

PD. ABP-680
95384



AGENCY FOR INTERNATIONAL DEVELOPMENT
UNITED STATES A.I.D. MISSION TO EL SALVADOR

August 26, 1997

MEMORANDUM

TO: Kenneth Ellis, DIR

FROM: Tully Cornick, SSO 

SUBJECT: Approval of the New Land Parcelization Activity, Number 519-0444, under the Intermediate Result Package "Improved Use of Land".

ISSUE: Your approval of this memo is required in order to authorize the attached RP/NAD for the SO1 Results package, "Improved Use of Land". This approval will thereby allow the Contracting Officer to obligate, by means of a Cooperative Agreement, the amount of \$3,500,000 with CARE for the Prosequir Activity (519-0444). An additional amount of \$3,100,000 for Prosequir will be obligated in future actions, subject to the availability of funds.

BACKGROUND: As you are well aware, while the Land Transfer Program has made great strides in achieving a more equitable land distribution, many tenancy problems remain which threaten the long-term benefits of the Program. The most significant problem that presently confronts the long-term benefits of the LTP is that titling has been done on a pro-indiviso (common or joint title) basis rather than by individual titling, thereby severely restricting beneficiary use of his/her property.

In November, 1995, USAID entered into a Cooperative Agreement with CARE to carry out a pilot project (Convivir) on ten LTP properties to identify and test how the common title problem could be resolved. The following year, the Convivir project was modified to incorporate the participation of the GOES represented by the ILP and OCTA, several local NGOs, and an additional 19 properties into the ongoing effort. The activity was renamed the Convivir/San Carlos project.

The results of the pilot activity are significant. New legislation has been developed and passed to facilitate the resolution of the common title problem. Methodologies have been developed and tested that provide for simplifying the common title as well as measuring and

reassigning individual and mixed property titles. The issuance of individual titles is now underway. Of these, four properties are in the process of being registered with the property registry. Others are entering the stage of "diligencia de remedición", a step prior to submission of the new title for final registration.

Given the positive results of the pilot Convivir/San Carlos project, the GOES has identified the resolution of common property ("proindiviso") title as a priority government activity. To this end, it has assigned 100 million Colones to finance land parcelization of the LTP program properties (see attachment 1). At the same time, beneficiaries of the LTP and their representatives in the historical FMLN have also expressed their desire to simplify the common titles. In light of the strong popular and GOES demand for this activity, CARE has presented, in conjunction with three local NGOs, an unsolicited proposal to expand the pilot project activity to provide broader nationwide coverage of the LTP properties in coordination with a related GOES initiative.

DISCUSSION: USAID/El Salvador, through the Land Bank, has invested more than \$60 million in the financing of land under the LTP for ex-combatants and squatters. Land transfer, however, is only the first step in promoting site occupancy of new residents and, hence, land productivity. The common title ("proindiviso") used for the LTP is a temporary title form. While the common title is active, individual members have no security of usufruct of the land, no sense of individual ownership, no access to formal credit lines that require clear title as collateral, and hence no economic incentive to make capital investments in land that they may not retain in the future. Thus, the common title is a serious constraint to the productive use of land and a long term threat to the economic reintegration of excombatants.

The CARE proposal is presented in conjunction with three local NGOs, PROESA, REDES, and FUNDESA. It defines a 2.5 year, \$6.6 million activity to be carried out as a joint effort among the four NGOs, with CARE taking a lead role in training and quality control. The proposed activity has two goals: (1) to carry out the dismembering of common title for approximately 19,000 LTP beneficiaries and, (2) to develop the local institutional capacity to carry on dismemberment of common title properties, or similar activities, after the PACD of the project.

The proposal has been developed to complement and support a parallel GOES activity to be implemented by the ILP and OCTA. Both the CARE proposal and the ILP activity have been developed on the relationships built, the shared experiences and lessons learned from the Convivir/San Carlos project. Together, they also bring to a land titling activity the same working group that successfully implemented LTP activities under the Peace Accords.

The dismemberment of common titles has three major components: community organization and consensus building around a shared plan of land ownership and use on the LTP properties; remeasurement of the properties, identifying boundaries of individual and communal plots and the location of social infrastructure and residential structures; and legalization of the beneficiary-determined plan of land use and ownership and delivery of clear titles.

The GOES activity takes responsibility for contracting out the measurement of the properties, either with the four NGOs in the CARE proposal or with private sector for-profit firms. It also assumes responsibility for the legalization of the dismembered property titles with the property registry.

The NAD for which this Action Memorandum is written provides for the four NGOs to assume the task of community organization and development of a plan of land use, and develops the technical capacity within the three local NGOs (CARE already has the institutional capacity) to carry out the land measurement and technical description for retitling. Past experience in the pilot Convivir/San Carlos activity has demonstrated that NGOs, with the proper technical skills and equipment, can carry out the community organization and land measurement activity as efficiently as the private sector, if not more so, because of their greater access to the beneficiary population.

Because of the decade-long civil war, the LTP program beneficiaries--excombatants from both sides and displaced civilians--do not easily open up to or warmly receive outsiders into their community affairs. The local NGOs, who represented the various factions of the historical FMLN and displaced populations during the war and subsequent Peace Accords implementation, have the confidence of and access to the LTP beneficiary population. This "entre" makes the Local NGOs uniquely capable of carrying out the community organization and promotional work, as well as working in the communities to do the land measurement. CARE will assume the task of community organization for the ESAF and other small, non-partisan groups, given that there is no well established and credible NGO in El Salvador that represents the ESAF. The experience with the Convivir/San Carlos project shows that CARE can successfully carry out this function with the ESAF. It has already demonstrated the technical and institutional capability to also do the land measurement and technical description.

MISSION REVIEW:

The original Prosequir Proposal was reviewed by SSO, SO1, RCO, CONT and SDO staff in April, 1997. At that time, a number of observations were made, including the need to develop a greater complementarity with and support for the GOES activity that was being designed at the same time, the need to ensure that the community organization component was adequately covered, and the need to reduce the overall project scope and cost proposal to a level commensurate with the resource levels that USAID could make available for an activity of this nature. CARE and the three local NGOs have taken the comments provided by USAID on the original proposal and have incorporated them into the modified proposal presented to USAID in early June. The technical committee reviewed the amended proposal on June 11, 1997 and found it to be technically sound and, together with the financial plan, consistent with the Mission strategic plan of action.

In a similar vein, the GOES/ILP local currency funded land parcelization activity has also been reviewed by the Mission, and a carefully coordinated process of developing annual plans that permit both the GOES effort and the NGO effort to complement each other's efforts is presently underway.

On June 23 of this year, you signed an action memo, much of which, for purposes of clarity and continuity has been reiterated above. That action memo authorized the use of \$2,000,000 in already obligated funds under Project 519-0394 to begin commodity purchases for PROSEGUIR activities. The \$2,000,000 amount will now be subobligated in a Cooperative Agreement with CARE along with an obligation of \$1,500,000 in ESF received last week. The total amount of these actions therefore totals \$3,500,000.

COUNTERPART CONTRIBUTION:

The GOES is making available 100 millions colones as counterpart to the direct contracted NGO activity. This is further complemented through the "Sweat Equity" and partial cash payments covering registration costs totaling 2,000,000 colones, that the beneficiaries will provide as part of the overall program.

CONGRESSIONAL NOTIFICATION: The first \$2.0 million is a sub-obligation of the Peace and National Recovery Program previously reported to Congress. Accordingly, notification is not required. The additional ESF and DA funding was notified to Congress as a new project, 519-0444 and said notification expired on August 8, 1997.

APPROVAL OF COOPERATIVE AGREEMENT: The Contracts Officer has limited authorization to sign Cooperative Agreements up to \$5 million, therefore an Ad-hoc Delegation of Authority was requested of OP/Washington and received.

GRANT OFFICER DETERMINATION:

Based on the information presented above, I do hereby determine that CARE meets the requirements of ADS E303.5.7 for a responsible recipient of USAID funding. I do also determine that a cooperative agreement is the appropriate choice of instrument to be used in providing assistance to CARE for the implementation of this activity.

Approved *Armando Pizano*

Disapproved _____

Date 8/27/97

Authority:

Under Delegation of Authority dated April 17, 1996 (ADS 103) you have the authority to negotiate, execute, amend and implement strategic support and special objective grants, loans, memoranda of understanding, and other implementing and ancillary agreements so long as these actions do not present significant policy issues, require issuance of waivers that may only be approved by the Administrator or Assistant Administrator. None of these constraints applies to this request.

Recommendation:

That, by signing below, you approve the New Land Parcelization RP/NAD for the SO1 Results Package "Improved Use of Land", and authorize the use of \$6.6 million to fund the activity over a period of 4.5 years.

2.5 ✓
This is a 4.5 year period (2)

Approved Kenneth R. Ellis
Kenneth Ellis, DIR

Disapproved _____
Kenneth Ellis, DIR

Drafted: TCornick, SSO
Cleared: MOtt, SO1
CEAdams, CONT
LPizarro, CO
PKranstover, SDO
DMcFarland, DDIR

CMM
08/21/97

[Signature] Date 8/26/97
MCO Date 8-27-97
C Date 8-28-97 (see notes)
WP Date 8/27/97
[Signature] Date 8-28-97
[Signature] Date 8-29-97

Office of the Controller
REVIEWED
SS 8/27/97
DATE

~~PD ABP 680~~

USAID/EL SALVADOR

Strategic Objective 1:

Expanded Access and Economic Opportunity
for El Salvador's Rural Poor

Results Package:

Improved Use of Land

Activity Name:

Land Parcelization Program\PROSEGUIR
(519-0444)

August 25, 1997

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Attachments

- A. Assistance and Country Checklist
- B. Congressional Notifications
- C. Initial Environmental Examination (as appropriate)
- D. Feasibility Analysis (Technical, social, institutional, economic, etc. as appropriate)

Introduction

This new activity document outlines the basic structure and implementation mechanism for a proposed activity in support of Strategic Objective No. 1 "Expanded Access and Economic opportunity for El Salvador's Rural Poor" and its Intermediate Result "Improved Use of Land".

