federal audits during FY: N/A
 The number of such audits contracted for/completed: N/A
 Date of last Audit: 08/92 Next Audit: audits are AID/W controlled.

FINANCIAL DATA

Amount Authorized:	DA/Grant:	N/A
Amount Obligated:	DA/Grant:	N/A
Amount Committed:	Period:	N/A
	Cumulative:	\$1,324,350
Accrued Expenditure:	Period-Projected	\$ 100,000
	Period-Actual	\$ 170,600
	Cumulative:	\$3,053,874
	Projected Next Sem.	\$ 100,000
Counterpart Contribution:	Planned:	N/A
	Actual:	\$1,729,524
% LOP elapsed:		82%
% of Total Auth. Obligation:		N/A
% of Total Oblig. Expended:		N/A
% of Total Auth. Expended:		N/A

RELATIONSHIP TO MISSION STRATEGIC OBJECTIVES

A. Specific Linkage to Strategic Objectives

The RTAC-II Program supports strategic objective No. 4, Improved Quality with Equity in Health and Education, and enhances democratic initiatives by providing university textbooks.

B. Percent of LOP Funds Relating to S.O. 100%

PROJECT PURPOSE AND DESCRIPTION

A. Project Purpose

Increase U.S. participation and influence in higher education and in the training of Latin American professionals and leaders.

B. Achievements to Date

During the first phase, the RTAC II Program exceeded all of its anticipated goals. Up to 09/30/94, it has made available for purchase to university students 285,724 textbooks

through university and private bookstores. The program has been extended to all the regions in El Salvador benefiting about 90,000 university students and approximately 3,000 students that attend technical institutes.

C. Project Description

Provide up-to-date technical materials and textbooks, in Spanish, at affordable prices to university and technical schools students, libraries, and professionals in Latin America. USAID/Washington will end funding for the project by 09/30/94. According to the needs of each participating country, it is optional for local Missions to provide financial support to project afterwards. The components are:

- 1) Textbooks. They are the primary output of RTAC-II and will be made available to university students and others through bookstores.
- 2) Pamphlets and Booklets. The production and distribution of pamphlets and booklets to host government technicians for outreach of extension work of for community development projects.
- 3) Brokering of Information. On-line access to U.S. educational and technical information.
- 4) Book Procurement Service-Purchase orders. Centralized buying mechanism for technical information. It can purchase textbooks for other projects in the Mission.
- 5) Provision of Technical Assistance and Training.

PROJECT STATUS

A. Planned EOPS

1. RTAC-II textbooks sold in all Salvadoran Universities.

RTAC-II textbooks are sold in 16 Salvadoran Universities. Promotion has been initiated in other universities.

2. RTAC-II textbooks sold at key non-university bookstores throughout the country.

RTAC-II textbooks are sold at 31 key non-university bookstores.

Pamphlets, booklets and textbooks distributed to governmental agencies and libraries throughout the country.

USAID/E.S. has distributed 605,000 pamphlets to PVOs and Ministries.

Special Purchase Orders to support other project in this Mission.

A total of seven P.O.'s have been prepared to provide books to Empresarios Juveniles, NAPA, FUNTER, and FUNDASALVA.

B. Major Outputs

	Planned			Accomplished			% of LOP
	LOP	This Semester	Cum	Next Semest.	This Semest	Cum.	
Textbooks	306,000	17,000	221,000	17,000	11,724	285,724	93
Pamphlets	600,000	0	0	0	15,000	605,000	101
Purchase Order	7	0	0	0	0	7	100
Tech. Assistance	8	0	0	0	1	8	100

C. Other Accomplishments and Overall Status

C.1 Miscellaneous

- 1) FEPADE carried out 7 textbook presentations at local universities.
- 2) USAID/ES allocated \$350,000 (OYB funds) for RTAC-II. The new office in Mexico, now called BIS, should be aware of this transaction for future disbursements.
- 3) The University of El Salvador (UES) negotiated with FEPADE the debt of about \$113,700. The UES is now making arrangements to cancel what is left which amounts to approximately \$28,900.
- 4) The promotional campaign NORI was carried out.

5) Two new bookstores were opened; one in Sonsonate and the other in Chalatenango.

6) The new RTAC-II office (BIS) in Mexico, was visited by FEPADE authorities of the Book Department in August of this year. The purpose of the trip was to make contact with publishers and to clarify concepts.

