

EL SALVADOR
ECONOMIC SUPPORT FUND
BALANCE OF PAYMENTS
SUPPORT PROGRAM
INFORMATION BOOKLET

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INTRODUCTION

INTRODUCTION

The Balance of Payments Support Program (BOPS) in El Salvador has been in effect since 1980 and as of August 1987 has provided El Salvador with \$742 million in Grants.

Since its inception, the program has consisted of Projects 519-0267, 519-0310, 519-0328 and 519-0345. Project 519-0267 provided \$405 million; Project 519-0310 has provided \$190 million; Project 519-0328 provided \$117 million; and Project 519-0345 is currently to provide \$30 million.

Commencing with Project 519-0310 in June of 1985, a Separate Account was established to manage the BOPS funds.

The funds are provided to the Government of El Salvador (GOES) which in turn provides an equivalent amount of local currency for uses mutually agreed upon by GOES and the United States Agency for International Development (USAID).

The dollars provided GOES thru this program are made available to the Private Sector to provide foreign exchange for the importation of products within specified product categories and economic sub-sectors.

As part of the control measures to ensure proper utilization of this foreign exchange resource, the Central Bank (BCR) has instituted a Price Verification Unit (PCU). Transactions are now independently selected via an automated selection process and reviewed for pricing

integrity by the PCU department of the BCR. This department has 14 full time professionals who currently review 100% of all transactions to be provided foreign exchange from ESF BOPS Program funds.

In addition, USAID/El Salvador conducts an eligibility review of all transactions funded through Balance of Payments Support Projects. Independent price verifications are also performed on a selected sample of transactions funded by these projects after April 1984.

The implementation of the Balance of Payments Support Program is managed by the Private Enterprise Office. The Program is coordinated at the USAID Mission level by the Balance of Payments Support Committee. Tucker and Associates Inc., using IFC Ltd. personnel provides technical assistance to the Central Bank Price Verification Unit and conducts the eligibility review and independent price verification for USAID.

**ECONOMIC SUPPORT FUND
ISSUES AND ANSWERS**

THE FOLLOWING ARE THE QUESTIONS MOST COMMONLY
ASKED REGARDING THE ESF BALANCE OF PAYMENTS
SUPPORT PROGRAM IN EL SALVADOR AND THE ESF PROGRAM
IN GENERAL.

BOTH THE PRICE CHECKING AND THE SEPARATE ACCOUNT
ASPECTS OF THE PROGRAM ARE TREATED.

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- HOW MUCH WAS DISBURSED UNDER THE MOST RECENT PROGRAM (519-0328)? \$ 117 MILLION.
- HOW MUCH WAS DISBURSED SINCE THE PROGRAM BEGAN (519-0267, 519-0310, & 519-0328)? \$ 712 MILLION.
- WERE ESF DOLLARS DISBURSED UNDER THE PROGRAM (519-0310 & 519-0328) COMINGLED WITH THE CENTRAL RESERVE BANK'S FUNDS? NO. THEY WERE PLACED IN A SEPARATE ACCOUNT ESTABLISHED FOR THIS PROGRAM.
- WHERE WAS THE SEPARATE ACCOUNT MAINTAINED? FOUR SEPARATE ACCOUNTS WERE ESTABLISHED BY THE CENTRAL BANK. THEY WERE LOCATED AT THE CAPITAL BANK, CITIZENS & SOUTHERN INTERNATIONAL BANK, NATIONAL BANK OF GEORGIA AND MANUFACTURERS HANOVER TRUST CO.
- WERE FUNDS IN THE SEPARATE ACCOUNT EARNING INTEREST? YES. WHILE AWAITING DISBURSEMENT, FUNDS IN THE ACCOUNT EARNED INTEREST WHICH IN TURN WAS DEPOSITED IN THE SEPARATE ACCOUNT. AS OF JULY 31, 1987, \$3,410,686.10 HAD BEEN EARNED AND DEPOSITED TO THE SEPARATE ACCOUNT.
- WHAT PERCENTAGE OF TOTAL IMPORTS TO EL SALVADOR WERE FINANCED VIA THE ESF PROGRAMS (519-0267 & 519-0310) FROM 1981 TO 1986? 10.5%.
- WHAT SUB-SECTORS OF THE ECONOMY ARE ELIGIBLE UNDER THE ESF PROGRAM?
- MANUFACTURING
 - AGRICULTURAL
 - AGRO-INDUSTRIAL
 - COMMERCIAL
 - CONSTRUCTION
 - TRANSPORTATION
 - COMMUNICATIONS
 - ENERGY
- WHAT CATEGORIES OF PRODUCTS ARE ELIGIBLE UNDER THE ESF PROGRAM?
- RAW MATERIALS
 - INTERMEDIATE GOODS
 - SPARE PARTS
 - AGRICULTURAL INPUTS
 - CAPITAL GOODS
 - CRUDE PETROLEUM AND ITS DERIVATES.

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WHAT WERE THE ESF DOLLAR FUNDS
USED FOR FROM 1981 TO 1986 (PROGRAMS
519-0267 & 519-0310)?

| | |
|---------------------|--------|
| AGRICULTURAL INPUTS | 6.50% |
| CAPITAL GOODS | 4.40% |
| SPARE PARTS | 8.80% |
| INTERMEDIATE GOODS | 41.50% |
| RAW MATERIAL | 14.60% |
| PETROLEUM | 24.05% |

WHAT COUNTRIES WERE THE LARGEST
RECIPIENTS OF THE ESF DOLLAR
ATTRIBUTED FUNDS FOR PROGRAMS
(519-0267 & 519-0310)?

| | |
|-----------------------------|--------|
| UNITED STATES & POSSESSIONS | 66.20% |
| VENEZUELA | 14.60% |
| MEXICO | 8.20% |
| GUATEMALA | 6.50% |
| COSTA RICA | 3.50% |
| HONDURAS | 0.80% |
| PANAMA | 0.10% |

WHAT PERCENTAGE OF TOTAL U.S.
IMPORTS TO EL SALVADOR WERE FUNDED
WITH ESF DOLLARS (PROGRAMS 519-0267
& 519-0310) BETWEEN 1981 AND 1986?

APPROXIMATELY 21% OF TOTAL U.S.
IMPORTS TO EL SALVADOR WERE PAID
FOR WITH ESF FUNDS.

AT WHAT RATE ARE THE ESF DOLLARS
CONVERTED TO LOCAL CURRENCY?

THE HIGHEST OFFICIAL RATE OF
EXCHANGE OR THE HIGHEST RATE OF
ALLOWABLE BY LAW THAT IS APPLICABLE
TO ANY PERSON, INSTITUTION OR
GOVERNMENT ENTITY, WHICHEVER IS
HIGHER. UNTIL 1985 THIS WAS 2.5
COLONES TO 1 DOLLAR. IN
1986, THE NEW UNIFIED RATE OF 5
COLONES TO 1 DOLLAR APPLIED. IN
ADDITION AT FINAL ATTRIBUTION, AN
ADJUSTMENT IS MADE TO REFLECT THE
ACTUAL COST TO THE IMPORTER AT THE
TIME THAT THE DOLLARS WERE SOLD TO
IMPORTER BY THE CENTRAL BANK. TO
DATE, NO ADJUSTMENTS HAVE BEEN
REQUIRED.

HOW MUCH LOCAL CURRENCY WAS
MADE AVAILABLE BY GOES FOR JOINT
GOES/US PROGRAMMING AS A RESULT
OF THE ESF PROGRAMS (519-0267,
519-0310 & 519-0328).

2,072,500,000 COLONES.

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DO ESF CASH TRANSFERS GENERATE
LOCAL CURRENCY FOR JOINT
PROGRAMMING BY USAID & GOES?

NO. THE ESF CASH TRANSFER IS A
GRANT AND DOES NOT GENERATE LOCAL
CURRENCY. UNDER AN AGREEMENT WITH
USAID, GOES AGREES TO MAKE
AVAILABLE A CERTAIN QUANTITY OF
LOCAL CURRENCY FROM ITS OWN
RESOURCES FOR JOINT PROGRAMMING
PURPOSES. IN THE PAST, THE AMOUNT
OF LOCAL CURRENCY PROVIDED BY GOES
HAS ALWAYS BEEN EQUIVALENT TO THE
AMOUNT OF DOLLARS PROVIDED UNDER
THE CASH TRANSFER PROGRAM. IN
ADDITION, THE TERMINOLOGY
"GENERATED" MIGHT IMPLY THAT LOCAL
CURRENCY WERE TO BE CREATED. UNDER
CERTAIN CIRCUMSTANCES IT IS
POSSIBLE FOR A BALANCE OF PAYMENTS
CASH TRANSFER TO BE MADE WITHOUT
THE NEED FOR LOCAL CURRENCY TO BE
SET ASIDE OR FOR SOME
DISPROPORTIONATE AMOUNT OF LOCAL
CURRENCY TO BE SET ASIDE.

IS THE LOCAL CURRENCY PROVIDED BY
GOES AS A RESULT OF AN ESF
AGREEMENT MANAGED THRU A SEPARATE
ACCOUNT?

YES. THE LOCAL CURRENCY SEPARATE
ACCOUNT IS MAINTAINED AT THE
CENTRAL RESERVE BANK.

DOES THE LOCAL CURRENCY SEPARATE
ACCOUNT EARN INTEREST?

NO.

WHO MANAGES THE LOCAL CURRENCY
ACCOUNT?

GOES MANAGES THE ACCOUNT THRU
A UNIT OF THE MINISTRY OF PLANNING
KNOWN AS SETEFE.

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WHAT WERE THE USES OF THE LOCAL CURRENCY GENERATED FROM ESF PROGRAMS (519-0267 & 519-0310)?

- 1) ECONOMIC STABILIZATION PROJECTS SUCH AS:
 - DEVELOPMENT OF A NATIONAL PLAN
 - GENERATION OF EMPLOYMENT
 - RESTORATION OF PUBLIC SERVICES
 - ORDINARY BUDGET SUPPORT
 - INSTITUTIONAL SUPPORT AND
 - WORKING CAPITAL
- 2) ECONOMIC RECOVERY PROGRAMS SUCH AS:
 - COUNTERPART FUNDS TO OTHER FOREIGN DONORS.
 - CREDIT LINES TO SUPPORT THE PRIVATE SECTOR.
- 3) TO BROADEN THE BENEFITS OF GROWTH IN THE AREA OF HOUSING.
- 4) TO PROVIDE FOR DEMOCRATIC INITIATIVE PROGRAMS.
- 5) GOES-AID TRUST FUND.

WHAT IS THE BASIC PURPOSE OF A PRICE CHECKING UNIT?

TO ENSURE PROPER ALLOCATION OF LIMITED FOREIGN EXCHANGE RESOURCES. CAPITAL FLIGHT IS ONLY ONE MANIFESTATION OF THE MISUSE OF FOREIGN EXCHANGE RESOURCES.

HAS THE CENTRAL RESERVE BANK OF EL SALVADOR ESTABLISHED A DEPARTMENT TO UNDERTAKE PRICE VERIFICATION OF TRANSACTIONS FOR THE PURPOSE OF DETECTING ANY ATTEMPTS AT OVERVALUATION OF IMPORTS OR OR UNDERVALUATION OF EXPORTS?

YES.

WHEN WAS THE UNIT CREATED?

1983.

DOES THE UNIT HAVE SUFFICIENT AUTONOMY?

YES. THE UNIT REPORTS TO THE OFFICE THE PRESIDENT AND EXISTS AS A DEPARTMENT INDEPENDENT OF THE FOREIGN EXCHANGE CONTROL DEPARTMENT.

HOW MANY PROFESSIONALS ARE EMPLOYED BY THE PRICE VERIFICATION DEPARTMENT ON A FULL TIME BASIS?

FOURTEEN:
1 MANAGER
11 PROFESSIONALS/TECHNICIANS
2 CLERICAL

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HOW ARE TRANSACTIONS SELECTED FOR PRICE VERIFICATION?

SINCE JULY OF 1985, TRANSACTIONS WERE SELECTED BY A COMPUTER ON THE BASIS OF PRE-DEFINED CRITERIA. THE COMPUTER ALSO PREPARES A LIST OF ALL TRANSACTIONS SELECTED FOR PRICE VERIFICATION BUT NOT FORWARDED TO THE PRICE VERIFICATION DEPARTMENT FOR REVIEW.

WHAT ARE THE BCR CRITERIA FOR SELECTING TRANSACTIONS FOR PRICE CHECKING?

THERE ARE EXCLUSIONARY AND INCLUSIONARY CRITERIA. THE EXCLUSIONARY CRITERIA INCLUDE THOSE TRANSACTIONS:

1. NOT INVOLVING THE NEED FOR FOREIGN EXCHANGE FROM THE CENTRAL BANK.
2. INVOLVING PRODUCTS TRADED BY GOVERNMENT AGENCIES THROUGH THE SYSTEM OF PUBLISHED INTERNATIONAL BIDS.
3. CONCERNING PRODUCTS INVOLVING INTERNATIONAL TRADE CONVENTIONS.
4. CONCERNING THE IMPORTATION OF PRODUCTS SUBJECT TO CUSTOMS DUTY IN EXCESS OF 100%.
5. CONCERNING PRODUCTS TRADED WITH LOW FREQUENCY AND IN SMALL QUANTITIES WITH VALUES OF LESS THAN \$5,000.00.

THE INCLUSIONARY CRITERIA INCLUDE THOSE TRANSACTIONS:

6. REPRESENTING A SIGNIFICANT VALUE RELATIVE TO THE TOTAL OF IMPORTS AND EXPORTS.
7. INVOLVING USED PRODUCTS.
8. INVOLVING THIRD PARTY INTERMEDIARIES OR PRODUCTS IMPORTED FROM OTHER THAN THEIR COUNTRY OF ORIGIN.
9. INDICATING SUSPECTED FOREIGN EXCHANGE ABUSES AS A RESULT OF THE RELATIONSHIP BETWEEN BUYER AND SELLER.
10. INVOLVING A PRODUCT WHICH INCLUDES AS A PART OF ITS VALUE AN INTANGIBLE ELEMENT COMPOSED OF A PATENT, TRADEMARK, KNOW-HOW, COPYRIGHT OR THE LIKE.

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11. INVOLVING PRODUCTS WITH LOW CUSTOMS DUTY OR THAT AS A RESULT OF AN AMBIGUOUS DESCRIPTION CAN BE CLASSIFIED IN A LOWER THAN PROPER CUSTOMS CLASSIFICATION.
12. INVOLVING PRODUCTS WITH TEMPORARY PRICE VARIATIONS RESULTING FROM SEASONAL, FASHION OR OTHER SUCH CRITERIA.
13. INVOLVING GOVERNMENT ENTITIES AND NON-PROFIT ORGANIZATIONS.
14. MADE BY IMPORTERS AND EXPORTERS WITH A PREVIOUS RECORD OF FOREIGN EXCHANGE ABUSES OR WHO FOR SPECIFIC REASONS ARE SUSPECT OF COMMITTING SUCH OFFENSES.

HOW MANY TRANSACTIONS WERE REVIEWED FOR PRICE VERIFICATION BETWEEN 1983 AND 1986?

61,982 WITH A VALUE OF \$1.54 BILLION SOME 39.96% OF THE TOTAL VALUE OF ALL IMPORTS TO EL SALVADOR DURING THAT PERIOD.

WERE ANY EXCESSES DETECTED?

YES. BETWEEN 1983 AND 1986, OVER \$6.1 MILLION IN OVERVALUATIONS WERE DETECTED.

WHAT IS DONE WITH TRANSACTIONS THAT HAVE BEEN DETERMINED TO HAVE EXCESSES?

IN MOST CASES, THEY ARE REJECTED FROM THE SYSTEM AND DENIED IMPORT APPROVAL. IN SOME CASES, WHEREIN IMPORT APPROVAL HAS ALREADY BEEN GRANTED, THE AMOUNT OF FOREIGN EXCHANGE AUTHORIZED FOR THE TRANSACTION IS LIMITED TO THE AMOUNT VERIFIED AS APPROPRIATE BY THE PRICE VERIFICATION DEPARTMENT. IN ADDITION, A LIST OF VIOLATORS IS PREPARED AND FORWARDED TO THE OFFICE OF THE PRESIDENT FOR ACTION.

WHAT SANCTIONS EXIST FOR PERSONS DETERMINED TO HAVE SUBMITTED OVERVALUED IMPORT OR UNDERVALUED EXPORT REQUESTS?