The "Improved Use of Land" result package is an integral component of the larger economic growth objective, particularly for rural areas and the rural poor, promoting a basic tenure security that permits the minimal incentive structure for productive investment in and use of land. It closely complements the Rural Financial Markets Result Package and the Rural Productive Use Package, placing land, along with capital and productive technology, at the center of the economic growth objective.

01 Problem Statement

It is generally accepted that one of the principal underlying causes of El Salvador's 12-year civil conflict was the lack of land ownership among the rural poor. As a result the Peace Accords defined the granting of land titles to ex-combatants from both the FMLN and ESAF, as well as to rural squatters, as one of the critical steps to a lasting peace.

Although the resulting Land Transfer Program (LTP) supported under the Peace and National Reconstruction Project (519-0394) made important strides in achieving a more equitable land distribution, many tenancy problems remain which threaten the long-term goals and benefits of the Program.

One of the more significant problems that presently confronts the LTP is that titling was done on a "Proindiviso" (common or joint title) basis rather than through the granting of individual titles, severely restricting individual beneficiary use of his/her property. The common title (Proindiviso) used for the LTP is a temporary title form, requiring all members holding a common title to jointly decide, usually within a five year period, how the land is to be divided and used.

While the common title is active, individual members have little or no security of usufruct of the land, no sense of individual ownership, no access to formal credit lines that require clear titles as collateral, and hence no economic incentives to make capital investments in land that they may *not retain in the future*. Thus, common title is a serious constraint to the productive use of land and a long term threat to the economic reintegration of excombatants.

As stated in the August 1996 Evaluation of the Special Strategic Objective - Transition from War to Peace - " The Proindiviso titles issued to land transfer recipients are now a major impediment to increased investment on these properties. Until the conversion to individual ownership has been completed, production will be minimal and incomes of the beneficiaries will stagnate." Therefore, "the need to legally divide and register the majority of the land transferred is a clear priority."

Although the provision of individual titles will not, in and of itself, ensure increased production for LTP beneficiaries, it is a crucial first step in the rational planning, holding, and use of these lands. In the absence of improved tenure security, neither improvements in financial markets or productive technology enhancements will find fertile ground on which to multiply.

02 Purpose Statement

The purpose of the planned activity is 1) to parcel jointly-held land and provide individual land titles to approximately 19,000 beneficiaries of the Salvadoran LTP and 2) to strengthen local Salvadoran NGO capacity to carry out parcelization and land measurement activities.

Funds have been programmed for this activity (519-0444) at \$6.6 million. Assistance will begin in FY 1997 and will last through FY 2001.

03 Relationship to USAID/El Salvador Strategy

The Land Parcelization Activity will contribute to the Mission's Strategic Objective No. 1 "Expanded Access and Economic opportunity for El Salvador's Rural Poor" through the Intermediate Result "Improved Use of Land".

As stated in the Mission's Strategy, the improved use of land depends on the successful accomplishment of three tasks. First, it will be necessary to improve the productivity and incomes of past land reform beneficiaries. Second, a viable land market in which the poor can participate as buyers and sellers must be created as an effective means of meeting market-driven demand for land. Finally, the GOES must look to the future and ensure that there is education today, and access to jobs tomorrow, for the next generation of the Salvadoran rural work force.

This new activity will contribute to the accomplishment of two of these three tasks: improve the productivity and incomes of LTP beneficiaries and lay the foundation for a viable land market so that small poor farmers can effectively participate in the market-driven demand for

land. The activity will also contribute to the ongoing process of reintegration of excombatants and displaced persons.

04 Proposed Intervention

The proposed activity has three objectives: (1) to assist LTP program beneficiaries collectively and consensually develop a land use plan for each property, (2) to provide individual land titles to approximately 19,000 LTP beneficiaries and, (3) to develop the local institutional capacity to carry out the parcelization of other jointly-held land after the PACD of the Activity.

This activity will provide LTP beneficiaries with permanent legal title and security of land ownership and the necessary economic incentives to make their use of the land more productive. It will also improve the incentives to manage it as a long-term natural resource that must be husbanded if it is to be sustained.

The proposed activity is a continuation of support to the land parcelization activity initiated under USAID/El Salvador's National Reconstruction Program (519-0394). This previous activity carried out a pilot project on 29 LTP properties to identify and test means to resolving the common title problem.

The new activity is based on the positive relationships established, the shared experiences and the lessons learned by the local NGOs and the GOES participants that implemented the pilot project, and who all have key roles in implementation of the proposed activity.

The Land Parcelization Activity is comprised of the following components:

- (a) Institutional Strengthening (training in areas such as measuring and parcelization techniques and procurement of surveying equipment, hardware and software, vehicles; technical assistance for quality control and supervision).
- (b) Community organization and consensus building around land ownership and use of properties
- (c) Remeasuring and Parcelization of properties
- (d) Legalization and Delivery of clear titles

The Land Parcelization Program is made up of two parallel activities; one implemented by the GOES through the Institute of Liberty and Progress (ILP) and financed by local currency generations; the other implemented through CARE, a US international NGO and three local NGOs, REDES, PROESA, and FUNDESA, and financed through a direct

cooperative agreement. Planning and implementation of the two activities requires careful coordination between the two and the various implementing entities.

The ILP has responsibility for contracting for land measurement of the properties, either among the NGOs or with other private sector firms; and for carrying out title searches and formal registration of the newly dismembered properties. CARE will take a lead role in training the local NGOs in land measurement, and in ensuring the quality control of the land parcelization process. CARE and the three local NGOs are responsible for the task of community organization and development of a plan of land partition, and for carry^{ing} out the land measurement and technical description for retitling. The ILP will take responsibility for the main Coordination of the program and for contracting out the measurement of the properties, either with the selected NGOs or with private sector for-profit firms. The GOES also will assume responsibility for the legalization of the dismembered property titles with the property registry. To this end the GOES has initially allocated 100 million colones.

Within the Mission the management of this four year activity will require the following staff with a total cost for the first year of activity as follows:

Organizat ion Unit	Emp. Type	Number	Level of Effort	Source of Funding			TOTAL COST
				RP	OE	TF	
SSO-SO1	US-DH	1	05%		X		\$3,873
SO1	US-DH	1	25%		X		\$18,739
SSO-SO1	FSN-DH	1	50%			X	\$17,880
SSO-SO1	FSN-PSC	1	33%			X	\$3,432
SSO-SO1	FSN- NONPSC	1	100%	X			\$57,881
CONT	FSN-DH	1	05%			X	\$1,407
SDO	US-DH	1	05%			X	\$1,843
CO	FSN-DH	1	05%			X	\$679
Total							\$105,734

05 Analytical/Consultation Process

As mentioned in previous sections, USAID initiated under the Peace and National Reconstruction Project a pilot project in 29 properties to test new participatory methodologies to facilitate the resolution of the common title problem. The two GOES institutions - ILP and OCTA - which are primarily responsible for resolving this issue as well as the NGOS representing LTP beneficiaries of the pilot area were incorporated as partners into this pilot project.

The results of the pilot project are significant. New legislation has been developed and passed to facilitate the resolution of the common title problem. Methodologies have been developed and tested that provide for the dissolution of the common title, the measurement and reassignment in individual and mixed title of the properties, and the issuance of individual titles is underway.

Because of the positive results of the USAID-funded pilot project, the GOES has identified the resolution of the common property title (Proindiviso) as a priority government activity. At the same time, beneficiaries of the LTP and their representatives in the historical FMLN have also expressed as a first priority interest the dissolution of the common title.

Some of the issues that need to be addressed in order to overcome difficulties in the near future, follow:

-Issue: Is there sufficient USAID funding for future years to see the project through to completion?

-Issue: There is a GOES commitment to provide an additional 71 million colones to fully fund the estimated cost of PROSEGUIR - GOES parallel activity. Is this realistic given the GOES's fiscal problems?

-Issue: Can the procurement of the measuring equipment, computers, training, and vehicles be carried out within the allotted time frame provided within the PACD of 0394?

-Issue: Have all necessary legal modifications to the existing laws, norms, or any other regulatory framework been identified?

-Issue: Will there exist sufficient political will among all parties to provide for the effective coordination between GOES & NGOS to ensure timely completion of expected targets?

06 Conditions Precedent and/or Covenants

Standard conditions precedent and/or covenants applicable to the selected implementing instrument, i.e., cooperative agreement, will be employed.

07 Customer Service Plan

USAID will get feedback on partner's and customer's needs or perceptions of services being provided, directly through the main implementing agencies, random field trips of Mission staff assigned to the activity, daily contact with NGOs, LTP beneficiaries, and any other means deemed appropriate.

08 Implementation/Management Plan

1. Guiding Principles for Implementation

PROSEGUIR has been designed as a participative activity promoting and facilitating PTT beneficiary decision making in identifying land use patterns on their properties prior to dissolution of the "Proindiviso" title. The beneficiaries' desires will be respected at all times, and neither the GOES, the participating NGOs, nor USAID will impose land use solutions that have not been accepted consensually by PTT program beneficiaries.

2. Organizational Structure

For ease of administration, the cooperative agreement element of Prosequir was proposed with a single lead entity, CARE, and three subgrantees, REDES, PROESA, and FUNDESA. All four NGOs will develop action plans, coordinate activities and work together as a team of equals. Nevertheless, CARE has a significant leadership role in ensuring that the above collaboration and coordination takes place, and is expected to aggressively seize the initiative to resolve problems due to lack of coordination or disagreements among the NGOs.

Although Prosequir was proposed as a stand alone activity, all parties agree that Prosequir will not succeed if its activities are not carefully coordinated with the GOES's parallel "Proindiviso Resolution" project implemented by the Institute of Liberty and Progress (ILP). CARE is expected, as lead entity, to aggressively take the initiative to coordinate the NGOs' activity development plans and implementation with the ILP. CARE is the first entity responsible for resolving political differences between the NGOs and the ILP, and for ensuring a coordinated planning and

project implementation process among the NGOs and between the NGOs and the ILP.