7) The RTAC-II conference was held in Miami in September of this year. The basic units that will implement the Program in the future are the Distribution Centers of each country. The publishers and the office in Mexico, BIS.

C.2 Women in Development Issues

The RTAC-II Program provides books to approximately 35,000 female university students per semester. Also, about 60% of bookstore personnel that have been trained by FEPADE are women.

D. Issues

FEPADE ascertained that McGraw Hill was selling university textbooks directly to "Universidad Centroamericana José Simeón Cañas" (UCA). FEPADE authorities made a trip to Mexico to discuss this issue, which was apparently successful in resolving the issue.

E. Major Activities or Corrective Actions During the Next Six Months

1. FEPADE will observe how negotiations go about between Publishers and Bookstores in El Salvador, and see if they are carried out in accordance with RTAC-II policies.
2. A book fair will be carried out in FEPADE in November this year.
3. FEPADE will open a bookstore in the metropolitan area of San Salvador.
4. An Addison Wesley seminar will be carried out in relation to Computer Science and English textbooks.
5. FEPADE must analyze to what extent RTAC-II will be viable in its near-future form, and to what extent it would be feasible for FEPADE to pursue relationships with publishers outside RTAC and Mexico. Whether the "UCA issue" can be resolved will be key to this decision.

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STRATEGIC OBJECTIVE NO. 5: IMPROVED ENVIRONMENTAL & NATURAL RESOURCES MANAGEMENT

PROJECT STATUS REPORT
APRIL 1, 1993 - SEPTEMBER 30, 1994

MISSION DIRECTOR RATING:

I. BACKGROUND DATA

Project Title: Environmental Protection
 Project Number: 519-0385
 Date of Authorization: Original 04/01/93
 Date of Obligation: Original 04/01/93 Last amendment 06/10/94
 PACD: Original 03/31/99
 Implementing Agencies: SEMA/MIPLAN, MAG, MINED

Contractor: Abt. Assoc. & Academy for Ed. Development
 AID Project Manager: Peter Gore/Rodolfo Cristales
 Status of CPs/Covenants: CPs: Fulfilled
 Covenants: in process.

Date of Last Evaluation: 00/00/00 Next evaluation: 09/95
 Planned Number of Non-Federal Audits during Fiscal Year: None
 The Number of such Audits Contracted for/Completed: None/None
 Date of Last Audit: 00/00/00 Next Audit: 00/00/00

FINANCIAL DATA

Amount Authorized:	DA Grant:	orig \$20,000,000	amended to \$
Amount Obligated:	DA Grant:	orig \$ 6,400,000	amended to \$ 9,900,000
Amount Committed:	Period:	\$ 3,838,948	
	Cumulative:	\$ 5,838,948	
Accrued Expend.:	Period - Projected	\$ 600,000	
	Period - Actual	\$ 398,970	
	Cumulative:	\$ 577,384	
	Projected Next Sem.	\$ 1,500,000	
Counterpart Cont.:	Planned:GOES:	\$ 7,000,000	
	Actual:	\$ 137,095	

% LOP elapsed:	25
% of Total Auth. Oblig.	49.50
% of Total Oblig. Expended	5.84
% of Total Auth. Exp.	2.89

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVE

A. Specific Linkage to Strategic Objective

The PROMESA Project directly addresses the El Salvador Mission's Strategic Objective No. 5: Improved Environmental and Natural Resource Management. The Project components help create and implement natural resource use policies, increase public awareness of environmental problems, and improve productive activities consistent with better natural resource management. PROMESA supports the Central American Strategy, as well as the objectives of A.I.D.'s Environmental Initiative, by promoting sound economic policies, developing and strengthening national capabilities to manage natural resources with the help of both the private and public sectors, and promoting technology transfer.

B. Percent of LOP Funds Relating to Strategic Objective

100% of funds related to strategic objective number five, Improved Environmental and Natural Resource Management.

III. PROJECT PURPOSE AND DESCRIPTION

A. Project Purpose

To halt and then reverse degradation of El Salvador's natural resource base to safeguard year-round water supplies and rural incomes.

B. Achievements to Date

SEMA moved to Ministry of Planning. New Government appointments at ministerial and institutional level reviewed Project documentation and initiated the design of the 94-95 and LOP Action Plans. T.A. teams completed key personnel staffing during reporting period. EAI Fund's By-laws and FONAES's law approved. As of September 30, 1994 a total of 112 NGO proposals from 105 NGOs were submitted for EAI Board approval.