THE CENTRAL RESERVE BANK MAY DENY IMPORT/EXPORT APPROVALS TO ANYONE WHO HAS BEEN FOUND TO HAVE SUBMITTED THREE CONSECUTIVE OVERVALUED IMPORT/UNDER VALUED EXPORTS REQUESTS. FURTHERMORE, THE BANK MAY LEVY A FINE AGAINST THE IMPORTER/EXPORTER CONCERNED.

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HAVE ANY SUCH SANCTIONS BEEN APPLIED TO DATE?

NO. HOWEVER, THERE HAVE ONLY BEEN TWO OR THREE CASES INVOLVING MULTIPLE PRICING ABUSES.

ARE OVERVALUING AND UNDERVALUING OF INVOICES THE ONLY MEANS FOR THE MISUSE OF FOREIGN EXCHANGE RESOURCES?

NO. OTHER SUCH EXAMPLES ARE QUANTITATIVE AND QUALITATIVE ABUSES.

HAS THERE BEEN A REDUCTION IN PRICING EXCESSES SINCE THE PRICE CHECKING UNIT WAS CREATED?

YES. STATISTICS WOULD INDICATE THAT PRICE EXCESSES DETECTED HAVE DROPPED FROM 83 PER THOUSAND IN 1983 TO 7.4 THOUSAND IN 1986, A DECLINE OF 91%.

ARE THERE ANY OTHER USES FOR THE PRICE CHECKING SYSTEM ONCE FOREIGN EXCHANGE CONTROLS ARE NO LONGER NEEDED?

YES. THE SYSTEM CAN BE OF GREAT SERVICE TO THE CUSTOMS BUREAU. IN ADDITION, THE DATA BASE CAN BE USED BY THE FOREIGN TRADE MINISTRY OR PRIVATE SECTOR IMPORTERS AND EXPORTERS AS A VALUABLE SOURCE OF INFORMATION.

ARE THERE ANY CONTROLS TO ENSURE REPATRIATION OF EXPORT DOLLARS EARNED?

YES. ALL EXPORTS ARE REGISTERED AT THE CENTRAL BANK. THE EXPORTER IS REQUIRED TO REPATRIATE THE DOLLAR EARNINGS WITHIN 90 DAYS FROM THE DATE OF EXPORT. UPON REQUESTING AN EXPORT PERMIT, THE OUTSTANDING BALANCE OF UNREPATRIATED EXPORT EARNINGS IS REVIEWED FOR COMPLIANCE AND IS USED TO DETERMINE WHETHER OR NOT TO APPROVE THE EXPORT PERMIT.

WHAT WAS THE COST INVOLVED IN CONDUCTING THE VERIFICATION OF THE PROPER USAGE OF ESF FUNDS FOR PROGRAMS (519-0267 & 519-0310)?

ONE SEVENTH OF A CENT PER DOLLAR INVESTED IN THE ESF BALANCE OF PAYMENTS SUPPORT PROGRAM.

DID THE REVIEW PRECLUDE THE USE OF ESF FUNDS FOR POTENTIALLY INELIGIBLE IMPORTS?

YES. SOME \$84.39 MILLION IN INELIGIBLE TRANSACTIONS WERE DISCOVERED. THIS EQUATES TO APPROXIMATELY \$92.00 IN POTENTIALLY INELIGIBLE EXPENDITURES FOR EACH DOLLAR SPENT ON THE REVIEW.

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CAN THE PROCEDURES AND SYSTEM IMPLEMENTED IN EL SALVADOR BE DUPLICATED ELSEWHERE?

YES. HOWEVER, IT IS IMPORTANT TO NOTE THAT THE ESTABLISHMENT OF PROCEDURES AND SYSTEM IMPLEMENTATION REQUIRES A CONSIDERABLE COMMITMENT ON THE PART OF BOTH THE LOCAL CENTRAL BANK AND THE USAID MISSION. THE PROCEDURES AND SYSTEMS UTILIZED WILL ALSO VARY AS APPROPRIATE FOR EACH COUNTRY IN THE MANAGEMENT OF THEIR ESF FUNDS. THE SYSTEM ESTABLISHED IN EL SALVADOR WILL WORK IN ALL CASES WHERE FOREIGN EXCHANGE IS CENTRALLY CONTROLLED OR AUCTION SYSTEMS EXIST.

WHAT WAS THE COMMITMENT NECESSARY FOR THE REVIEW OF ESF DOLLARS IN EL SALVADOR?

THE REVIEW CONSUMED SOME 12,500 MAN-HOURS OF WORK EFFORT, 1,658 HOURS OF COMPUTER TIME AND 23 MAGNETIC TAPES OF COMPUTER DATA, 75 COMPUTER PROGRAMS, 190 REPORTS, AND 33,000 PAGES OF PRINTED DATA.

WHAT IS THE ROLE OF THE CENTRAL BANK IN THE ESF BALANCE OF PAYMENTS PROGRAM?

THE CENTRAL BANK MUST PLAY A STRONG ROLE IN THE DEVELOPMENT OF PROCEDURES AND SYSTEMS FOR THE MANAGEMENT OF ESF FUNDS. IT IS IMPORTANT TO NOTE THAT THE APPROPRIATE SYSTEMS MUST BE INTEGRATED INTO THE CENTRAL BANK AND NOT IMPLANTED.

SHOULD CUSTOMS PLAY AN IMPORTANT ROLE IN PRICE CHECKING?

YES. THIS IS THE ONLY RELIABLE WAY TO RELATE THE PHYSICAL ACCURACY WITH THE DOCUMENTATION VALIDATION.

WHAT IS THE DIFFERENCE BETWEEN THE SEPARATE ACCOUNT MECHANISM AND THE ATTRIBUTION METHOD FOR ACCOUNTING FOR ESF DOLLARS?

IN THE SEPARATE ACCOUNT METHOD THERE IS A DIRECT CORRELATION BETWEEN ESF DOLLARS AND SPECIFIC TRANSACTIONS FOR WHICH FUNDS ARE USED. THOUGH TRANSACTIONS ARE REVIEWED AND EQUATED TO ESF SPENDING IN THE ATTRIBUTION METHOD, IT IS NOT POSSIBLE TO MATCH THOSE TRANSACTIONS WITH ACTUAL ESF EXPENDITURES.

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CAN THE SAME RESULTS OF THE SEPARATE ACCOUNT MECHANISM BE ATTAINED BY USING A MACRO APPROACH?

NO. THE MACRO APPROACH IS EVEN LESS APPROPRIATE THAN THE ATTRIBUTION METHOD IN GAINING A CORRELATION BETWEEN ESF DOLLARS AND SPECIFIC TRANSACTIONS FOR WHICH FUNDS ARE USED. IN THE MACRO APPROACH, TOTAL ESF FUNDING IS COMPARED ONLY TO TOTAL IMPORTS WITH NO SPECIFIC ACCOUNTABILITY POSSIBLE.

ARE PUBLIC SECTOR DEBT PAYMENTS A RECOMMENDED END USE FOR THE EXPENDITURE OF ESF BOPS DOLLARS?

THE EL SALVADOR BOPS PROGRAM IS GEARED TO SUPPORT THE PRIVATE SECTOR AND THE PROCEEDS ARE FOR THE DIRECT BENEFIT OF THE PRIVATE SECTOR. IN ADDITION, THE USE OF ESF BOPS DOLLARS FOR DEBT PAYMENT PURPOSES WOULD NOT BE IN CONCORDANCE WITH IMF OBJECTIVES. CURRENTLY, BOPS DOLLARS PAY FOR EXIMBANK, TCIP & IDB FINANCED IMPORTS. HOWEVER, BOPS DOLLARS ARE NOT USED FOR REPAYMENT OF CENTRAL BANK INSTRUMENTS ASSOCIATED WITH THESE OR ANY OTHER SUCH LOANS.

IS THE EL SALVADOR ESF PROGRAM A CASH TRANSFER OR A COMMODITY IMPORT PROGRAM?

WHILE THE ESF PROGRAM IN EL SALVADOR IS TREATED AS A CASH TRANSFER PROGRAM, IT HAS CERTAIN COMPONENTS COMMON TO A COMMODITY IMPORT PROGRAM (CIP). ALL GRANT FUNDS UNDER THE ESF PROGRAM ARE ASSOCIATED WITH SPECIFIC IMPORTS THAT MUST QUALIFY UNDER SPECIFIED CATEGORY & SOURCE REQUIREMENTS. HOWEVER, THE CRITERIA AND PROCEDURES ARE LESS RESTRICTIVE THAN COMMONLY FOUND UNDER A TRADITIONAL COMMODITY IMPORT PROGRAM.

SHOULD ESF BALANCE OF PAYMENTS PROGRAMS BE IN THE FORM OF A LOAN OR GRANT?

GENERALLY, ESF SHOULD BE PROVIDED AS A GRANT SINCE IF ITS PRIMARY OBJECTIVE IS TO IMPROVE A NATION'S BALANCE OF PAYMENTS, IT WOULD FOLLOW THAT A LOAN WOULD ONLY ADD TO ITS EXTERNAL OBLIGATIONS AND THEREBY BE DETRIMENTAL TO ITS LONG TERM BALANCE OF PAYMENTS SITUATION.

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ARE ESF CASH TRANSFER PROGRAMS
ECONOMIC OR POLITICAL INSTRUMENTS?

WHILE ALL FOREIGN ASSISTANCE IS DESIGNED TO SUPPORT SECURITY AND POLITICAL OBJECTIVES, THE ESF PROGRAM IS PRIMARILY AN ECONOMIC INSTRUMENT. AS SUCH, IT FORMS PART OF THE FOREIGN ASSISTANCE PROVIDED A FRIENDLY COUNTRY PURSUANT TO A POLICY DIALOGUE CONDUCTED BY THE UNITED STATES AND THE RECIPIENT. HOWEVER, THE USE OF ESF TO PAY FOR BASE RIGHTS AND IN RECENT YEARS WITH CONDITIONALITY BECOMING MORE ASSOCIATED WITH ESF GRANTS, THE PROGRAM HAS BECOME MUCH MORE POLITICIZED. IN THIS CONTEXT, IT IS IMPORTANT TO REAFFIRM THRU CONDITIONALITY THAT THE RECIPIENT UNDERTAKES THE REQUIRED ECONOMIC MEASURES NECESSARY TO IMPROVE ITS BALANCE OF PAYMENTS POSITION. SUCH CONDITIONALITY SHOULD ONLY BE ECONOMIC IN SCOPE TAKING INTO ACCOUNT THE POLITICAL RESTRICTIONS PRESENT.

HOW LONG SHOULD A BALANCE OF
PAYMENTS CASH TRANSFER PROGRAM
CONTINUE?

ORIGINALLY, CASH TRANSFER PROGRAMS WERE DESIGNED TO BE IMPLEMENTED INFREQUENTLY AND ON AN EMERGENCY BASIS TO PROVIDE A FRIENDLY COUNTRY WITH A READY SOURCE OF CASH TO MEET AN IMMEDIATE FOREIGN EXCHANGE CRISIS IN ITS BALANCE OF PAYMENTS SITUATION. THEORETICALLY, THE CASH TRANSFERS WOULD DECLINE AS OTHER MEASURES WERE TAKEN TO STABILIZE AND STRENGTHEN THE ECONOMY WITH RESPECT TO ITS BALANCE OF PAYMENTS AND FOREIGN EXCHANGE NEEDS. FUNDAMENTAL TO CASH TRANSFERS IS THE PREMISE THAT THE RECIPIENT IS TAKING ALL STEPS POSSIBLE WITHIN ITS ECONOMY TO STABILIZE ITS BALANCE OF PAYMENTS AND GENERATE THE MAXIMUM FOREIGN EXCHANGE EARNINGS. ACCORDINGLY, THERE IS NO SET TIME LIMIT. IN SOME CASES IT IS A ONE-TIME PROGRAM; IN OTHERS IT MAY EXCEED 10 YEARS. HOWEVER, IT SHOULD BE EVALUATED ANNUALLY TO ASSURE THAT IT DOES NOT LOSE SIGHT OF ITS OBJECTIVES AND BECOME A CONVENIENT CRUTCH FOR ARTIFICIALLY SUPPORTING THE ECONOMY. THE MERE INJECTION OF ESF BOPS DOLLARS FOR A PERIOD OF TIME WITHOUT CORRESPONDING CONDITIONALITY TO CHANGE ECONOMIC POLICY THAT LED TO THE INITIAL CRISIS REQUIRING ESF BOPS DOLLARS, WILL ONLY PROLONG THE INEVITABLE OR ELSE REQUIRE A PERMANENT ESF PROGRAM.

SEPARATE ACCOUNT
OPERATING PROCEDURES

OPERATING PROCEDURES
DETAIL

PROCEDIMIENTOS OPERATIVOS PARA LA CUENTA SEPARADA

SEPARATE ACCOUNT OPERATING PROCEDURES

A pesar de que se cree que los procedimientos de Cuenta Separada descritos a continuación están en su mayoría en concordancia con los procedimientos bancarios normales, se obrentiende que será necesario hacer modificaciones periódicas, a fin de mantener estos procedimientos en armonía con las regulaciones bancarias locales. El Banco Central de Reserva de El Salvador notificará al Director de la USAID en El Salvador sobre cualquier cambio propuesto ser incorporado a los procedimientos en una forma expedita. El BCR notificará de los cambios propuestos por escrito. La aceptación de los cambios propuestos será notificada por la Misión junto con una copia de los procedimientos operativos actualizados, en lo aplicable.

Although it is believed that the Separate Account Procedures hereinafter described are, inasmuch as possible, in compliance with normal banking procedures, it is understood that modifications will be required from time to time to keep pace with local operating regulations. The Central Reserve Bank of El Salvador (BCR) will advise the USAID El Salvador Director of any proposed changes such that they may be incorporated into these procedures in a timely manner. The BCR will evidence such proposed changes by letter. Acceptance of the proposed changes will be acknowledged by the Mission together with a revised copy of the Operating Procedures if applicable.

DEPOSITOS EN US DOLARES

I. U.S. DOLLAR DEPOSITS

El Banco Central de Reserva de El Salvador (BCR), solicitará el desembolso a la USAID/El Salvador a través de una carta y un formulario financiero AID-1130-2, indicando los nombres de los bancos comerciales de los Estados Unidos, direcciones, números de cuentas y cantidades a ser depositadas, o depositar dichos fondos en cualquiera de los bancos federales de Reserva. El Banco Central de Reserva de El Salvador (BCR) ha abierto cuentas separadas en varios bancos comerciales de los Estados Unidos para dicho propósito. La solicitud deberá ser dirigida a la Oficina del Contralor de la USAID de El Salvador.

The Central Reserve Bank of El Salvador (BCR) will request disbursement from USAID/El Salvador by submitting a requesting letter with financial form AID 1130-2, indicating the U.S. commercial banks, names, addresses, account numbers, and amounts to be deposited, or that funds be deposited in any of the Federal Reserve Banks. The Central Reserve Bank of El Salvador (BCR) has opened separate accounts in several U.S. Commercial Banks for that purpose. The request will be forwarded to USAID/El Salvador, Office of the Controller.

La Oficina del Contralor de la USAID de El Salvador, al recibo de la solicitud de desembolso del BCR, notificará a AID/Washington vía cable sobre la solicitud de desembolso del BCR y sus detalles.

The USAID/El Salvador's Controllers Office, upon receipt of the BCR disbursement request, will notify AID/Washington via cable of the BCR disbursement request and its specifics.

El BCR deberá enviar evidencia de tal depósito en moneda local a la USAID/El Salvador, durante los cinco (5) días hábiles siguientes al día en que se realizó el depósito en moneda local.

La Oficina del Contralor de la USAID/El Salvador deberá proporcionar una fotocopia de la nota del BCR y de la evidencia del pago a la Oficina de Planificación y Programación para el Desarrollo (DPPO) durante los dos (2) días hábiles siguientes a la notificación del BCR.

El BCR mantendrá cuentas separadas en moneda local para cada Convenio o Enmienda suscrito bajo el Programa de Apoyo a la Balanza de Pagos.