3. Procurement

CARE will purchase all the necessary equipment required to implement the project, such as engineering/surveying equipment, computers (hardware and software, vehicles and radio communication equipment for the successful implementation of this activity.

4. Training & Technical Assistance

CARE will design and provide the Training and Technical Assistance for local NGO personnel in management systems and engineering surveying (measuring and parcelization of properties). The purpose of this training and assistance is to provide the NGOs with management tools and to build the engineering capacity required for the implementation of the measuring and parcelization component of the project. The GOES activity takes responsibility for contracting for and funding the measurement of properties, working with either the four NGOs or with private sector firms.

It is estimated that CARE will require two months for the preparation of the training activities and three to six months for actual training. After training has been successfully completed, NGOs will initiate actual field work in measuring and parcelization and CARE trainers will move into a Technical Assistance mode, ensuring the quality control for engineering surveying carried out by the NGOs throughout the life of the project. Based on past experience, it is expected that 90% of all PTT program properties measured by the NGOs, including CARE, will be satisfactorily measured the first time, and will not require subsequent remeasurement. In succeeding years, 95% of all properties measured by the NGOs will be satisfactorily measured the first time, and will not require subsequent remeasurement.

5. Community Organization

Once the properties have been selected as a target site under the GOES/Master Plan of PROSEGUIR, CARE together with REDES, PROESA & FUNDESA will participate in the organization of co-owners of properties transferred.

The local NGOs, who represented the various factions of the historical FMLN and displaced populations during the war and subsequent Peace Accords implementation, have access to and the confidence of the LTP

beneficiary population. This makes the local NGOs uniquely capable to carry out the community organization and promotional work, as well as to work in the communities on land measurement. In addition to its training, leadership and quality control functions, CARE will also assume responsibility for the task of community organization for the ESAF and other small, non-partisan groups, as well as the land measurement of properties, if so contracted by the ILP.

6. Land Tenure Legal security for individual & mixed titles.

Based on positive results of the pilot Convivir/San Carlos Project, (new legislation has been developed and approved facilitating the resolution of the common title problem) the GOES has identified the resolution of common property ("Proindiviso") title as a priority government activity. To this end, it has assigned 100 million colones to finance land parcelization of the LTP program property. These funds will be used as the counterpart contribution of the Project.

The GOES/ILP will take responsibility for the legal assistance to co-owners, thereby speeding up the legal process for simplification of the common title as well as to conclude the signing of the individual and mixed titles. These new legal titles will be subsequently and properly registered by the National Center for Property Registry (CNR-RSI).

09 Performance Monitoring Plan

Permanent monitoring of this activity will be required. A quarterly progress report will be presented by NGOs based on indicators and implementation performance, according to the operative annual plan approved by USAID on a yearly base.

The Monitoring and Evaluation Plan is attached to the document, as attachment No.1.

Audits for the AID direct grant component will be done as direct A-133 Audits under the Single Audit Provision for NGOs such as CARE (See line item 5 of CARE detailed budget).

10 Financial Plan (U.S. \$ 000)

Table 1 Obligation Schedule

Institution	TOTAL	FY 1997 Oct.96- Sep.97	FY 1998 Oct.97- Sep.98	FY 1999 Oct.98- Sept.99	FY 2000 Oct.99- Sept.2000
USAID	6,6	3,5	2,0	1,1	0
GOES	19,5	5,37	5,1	5,1	4,0
TOTAL	26,1	8,87	7,2	6,2	4,0

Table 2 below provides a breakout of the USAID direct grant component with CARE.

Table 2

Illustrative CARE Budget		
Item	Description	Amount (\$)
1	Personnel	748,551
2	Other Direct Costs (Include Sub-Agreements)	2,513,731
3	Procurement of Equipment	2,058,460
	Sub-Total	5,320,742
4	Project Support Cost Allocation	733,193
	Total Direct Costs	6,053,935
5	A-133 Audits (0.70%) of Total	42,378
6	Indirect Cost Recovery (8.32% of Total)	503,687
	Total Indirect Cost Recovery	546,065
	TOTAL	6,600,000

Table 3 below presents a breakout of the GOES local currency funded component implemented by the ILP as its counterpart contribution to the current activity.

Table 3

PROGRAMA DE SEGURIDAD JURIDICA RURAL					
Presupuesto General					
componente	año i	año ii	año iii	año iv	total
1. Medicion	20,800,000.00	23,600,000.00	23,600,000.00	16,000,000.00	83,800,000.00
1.1 Contrataciones	14,900,000.00	22,600,000.00	22,600,000.00	15,000,000.00	75,100,000.00
1.2. Ong's	3,800,000.00	0	0	0	3,800,000.00
1.3. Costos directos	1,900,000.00	1,000,000.00	1,000,000.00	1,000,000.00	4,900,000.00
2. Suelos	2,150,000.00	1,200,000.00	1,200,000.00	1,200,000.00	5,750,000.00
3. Legalizacion	6,270,000.00	5,800,000.00	5,800,000.00	4,876,000.00	22,746,000.00
3.1 Diligencias	1,350,000.00	1,800,000.00	1,800,000.00	1,776,000.00	6,726,000.00
3.2 Estructuracion	1,820,000.00	2,700,000.00	2,700,000.00	1,800,000.00	9,020,000.00
3.3. Costos directos	3,100,000.00	1,300,000.00	1,300,000.00	1,300,000.00	7,000,000.00
4. Celula registral	282,000.00	282,000.00	282,000.00	282,000.00	1,128,000.00
5. Promocion	3,000,000.00	1,100,000.00	1,100,000.00	1,100,000.00	6,300,000.00
6. Administracion	7,200,000.00	6,000,000.00	6,000,000.00	6,000,000.00	25,200,000.00
7. Auditoria	550,000.00	550,000.00	550,000.00	550,000.00	2,150,000.00
8. Capacitacion	800,000.00	300,000.00	300,000.00	300,000.00	1,700,000.00
Subtotal por componente	40,852,000.00	38,832,000.00	38,832,000.00	38,832,000.00	148,774,000.00
9. Contingencias	6,127,800.00	5,824,800.00	5,824,800.00	5,824,800.00	22,316,100.00
Total	46,979,800.00	44,656,800.00	44,656,800.00	34,796,700.00	171,090,100.00

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11 Annexes:

Annex A - Country and Assistance Checklist

Annex B - Congressional Notification

Annex C - Initial Environmental Examination (as appropriate)

Annex D - Time line of key events

Annex E - List of Recent Interviews with Partners and
Customers

Annex F - Feasibility Analyses - (Technical, social,
institutional, economic, gender, etc. - as
appropriate)

ANNEXES

"PERFORMANCE RESULT: IMPROVED USE OF LAND"

AGENCY GOAL No.1: BROAD-BASED ECONOMIC GROWTH ACHIEVED			
MISSION STRATEGIC OBJECTIVE NO.1: EXPANDED ACCESS AND ECONOMIC OPPORTUNITY FOR EL SALVADOR'S RURAL POOR.			
INTERMEDIATE RESULT: IMPROVED USE OF LAND			
INDICATOR: 1. <i>PROSEGUIR CLIENTS WITH LAND IN PRODUCTION</i>			
UNIT: PERCENT INCREASE IN AREA			
SOURCE: CARE/ILP survey and/or USAID will contract independent survey.			
INDICATOR DESCRIPTION: Measures annual increases in cultivation of land with annual crops, permanent crops, and/or pastures, as well as land used for agro-industrial purposes.			
Year one of the LOP is going to provide the base line for area under productive use.	YEAR	PLANNED	ACTUAL
	CY 1997 (May 97-Apr.98)	--	
	CY 1998 (MAY.98-APR.99)	FMLN 70% FAES 50%	
	CY 1999 (May 99-Apr.2000)	FMLN 75% FAES 55%	
	CY 2000 (May 2000-August 2001)	FMLN 80% FAES 60%	

"PERFORMANCE MONITORING PLAN"

AGENCY GOAL No.1: BROAD-BASED ECONOMIC GROWTH ACHIEVED			
MISSION STRATEGIC OBJECTIVE NO.1: EXPANDED ACCESS AND ECONOMIC OPPORTUNITY FOR EL SALVADOR'S RURAL POOR.			
INTERMEDIATE RESULT: IMPROVED USE OF LAND			
INDICATOR: 2. CLIENTS OF PROSEQUIR RECEIVING INDIVIDUAL AND/OR MIXED PARCELS.			
UNIT: NUMBER OF PERSONS RECEIVING INDIVIDUAL AND/OR MIXED REGISTERED TITLES.			
SOURCE: ILP AND CRN/RSI DATA.			
INDICATOR DESCRIPTION: MEASURES NUMBER OF CLIENTS,WHO HAVE RECEIVED INDIVIDUAL AND/OR MIXED LEGAL REGISTERED TITLES.			
COMMENTS : The universe of PTT clients who have received "Proindiviso" and are elegible under Prosequir are aprox.30,000,.	YEAR	PLANNED	ACTUAL
	1997 (May 97-May.98)	6,000	
	1998 (June.98-Mayo 99)	9,000	
	1999 (June 99-May 2000)	9.000	
	2000 (June 2000-Ago. 2001)	6,000	

COUNTRY CHECKLIST FOR EL SALVADOR

A. DEVELOPMENT ASSISTANCE AND ECONOMIC SUPPORT FUND

1. Narcotics Certification (FAA Sec. 490): If the recipient is a "major illicit drug producing country" (defined as a country in which during a year at least 1,000 hectares of illicit opium poppy is cultivated or harvested, or at least 1,000 hectares of illicit coca is cultivated or harvested, or at least 5,000 hectares of illicit cannabis is cultivated or harvested) or a "major drug-transit country" (defined as a country that is a significant direct source of illicit drugs significantly affecting the United States, through which such drugs are transported, or through which significant sums of drug-related profits are laundered with the knowledge or complicity of the government):

NA; El Salvador is not a major illicit drug producing or major drug transit country

a. Has the President in the March 1 International Narcotics Control Strategy Report (INCSR) determined and certified to the Congress (without Congressional enactment, within 30 calendar days, of a resolution disapproving such a certification), that (1) during the previous year the country has cooperated fully with the United States or taken adequate steps on its own to satisfy the goals and objectives established by the U.N. Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, or that (2) the vital national interests of the United States require the provision of such assistance?