C. Project Description

The Project consists of three mutually reinforcing components which deal with policy, education, and demonstration of tangible costs and benefits. The Project emphasizes the development of policies which provide economic incentives for the sustainable use of natural resources and environment. It will promote environmental education in schools and in the media to inform the policy dialogue and to motivate it over the long term. Finally, the Project will assist the GOES to show, in microcosm, the benefits of applying sustainable practices and will help the GOES to provide concrete, measurable results in real-world application of improved natural resource policies and technologies. The Project has received GEF designation as part of USAID's contribution to the World Bank's Global Environmental Facility.

IV. PROJECT STATUS

A. Planned EOPS

1. Key policy reforms enacted and implemented in natural resource management, including an established source of financial support for NGO's.
2. Increased public support for sustainable management of natural resources.
3. Models of successful technology transfer developed for implementing NRM practices and organizational schemes, and incorporated into other project components and replicated in other areas of country.

Progress to Date

- Env. Protect. Law sent to Legis. Ass. in May 1994.
- Wild Life Cons. Law passed in July 1994. Forestry Law, Fisheries Policy & Law being reviewed.
- Env. Educ. Plan and Ed. Campaigns design in process. 105 NGO's submitted proposals to EAI Fund.
- Field office established in Demo area. Rapid rural appraisal in process. NGOs activities and work plans (Annual 94-94 and LOP) design initiated.

B. Major Outputs

	LOP	Planned			Accomplished		
		This Semest	Cum.	Next Semest	This Semest	Cum	% of LOP
1a. ENRM Strategy adopted	1	0	1	0	0	1	100
1b. Laws & regulat. in selected areas modified	4	2	2	2	1	1	25
1c. Envir. Conserv. Fund (FONAES)	1	1	1	0	1	1	100
2a. ENR themes included in public school curricula (K-6)	7	3	5	1	0	4	57
2b. No. of children and adults more aware 2,000,000 of the importance of sustainable ENRM		0	0	0	0	0	0
3a. ENRM Stronger institutions: Municipalities	2	0	0	0	0	0	0
- 1/2 Cantones part. in open town meetings	80	0	0	0	0	0	0
- 1/2 Budget for ENR activities	40	0	0	0	0	0	0
GOES agencies	4	0	0	0	0	0	0
3b. One or more NGOs in NRM will promote continuation of NRM efforts by the NGO community	1	0	0	0	0	0	0
3c. NGOs and GOES' agencies demonstration accepted and replicated in DEMO Area	10	0	0	0	0	0	0

C. Other Accomplishments and Overall Status

Abt Assoc. COP arrived on April 27, the rest of long term advisory team arrived in June. Project implementation plans (first year, LOP, training, procurement and short-term TA) design in process. Working relationship among institutional contractor, GOES's agencies and NGO community for

project implementation has been slow to develop. NRM strategy approved by GOES-Cristiani administration, implementation plan and support by GOES-Calderon Sol administration being designed. The Medio Ambiente and Fisheries policy, law and regulations being reviewed by working group, including Project implementing agencies, the environmental commission of the Legislative Assembly and NGOs. The AED team environmental education working group established, including SEMA, the Ministry of Education, the Municipality of San Salvador, Mass Media representatives and Environmental NGOs. National Environmental Educational Plan and National Environmental Awareness Campaign being designed.

D. MID Issues

WID issues will be addressed in the baseline survey for the demo area. Region-wide analysis of gender roles with respect to environmental management will be carried out, and the results of both, the survey and the study, will be used for the design of policies and programs.

E. Issues

1. Abt compliance with contract performance indicators.
2. Working relationships and procedures for project implementation among GOES implementing agencies, institutional contractors and USAID must be established and followed.
3. New Government's Ministerial and Institutional appointments must be supportive to NRM strategy and PROMESA project implementation.

F. Major Activities or Corrective Actions During the Next Six Months.

- Continue the supervision of the activities of the major contractors.
- Issue Work Plans for 1994-95 and LOP Action Plans.
- Develop Training Needs Assessments and Training Plans, and also Procurement Plans, as part of the Annual 94-95 and LOP Implementation Plan.
- Continue to urge the coordination between the institutional contractor team and the GOES implementing agencies with personal meetings and official memos.
- Encourage the timely application and analysis of the baseline survey in the Demonstration Area.
- Continue to foster coordination among the components.
- Secure the Calderon Sol administration commitment to implement and support the National Environmental Strategy.