III. RESERVACION DE FONDOS DE CUENTAS SEPARADAS

El BCR podrá reservar fondos de las cuentas separadas para pagar las transacciones de importación, elegibles bajo el programa, siempre y cuando se tenga la documentación abajo mencionada en los archivos del Departamento del Exterior:

- a) F-10 autorizado o su equivalente.
- b) F-10 debidamente sellado por la Unidad de Control de Precios para evidenciar la verificación de precios.
- c) F-15 aprobado por el BCR (no es necesario para transacciones de crédito de proveedores), y
- d) Solicitud de apertura de Carta de Crédito, en lo aplicable.

IV. REEMBOLSOS

Para todas las transacciones que cumplan con los criterios de elegibilidad para ser financiadas a través del Programa de Apoyo a la Balanza de Pagos, pero que éstas ya hayan sido pagadas con otros recursos diferentes a los fondos ESF, por los bancos comerciales o por el BCR, el BCR podrá hacer reembolsos de las Cuentas Separadas de acuerdo con los siguientes procedimientos:

The BCR must send evidence of such local currency deposit to USAID/El Salvador within five (5) working days from the day of the local currency deposit.

The USAID/El Salvador's Controllers Office must provide a photocopy of the BCR's note and evidence of payment to the USAID/El Salvador Development, Planning and Programming Office (DPPO) within two (2) working days of being so notified by the BCR.

The BCR will keep separate local currency accounts for each Agreement signed under the Balance of Payments Support Program.

III. RESERVATION OF SEPARATE ACCOUNT FUNDS

The BCR may reserve funds from the separate accounts to pay for import transactions, eligible under the program, as long as it has the following documentation in its files at the Exterior Department:

- a) Authorized F-10 (or its equivalent).
- b) F-10 properly stamped by the Price Checking Unit to evidence price verification as required.
- c) F-15 approved by the BCR (not necessary for suppliers credit transactions), and
- d) Request for Letter of Credit opening, if applicable.

IV. REIMBURSEMENTS

For all transactions meeting the eligibility criteria for funding through the Balance of Payments Support Program, but which have already been paid from other than ESF funds by the local commercial banks or the BCR, the BCR will be able to make reimbursement from the separate accounts under the following procedures:

Las transacciones que cumplan con los criterios de elegibilidad de la Cuenta Separada y para las cuales los bancos comerciales salvadoreños deseen reembolso, deberán ser remitidas al Departamento del Exterior del BCR. Tal documentación consistirá al menos en lo siguiente:

a) PARA TRANSACCIONES DE CARTAS DE CREDITO

- (1) Copia del F-10 aprobado o su equivalente.
- (2) Copia del F-15 aprobado o su equivalente.
- (3) Copia de la Carta de Crédito debidamente aprobada.
- (4) Copia de la factura comercial.
- (5) Copia de los documentos de embarque. Ej.: Conocimiento de Embarque, Guía Aérea, etc.)
- (6) Copia del Certificado de Importación (Póliza).
- (7) Evidencia del pago al exportador (Ej.: notificación del cargo del banco corresponsal).
- (8) Evidencia que las divisas fueron vendidas al importador y el costo total de la moneda local de tales divisas.
- (9) Evidencia que la verificación de precios se llevo a cabo.

b) PARA CREDITO DE PROVEEDORES (COBRANZAS)

- (1) Copia del F-10 aprobado o su equivalente.
- (2) Copia del F-15 aprobado o su equivalente.
- (3) Copia de la Factura Comercial.

1. Documentation for each transaction meeting Separate Account eligibility criteria, for which the Salvadoran commercial bank desires to be reimbursed will be forwarded to the BCR Exterior Department. Such documentation will consist of as a minimum the following:

a) FOR LETTER OF CREDIT TRANSACTIONS

- (1) Copy of approved F-10 or its equivalent.
- (2) Copy of approved F-15 or its equivalent.
- (3) Copy of approved Letter of Credit.
- (4) Copy of commercial invoice.
- (5) Copy of shipping documents (i.e. Airway bill, bill of lading, etc.)
- (6) Copy of Import Certificate (Póliza)
- (7) Evidence of payment to exporter (i.e. correspondent bank debit notification).
- (8) Evidence that foreign exchange was sold to the importer and the total local currency cost for such foreign exchange.
- (9) Evidence that Price Verification has occurred.

b) FOR SUPPLIER'S CREDIT

- (1) Copy of approved F-10 or its equivalent.
- (2) Copy of approved F-15 or its equivalent.
- (3) Copy of Commercial Invoice.

- (4) Copia de los documentos de embarque (ej.: Guía aérea, Conocimiento de Embarque, etc.)
- (5) Copia del Certificado de Importación (Póliza).
- (6) Evidencia de pago al exportador. (Ej.: Copia del cheque cancelado, transferencia cablegráfica, etc.)
- (7) Evidencia que la verificación de precios se llevó a cabo.
- (8) Evidencia de la venta de las divisas al importador y el costo total en moneda local de las divisas.

- (4) Copy of shipping documents (i.e. Airway bill, bill of lading, etc.)
- (5) Copy of Import Certificate (Póliza).
- (6) Evidence of payment to exporter (i.e. copy of cancelled check, wire transfer, etc.).
- (7) Evidence that Price Verification has occurred.
- (8) Evidence that foreign exchange was sold to the importer and the total local currency cost for such foreign exchange.

2. El Departamento del Exterior del BCR verificará que todos los documentos estén completos, que cumplan con los criterios de elegibilidad del Convenio de Donación y que haya sido verificado por la Unidad de Control de Precios del BCR.

2. The BCR Exterior Department will verify that all documentation is present, meets the Grant Agreement eligibility criteria and has been verified by the BCR Price Checking Unit.

3. El Departamento del Exterior del BCR pagará a su propia cuenta o a la del banco comercial, según lo aplicable, la cantidad en US dólares de la transacción total de la cuenta separada vía cheque bancario, transferencia cablegráfica, u otro mecanismo bancario que claramente identifique la transacción por la cual fue hecho el pago. Una copia de tal cheque cancelado o la instrucción de transferencia cablegráfica o cualquier otro instrumento bancario deberá permanecer en el archivo de la transacción que estará localizado en el Departamento del Exterior del BCR. El costo total de la transacción deberá incluir el costo de los bienes, embarque, manejo, seguro, y todos los cargos bancarios. Cuando el programa TCIP (AID-EXIM) ha sido utilizado, los cargos por intereses pagaderos, podrán ser también incluidos en la cantidad reembolsable de las cuentas separadas cuando estos sean claramente evidenciados por una nota de cargo o su equivalente.

3. The BCR Exterior Department will pay to its own account or that of the commercial bank, as applicable, the U.S. dollar amount of the total transaction from the separate account via bank check, wire transfer, or any other banking mechanism clearly referencing the transaction for which payment is being made. A copy of such cancelled check or wire transfer instruction or any other banking instrument shall be placed in the transaction file to be located at the BCR Exterior Department. The total cost of the transaction may include the cost of goods, shipping, handling insurance and bank charges. When the TCIP (AID-EXIM) program has been used the interest charges payable may also be included in the amount reimbursable from the separate accounts if such charges are clearly evidenced by a debit notice or its equivalent.

Las transacciones por las cuales el BCR realice reembolsos tal como se describe anteriormente, serán descritas de acuerdo con la Sección IX, titulada "Reportes del BCR", y serán incluídas como parte de la atribución final de los desembolsos realizados por la USAID al BCR bajo el Programa de Apoyo a la Balanza de Pagos.

PAGOS DIRECTOS

Todos los pagos de la Cuentas Separadas serán hechos en forma de reintegro al BCR o a los bancos comerciales locales, según lo descrito en la sección IV anterior, excepto cuando un pago directo sea considerado apropiado por el BCR.

Una vez se determine que un pago directo se apruebe, el Departamento de Control de Cambios del BCR enviará al Departamento del Exterior los formularios F-10 y F-15 (o su equivalente) con los precios ya verificados (en lo aplicable) y autorizados, junto con la Carta de Crédito aprobada (en el caso de una transacción de Carta de Crédito).

En el caso de cobranza (crédito del proveedor), el Departamento del Exterior del BCR hará el pago de las cuentas separadas en forma de cheque o transferencia cablegráfica.

En el caso de Cartas de Crédito el Departamento del Exterior del BCR autorizará la apertura de la Carta de Crédito a través de un banco comercial local o del mismo BCR, y asignará y reservará los fondos de las Cuentas Separadas para el pago de la misma.

4. Such transactions for which reimbursement is made by the BCR, as described above, will be listed as described in Section IX, entitled "BCI Reporting", and will be included as part of the final attribution for the Balance of Payments Support Program disbursements to the BCR by USAID.

V. DIRECT PAYMENTS

1. All payments from the Separate Account will be in the form of a reimbursement to the BCR or a Salvadoran commercial bank, as outlined in paragraph IV., except when a direct payment is deemed appropriate by the BCR.

2. Once it has been determined that a direct payment is in order, the BCR Exchange Control Department will forward the already price verified (as applicable) and approved F-10 and F-15 (or their equivalent) together with the approved Letter of Credit (in the case of a Letter of Credit transaction) to the BCR Exterior Department.

3. The BCR Exterior Department will make payment in the form of a check or direct transfer from the Separate Account in the case of a Suppliers Credit.

4. The BCR Exterior Department will authorize the opening of a Letter of Credit by the Salvadoran commercial bank or the BCR itself and will assign and reserve the funds from the Separate Account from which the Letter of Credit will be paid.

Al pago de la Carta de Crédito el banco comercial local deberá enviar al Departamento del Exterior del BCR toda la documentación relacionada con la operación.

El Departamento del Exterior del BCR mantendrá la documentación de todas estas transacciones en la misma forma especificada para las transacciones de reembolso (Ver Sección IV).

5. Upon payment of the Letter of Credit, the Salvadoran commercial bank will forward all associated documentation to the BCR Exterior Department.

6. The BCR Exterior Department will maintain documentation on all such transactions in the same type and manner as specified for reimbursement transactions (See Section IV).

I. CRITERIOS DE ELEGIBILIDAD

Los siguientes criterios y códigos correspondientes serán aplicables a todo tipo de transacciones financiadas a través de las cuentas separadas y serán reportados a la USAID a través de listados separados para evidenciar su atribución.

VI. ELIGIBILITY CRITERIA

The following criteria and corresponding code is to be applied for all types of transactions funded through the separate accounts and reported to A.I.D. in listings prepared to evidence attribution.

| <u>CATEGORIA DEL PRODUCTO</u> | <u>CODIGO</u> |
|-------------------------------|---------------|
| Materia Prima | 1 |
| Bienes Intermedios | 2 |
| Bienes de Capital | 3 |
| Repuestos | 4 |
| Insumos agrícolas | 5 |
| Petróleo | 6 |

| <u>1. PRODUCT CATEGORY</u> | <u>CODE</u> |
|----------------------------|-------------|
| Raw material | 1 |
| Intermediate Goods | 2 |
| Capital Goods | 3 |
| Spare Parts | 4 |
| Agricultural Inputs | 5 |
| Petroleum | 6 |

| <u>DIVISION DEL SECTOR ECONOMICO</u> | <u>CODIGO</u> |
|--------------------------------------|---------------|
| Manufacturera | 1 |
| Construcción | 2 |
| Agricultura | 3 |
| Agroindustria | 4 |
| Comercio | 5 |
| Servicios | 6 |
| Comunicaciones | 7 |
| Transporte | 8 |
| Energía | 9 |

| <u>2. ECONOMIC SECTOR DIVISION</u> | <u>CODE</u> |
|------------------------------------|-------------|
| Manufacturing | 1 |
| Construction | 2 |
| Agricultural | 3 |
| Agroindustrial | 4 |
| Commercial | 5 |
| Services | 6 |
| Communications | 7 |
| Transportation | 8 |
| Energy | 9 |

3. VALOR

La cantidad máxima por transacción elegible dentro de las cuentas separadas, deberá ser el costo total de la importación a ser pagada en dólares al exportador, para lo que el importador comprará los dólares a través del sistema bancario Salvadoreño. Dicho costo incluirá, pero no se limitará al costo de los bienes, embarque, manejo, seguro, cargos bancarios e intereses del Programa TCIP (AID-EXIM), según Sección IV., 3.

4. PROCEDENCIA

Todos los productos importados de los Estados Unidos incluyendo sus pertenencias y al Estado Libre Asociado de Puerto Rico, los países centroamericanos contenidos en la Iniciativa de la Cuenca del Caribe y, en el caso de petróleo crudo y sus derivados, México y Venezuela, así como los países del Código Geográfico A.I.D. 941 son elegibles bajo este Convenio. Los puertos libres no constituyen una fuente bajo los términos de este Convenio.

VII. FECHAS DE ELEGIBILIDAD

Proyecto 519-0345 - Los fondos del programa de Apoyo a la Balanza de Pagos de las cuentas separadas podrán ser utilizados para el pago de transacciones para las cuales un F-10 (o su equivalente) haya sido registrado en el BCR en o después del 1 de octubre de 1986.

3. AMOUNT

The maximum amount for each transaction eligible for funding from the separate accounts shall be the total cost of the import to the importer payable in dollars for which the importer purchased dollars through the Salvadoran banking system. Such cost may include but not be limited to the cost of goods, shipping, handling, insurance, bank charges, and interest charges related to the TCIP (AID- EXIM) Program as per Section IV, 3.

4. SOURCE

All products imported from the United States to include its possessions and the Commonwealth of Puerto Rico, CBI designated Central American countries and, in the case of crude petroleum and its derivatives, Mexico and Venezuela as well as other A.I.D. Geographic Code 941 countries are eligible under this Agreement. Duty free ports do not constitute a source point under the terms of this agreement.

VII. ELIGIBILITY DATES

Project 519-0345 - Balance of Payment Support Program funds may be disbursed from the separate accounts for all transactions for which an F-10 (or its equivalent) has been registered with the BCR on or after October 1, 1986.

VIII. PETROLEO Y SUS DERIVADOS

El cien por ciento (100%) del valor de transacciones elegibles que tengan relación con el petróleo y sus derivados importados desde países bajo el Código Geográfico A.I.D. 941, pueden ser cargadas a la Cuenta Separada. En estos casos, el BCR reembolsará a la Cuenta Separada en cinco (5) días hábiles, el equivalente al tres por ciento (3%) del valor nominal de la transacción, la cual es considerada elegible bajo el programa. La evidencia de reembolso a la Cuenta Separada por el BCR, deberá estar en el archivo de las transacciones de importación de petróleo. Los reembolsos que de esta manera cumplan con todos los requisitos, serán utilizados para financiar transacciones de importación elegibles bajo el programa, tal como se especifica en las Secciones IV y V, en lo aplicable.

IX. REPORTES DEL BCR

1. Esta Sección será aplicable a todas las transacciones pagadas a través de la cuentas separadas.
2. Hasta que la totalidad de fondos, incluyendo intereses generados, de las cuentas separadas, hayan sido utilizados, el BCR proporcionará a la USAID mensualmente una copia de los estados de cuentas bancarias y su correspondiente reconciliación para cada una de las cuentas separadas.
3. Todo interés generado por depósitos en la Cuenta Separada, será redepositados en la Cuenta Separada y desembolsados de acuerdo con los términos y condiciones y en la misma forma prescrita por estos procedimientos para los desembolsos iniciales hechos por la USAID.

VIII. PETROLEUM AND DERIVATIVES

One hundred percent (100%) of the value of eligible transactions involving crude petroleum and its derivatives imported from A.I.D. Geographic Code 941 countries may be charged to the Separate Account. In such cases, the BCR must reimburse to the Separate Account within five (5) working days, the equivalent of three percent (3%) of the nominal value of the transaction which is considered to be ineligible under the program. Evidence of the reimbursement to the Separate Account by the BCR must reside in the file of the crude petroleum import transaction. Reimbursements thus performed will be utilized to finance import transactions eligible under the program as specified in Sections IV and V, as applicable.

IX. BCR REPORTING

1. This section shall apply to all transactions funded through the separate accounts.
2. Until all funds, including earned interest, have been exhausted from the separate accounts, the BCR will provide USAID on a monthly basis with copies of the separate accounts' bank statements and corresponding reconciliation reports.
3. All interest earned on Separate Account deposits will be redeposited to the Separate Account and disbursed in accordance with the terms and conditions and in the same manner as prescribed by these procedures for the initial disbursements made by USAID.

4. Para la atribución final, el BCR proporcionará a la Oficina del Sector Privado (PRE) de la USAID/El Salvador, un listado de todas las transacciones completadas y pagadas, cuya documentación estará ubicada en los archivos del Departamento del Exterior. Dicho listado contendrá el valor total de las atribuciones equivalentes a todos los depósitos pertinentes hechos por la USAID a las cuentas separadas, más cualquier interés que se haya generado por las mismas.