NA

b. With regard to a major illicit drug producing or drug-transit country for which the President has not certified on March 1, has the President determined and certified to Congress on any other date (with enactment by Congress of a resolution approving such

NA

certification) that the vital national interests of the United States require the provision of assistance, and has also certified that (a) the country has undergone a fundamental change in government, or (b) there has been a fundamental change in the conditions that were the reason why the President had not made a "fully cooperating" certification.

2. **Indebtedness to U.S. Citizens (FAA Sec. 620(c)):** If assistance is to a government, is the government indebted to any U.S. citizen for goods or services furnished or ordered where: (a) such citizen has exhausted available legal remedies, (b) the debt is not denied or contested by such government, or (c) the indebtedness arises under an unconditional guaranty of payment given by such government or controlled entity?

3. **Seizure of U.S. Property (Foreign Relations Authorization Act, Fiscal Years 1994 and 1995, Sec. 527):** If assistance is to a government, has it (including any government agencies or instrumentalities) taken any action on or after January 1, 1956 which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without (during the period specified in subsection (c) of this section) either returning the property, providing adequate and effective compensation for the property, offering a domestic procedure providing prompt, adequate, and effective compensation for the property, or submitting the dispute to international arbitration? If the actions of the government would otherwise prohibit assistance, has the President waived this prohibition and so notified Congress that it was in the national interest to do so?

4. **Communist and Other Countries (FAA Secs. 620(a), 620(f), 620D; FY 1997**

We are not aware of any debts the Government of El Salvador owes to any U.S. citizen for goods or services that meet the criteria set forth in this section.

No.

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Appropriations Act Secs. 507, 523): Will assistance be provided: (a) to China, Cuba, North Korea, Tibet, Vietnam or another Communist country; (b) directly to Cuba, Iraq, Libya, North Korea, Iran, Sudan or Syria; or (c) indirectly to China, Cuba, Iran, Iraq, Libya, North Korea, or Syria? If so, has the President made the necessary determinations to allow assistance to be provided?

No. El Salvador is not a communist country.

5. Mob Action (FAA Sec. 620(j)): Has the country permitted, or failed to take adequate measures to prevent, damage or destruction by mob action of U.S. property? [Reference may be made to the "Taking into Consideration" memo.]

No.

6. OPIC Investment Guaranty (FAA Sec. 620(l)): Has the country failed to enter into an investment guaranty agreement with OPIC? [Reference may be made to the annual "Taking into Consideration" memo.]

No.

7. Seizure of U.S. Fishing Vessels (FAA Sec. 620(o); Fishermen's Protective Act of 1967 (as amended) Sec. 5): (a) Has the country seized, or imposed any penalty or sanction against, any U.S. fishing vessel because of fishing activities in international waters? (b) If so, has any deduction required by the Fishermen's Protective Act been made? [Reference may be made to the annual "Taking into Consideration" memo.]

No.

8. Loan Default (FAA Sec. 620(q); FY 1997 Appropriations Act Sec. 512 (Brooke Amendment)): (a) Has the government of the recipient country been in default for more than six months on interest or principal of any loan to the country under the FAA? (b) Has the country been in default for more than one year on interest or principal on any U.S. loan under a program for which the FY 1995 Appropriations Act appropriates funds?

No.

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9. **Military Equipment (FAA Sec. 620(s)):** If contemplated assistance is development loan or to come from Economic Support Fund, has the Administrator taken into account the percentage of the country's budget and amount of the country's foreign exchange or other resources spent on military equipment? [Reference may be made to the annual "Taking Into Consideration" memo.]

Yes. Taken into account by the Administrator at the time of approval of the FY 1997 OYB.

10. **Diplomatic Relations with U.S. (FAA Sec. 620(t)):** Has the country severed diplomatic relations with the United States? If so, have relations been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption?

No.

11. **U.N. Obligations (FAA Sec. 620(u)):** What is the payment status of the country's U.N. obligations? If the country is in arrears, were such arrearages taken into account by the A.I.D. Administrator in determining the current A.I.D. Operational Year Budget? [Reference may be made to the annual "Taking into Consideration" memo.]

El Salvador's U.N. arrearages, both in general and for purposes of Article 19 of the U.N. Charter, were taken into account by the Administrator at the time of approval of the FY 1997 OYB.

12. **International Terrorism**

a. **Sanctuary and Support (FY 1997 Appropriations Act Sec. 527A; FAA Sec. 620A):** Has the country been determined by the President to: (a) grant sanctuary from prosecution to any individual or group which has committed an act of international terrorism, or (b) otherwise support international terrorism, unless the President has waived this restriction on grounds of national security or for humanitarian reasons?

No.

b. **Compliance with UN Sanctions (FY 1997 Appropriations Act Sec. 534):** Is assistance being provided to a country not in compliance with UN sanctions against Iraq, Serbia, or Montenegro. If so, has the President

No.

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made the necessary determinations to allow assistance to be provided?

c. **Governments That Aid Terrorist States.** (FAA Section 620G, added by section 325 of the Antiterrorism and Effective Death Penalty Act of 1996, P.L. 104-132, April 24, 1996): Is assistance being provided to a government which provides assistance to a country the government of which is a terrorist government under section 620A of the FAA? If so, has the President made the necessary determinations to allow assistance to be provided?

No.

13. **Export of Lethal Military Equipment** (FY 1997 Appropriations Act Sec. 552; FAA Se. 620H, added by section 326 of the Antiterrorism and Effective Death Penalty Act of 1996, P.L. 104-132, April 24, 1996): Is assistance being made available to a government which provides lethal military equipment to a country the government of which is a terrorist government under sections 620A of the FAA, 6(j) of the Export Administration Act (50 U.S.C. App. 2405(j)) or 40(d) of the Arms Export Control Act? If so, has the President made the necessary determinations to allow assistance to be provided?

No.

14. **Discrimination** (FAA Sec. 666(b)): Does the country object, on the basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. who is present in such country to carry out economic development programs under the FAA?

No.

15. **Nuclear Technology** (Arms Export Control Act Secs. 101, 102): Has the country, after August 3, 1977, delivered to any other country or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards, and without special certification by the President? Has it transferred a nuclear explosive device to a non-nuclear weapon

No.

state, or if such a state, either received or detonated a nuclear explosive device? If the country is a non-nuclear weapon state, has it, on or after August 8, 1985, exported (or attempted to export) illegally from the United States any material, equipment, or technology which would contribute significantly to the ability of a country to manufacture a nuclear explosive device? [FAA Sec. 620E(d) permits a special waiver of Sec. 101 for Pakistan.]

16. Algiers Meeting (ISDCA of 1981, Sec. 720): Was the country represented at the Meeting of Ministers of Foreign Affairs and Heads of Delegations of the Non-Aligned Countries to the 36th General Assembly of the U.N. on Sept. 25 and 28, 1981, and did it fail to disassociate itself from the communique issued? If so, has the President taken it into account? [Reference may be made to the "Taking into Consideration" memo.]

No.

17. Military Coup (FY 1997 Appropriations Act Sec. 508): Has the duly elected Head of Government of the country been deposed by military coup or decree? If assistance has been terminated, has the President notified Congress that a democratically elected government has taken office prior to the resumption of assistance?

No.

18. Exploitation of Children (FAA Sec. 116(b)): Does the recipient government fail to take appropriate and adequate measures, within its means, to protect children from exploitation, abuse or forced conscription into military or paramilitary services?

No.

19. Parking Fines (FY 1997 Appropriations Act Sec. 552): Has the overall assistance allocation of funds for a country taken into account the requirements of this section to reduce assistance by 110 percent of the amount

FY 1997 obligations will be reduced by 110% of the amount of any unpaid parking fines owed to the District of

Country Checklist

of unpaid parking fines owed to the District of Columbia as of the date of enactment of the FY 1997 Appropriations Act, September 30, 1996?

Columbia as determined by N/D.

20. Delivery of Humanitarian Assistance (FAA Sec. 6201, added by FY 1997 Appropriations Act Sec. 559-562): Has the government prohibited or otherwise restricted, directly or indirectly the transport or delivery of United States humanitarian assistance? If so, has the President made the necessary determination to allow assistance to be provided?

No.

no.

21. Nuclear Power Plant in Cuba (Sec. 111 of the LIBERTAD Act, P.L. 104-114, March 12, 1996): Has the country or any entity in the country provided on after the dates of enactment of the FY 1996 Appropriations Act, January 27, 1996, or the LIBERTAD Act, March 12, 1996, assistance or credits in support of the Cuban nuclear facility at Juragua, Cuba. If so, has the overall assistance allocation of funds for that country taken into account the requirements of this section to withhold assistance equal to the sum of any such assistance or credits?

22. Harboring War Criminals (FY 1997 Appropriations Act Sec. 568): Has the government knowingly granted sanctuary to persons in its territory for the purpose of evading prosecution, where such persons--

No.

a. have been indicted by the International Criminal Tribunal for the former Yugoslavia, the International Criminal Tribunal for Rwanda, or any other international tribunal with similar standing under international law, or

No.

b. have been indicted for war crimes or crimes against humanity committed during the period beginning March 23, 1933, and ending on May 8,

1945 under the direction of, or in association with (1) the Nazi government of Germany; (2) any government in any area occupied by the military forces of the Nazi government of Germany; (3) any government which was established with the assistance or cooperation of the Nazi government; or (4) any government which was an ally of the Nazi government of Germany?

B. DEVELOPMENT ASSISTANCE ONLY

Human Rights Violations (FAA Sec. 116):
Has the Department of State determined that this government has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, can it be demonstrated that contemplated assistance will directly benefit the needy?

No.