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PROJECT STATUS REPORT
APRIL 1, 1994 - SEPTEMBER 30, 1994

MISSION DIRECTOR RATING:

I. BACKGROUND DATA

Project Title: Salvador Environmental NGO Strengthening
 Project Number: 519-0400
 Date of Authorization: Original 08/20/92 Amendment 00/00/00
 Date of Obligation: Original 09/23/92 Last amendment 00/00/00
 PACD: Original 02/28/95
 Implementing Agencies: Pan American Development Foundation (PADF)
 Contractor:
 AID Project Manager: Peter Gore/Rodolfo Cristales
 Status of CPs/Covenants: CPs: Fulfilled. Covenants: In Process

Date of Last Evaluation: 00/00/00 Next evaluation: 01/95
 Planned Number of Non-Federal Audits during Fiscal Year: One
 The Number of such Audits Contracted for/Completed: One/One
 Date of Last Audit: 09/93

II. RELATIONSHIP TO MISSION STRATEGIC OBJECTIVE

A. Specific Linkage to Strategic Objective

The Project will strengthen Salvadoran environmental NGOs to work with the GOES for appropriate Natural Resource Management (NRM) policies and to carry out NRM activities. The NGOs will receive organizational and management training as well as fundraising orientation to contribute to their long term sustainability. The strengthened NGOs will be better able to compete for FONAES funding.

B. Percent of LOP Funds Relating to Strategic Objective

100% of the LOP funds relate to the Mission's Strategic Objective 5, Improved Environmental and Natural Resource Management.

III. PROJECT PURPOSE AND DESCRIPTION

A. Project Purpose

To strengthen Salvadoran Environmental NGOs to be self-sustaining advocates for natural resource management.

B. Achievements to Date

One NGO was awarded an operational sub-grant, for a total of seven NGO with sub-grant during LOP. Three of them have finished their first year of sub-grant and initiated second cycle of strategic planning and development of a new operative action plan. The other three reviewed achievements during the first year in relation to project criteria. Three additional NGO Special Activity Grants have been awarded, two of them for innovative nursery technology and one for sea turtle protection. 37 workshops were held during the reporting period, participants were 57% men and 43% women including 198 board members,

FINANCIAL DATA

Amount Authorized:	DA Grant:	orig \$2,000,000	amended to \$
Amount Obligated:	DA Grant:	orig \$2,000,000	amended to \$
Amount Committed:	Period:	- \$ 40,000	
	Cumulative:	\$1,960,000	
Accrued Expend.:	Period - Projected	\$ 600,000	
	Period - Actual	\$ 485,244	
	Cumulative:	\$1,091,456	
	Projected Next Sem.	\$ 600,000	
Counterpart Cont.:	Planned: PADF: \$155,000	NGOs: \$1,033,000	TOTAL: \$1,188,000
	Actual: PADF: \$ 77,400	NGOs: \$ 634,000	TOTAL: \$ 711,400

% LOP elapsed:	83
% of Total Auth. Oblig.	100
% of Total Oblig. Expended	55
% of Total Auth. Exp.	55

502 staff and 58 NGO members. Following fundraising and membership workshop the SENS NGO are designing "Fundraising/Membership Strategy" for the next 12 months. Up to date, Subgrantees NGOs increased their funding by 150 percent compared to 1992, and the international funding sources came from 8 financial organizations.

C. Project Description

Over 30 months, PADF will carry out a process for strengthening six to eight NGOs with potential effective specialization and impact in aspects of natural resources management. Up to twenty selected NGOs will participate in a series of workshops to help them define their goals, develop potential for effective specialization and impact in aspects of natural resource management (NRM), and prepare proposals to take part in the Project's institutional strengthening. Eight NGOs will be selected for intensive technical assistance and training to solidify institutional progress, as well as Operational Strengthening Grants to help them over a year to carry out their strategies and operational plans developed with PADF assistance. At least six, subject to performance, will receive second year grants, totalling about \$540,000 over the life of project. These Subgrants will fund NGO Board and staff training in planning, management, fundraising and proposal preparation, and an annually declining portion of operational costs. The project will also provide small activity grants of \$3,000-\$15,000 aggregating to \$160,000, to enable NGOs to undertake activities in environmental policy, education, or activities in soil, water, and forestry management.