4. For the final attribution, the BCR will provide USAID/El Salvador, Private Enterprise Office, with a listing of completed and paid transactions for which full documentation resides in the files of the Exterior Department. Such listing will have a total value for attribution equivalent to all pertinent USAID deposits to the separate accounts plus any interest earned thereon.

5. El reporte final incluirá pero no estará limitado a la información que se detalla abajo. Se sobrentiende que la información solicitada abajo está sujeta a cambio a través de notificación escrita de la USAID/El Salvador.

5. The final report will include but not be limited to, the information as listed below. It is understood that the information required below may be subject to change by written notification of USAID/El Salvador.

- a) Número de identificación del BCR.
- b) Número del F-10.
- c) Número del F-15 y fecha de aprobación del Departamento de Control de Cambios.
- d) Cantidad de dólares cargados contra la cuenta separada.
- e) Nombre y número de NIT del Importador.
- f) Código NAUCA.
- g) Código de la categoría del producto.
- h) Código del subsector económico a donde es destinado el producto.
- i) Nombre del exportador.
- j) País de procedencia.

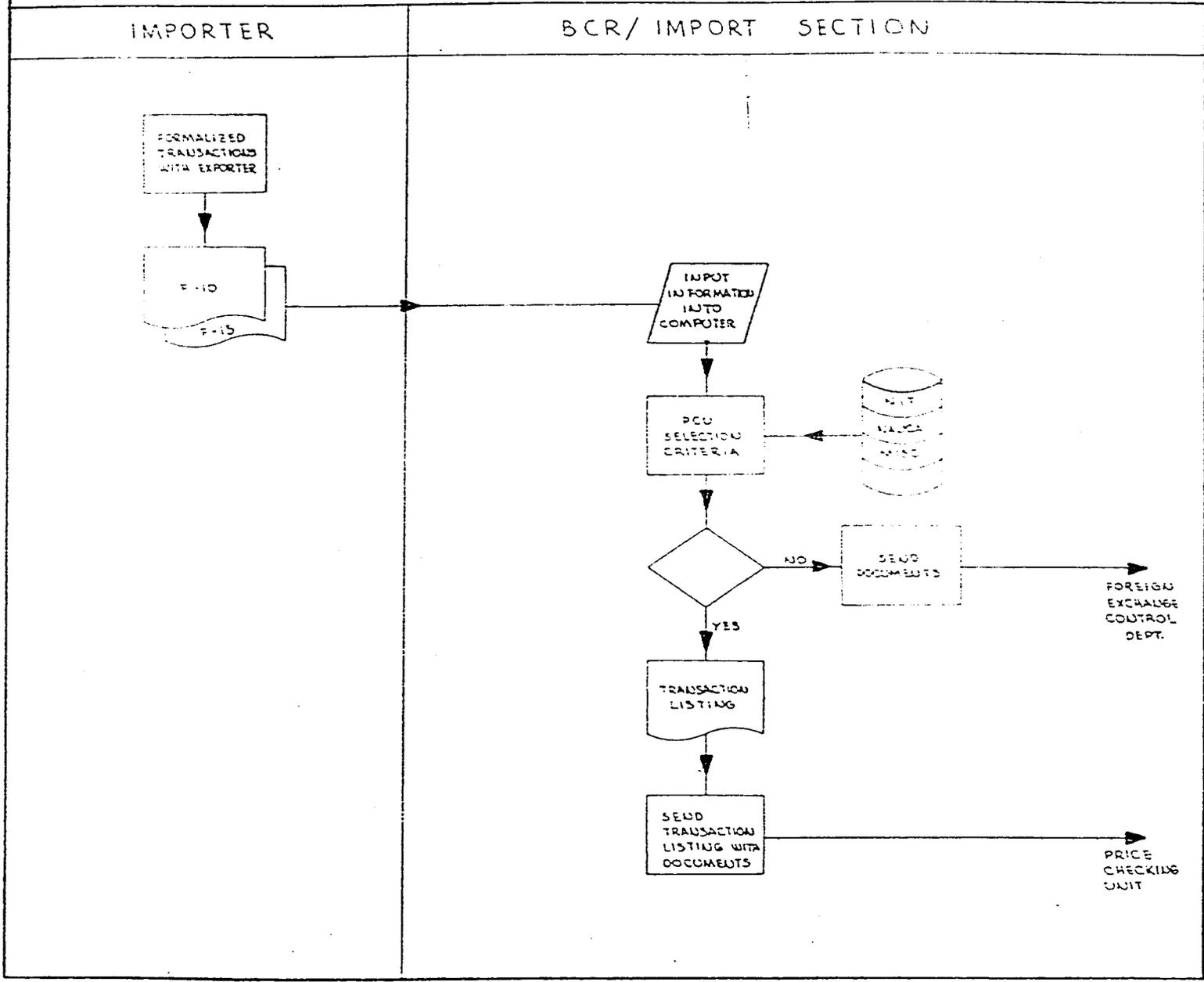
- a) BCR identification number,
- b) F-10 number.
- c) F-15 number and date of approval by the Exchange Department.
- d) Amount of dollars charged against the separate account.
- e) Name and NIT number of the importer.
- f) NAUCA code.
- g) Product category code.
- h) Economic subsector code to which the product is going.
- i) Name of the exporter.
- j) Country of source.

- | | |
|--|---|
| k) Fecha de pago del BCR, (si es aplicable). | k) Date of BCR payment (If applicable). |
| l) Tipo de transacción, (Ej.: Carta de Crédito o Cobranza). | l) Type of transaction (i.e., Letter of Credit or supplier's credit), |
| m) Fecha de pago al exportador a través del banco comercial local (si es aplicable). | m) Date of payment to the exporter by the local commercial bank, (if applicable). |
| n) Número y fecha del certificado de importación. | n) Import Certificate number and date. |
| o) Nombre del banco local. | o) Name of local bank. |
| p) Nombre del banco corresponsal de la respectiva Cuenta Separada. | p) Name of Separate Account's correspondent bank concerned. |
| q) Forma de pago, (Ej.: Pago directo o reembolso). | q) Type of payment (i.e., direct or reimbursement). |
| r) Resultado de la verificación de precios hecha por el Departamento de Control de Precios al F-10 ó F-15 (Ej.: favorable, desfavorable, etc). | r) Price Checking Unit finding on the F-10 or F-15 documents (i.e., favorable, unfavorable, etc).. |
| s) El monto de moneda local pagado por el importador por los dólares desembolsados por el BCR de la cuenta separada. | s) Amount of local currency paid by the importer for dollars disbursed from the separate accounts by the BCR. |
5. La Oficina de PRE de la USAID o sus designados, realizarán una revisión de la elegibilidad y verificación de precios a una muestra de transacciones contenidas en el listado del BCR mencionado en el párrafo número 3 anterior.
6. USAID/PRE or its designee, will conduct an eligibility review of each transaction and conduct Price Verification of selected transactions contained in the BCR's listing identified in paragraph 3 above.
7. Cualquier observación no satisfactoria hecha por PRE/USAID será remitida al BCR para aplicar, no limitando a las sanciones correspondientes, reembolso a la Cuenta Separada y sustitución por transacciones elegibles.
7. Any unsatisfactory findings will be referred to the BCR for action, to include but not be limited to the application of sanctions, reimbursement to the Separate Account, and substitution with eligible transactions.

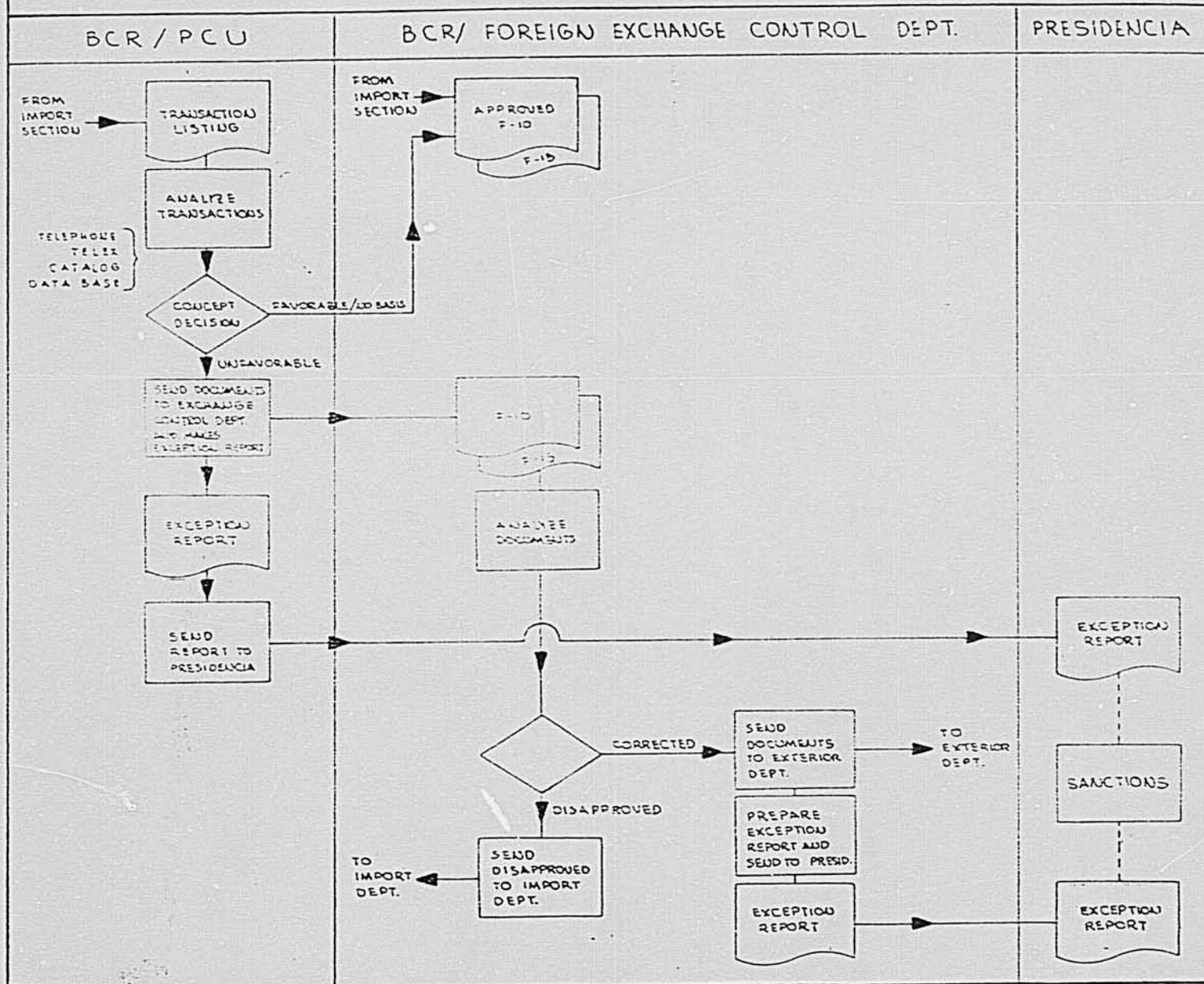
8. El listado completo indicará cualquier diferencia entre la cantidad de moneda local originalmente depositada por el BCR a la cuenta de Moneda Local de la USAID y la cantidad total en moneda local generada por el BCR a través de la venta de los dólares para cada importación involucrada originalmente desembolsadas a las cuentas separadas por la USAID.
 9. USAID/PRE remitirá a la Oficina del Contralor de la USAID un listado completo que documente la atribución final de los desembolsos concernientes.
 10. USAID El Salvador deberá notificar al BCR sobre la aceptación final de las transacciones, como evidencia de la atribución final del desembolso.
 11. El BCR mantendrá los archivos con la documentación relativa a cada transacción aceptada por USAID por un período no menor de tres (3) años, a partir de la fecha de la notificación final de la USAID de su aceptación de dichas transacciones.
8. The completed listing will indicate any differences between the amount of local currency originally deposited by the BCR to the USAID local currency account and the total amount of local currency generated by the BCR through the sale of the dollars for each import concerned originally disbursed to the Separate Accounts by USAID.
 9. The completed listing shall be sent by USAID/PRE to the USAID/El Salvador Controller, who shall document the final attribution of the disbursement concerned.
 10. USAID/El Salvador shall notify the BCR of the final acceptance of transactions, as evidence of final attribution of the disbursement.
 11. The BCR will maintain the files containing documentation for each such USAID accepted transaction for a period of not less than three (3) years commencing from the date of issuance of USAID's formal notification of acceptance of such transactions so documented.

OPERATING PROCEDURES
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BANCO CENTRAL DE RESERVA
SEPARATE ACCOUNT PROCEDURES