C. ECONOMIC SUPPORT FUND ONLY

Human Rights Violations (FAA Sec. 502B):
Has it been determined that the country has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, has the President found that the country made such significant improvement in its human rights record that furnishing such assistance is in the U.S. national interest?

No.

LAC/CEN:KSmith/cklist.esn/11/12/96:7-9535

Clearances:

LAC/CEN:Layaide	Date:	
LAC/SAM:TKellerman	Date:	12/4/96
LAC/SPM:JWeber	Date:	12/4/96
LAC/DPB:RJordan	Date:	12/8/96
LAC/GC:SAllen	Date:	12/12/96
ARA/CEN:JFeeley	Date:	12/6/96
State/IO/S/B:DLeis	Date:	12/5/96
State/INL/P:RBryson	Date:	1/3/96
State/DRL/AAA:PLahey	Date:	0/5/96
State/M/OFM/VTC:JCintron	Date:	0/5/96

John Fitch - By
Dianne Titus
Diane Hume

Assistance Checklist

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II. ASSISTANCE CHECKLIST

Listed below are criteria applicable to the assistance resources themselves, rather than to the eligibility of a country to: (A) both DA and ESF assistance; (B) DA only; or (C) ESF only.

CROSS REFERENCE: IS COUNTRY CHECKLIST UP TO DATE? YES Approve & updated a of 12/12/96

A. DEVELOPMENT ASSISTANCE AND ECONOMIC SUPPORT FUND**1. Congressional Notification**

a. **General Requirement** (FY 1997 Appropriations Act Sec. 515; FAA Sec. 634A): If the obligation has not previously justified to Congress, or is for an amount in excess of the amount previously justified to Congress, has a Congressional Notification been made? YES CN#29 July 10, 1996

b. **Special Notification Requirement** (FY 1997 Appropriations Act, "Burma" and "NIS" Title II headings and Sec. 520): For obligations for NIS countries, Burma, Colombia, Guatemala (except development assistance), Dominican Republic, Haiti, Liberia, has a Congressional Notification been submitted, regardless of any justification in the Congressional Presentation? N/A

c. **Notice of Account Transfer** (FY 1997 Appropriations Act Sec. 509): If funds are being obligated under an appropriation account to which they were not appropriated, has the President consulted with and provided a written justification to the House and Senate Appropriations Committees? N/A

d. **Cash Transfers and Nonproject Sector Assistance** (FY 1997 Appropriations Act Sec. 531(b)(3)): If funds are to be made available in the form of cash transfer or nonproject sector assistance, has the Congressional notice included a detailed description of how the funds will be used, with a discussion of U.S. interests to be served and a description of any economic policy reforms to be promoted? N/A

2. **Engineering and Financial Plans** (FAA Sec. 611(a)): Prior to an obligation in excess of \$500,000, will there be: (a) engineering, financial or other plans necessary to carry out the assistance; and (b) a reasonably firm estimate of the cost to the U.S. of the assistance? N/A

3. **Legislative Action** (FAA Sec. 611(a)(2)): If the

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obligation is in excess of \$500,000 and requires legislative action within the recipient country, what is the basis for a reasonable expectation that such action will be completed in time to permit orderly accomplishment of the purpose of the assistance? N/A

4. **Water Resources** (FAA Sec. 611(b)): If the assistance is for water or water-related land resource construction, have benefits and costs been computed to the extent practicable in accordance with the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? N/A

5. **Cash Transfer/Nonproject Sector Assistance Requirements** (FY 1997 Appropriations Act Sec. 531). If assistance is in the form of a cash transfer or nonproject sector assistance: N/A

a. **Separate Account:** Are all such cash payments to be maintained by the country in a separate account and not commingled with any other funds (unless such requirements are waived by Congressional notice for nonproject sector assistance)? N/A

b. **Local Currencies:** If assistance is furnished to a foreign government under arrangements which result in the generation of local currencies: N/A

(1) Has A.I.D. (a) required that local currencies be deposited in a separate account established by the recipient government, (b) entered into an agreement with that government providing the amount of local currencies to be generated and the terms and conditions under which the currencies so deposited may be utilized, and (c) established by agreement the responsibilities of A.I.D. and that government to monitor and account for deposits into and disbursements from the separate account? N/A

(2) Will such local currencies, or an equivalent amount of local currencies, be used only to carry out the purposes of the DA or ESF chapters of the FAA (depending on which chapter is the source of the assistance) or for the administrative requirements of the United States Government? N/A

(3) Has A.I.D. taken all necessary steps to ensure that the equivalent of local currencies disbursed from the separate account are used for the N/A

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agreed purposes?

(4) If assistance is terminated to a country, will any unencumbered balances of funds remaining in a separate account be disposed of for purposes agreed to by the recipient government and the United States Government?

N/A

6. **Capital Assistance** (FAA Sec. 611(e)): If capital assistance is proposed (e.g., construction), and total U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability to maintain and utilize the assistance effectively?

N/A

7. **Local Currencies**

a. **Recipient Contributions** (FAA Secs. 612(b), 636(h)): Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars.

HC Will provide \$19.5 as counterpart contribution for this activity.

b. **US-Owned Foreign Currencies**

(1) **Use of Currencies** (FAA Secs. 612(b), 636(h)): Are steps being taken to assure that, to the maximum extent possible, foreign currencies owned by the U.S. are utilized in lieu of dollars to meet the cost of contractual and other services.

N/A

(2) **Release of Currencies** (FAA Sec. 612(d)): Does the U.S. own non-PL 480 excess foreign currency of the country and, if so, has the agency endeavored to obtain agreement for its release in an amount equivalent to the dollar amount of the assistance?

N/A

8. **Trade Restrictions - Surplus Commodities** (FY 1997 Appropriations Act Sec. 513(a)): If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity?

N/A

9. **Environmental Considerations** (FAA Sec. 117; USAID Regulation 16, 22 CFR Part 216): Have the

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environmental procedures of USAID Regulation 16 been met?

N/A

10. PVO Assistance

a. **Auditing** (FY 1997 Appropriations Act Sec. 550): If assistance is being made available to a PVO, has that organization provided upon timely request any document, file, or record necessary to the auditing requirements of USAID?

YES

b. **Funding Sources** (FY 1997 Appropriations Act, Title II, under heading "Private and Voluntary Organizations"): If assistance is to be made to a United States PVO (other than a cooperative development organization), does it obtain at least 20 percent of its total annual funding for international activities from sources other than the United States Government? If not, has the requirement been waived?

?

11. **Agreement Documentation** (Case-Zablocki Act, 1 U.S.C. Sec. 112b, 22 C.F.R. Part 181): For any bilateral agreement over \$25 million, has the date of signing and the amount involved been cabled to State L/T immediately upon signing and has the full text of the agreement been pouched to State/L within 20 days of signing?

N/A

12. **Metric System** (Omnibus Trade and Competitiveness Act of 1988 Sec. 5164, as interpreted by conference report, amending Metric Conversion Act of 1975 Sec. 2, and as implemented through A.I.D. policy): Does the assistance activity use the metric system of measurement in its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? Will A.I.D. specifications use metric units of measure from the earliest programmatic stages, and from the earliest documentation of the assistance processes (for example, project papers) involving quantifiable measurements (length, area, volume, capacity, mass and weight), through the implementation stage?

YES

13. **Abortions** (FAA Sec. 104(f); FY 1997 Appropriations

N/A

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Act, Title II, under heading " Development Assistance" and Sec. 518):

a. Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions? (Note that the term "motivate" does not include the provision, consistent with local law, of information or counseling about all pregnancy options.) NO

b. Are any of the funds to be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations? NO

c. Are any of the funds to be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization? NO

d. Will funds be made available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services? (As a legal matter, DA only.) NO

e. In awarding grants for natural family planning, will any applicant be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning? (As a legal matter, DA only.) NO

f. Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning? NO

g. Are any of the funds to be made available to any organization if the President certifies that the use of these funds by such organization would violate any of the above provisions related to abortions and involuntary sterilization? NO

14. Procurement

a. Source, Origin and Nationality (FAA Sec. 604(a): Will all procurement be from the U.S., the recipient country, or developing countries except as YES

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otherwise determined in accordance with the criteria of this section?

b. **Marine Insurance** (FAA Sec. 604(d)): If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company? N/A

c. **Insurance** (FY 1997 Appropriations Act Sec. 528A): Will any A.I.D. contract and solicitation, and subcontract entered into under such contract, include a clause requiring that U.S. insurance companies have a fair opportunity to bid for insurance when such insurance is necessary or appropriate? YES

d. **Non-U.S. Agricultural Procurement** (FAA Sec. 604(e)): If non-U.S. procurement of agricultural commodity or product thereof is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.) N/A

e. **Construction or Engineering Services** (FAA Sec. 604(g)): Will construction or engineering services be procured from firms of advanced developing countries which are otherwise eligible under Code 941 and which have attained a competitive capability in international markets in one of these areas? (Exception for those countries which receive direct economic assistance under the FAA and permit United States firms to compete for construction or engineering services financed from assistance programs of these countries.) N/A

f. **Cargo Preference Shipping** (FAA Sec. 603)): Is the shipping excluded from compliance with the requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 percent of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent such vessels are available at fair and reasonable rates? N/A

g. **Technical Assistance** (FAA Sec. 621(a)): If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? Will the facilities and resources of other Federal agencies be utilized, YES

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when they are particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?

h. **U.S. Air Carriers** (Fly America Act, 49 U.S.C. Sec. 1517): If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available? YES

i. **Consulting Services** (FY 1997 Appropriations Act Sec. 549): If assistance is for consulting service through procurement contract pursuant to 5 U.S.C. 3109, are contract expenditures a matter of public record and available for public inspection (unless otherwise provided by law or Executive order)? YES

j. **Notice Requirement** (FY 1997 Appropriations Act Sec. 561): Will agreements or contracts contain notice consistent with FAA section 604(a) and with the sense of Congress that to the greatest extent practicable equipment and products purchased with appropriated funds should be American-made? YES