IV. PROJECT STATUS

A. Planned EOPS

1. Up to eight NGOs will have a track record demonstrating their private sector environmental leadership and the potential for their long range institutional sustainability.
2. The participating NGOs will be perceived by the environmental community as credible advocates of one of more environmental issues as represented by their impact on community consciousness raising & NR policies.
3. The participating NGOs will have established linkages with SEMA/CONAMA, local NGOs, FONAES, appropriate government institutions, international NGOs, international NGOs, and int'l support.
4. The NGOs will have established network of linkages among themselves and other national NGOs working in natural resources.

Progress to Date

- a. 59 training events - 1044 participants, 17 NGOs involved. 1300 beneficiaries of 29 forestry projects trained/9 SENS NGOs in charge of projects implementation.
- b. Seven NGOs negotiated sub-donations.
- c. Non-Subgrant NOGs as Project Collaborators now total 9.
 - a. Presence of SENS NGOs in TV, radio, and newspaper, advocating changes in behavior and policy on NR.
 - b. One NGO signed legal agreements with municipalities, through enviro. groups (COLMADENAS).
 - c. 1 Subgrantee NGO presented Env. proposal to El Salvador Govern. after concluding an env. parade of more 5000 participants.
- a. Sixteen of 22 env. NGOs that that participated in the EAI Fund election were SENS NGOs.
- b. One Subgrantee NGO was elected as the env. NGO representative for the EAI Fund Admin. Council.
- c. Nine SENS NGOs are implementing FIS reforestation projects. Forestry Training Program for 25 reforestation projects realized.
- d. Five NGOs visited international organizations to establish links.
- e. 15 SENS NGOs presented 15 project proposals to FIAS.
 - a. SENS NGOs participated in the FONAES/FIA fund election in December, were assisted with nominal group, participated in training/orientation project proposal event in August.
 - b. 9 events-Desayunos FOPRAS-meeting monthly to group SENS NGOs (network) & having guest speakers. Two training events held to establish network, guides by Project & NGO representatives.

B. Major Outputs

	LOP	Planned			Accomplished		
		This Semest	Cum.	Next Semest	This Semest	Cum	% of LOP
1) Operating NGO Planning System	8	8	8	8	8	100	
2) Trained NGO Boards & Staff	8	17	17	17	16	200	
3) Functioning Admin System	8	6	6	8	7	88	
4) Impl. Fund-rai-Strategies	8	5	5	8	0	0	
5) Functioning Pro-ject NGO Funding	8	6	6	1	3	75	

C.1 Other Accomplishments and Overall Status

Projected NGOs accomplished 16 FIS reforestation projects (reforested 478 has.) and produced and planted 300,000 plants through establishment of 6 innovative nursery (roottrainers). Three SENS NGOs signed agreement with MAG to manage natural areas. Project carried out training event for 170 NGOs regarding FONAES/FIAS project proposals. Two NGOs awarded two years college scholarship on environ. issues (CASS). Subgrantees & Collab. NGOs participated at the II Environ. Int's Conference (SEMA) as guest speakers, exposition of work (booth) and fieldtrips hosts. Eight SENS NGOs actively working as IUCN members and actively w/other local & int'l organizations.

C.2 MID Issues

Active participation of women (from boards, staff & members) in all training events, 43% of total were women. Four training events based on gender issues. Two Subgrantee NGOs became members of Gender & Development IUCN Committee. Two Women representing Project NGOs participated at World Population & Development Conference held in Cairo. One woman participated at a Latin American "Women & the Env. Conference" held in Argentina (UNDP). One young woman from rural memb. of one SENS NGO awarded a two years scholarship (CASS) to attend US college on enviro. studies.

D. Issues

Subgrantees NGOs increased their funding this period 150% over 1992, however, the NGOs need more help. Transportation continues to be a problem for most of the NGOs, nevertheless, Three subgrantees received vehicles as a donation. Subgrants that make up one-third of total Project funding are doing well though their implementation is behind the initial schedule. Because of subgrant delays, the NGOs will have less experience under project tutelage than originally envisioned.

E. Major Activities or Corrective Actions During the Next Six Months

- Assist subgrantees in the second cycle of strategic planning and operative plan implementation.
- Work intensively with NGOs on local fundraising & membership strategies.
- A no-cost project PACD extension will be approved.
- Assist NGOs to formulate and carry out a longterm vehicle acquisition strategy financed from their own resources.
- During the next 6 months Project effort will focus on the NGOs abilities to tap natural resource fund from FIS, SRN, FIA, and other sources.
- To determine the establishment of a NGO Federation/Network or continue with present status.

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