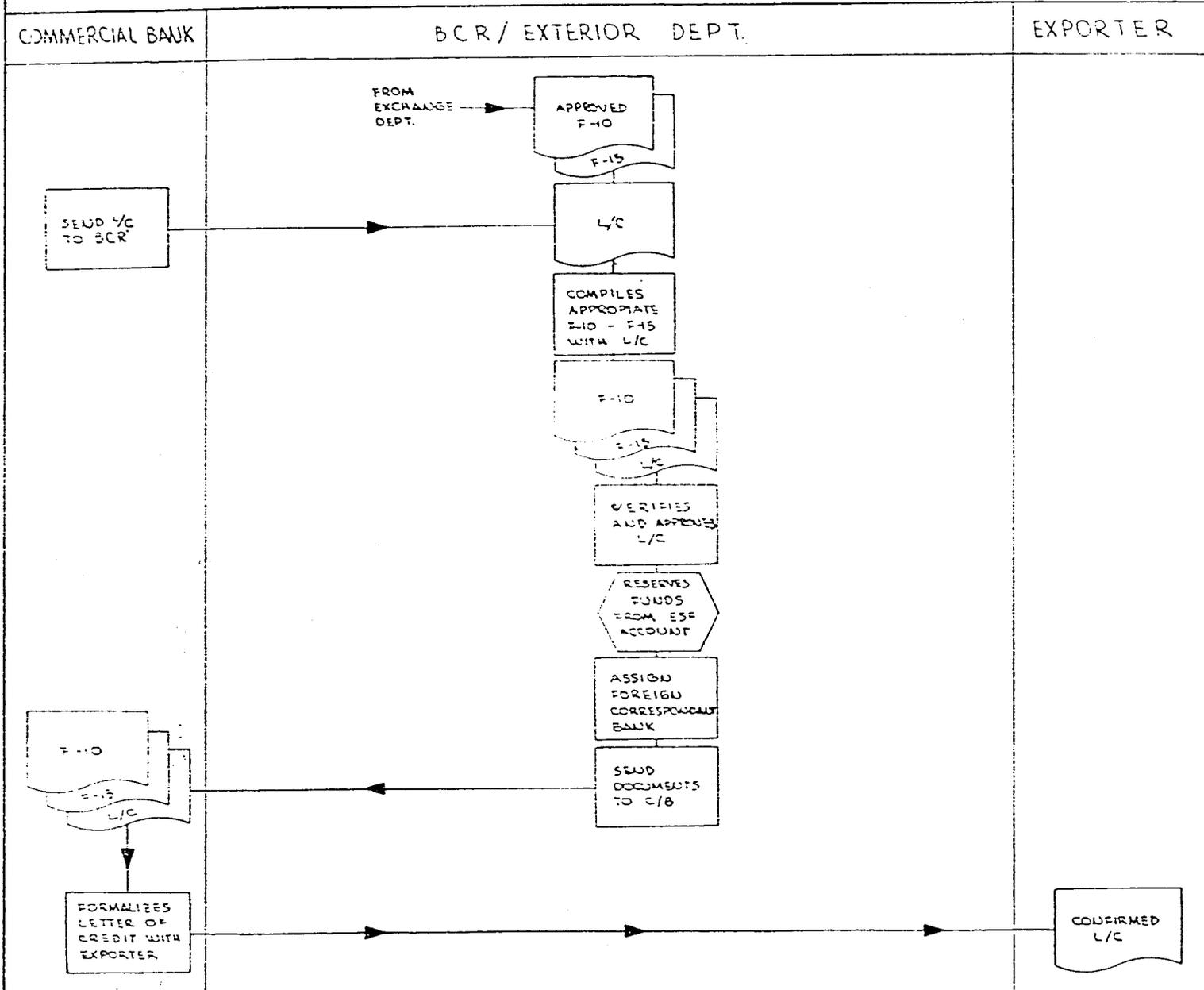


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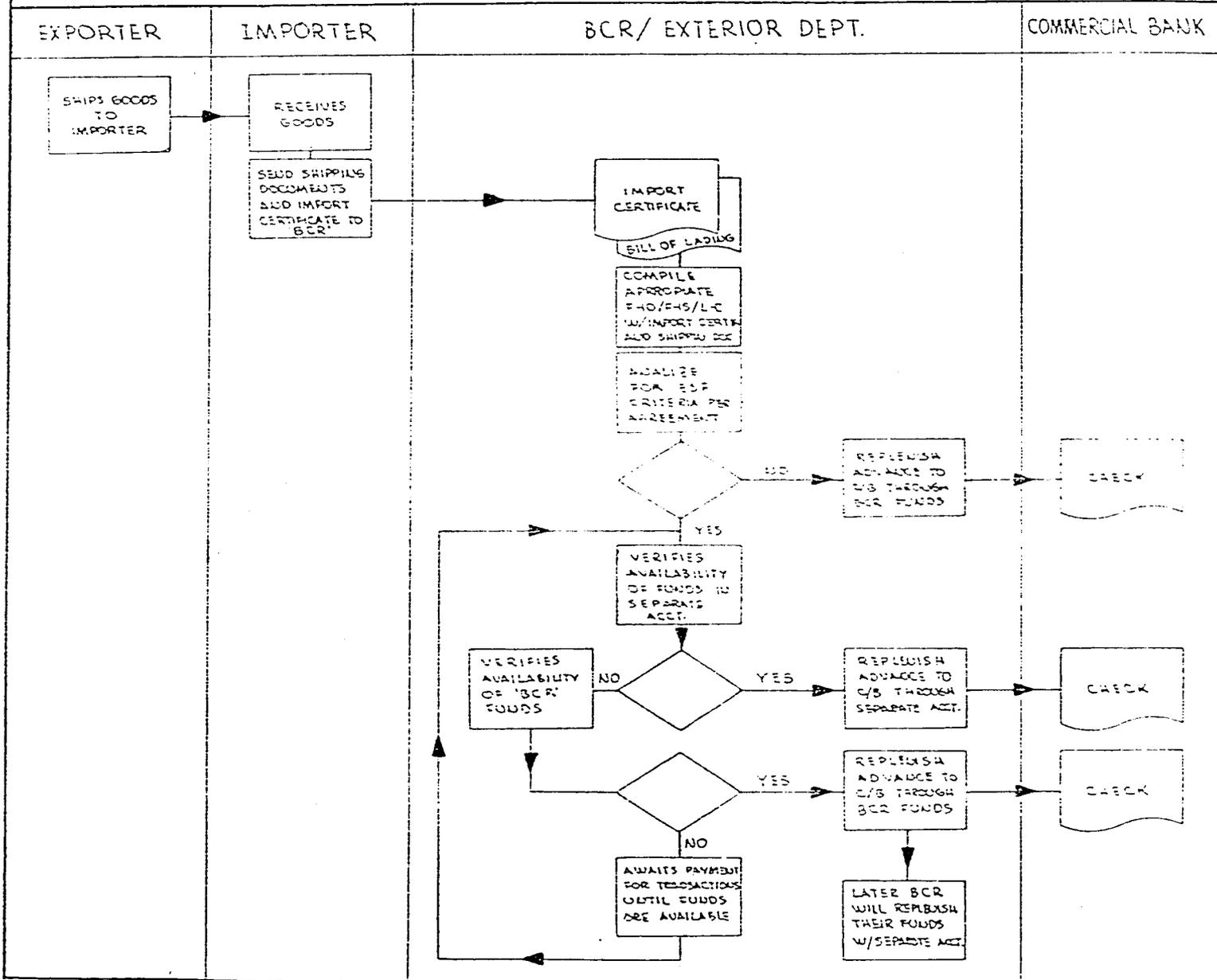


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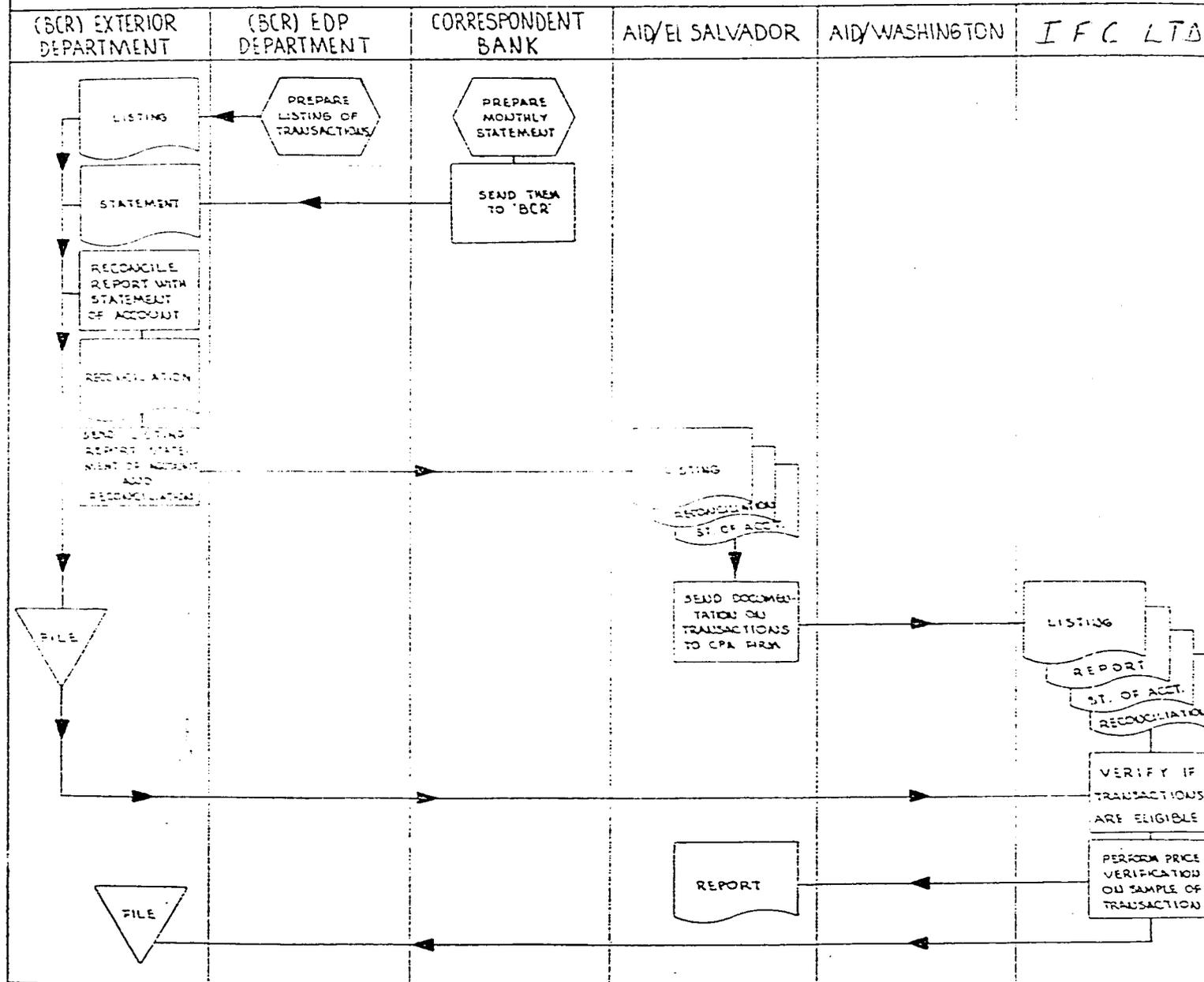
BANCO CENTRAL DE RESERVA
SEPARATE ACCOUNT PROCEDURES



BANCO CENTRAL DE RESERVA SEPARATE ACCOUNT PROCEDURES



BANCO CENTRAL DE RESERVA REPORTING



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FINAL REPORT
PROJECTS 519-0267 AND 519-0310
1980-1986

ALL RESULTS PRESENTED HEREIN ARE DRAWN FROM DOCUMENTATION
PROVIDED BY USAID/EL SALVADOR AND THE CENTRAL RESERVE
BANK OF EL SALVADOR.

EL SALVADOR
PROJECTS AID Nos. 519-0267 - 519-0310

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NARRATIVE

SECTION I. INTRODUCTION

A review was conducted of import transactions covering the period January 1981 through February 1987 which were attributed to Amendments 1 through 10 to AID Project 519-0267 and Disbursements 1 through 6 to AID Project 519-0310. These transactions are on file at the Central Reserve Bank of El Salvador's Exterior Department. The review was conducted between 1 August 1985 and 15 February 1987. The purpose of the review was to determine that transactions on file represented a sufficient dollar value to fully attribute all Amendments to the Grant Agreements.

The review was conducted under the direction of Mr. Nicholas Apostol, the Project Manager, and was monitored by Mr. Baltasar Ferreiro, Project Manager for the Private Enterprise Office of USAID/El Salvador.

The Exterior Department of the Central Reserve Bank of El Salvador (BCR) made available without restriction its files containing documentation on transactions pertaining to the AID ESF Projects 519-0267 and 519-0310.

The review consumed some 12,500 man-hours of work effort, 1,658 hours of computer time and generated 23 magnetic tapes of computer data, 75 computer programs, 190 reports, and 33,000 pages of printed data. The cost associated with the review was approximately one seventh of a cent per dollar reviewed.

SECTION II: BACKGROUND

Over the years, USAID has used cash transfer programs to provide assistance to developing nations worldwide and support U.S. foreign policy objectives. Formerly known as the Security Support Assistance Fund, the Economic Support Fund has been used to provide balance of payments support in El Salvador since 1980.

El Salvador has been traditionally the third largest recipient of such assistance after Israel and Egypt.

AID Projects 519-0267 and 519-0310 were developed to assist the Government of El Salvador (GOES) with its Balance of Payments. Over a 64-month period, US\$595 Million were provided to the BCR under two separate Grant Agreements signed on 19 December 1980 and 4 May 1985. An additional US\$2,503,931.81 was earned on Project 519-0310 funds while on deposit in the Separate Accounts. The first disbursement was made on December 19, 1980 and there were 14 subsequent disbursements under 10 Amendments for AID Project 519-0267, and 6 Disbursements under AID Project 519-0310, with the final disbursement being made on March 11, 1986 (see Figures 1 and 1.A).

Figure 1

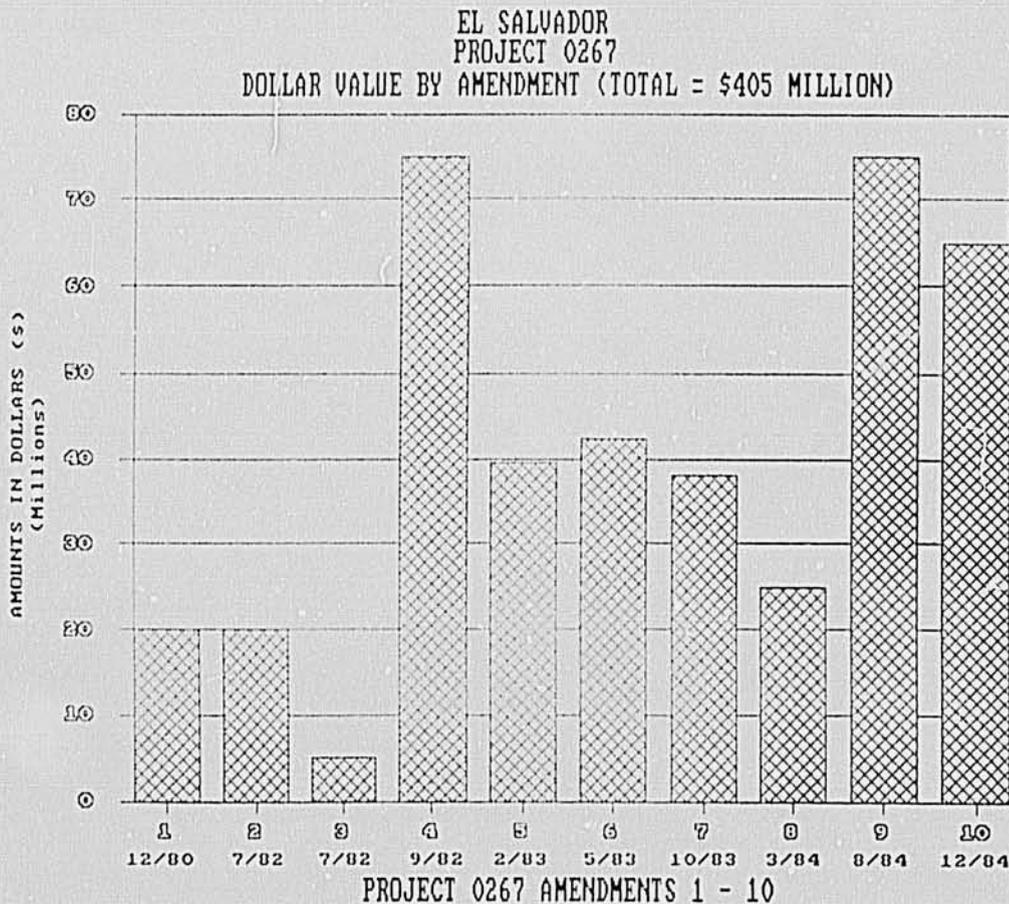
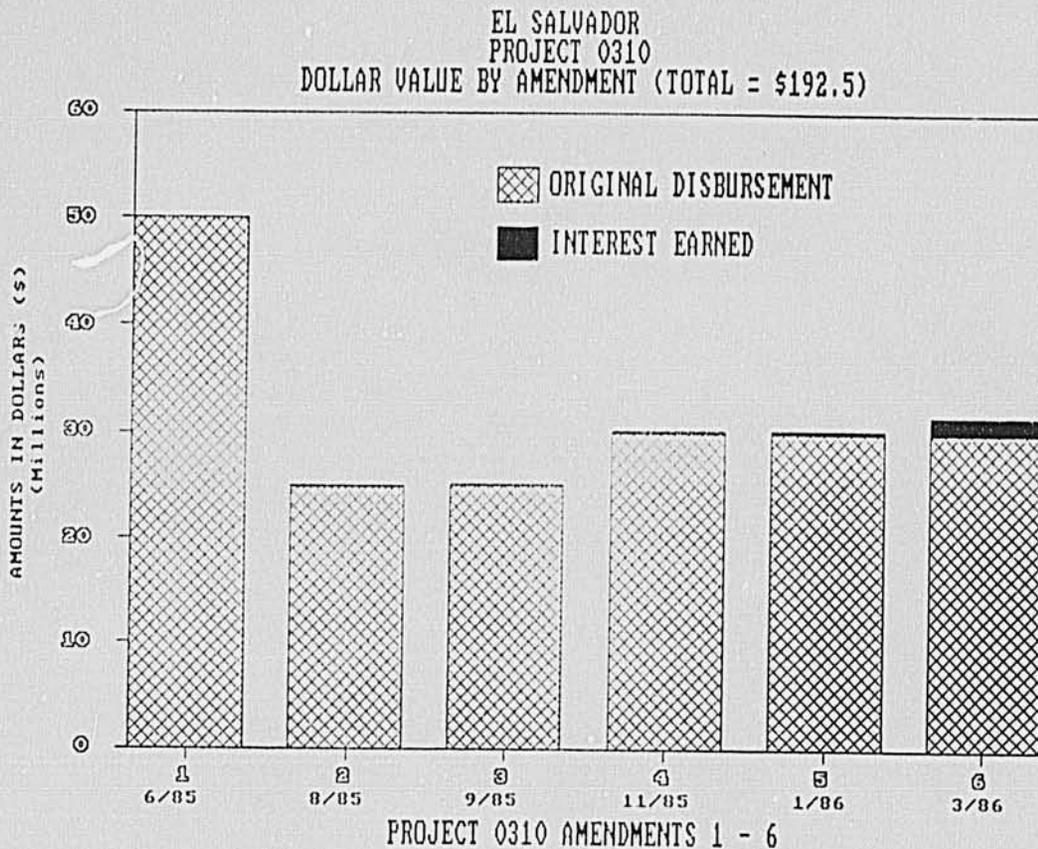


Figure 1.A

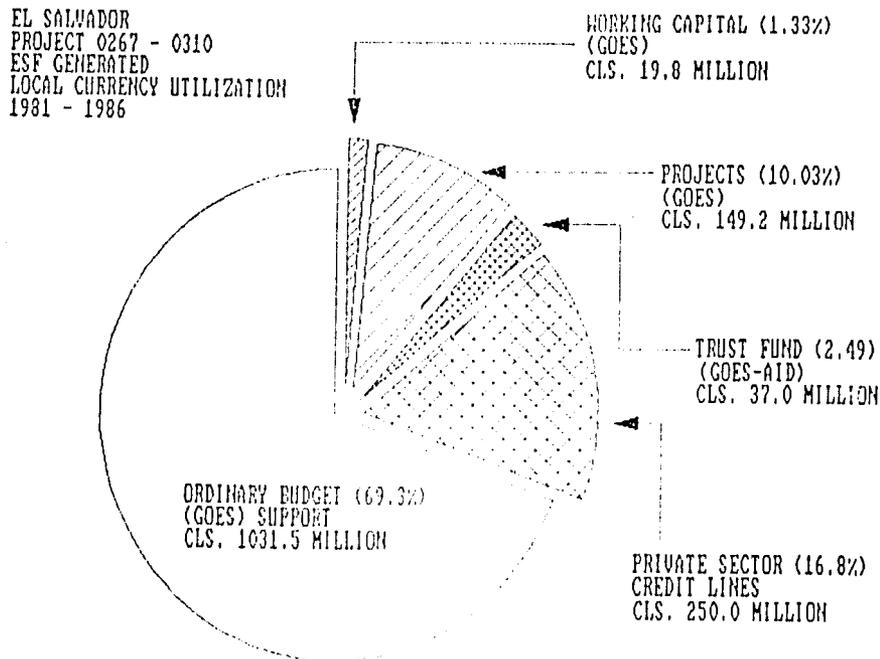


These Agreements served to establish conditions under which the GOES would receive the Balance of Payment Support funds in order to promote economic policy reforms and long-term stabilization and growth.