15. **Construction**

a. **Capital Assistance** (FAA Sec. 601(d)): If capital (e.g., construction) assistance, will U.S. engineering and professional services be used? N/A

b. **Large Projects - Congressional Approval** (FAA Sec. 620(k)): If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million (except for productive enterprises in Egypt that were described in the Congressional Presentation), or does assistance have the express approval of Congress? N/A

16. **U.S. Audit Rights** (FAA Sec. 301(d)): If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? N/A

17. **Communist Assistance** (FAA Sec. 620(h)). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? YES

18. **Narcotics**

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a. **Cash Reimbursements** (FAA Sec. 483): Will arrangements preclude use of financing to make reimbursements, in the form of cash payments, to persons whose illicit drug crops are eradicated? YES

b. **Assistance to Narcotics Traffickers** (FAA Sec. 487): Will arrangements take "all reasonable steps" to preclude use of financing to or through individuals or entities which we know or have reason to believe have either: (1) been convicted of a violation of any law or regulation of the United States or a foreign country relating to narcotics (or other controlled substances); or (2) been an illicit trafficker in, or otherwise involved in the illicit trafficking of, any such controlled substance? YES

19. **Expropriation and Land Reform** (FAA Sec. 620(g)): Will assistance preclude use of financing to compensate owners for expropriated or nationalized property, except to compensate foreign nationals in accordance with a land reform program certified by the President? YES

20. **Police and Prisons** (FAA Sec. 660): Will assistance preclude use of financing to provide training, advice, or any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? YES

21. **CIA Activities** (FAA Sec. 662): Will assistance preclude use of financing for CIA activities? YES

22. **Motor Vehicles** (FAA Sec. 636(i)): Will assistance preclude use of financing for purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained? YES

23. **Export of Nuclear Resources** (FY 1995 Appropriations Act Sec. 506): Will assistance preclude use of financing to finance, except for purposes of nuclear safety, the export of nuclear equipment, fuel, or technology? YES

24. **Publicity, Propaganda and Lobbying** (FY 1997 Appropriations Act Sec. 546; Anti-Lobbying Act, 18 U.S.C. § 1913; Sec. 109(1) of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989, P.L. 100-204): Will assistance be used to support or defeat legislation pending before Congress, to influence in any way the outcome of a political election in the NO

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United States, or for any publicity or propaganda purposes not authorized by Congress?

25. **Commitment of Funds** (FAA Sec. 635(h)): Does a contract or agreement entail a commitment for the expenditure of funds during a period in excess of 5 years from the date of the contract or agreement? NO

26. **Impact on U.S. Jobs** (FY 1997 Appropriations Act, Sec. 538):

a. Will any financial incentive be provided to a business located in the U.S. for the purpose of inducing that business to relocate outside the U.S. in a manner that would likely reduce the number of U.S. employees of that business? NO

b. Will assistance be provided for the purpose of establishing or developing an export processing zone or designated area in which the country's tax, tariff, labor, environment, and safety laws do not apply? If so, has the President determined and certified that such assistance is not likely to cause a loss of jobs within the U.S.? NO

c. Will assistance be provided for a project or activity that contributes to the violation of internationally recognized workers rights, as defined in section 502(a)(4) of the Trade Act of 1974, of workers in the recipient country, or will assistance be for the informal sector, micro or small-scale enterprise, or smallholder agriculture? NO

B. DEVELOPMENT ASSISTANCE ONLY

1. **Agricultural Exports (Bumpers Amendment)** (FY 1997 Appropriations Act Sec. 513(b)), as interpreted by the conference report for the original enactment): If assistance is for agricultural development activities (specifically, any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training), are such activities: (a) specifically and principally designed to increase agricultural exports by the host country to a country other than the United States, where the export would lead to direct competition in that third country with exports of a similar commodity grown or produced in the United States, and can the activities reasonably be expected to cause substantial injury to U.S. exporters of a similar agricultural N/A

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commodity; or (b) in support of research that is intended primarily to benefit U.S. producers?

2. **Recipient Country Contribution** (FAA Secs. 110, 124(d)): Will the recipient country provide at least 25 percent of the costs of the activity with respect to which the assistance is to be furnished or is this cost-sharing requirement being waived for a "relatively least developed" country?

N/A

3. **Forest Degradation** (FAA Sec. 118):

a. Will assistance be used for the procurement or use of logging equipment? If so, does the an environmental assessment indicate that all timber harvesting operations involved will be conducted in an environmentally sound manner and that the proposed activity will produce positive economic benefits and sustainable forest management systems?

N/A

b. Will assistance be used for: (1) actions which will significantly degrade national parks or similar protected areas which contain tropical forests, or introduce exotic plants or animals into such areas; (2) activities which would result in the conversion of forest lands to the rearing of livestock; (3) the construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undergraded forest lands; (4) the colonization of forest lands; or (5) the construction of dams or other water control structures which flood relatively undergraded forest lands? If so, does the environmental assessment indicate that the activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development?

N/A

4. **Deobligation/Reobligation** (FY 1997 Appropriations Act Sec. 510): If deob/reob authority is sought to be exercised under section 510 in the provision of DA assistance, are the funds being obligated for the same general purpose and for countries within the same region as originally obligated, and have the House and Senate Appropriations Committees been properly notified? [Note: Compare to no-year authority under section 511.]

N/A

5. **Capital Assistance** (Jobs Through Export Act of

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1992, Secs. 303 and 306(d)): If assistance is being provided for a capital activity, is the activity developmentally sound and will it measurably alleviate the worst manifestations of poverty or directly promote environmental safety and sustainability at the community level? N/A

6. Loans

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

b. **Long-Range Plans** (FAA Sec. 122(b)): Does the activity give reasonable promise of assisting long-range plans and programs designed to develop economic resources and increase productive capacities? N/A

c. **Interest Rate** (FAA Sec. 122(b)): If development loan is repayable in dollars, is interest rate at least 2 percent per annum during a grace period which is not to exceed ten years, and at least 3 percent per annum thereafter? N/A

d. **Exports to United States** (FAA Sec. 620(d)): If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20 percent of the enterprise's annual production during the life of the loan, or has the requirement to enter into such an agreement been waived by the President because of a national security interest? N/A

7. Planning and Design Considerations. Has agency guidance or the planning and design documentation for the specific activity taken into account the following, as applicable?

a. **Economic Development.** FAA Sec. 101(a) requires that the activity give reasonable promise of contributing to the development of economic resources or to the increase of productive capacities and self-sustaining economic growth. N/A

b. **Special Development Emphases.** FAA Secs. 102(b), 113, 281(a) require that assistance: (1) effectively involve the poor in development by extending access to economy at local level, increasing labor-intensive production and the use of appropriate N/A

technology, dispersing investment from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using appropriate U.S. institutions; (2) encourage democratic private and local governmental institutions; (3) support the self-help efforts of developing countries; (4) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (5) utilize and encourage regional cooperation by developing countries.

N/A

c. Development Objectives. FAA Secs. 102(a), 111, 113, 281(a) require that assistance: (1) effectively involve the poor in development, by expanding access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (2) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (3) support the self-help efforts of developing countries; (4) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (5) utilize and encourage regional cooperation by developing countries?

N/A

d. Agriculture, Rural Development and Nutrition, and Agricultural Research. FAA Secs. 103 and 103A require that: (1) **Rural poor and small farmers:** assistance for agriculture, rural development or nutrition be specifically designed to increase productivity and income of rural poor; and assistance for agricultural research take into account the needs of small farmers and make extensive use of field testing to adapt basic research to local conditions; (2) **Nutrition:** assistance be used in coordination with efforts carried out under FAA Section 104 (Population and Health) to help improve nutrition of the people of developing countries through encouragement of increased production of crops with greater nutritional value; improvement of planning, research, and education with respect to nutrition, particularly with reference to improvement and expanded use of indigenously produced foodstuffs; and the undertaking of pilot or

N/A

demonstration programs explicitly addressing the problem of malnutrition of poor and vulnerable people; (3) **Food security:** assistance increase national food security by improving food policies and management and by strengthening national food reserves, with particular concern for the needs of the poor, through measures encouraging domestic production, building national food reserves, expanding available storage facilities, reducing post harvest food losses, and improving food distribution.

N/A

e. Population and Health. FAA Secs. 104(b) and (c) require that assistance for population or health activities emphasize low-cost, integrated delivery systems for health, nutrition and family planning for the poorest people, with particular attention to the needs of mothers and young children, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems, and other modes of community outreach.

N/A

f. Education and Human Resources Development. FAA Sec. 105 requires that assistance for education, public administration, or human resource development (1) strengthen nonformal education, make formal education more relevant, especially for rural families and urban poor, and strengthen management capability of institutions enabling the poor to participate in development; and (2) provide advanced education and training of people of developing countries in such disciplines as are required for planning and implementation of public and private development activities.

N/A

g. Energy, Private Voluntary Organizations, and Selected Development Activities. FAA Sec. 106 requires that assistance for energy, private voluntary organizations, and selected development problems may be used for (1) data collection and analysis, the training of skilled personnel, research on and development of suitable energy sources, and pilot projects to test new methods of energy production; and facilitative of research on and development and use of small-scale, decentralized, renewable energy sources for rural areas, emphasizing development of energy resources which are environmentally acceptable and require minimum capital investment; (2) technical cooperation and development, especially with U.S. private and voluntary, or regional and international development, organizations; (3) research into, and evaluation of,

N/A

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economic development processes and techniques; (4) reconstruction after natural or manmade disaster and programs of disaster preparedness; (5) special development problems, and to enable proper utilization of infrastructure and related projects funded with earlier U.S. assistance; (6) urban development, especially small, labor-intensive enterprises, marketing systems for small producers, and financial or other institutions to help urban poor participate in economic and social development. N/A

h. Appropriate Technology. FAA Sec. 107 requires that assistance emphasize use of appropriate technology (defined as relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor. N/A

i. Tropical Forests. FAA Sec. 118 and FY 1991 Appropriations Act Sec. 533(c) as referenced in section 532(d) of the FY 1993 Appropriations Act) require that: N/A

(1) **Conservation:** assistance place a high priority on conservation and sustainable management of tropical forests and specifically: (i) stress the importance of conserving and sustainably managing forest resources; (ii) support activities which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and help countries identify and implement alternatives to colonizing forested areas; (iii) support training programs, educational efforts, and the establishment or strengthening of institutions to improve forest management; (iv) help end destructive slash-and-burn agriculture by supporting stable and productive farming practices; (v) help conserve forests which have not yet been degraded by helping to increase production on lands already cleared or degraded; (vi) conserve forested watersheds and rehabilitate those which have been deforested; (vii) support training, research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing; (viii) support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation; (ix) conserve biological diversity in forest areas by supporting efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis, by making the establishment of N/A

protected areas a condition of support for activities involving forest clearance or degradation, and by helping to identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas; (x) seek to increase the awareness of U.S. Government agencies and other donors of the immediate and long-term value of tropical forests; (xi) utilize the resources and abilities of all relevant U.S. government agencies; (xii) be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land; and (xiii) take full account of the environmental impacts of the proposed activities on biological diversity.

(2) **Sustainable Forestry:** assistance relating to tropical forests assist countries in developing a systematic analysis of the appropriate use of their total tropical forest resources, with the goal of developing a national program for sustainable forestry.

N/A

j. **Biological Diversity.** FAA Sec. 119(g) requires that assistance: (i) support training and education efforts which improve the capacity of recipient countries to prevent loss of biological diversity; (ii) be provided under a long-term agreement in which the recipient country agrees to protect ecosystems or other wildlife habitats; (iii) support efforts to identify and survey ecosystems in recipient countries worthy of protection; or (iv) by any direct or indirect means significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas.

N/A

k. **Benefit to Poor Majority.** FAA Sec. 128(b) requires that if the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, it be designed and monitored to ensure that the ultimate beneficiaries are the poor majority.

N/A

l. **Indigenous Needs and Resources.** FAA Sec. 281(b) requires that an activity recognize the particular needs, desires, and capacities of the people of the country; utilize the country's intellectual resources to encourage institutional development; and support civic education and training in skills required for effective participation in governmental and

N/A

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political processes essential to self-government.

m. **Energy.** FY 1991 Appropriations Act Sec. 533(c) as referenced in section 532(d) of the FY 1993 Appropriations Act) requires that assistance relating to energy focus on: (1) end-use energy efficiency, least-cost energy planning, and renewable energy resources, and (2) the key countries where assistance would have the greatest impact on reducing emissions from greenhouse gases. N/A

n. **Debt-for-Nature Exchange.** FAA Sec. 463 requires that assistance which will finance a debt-for-nature exchange (1) support protection of the world's oceans and atmosphere, animal and plant species, or parks and reserves; or (2) promote natural resource management, local conservation programs, conservation training programs, public commitment to conservation, land and ecosystem management, or regenerative approaches in farming, forestry, fishing, and watershed management. N/A

C. ECONOMIC SUPPORT FUND ONLY

1. **Economic and Political Stability** (FAA Sec. 531(a)): Does the design and planning documentation demonstrate that the assistance will promote economic and political stability? To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of Part I of the FAA? YES

2. **Military Purposes** (FAA Sec. 531(e)): Will this assistance be used for military or paramilitary purposes? NO

3. **Commodity Grants/Separate Accounts** (FAA Sec. 609): If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made? (For FY 1997, this provision is superseded by the separate account requirements of FY 1997 Appropriations Act Sec. 532(a), see Sec. 532(a)(5).) N/A

4. **Generation and Use of Local Currencies** (FAA Sec. 531(d)): Will ESF funds made available for commodity import programs or other program assistance be used to generate local currencies? If so, will at least 50 percent of such local currencies be available to support activities consistent with the objectives of FAA sections 103 through 106? (For FY 1997, this NO

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provision is superseded by the separate account requirements of FY 1997 Appropriations Act Sec. 532(a), see Sec. 532(a)(5).)

5. **Capital Activities** (Sec. 306, Jobs Through Exports Act of 1992, P.L. 102-549, 22 U.S.C. 2241a): If assistance is being provided for a capital project, will the project be developmentally-sound and sustainable, i.e., one that is (a) environmentally sustainable, (b) within the financial capacity of the government or recipient to maintain from its own resources, and (c) responsive to a significant development priority initiated by the country to which assistance is being provided.

N/A

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CONGRESSIONAL NOTIFICATION

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JUL 10 1997

**UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
ADVICE OF PROGRAM CHANGE**

COUNTRY : El Salvador

Project Title : Land Parcelization Program

Project Number : 519-0444

FY 1997 CD Reference : None

Appropriation Category : Economic Support Funds (ESF)

Life-of-Project Funding : \$6,600,000 (ESF)

Intended FY 1997 obligation : \$1,500,000 (ESF)

This is to advise that USAID intends to obligate \$1,500,000 of Economic Support Funds (ESF), for the Land Parcelization Program in El Salvador. The total life-of-project obligation will be \$6,600,000. A Congressional Notification is required because this is a new activity. The project will be managed by USAID/El Salvador, in the Bureau for Latin America and the Caribbean.

The purpose of the project is to parcel jointly held land and provide individual land titles to beneficiaries of the Salvadoran Peace Accords-mandated Land Transfer Program, and to strengthen Salvadoran NGO capacity to carry out parcelization and land measurement activities.

Annex: Activity Data Sheet

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UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
ACTIVITY DATA SHEET

PROGRAM: El Salvador

CP 81-05 (4-85)

TITLE Land Parcelization Program		FUNDING SOURCE Economic Support Funds & Development Assistance	PROPOSED OBLIGATION (in thousands of dollars)		
			FY 1997 1,500 OMT	LIFE OF PROJECT (Auth.) \$6,600	
ORDER <input checked="" type="checkbox"/> 119-0440 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input type="checkbox"/> CONTINUING <input type="checkbox"/>	PRIOR REFERENCE None	INITIAL OBLIGATION FY 1997	ESTIMATED FINAL OBLIGATION FY 1999	ESTIMATED COMPLETION DATE OF PROJECT FY 2001

Purpose: To parcel jointly held land and provide individual land titles to beneficiaries of the Salvadoran Peace Accords-mandated Land Transfer Program, and to strengthen Salvadoran NGO capacity to carry out parcelization and land measurement activities.

Background: USAID/El Salvador has invested more than \$60 million in land-related activities under the Peace Accords Land Transfer Program (LTP) for 25,000 ex-combatants and squatters. Land transfer, however, is only the first step in promoting site occupancy of new residents and, hence, land productivity. The common title ("proindiviso") used for the LTP is a temporary title form, requiring all members holding a given common title to decide among themselves, usually within a five-year period, how the land they hold jointly is to be divided and used. While the common title is active, individual members have no security to derive benefit from the land, no sense of individual ownership, no access to formal credit lines that require clear title as collateral and, hence, no economic incentive to make capital investments in land that they may not retain in the future. Thus, the common title is a serious obstacle for LTP beneficiaries to productively utilize the land and a long-term threat to the economic reintegration of ex-combatants.

Description: CARE and three local NGOs will provide, in conjunction with the Government of El Salvador, parcelization services to LTP beneficiaries to develop a plan for land use and ownership. They will then measure individual and fixed tenure plots for retitling and individual title delivery. CARE will also provide the local NGOs with training, technical assistance and equipment (including surveying equipment, computers and vehicles) to make them effective providers of land measurement, parceling and registration services. This activity is a continuation of support to land parcelization initiated under USAID/El Salvador's National Reconstruction Program (519-0394). With secure title in hand, land holders will be better able to obtain credit so that land can be put to productive use.

Relationship of Activity to USAID Strategy: The Land Parcelization Program contributes directly to the Mission's Strategic Objective of Expanded Access and Economic Opportunity for El Salvador's rural poor through improved use of land.

Beneficiaries: Approximately 19,000 LTP families will benefit directly, and the entire country will indirectly benefit from greater tenure and title security.

Host Country and Other Donors: The GOES, through the Instituto for Liberty and Progress (ILP) and the Office for Coordination of Agrarian Affairs (OCA) will be partners with CARE in coordinated implementation of this activity. The GOES deems this a priority activity and will contribute \$8 million in local currency to support it. The European Union is also engaged in parcelization in Usulután Department.

Results: The dissolution of the temporary, common titles will provide 19,000 families (or roughly 115,100 people) LTP beneficiaries with secure ownership and land titles, and economic incentives to both make more productive their use of the land and manage it as a long-term natural resource that must be husbanded if it is to be sustained. Within two years of receipt of individual title, the beneficiaries will have increased the area of crop under cultivation by 250, measured against the baseline of the 1994 LTP farm census. The above will ensure the full reintegration into civil society of ex-combatant and displaced populations. The resolution of the proindiviso problem will allow 10% of the arable land of the country to be put back into productive use which will significantly improve economic conditions in the rural areas.

U.S. MEMBERS (in thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligation	Exp. Accr. J	Reobligation J	
Through September 30, 1995	0	0	0	CARE, an international NGO
Entire fiscal year 1996	0	0	0	
Entire fiscal year through September 30, 1996	0	0	0	
		Balance Year Obligation	Estimated Final Obligation	
Through Fiscal Year 1997	1,500	2,200	3,000,000	



Agency for International Development
 United States of America A.I.D.
 c/o American Embassy
 San Salvador, El Salvador, C.A.

SO#4 Environment Office

CATEGORICAL EXCLUSION OF INITIAL ENVIRONMENTAL EXAMINATION

Activity Location:	El Salvador
Activity title:	Land Parcelization Program
Project Number:	519-0444
Funding:	\$6,600,000 (LOP)
PACD:	September 30, 2001
IEE Prepared BY:	Peter H. Gore Environmental Officer USAID/El Salvador
Recommended Threshold Decision:	Categorical Exclusion
Mission Threshold Decision:	Concur with Recommendation
Date Prepared:	July 31, 1997


 Kenneth C. Ellis
 Mission Director


 Date

CATEGORICAL EXCLUSION OF INITIAL ENVIRONMENTAL EXAMINATION

Land Parcelization Program

(519-0444)

Background

Although the resulting Land Transfer Program (LTP) supported under the Peace and National Reconstruction Project (519-0394) has made great strides in achieving more equitable land distribution, many tenancy problems remains which threaten the long-term benefits of the Program.