The dollars from the ESF Program are converted to the local currency equivalent of Colones at the highest official rate of exchange allowed by law. In the case of Projects 519-0267 and 519-0310 this was 2.5 Colones for each dollar.

Thus, Projects 519-0267 and 519-0310 ESF dollars disbursed to the BCR generated 1,487,500,000 Colones which have been used for purposes mutually agreed upon by AID and the GOES. Some 69% of the local currency generated from ESF dollars was used to provide support for the GOES's Ordinary Budget and 17% was used to establish lines of credit for the private sector. The balance was used to develop specific projects and provide working capital for GOES and AID (see Figure 2).

Figure 2



To maintain the integrity of the Balance of Payment Support Program and to further ensure the efficient use of the limited foreign exchange available, controls were implemented by the BCR and AID.

The BCR established a foreign exchange control system which included the registry of all importers and exporters, the issuance of permits for all imports and exports and centralized control over all foreign exchange verification of prices for imports and exports. In addition, it established four Separate Accounts for the management of AID provided balance of payments support dollars.

Project 519-0310 was the first time that the Separate Account mechanism was used.

The BCR established a separate account in four of its correspondent banks in the United States. These banks were as follows:

- Citizen's and Southern Bank
- National Bank of Georgia
- Manufacturers Hanover Trust
- Capital Bank

Funds disbursed by the Treasury Department under Project 519-0310 were deposited pursuant to BCR instructions to these four accounts (see Appendix I). An equivalent amount of local currency was then made available by the BCR for GOES and USAID to use for mutually agreed upon programs.

The U.S. dollars in the four separate accounts were then used to satisfy the foreign exchange needs of the private sector for imports meeting specified source, category and economic sub-sector criteria (see Appendix I).

In most cases, the BCR would sell foreign exchange from its own resources to the private sector importer. The BCR would then reimburse itself from the Separate Account for the amount it had sold. In some cases, however, dollars were sold directly to the importer from the Separate Account. Many of these transactions involved documentary credits or letters of credit payable at sight.

This resulted in an inordinately high rejection rate for ineligible transactions, since much of the supporting documentation to establish eligibility (principally source) was not available until long after the payment date. For example, a letter of credit issued to a U.S. supplier for machinery would be paid by the BCR upon the supplier presenting documents to the BCR's correspondent bank evidencing that shipment had occurred. Later it would be determined that the supplier shipped the machinery from a foreign plant thus making the transaction ineligible for funding from Project 519-0310.

Another problem that occurred in late 1985 and early 1986 was the exchange rate change. Certain transactions originally programmed to be paid at the official rate of Colones 2.50 to US\$ 1.00 were converted to the Colones 5.00 to US\$ 1.00 rate thus making them ineligible for funding under the program. Since all Project 519-0310 funds were sold to the BCR at Colones 2.50 to US\$ 1.00, the BCR was obligated to resell them at the same rate.

These problems were eliminated by the second quarter of 1986 when the BCR established a foreign exchange operating limit for each commercial bank in El Salvador. From that time on, the commercial banks sold importers the dollars for imports from their operating fund. After all documentation related to the transactions was available, the banks would then receive from the BCR the reimbursement of those dollars. The BCR in turn would then review the documentation. If the documentation was found to support eligibility under Project 519-0310, the BCR would reimburse its own operating account for the eligible amount from the Separate Account.

On October 10, 1986, El Salvador was struck by an earthquake which severely damaged the BCR and several commercial banks. Some of the documentation pertaining to 723 transactions from Project 519-0310 with a value of US\$17,843,639.42 paid from the Separate Account was lost. The BCR decided to substitute those incompletely documented transactions with well documented petroleum transactions so as to comply with the need for adequate documentation in support of eligible utilization of Project funds. This increased the percentage of funds used for

petroleum acquisition by approximately 3%. Had the lost documentation been available, the petroleum share would have only represented 21% of the total Projects 519-0267 and 519-0310 attributions. While there was no reason to suspect that the substituted transactions were ineligible, there was inadequate documentation to make a definitive determination one way or the other in accordance with the terms and conditions of this review.

There were 35 implementation letters issued during the life of Project 519-0267, and 13 issued during Project 519-0310. The eligibility criteria for use of these funds were identified in these Project Implementation Letters (P.I.L) and were as follows:

A. Category of Eligible Import Products:

1. Raw Materials: Those products which are in their natural or original state, before processing or manufacture (e.g. wood, iron).
2. Intermediate Goods: Those products which have undergone processing or manufacture but are used as an element in the production of a final product (e.g. cloth, sub-assemblies).
3. Capital Goods: Those products which are not consumed in the manufacturing process but rather aid in the manufacturing process and retain a residual value over a specified useful life (e.g. machinery, equipment).
4. Spare Parts: Those products which are used in conjunction with Capital Goods and serve as a replacement of a portion of the Capital Good either as a consumable or a repair item (e.g. gaskets, transformers).
5. Agricultural Goods: Those products which are the result of or for the express purpose of the science and art of farming including crops and livestock (e.g. chickens, cattle, pesticides).
6. Petroleum/Petroleum Derivatives: Those products which form part of or are a result of the petroleum refining process (e.g. crude oil, lubricating oil, grease).

B. Salvadoran Economic Sub-Sector to benefit:

1. Manufacturing: That sector of the economy involved in industrial production wherein through the use of labor and machinery, raw materials, and/or intermediate goods are transformed into finished products (e.g. tannery, electronics factory).

2. Agricultural: That sector of the economy dedicated to cultivation of the land and the production of crops and livestock as a final product (e.g. cotton farm).
3. Agro-Industrial: That sector of the economy dedicated to the production of products in which agricultural products form a significant part of the raw materials used in the manufacturing process and the production of a final product (e.g. okra processing).
4. Commercial: That sector of the economy dedicated to the buying and selling of goods and services (e.g. wholesale distribution).
5. Construction: That sector of the economy dedicated to the erection of structures, buildings, roads, or other elements of the national infrastructure (e.g. engineering company).
6. Transportation: That segment of the economy dedicated to the movement of persons or goods (e.g. airline, trucking companies).
7. Communications: That segment of the economy dedicated to the processing and dissemination of information (e.g. newspaper).
8. Energy: That segment of the economy dedicated to the production, processing and distribution of electrical and petroleum based power resources (e.g. refinery).

C. Source of Products to be imported:

1. United States of America
2. Commonwealth of Puerto Rico
3. United States Virgin Islands
4. Guam
5. American Samoa
6. United States Pacific Trust Territory
7. Panama (Amendment 10 to Project 519-0267, and Project 519-0310 only)
8. Costa Rica (Amendment 10 to Project 519-0267, and Project 519-0310 only)
9. Honduras (Amendment 10 to Project 519-0267, and Project 519-0310 only)
10. Guatemala (Amendment 10 to Project 519-0267, and Project 519-0310 only)
11. Mexico (Petroleum and petroleum derivatives only Project 519-0310)
12. Venezuela (Petroleum and petroleum derivatives only Project 519-0310)

SECTION III. PRICE VERIFICATION

Businessmen and women from the private sector seeking to import products to El Salvador present their permit requests, known as Form-10 or F-10 and their foreign exchange request, known as Form-15 or F-15 to the BCR's Imports Section. There the information concerning the import is entered into the BCR's computer. The computer compares the product identification code or NAUCA code and the importer's identification code, or NIT code, to a list of NAUCA and NIT codes that have been established as requiring price verification. The criteria used to establish such lists consist of exclusionary and inclusionary conditions. For example, imports of very low value or those associated with very high import custom's duties would not normally be selected for price checking. In all, there are five exclusionary general criteria and 10 inclusionary general criteria.

Similar criteria is applied to export requests so as to determine the requirement for price verification.

The process of price verification serves to prevent overvaluation of imports and undervaluation of exports--two methods common for effecting capital flight.

Once a transaction is identified as requiring price verification, the computer transaction log is flagged with the entry "PCU".

At the end of each day, these logs are printed out in a listing which together with the corresponding F-10 and F-15 permit requests, is sent to the Price Checking Unit. The Price Checking Unit verifies that all transactions required to be checked have been received and any exceptions are noted in the form of an exceptions report. The transactions to be price checked are then distributed among the 12 specialized analysts who are permanently assigned to this 3 year old department which reports directly to the Office of the President of the BCR.

Using automated data bases, catalogues, telephones and telexes, the analysts determine the correctness of the stated prices contained on the import requests. Their determination is reflected in one of three findings: favorable, without basis, or unfavorable. The appropriate finding is stamped on the F-10 and F-15 and the price verified documents are sent on to the Exchange Control Department. In addition, the information from each transaction so verified is added to the Price Checking Unit's data base for future reference. To date there are over 8,000 products in the data base representing some 14,000 transactions. Finally, the Price Checking Unit enters into the computer a code representing the finding emitted for each transactions price verified. Those transactions found to contain pricing abuses are reported together with the importer involved in an offenders report. This report is forwarded to

the Office of the President. If an importer appears three times on such a listing, the BCR can deny import authorization to the importer concerned. In addition, the President may levy a fine commensurate with the gravity of the over or undervaluation concerned.

Once the transactions have been price verified and the findings have been entered into the computer, the permit requests, properly stamped, are forwarded to the BCR's Foreign Exchange Department. Based on economic priorities and availability of funds, this department approves the import request and authorizes the required foreign exchange. The import permit is issued by the computer and together with the foreign exchange authorization is forwarded to the Exterior Department.

It should be noted that safeguards exist to preclude a transaction, found to have been overvalued, from being granted an import permit and corresponding foreign exchange. These same safeguards preclude a transaction requiring price verification from bypassing the Price Checking Unit. While the computer can automatically check for such exceptions and so notify BCR management, the computer generated import permit is blocked from being printed if either a flagged import request has not had a finding entered by the Price Checking Unit or if a finding of unfavorable has been entered.

The system also does not permit any arbitrary altering of a Price Checking Unit finding.

In short, the controls designed into the system provide assurances that an adequate and reasonable level of integrity can be maintained.

The price checking and control system is believed to be the first of its kind and was 18 months in the making. Designed in 1984, the system became fully operational in June 1986. Even though the development cost was nearly one Million dollars, the results of this program are already very positive and the overvaluations already identified have far exceeded the project's cost.

In 1983, the fledgling Price Checking Unit reviewed only 568 transactions with a value of approximately \$30 Million but discovered nearly US\$900,000 in price excesses. In 1984, the Unit reviewed a little over 2,000 transactions discovering nearly \$1.5 Million in excesses. By 1985, 11,570 transactions had been reviewed with some US\$2.2 Million in price excesses identified. The unit reviewed 47,765 transactions with a value of \$872 Million in 1986, discovering approximately \$1.5 Million in price excesses. In all, since 1983, 6.1 Million in price excesses have been uncovered in over 61,000 transactions reviewed (see Figures 3 through 6).

Figure 3

BCR PRICE CHECKING UNIT
\$ VALUE OF EXCESS AMOUNTS DISCOVERED
1983 - 1986

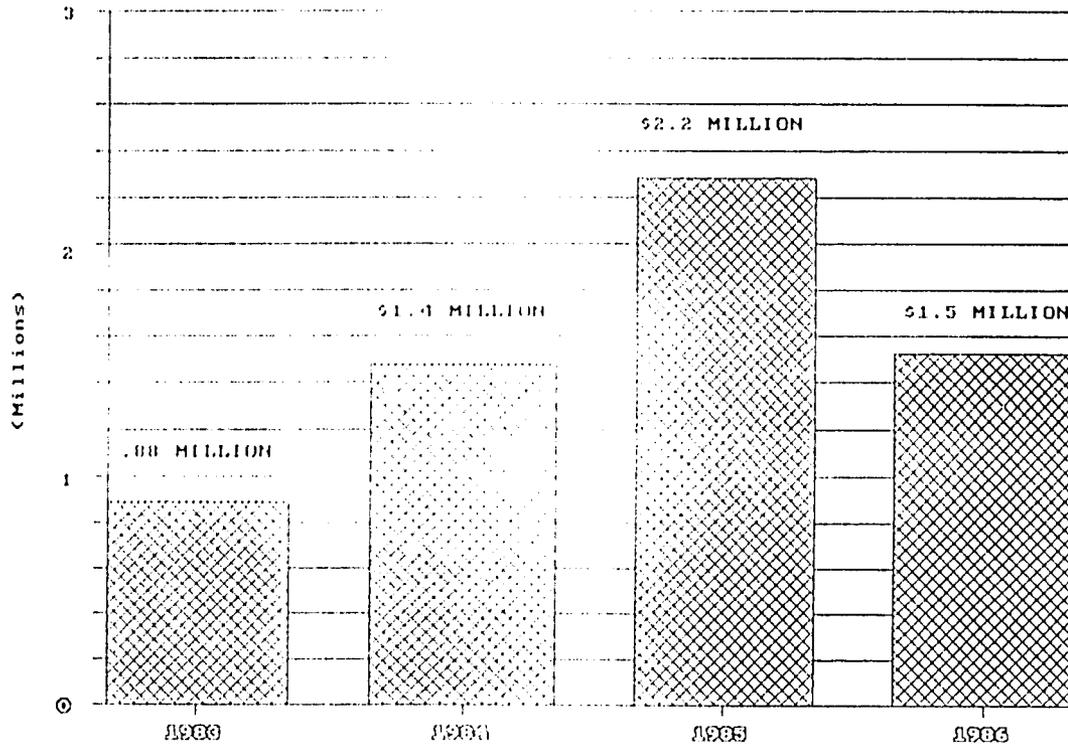
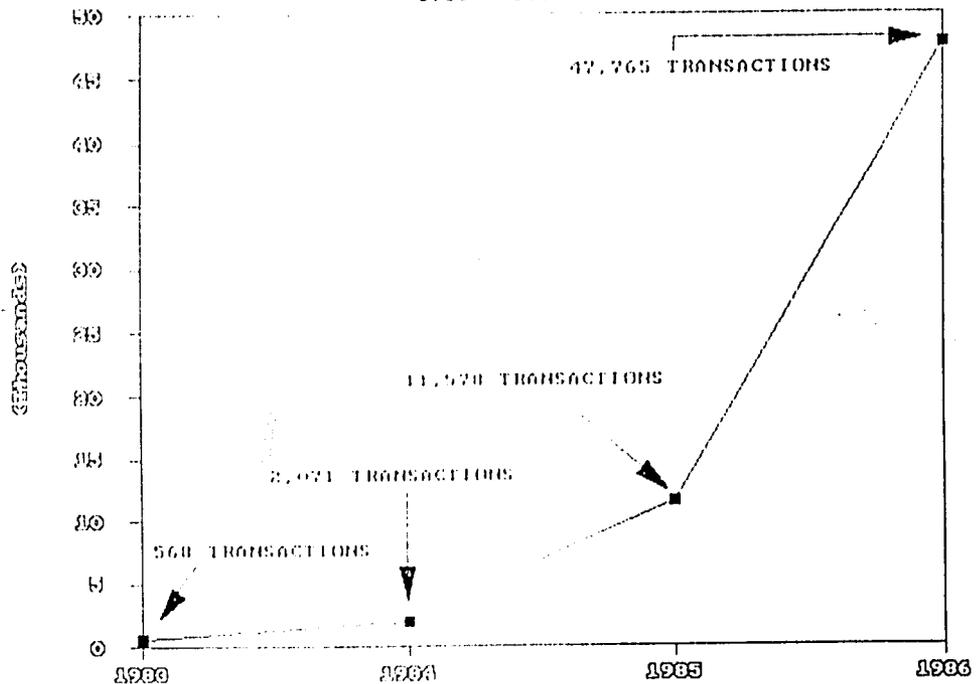