One of the most significant problems that presently confronts the LTP is that titling has been done in a pro-indiviso (common or joint title) basis rather than by individuals titling, thereby severely restricting beneficiary use of his/her property. The common title (proindiviso) used for the LTP is a temporary title form, requiring all members holding a given common title to decide among themselves, usually within a five year period, how the land they hold jointly is to be divided and used.

While the common title is active, individual members have no security of usufruct of the land, no sense of individual ownership, no access to formal credit lines that require clear titles as collateral, and hence no economic incentives to make capital investments in land that they may not retain in the future. Thus, the common title is a serious obstacle for LTP beneficiaries to productively utilize the land, and a long term threat to the economic reintegration of excombatants.

As stated in the August 1996 Evaluation of the Special Strategic Objective - Transition from War to Peace - "The pro-indiviso titles issued to land transfer recipients are now a major impediment to increased investment on these properties. Until the conversion to individual ownership has been completed, production will be minimal and incomes of the beneficiaries will stagnate." Therefore, "the need to legally divide and register the majority of the land transferred is a clear priority."

Although the provision of individual titles will not assure increased production for LTP beneficiaries, it is a crucial first step. The 519-0444 activity is to parcel jointly held land and provide individual land titles to beneficiaries of the Salvadoran LTP, and to strengthen Salvadoran NGO capacity to carry out parcelization and land measurement activities.

I. Activity Description

The proposed activity has two objectives: (1) to provide individual land titles to LTP beneficiaries and (2) to develop the local institutional capacity to carry out the parcelization of jointly held land after the PACD of the Activity.

This activity will provide LTP beneficiaries with a sense of security of land ownership, and economic incentives both to make more productive their use of the land and to manage it as a long-term natural resource that must be husbanded if its use is to be sustained.

The proposed activity is a continuation of support to the land parcelization initiated under USAID/El Salvador's National Reconstruction Program (519-0394). The previous activity carried out a pilot project on 29 LTP properties to identify and test how the common title problem could be resolved.

This new activity will contribute to improving the productivity and incomes of LTP beneficiaries and lay the foundation for a viable land market so that small poor farmers can effectively participate in the market-driven demand for land. The activity will also contribute to the full reintegration of excombatants and displaced persons.

II. Recommendation

Since the actions contemplated under this activity will not have an effect on the natural or physical environment, this activity qualifies for a Categorical Exclusion of Initial Environmental Examination under Section 216.2(c)(2)(i), "Education, technical assistance, or training programs..." and (iii) "Analyses, studies, academic or research workshops and meetings," of 22CFR.

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TIME LINE OF KEY EVENTS: LAND PARCELIZATION PROGRAM/PROSEGUIR

- GRANT AGREEMENT SIGNED BY CARE & USAID 08/97
- GOES/ILP ACTION PLAN APPROVED BY USAID 08/97
- USAID OBLIGATION OF 1.5 MILLION UNDER
519-0444 09/97
- ASSESSMENT BY USAID AND GOES TO ONGS ABOUT
PURPOSE, STRATEGY & INDICATORS 08/97
- INITIAL CONSULTATION PROCESS BETWEEN GOES
& ONGS FINISHED TO PREPARE ACTION PLAN FOR
YEAR ONE. 08/97
- ELABORATION OF YEAR ONE ACTION PLAN FOR
PROSEGUIR PRJ. 09/97
- AUTHORIZATION OF ACTION PLAN BY USAID 09/97
- SCREENING AND REVIEW OF CHART BY PROCESS
AS WELL AS WORKING METHODOLOGY AND PROCEDURES
TO BE IMPLEMENTED. 09-10/97
- ELABORATION AND SIGNING OF UNDERSTANDING
AGREEMENT BETWEEN ONGS 09/97
- RECEPTION OF VEHICLES AND EQUIPMENT TO BE
USED FOR THE IMPLEMENTATION PHASE. 09/97
- INITIATION BY ONGS OF THE TRAINING AND T.A.
PHASE TO BE PROVIDED BY CARE. 10/97
- INITIATION OF PROMOTION PHASE OF THE PROGRAM
BY ONGS & GOES/ILP 09/97
- NGOS ENGINEERING GRADUATED IN GPS TECHNIC FOR
LAND MEASUREMENT. 01/98
- DELIVERY OF TITLES TO LAND OWNERS AT LEAST 30%
OF FIRST YEAR TARGET. 06/98
- FIRST EVALUATION OF ACHIEVEMENT OF PROGRAM
OBJECTIVES. 03/98

LIST OF RECENT INTERVIEWS WITH PARTNERS AND CUSTOMERS

- COMISIONADO PRESIDENCIAL PARA EL SECTOR AGROPECUARIO
Lic.Carlos Mejía Alferez
- COMISIONADO PRESIDENCIAL PARA LOS ACUERDOS DE PAZ
Gral.Mauricio Vargas.
- BANCO CENTRAL DE RESERVA DE EL SALVADOR
Lic.Carmen Elena de Aleman, Ing. Roberto O. Milla,
Lic.Gino Betaglio, Lic.Antonio Leiva & Lic.Walter Palacios
- MINISTERIO DE AGRICULTURA Y GANADERIA
Ex-Ministro Oscar Gutierrez, Lic.Salvador Urrutia,
Ing.Rafael Henríquez, Lic.Rene Ruiz, Vice Ministra Vilma de
Orellana.
- VICE MINISTRO DE VIVIENDA Y DIRECTOR PRESIDENTE DE ILP y
DIRECTOR EJECUTIVO DE ILP.
Lic.Hans Bodewing e Ing. Jose Francisco Mendoza.
- PRESIDENTE Y GERENTE DEL BANCO DE TIERRAS
Lic.José E.Mancia & Lic.Pedro Armengol
- PRESIDENTE DE ISTA
Lic.José Pacas
- REPRESENTANTE DE ONUV
Carlos Ortega
- REPRESENTANTES DE ONGS: CARE, CORDES, FUNDESA, REDES, PROESA
T.Rosemberg, RCallejas, HFlores, GJovel/VRios,
Orios/WFunes, MGalindo/SMedina.
- REPRESENTANTE DE LA COMUNIDAD ECONOMICA EUROPEA
Ing.Adolfo Escobar
- DIRECTOR GENERAL DEL CENTRO NACIONAL DEL REGISTRO DE LA
PROPIEDAD RAIZ E HIPOTECAS.
Lic. Silverio Henríquez, Lic.Cecilia Silys y Lic.Marta Lidia
Castillo.
- DIRECTOR DE LA OFICINA COORDINADORA DEL TEMA AGRARIO
Ing.Raul Gochez.
- MINISTERIO DE RELACIONES EXTERIORES/SECRETARIA TECNICA DEL
FINANCIAMIENTO EXTERNO
Lic.Jose Mauro Iraheta, Lic.Celina López
- MINISTERIO DE HACIENDA
Lic.Jose Armas Reyes, Lic.Salvador Sanabria.
- INSTITUTO LIBERTAD Y PROGRESO
Lic.Reina de Cuestas. y Dr.Felix Orellana.
- BENEFICIARIOS DEL PROGRAMA DE TRANSFERENCIA DE TIERRAS
- MGMT.SYSTEM INTERNATIONA-EVALUATION TEAM 0394
- ANTRAPETT-Sr.Carlos M. Castro C. & Sr.Orlando Arévalo
- OXFAM(U.K. & IRELAND), Galio C. Gurdian

FEASIBILITY ANALYSES

The studies and documentation utilized for the design of the Land Parcelization Program are:

- ASSISTANCE TO THE TRANSITION FROM WAR TO PEACE
Evaluation of USAID/El Salvador SSO Prj.519-0394, August/96
- CHAPULTEPEC AGREEMENT-Junio 1/89
- UNITED NATIONS-EXECUTION OF PEACE ACCORDS IN EL SALVADOR,
ADDITIONAL AGREEMENTS AND OTHER IMPORTANT DOCUMENTS.
- OCTA'S FIRST, SECOND AND THIRD CENSUS OF PTT PROPERTIES.
- INSTITUTO OF LATIN AMERICAN STUDIES (IDELA): EL SALVADOR-
PEACE NEGOTIATIONS AND POST-WAR CHALLENGE (Ricardo Cordova
Mancias)
- THE AGRARIAN DEBT DISCUSSION: Decreet 699 & 698, FORGIVENESS
AND ECONOMIC REPERCUSSIONS (Hugo Ramos/Apr29-97-CRECER).
- AN ANALYSIS OF PROPOSALS TO CONSOLIDATE DEBTS AND ALLOW
BENEFICIARIES TO DECIDE ON LAND OWNERSHIP AND PRODUCTION IN
LAND REFORM PROJECTS IN EL SALVADOR-John Strasma June 1990.
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Technical Report No.136/Abt Associates Inc. Sept./93
- EL SALVADOR AGRICULTURAL POLICY ANALYSIS LAND TENURE STUDY-
APAP II TECHNICAL REPORT No.133/Abt Associated Inc. Sept./93
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EXPANDING ACCESS AND ECONOMIC OPPORTUNITY FOR EL SALVADOR'S
POOR RURAL FAMILIES. Amalia M. Alberti, San Salvador, May
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- IMPACT SURVEY OF NATIONAL RECONSTRUCTION PROGRAM OUTCOME
No.1 STRATEGIC OBJECTIVE. Daniel Carr and Associates
- IMPACT EVALUATION OF EX-COMBATANT REINTEGRATION IN EL SALVADOR
CREATIVE ASSOCIATE INTL. INC. (CREA)
- INSTITUTO LIBERTAD Y PROGRESO-PROPOSAL FOR THE
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