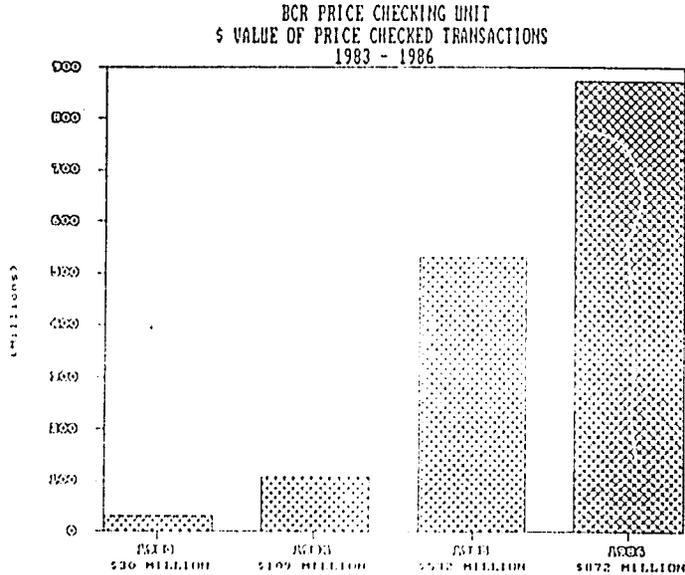
Figure 4

BCR PRICE CHECKING UNIT
OF PRICE CHECKED TRANSACTIONS
1983 - 1986



The unit reviewed 47,765 transactions with a value of \$872 Million in 1986, discovering approximately \$1.5 Million in price excesses (see Figure 5).

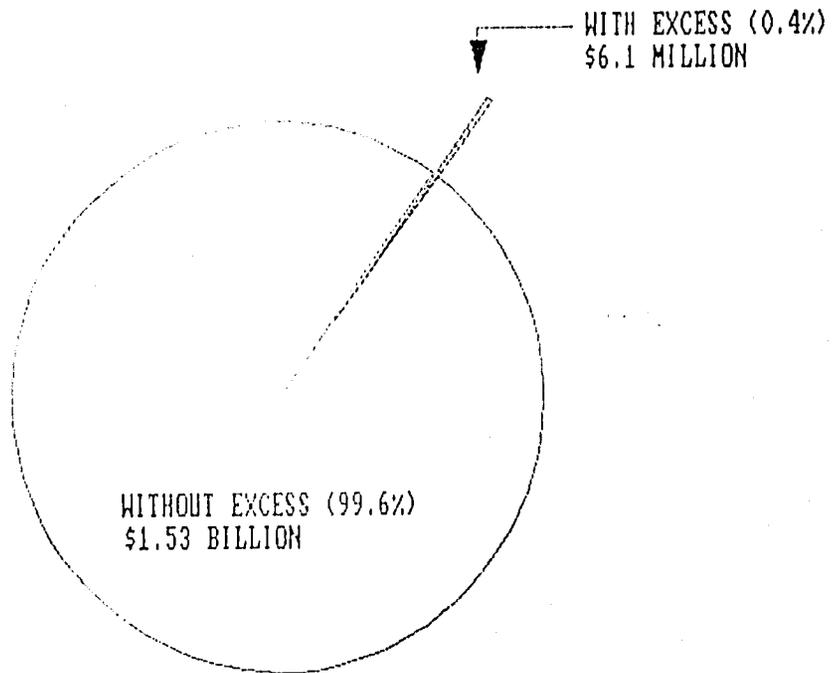
Figure 5



In all, since 1983, 6.1 Million in price excesses have been uncovered in over 61,000 transactions reviewed (see Figure 6).

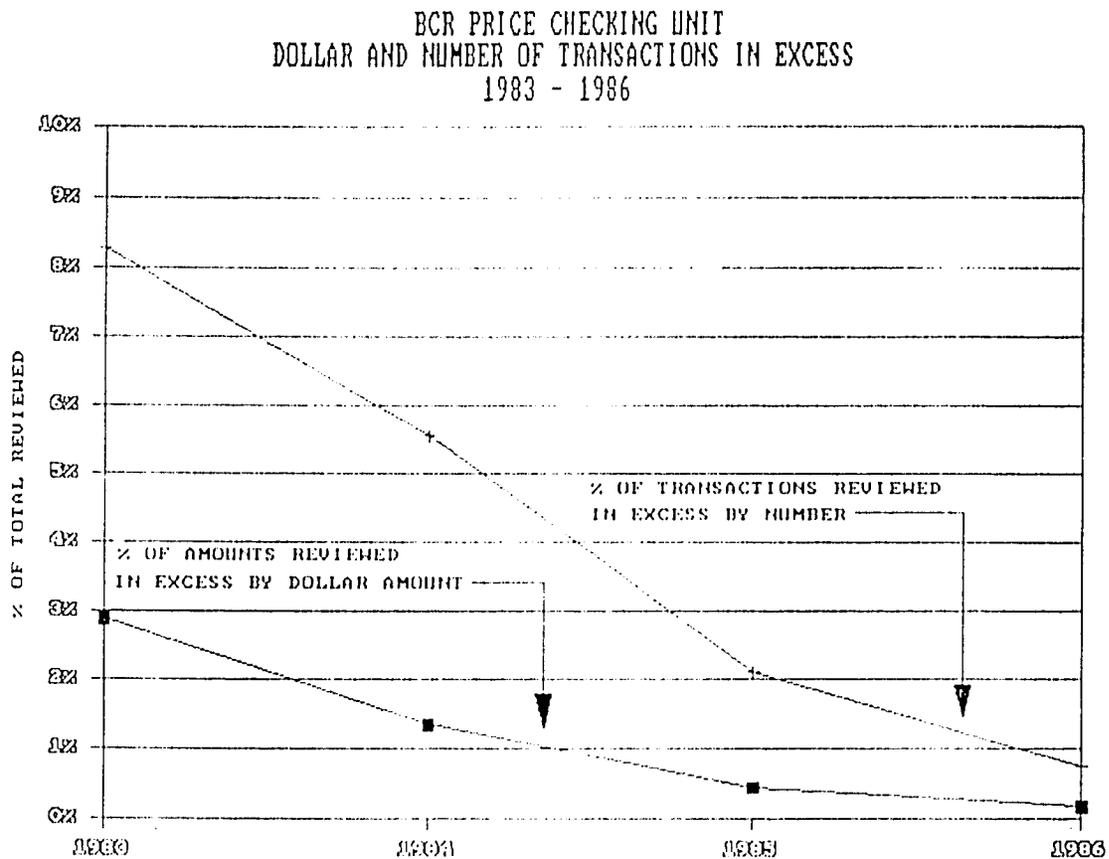
Figure 6

BCR PRICE CHECKING UNIT
TOTAL EXCESSES FOUND
1983 - 1986



Since its inception in June of 1983, the Price Checking Unit has effectively increased its capacity to verify import and export prices and the statistics show that the average value of pricing abuses have been cut by more than 75%. The number of overvalued imports has dropped from 33 per 1000 in 1983 to 7.4 in 1986--a decline of 91% (see Figure 7). These results demonstrate the commitment of the BCR to this Project and the dramatic effect it is having in reducing capital flight and pricing abuses in the country's imports and exports.

Figure 7



When the need for a price verification system as part of a foreign exchange control system is no longer needed, the data base containing information on thousands of products can be effectively used by the country's Ministry of Trade as well as the Customs Bureau. The data base, if properly maintained, can become a wealth of information to the private sector in identifying export opportunities and assist exporters to better posture their products in the competitive world marketplace.

SECTION VI. FINDINGS

A. Review Statistics

The total number of transactions inspected during this review amounted to 30,563 with a combined value of US\$681,894,871.42. Of this amount, 26,127 transactions were found to be eligible for a total value of US\$597,503,987.54 (see Figures 8 and 8.A).

Figure 8

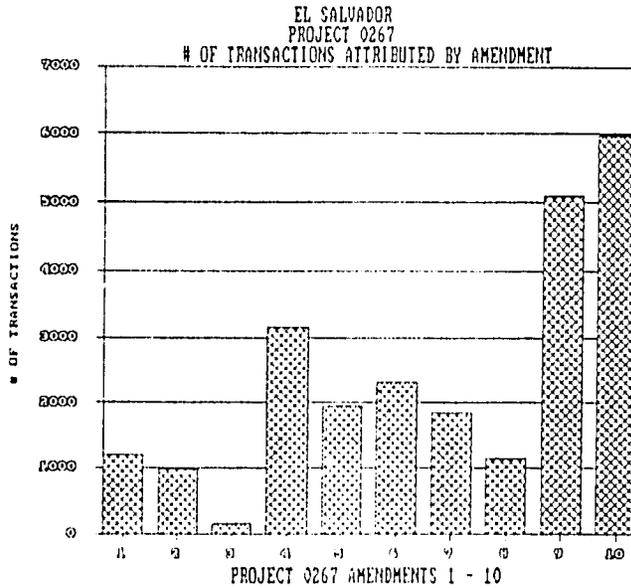
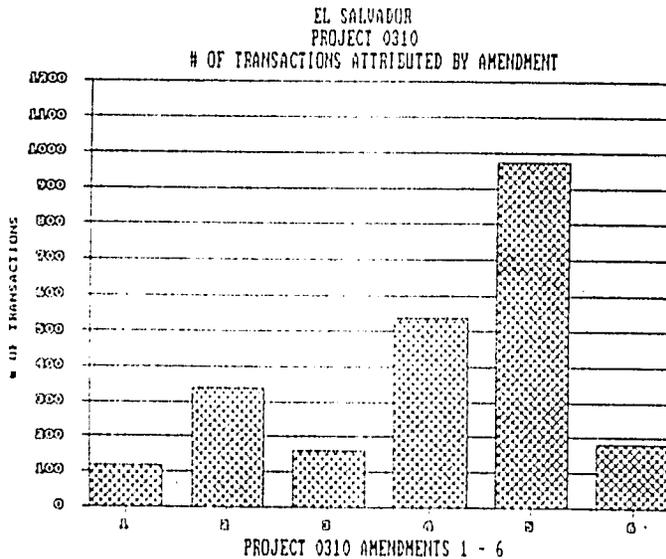


Figure 8.A



Tables 1.0 and 1.A represent the results of this review in terms of transactions found to be eligible for attribution:

Table 1.0

| EL SALVADOR PROJECT 519-0257 TRANSACTIONS ATTRIBUTED BY AMENDMENT | | | |
|---|----------------------------------|----------------------------------|------------------------------------|
| <u>Amend- ment No.</u> | <u>Original Disbursement</u> | <u>No. of Tran- sactions</u> | <u>Attributed Dollar Value</u> |
| 1 | 20,000,000.00 | 1,202 | 20,000,000.07 |
| 2 | 20,000,000.00 | 984 | 20,000,000.56 |
| 3 | 5,000,000.00 | 165 | 5,000,003.24 |
| 4 | 75,000,000.00 | 3,158 | 75,000,003.85 |
| 5 | 39,600,000.00 | 1,942 | 39,600,001.71 |
| 6 | 42,400,000.00 | 2,312 | 42,400,005.28 |
| 7 | 38,000,000.00 | 1,839 | 38,000,009.31 |
| 8 | 25,000,000.00 | 1,144 | 25,000,004.47 |
| 9 | 75,000,000.00 | 5,098 | 75,000,000.51 |
| 10 | 65,000,000.00 | 5,979 | 65,000,016.73 |
| | 405,000,000.00 | 23,823 | 405,000,055.73 |

Table 1.A

| EL SALVADOR PROJECT 519-0310 TRANSACTIONS ATTRIBUTED BY DISBURSEMENT | | | |
|--|----------------------------------|----------------------------------|---|
| <u>Disburse- ment No.</u> | <u>Original Disbursement</u> | <u>No. of Tran- sactions</u> | <u>Attributed Dollar Value (Note 1)</u> |
| 1 | 50,000,000.00 | 116 | 50,000,000.00 |
| 2 | 24,846,256.94 | 340 | 25,056,814.44 |
| 3 | 25,153,743.06 | 160 | 25,321,772.24 |
| 4 | 30,000,000.00 | 537 | 30,242,566.74 |
| 5 | 30,000,000.00 | 972 | 30,256,572.76 |
| 6 | 30,000,000.00 | 179 | 31,626,205.63 |
| | | | (Note 2) |
| | 190,000,000.00 | 2,304 | 192,503,931.81 |

Note 1: These amounts include the interest earned on the funds originally disbursed to the Separate Accounts by AID while awaiting disbursement from the Separate Accounts by the BCR.

Note 2: This amount reflects 723 transactions with a value of US\$17,843,639.42 which were substituted with petroleum transaction as a result of the loss of documentation arising from the earthquake in October 1986 (see Table 1.1).

Under Project 519-0267, the largest amount of ESF dollars were disbursed to the BCR during fiscal year 1984, while under Project 519-0310, the largest amount of ESF dollars were disbursed during fiscal year 1985. However, due to the process of foreign exchange allocation utilized, (e.g. international letters of credit at 90 days), the value of BCR attributions were the highest in FY-85 for Project 519-0267 and FY-86 for Project 519-0310 (see Figures 9 and 9.A).

Figure 9

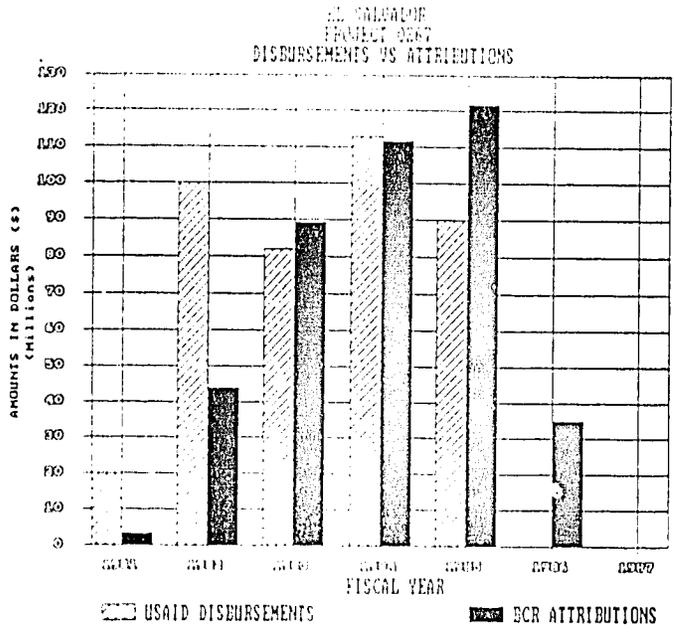
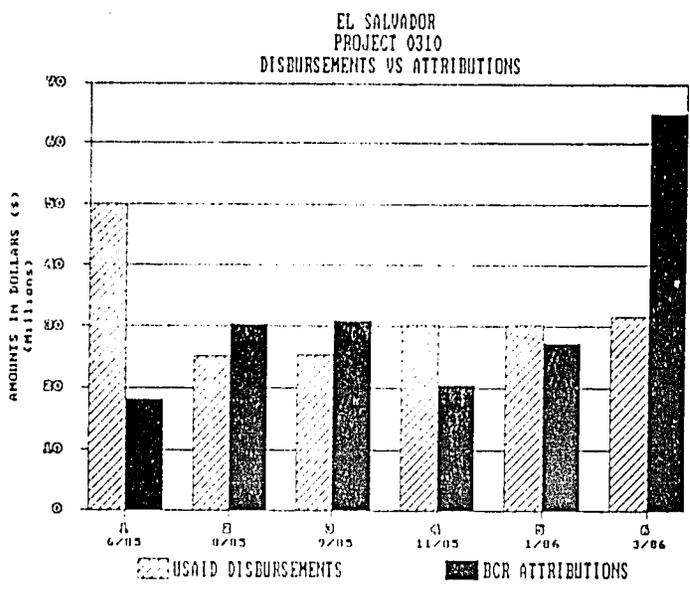
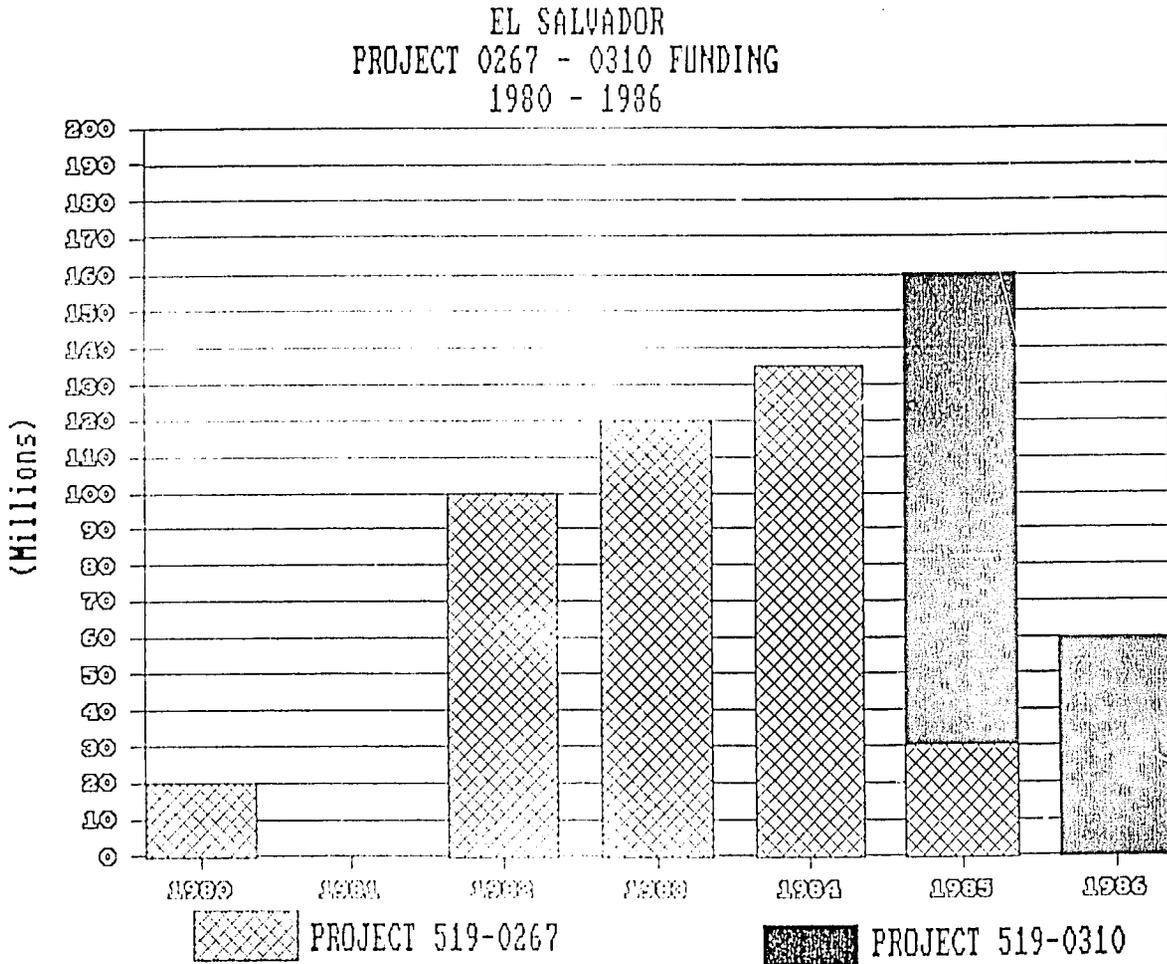


Figure 9.A



More than 26% of the ESF dollars from Projects 519-0267 and 519-0310 were disbursed by AID during calendar year 1985 (see Figure 9B).

Figure 9B



In addition to the 27,127 transactions attributed to Projects 519-0267 and 519-0310, there were 4,436 transactions reviewed but determined to be in excess of needs or ineligible under this review and are not listed. Table 1.1 and Figure 10 detail statistics relevant to these 4,436 transactions:

TABLE 1.1

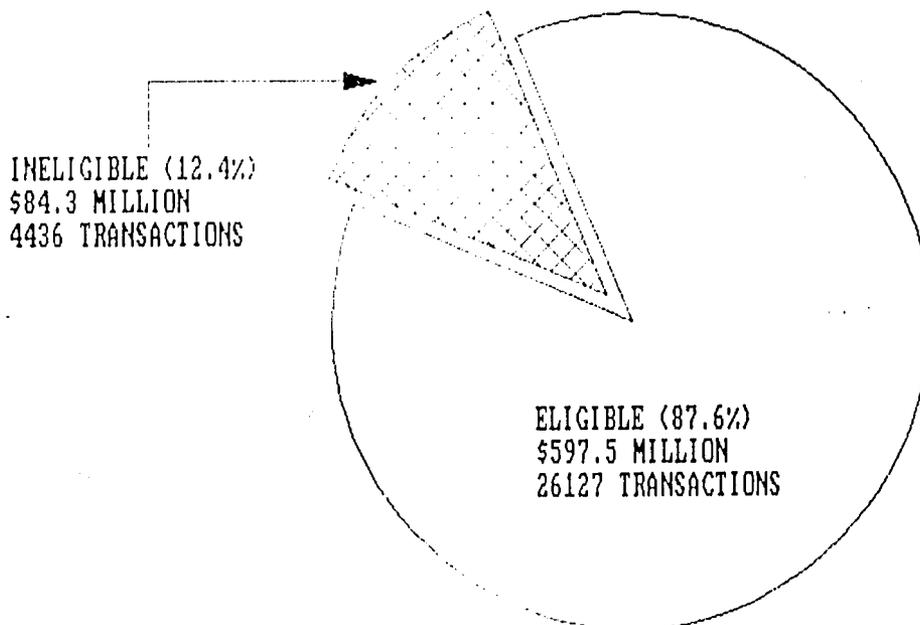
EL SALVADOR
PROJECT 519-0267/519-0310
EXCESS OR INELIGIBLE TRANSACTIONS

| Reason for Exclusion | No. of Transactions | % of Total | US\$ Dollar Value | % of Total |
|----------------------------------|---------------------|--------------|----------------------|--------------|
| Duplications | 371 | 1.21 | 12,851,922.00 | 1.88 |
| Exchange Rate | 296 | 0.97 | 5,812,940.00 | 0.85 |
| Excess to Attribution Needs | 397 | 1.30 | 4,134,130.67 | 0.61 |
| Lacking Documentation (*) | 1,447 | 4.73 | 18,482,191.09 | 2.71 |
| Outside Date Requirement | 119 | 0.39 | 3,713,736.00 | 0.54 |
| Inappropriate Source | 661 | 2.16 | 16,291,570.85 | 2.39 |
| Wrong Sub-sector | 34 | 0.11 | 291,617.68 | 0.04 |
| Improper Product Category | 532 | 1.74 | 6,616,869.26 | 0.97 |
| Files Not Available | 74 | 0.24 | 3,530,375.00 | 0.52 |
| Overpriced | 2 | 0.01 | 35,156.00 | 0.01 |
| Lost Files due to Earthquake (*) | 390 | 1.28 | 10,148,237.60 | 1.49 |
| Incomplete (*) | 113 | 0.37 | 2,482,137.73 | 0.36 |
| TOTAL | 4,436 | 14.51 | 84,390,883.88 | 12.38 |

(*) Project 519-0310 transactions from these groups were substituted by the BCR with eligible petroleum transactions (see Table 1.A).

Figure 10

EL SALVADOR
PROJECT 0267 - 0310
ATTRIBUTION ELIGIBILITY STATUS



An example of the resultant computer files and relative printouts are included with this report and we are the findings reflect the transactions found to be eligible for attribution under the Grant Agreements and present in the physical files of the BCR.

Every transaction reviewed and posted to the listing of eligible transactions for attribution to the Grant Agreements contained the required documentation.

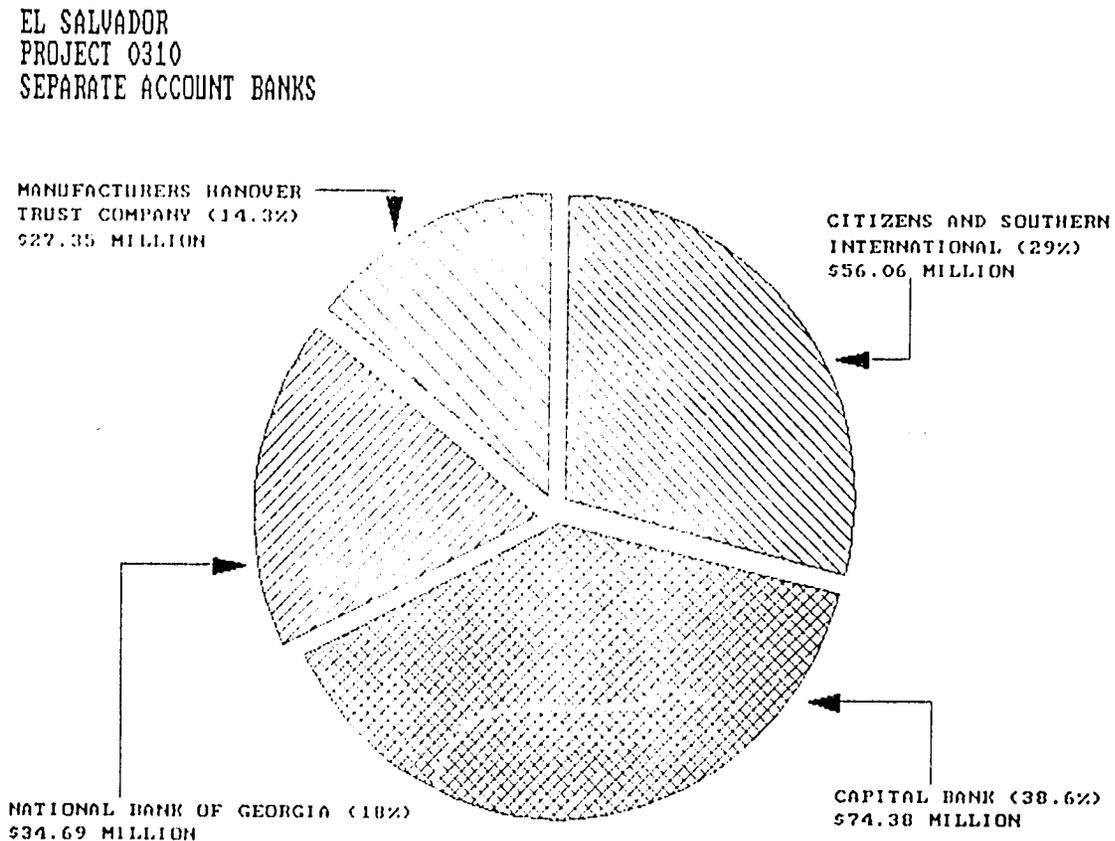
Examples of the listings of attributed transactions from Projects 519-0267 and 519-0310 are contained in Appendix I.

The finalized list of transactions found to be eligible for attribution under the Grant Agreements contain no duplications and all have been paid.

The documentation available in each transaction file was considered sufficient to support BCR having made available the requisite foreign exchange to the commercial banks for payment of import transactions involved in this review. Furthermore, documentation was also present for each transaction to evidence full payment having been made to the foreign supplier concerned.

Of the four banks where Separate Accounts were established by the BCR for Project 519-0310, Capital Bank of Miami, Florida, accounted for 38.6% of the Project 519-0310 disbursements (see Figure 12).

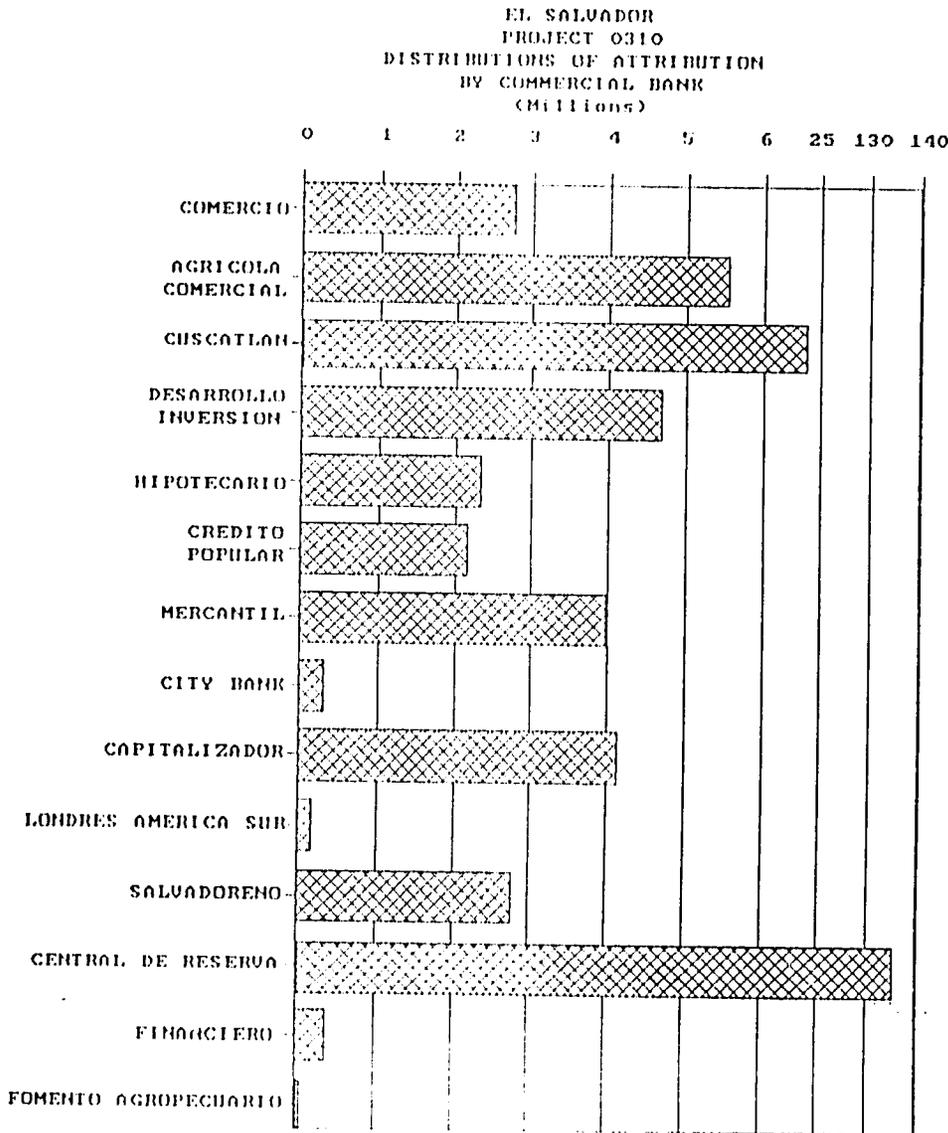
Figure 12



In addition, 13 Salvadoran commercial banks and the Central Reserve Bank participated in making Project 519-0310 funds available to the Private Sector importers. Of the 13 banks concerned, Banco Cuscatlan accounted for 12.3% of the total value of imports attributed to Project 519-0310, or 44.7% of the value of imports attributed by the commercial banks (excluding the BCR) to Project 519-0310 (see Figure 13).

Banco Cuscatlan also accounted for nearly 42% of all the transactions attributed to Project 519-0310 with the BCR only accounting for slightly over 1% of all such transactions.

Figure 13



The large portion of Project 519-0310 funds accounted for by the BCR was due to the BCR managing crude oil purchases directly without the commercial banks' involvement.

B. Use of Funds

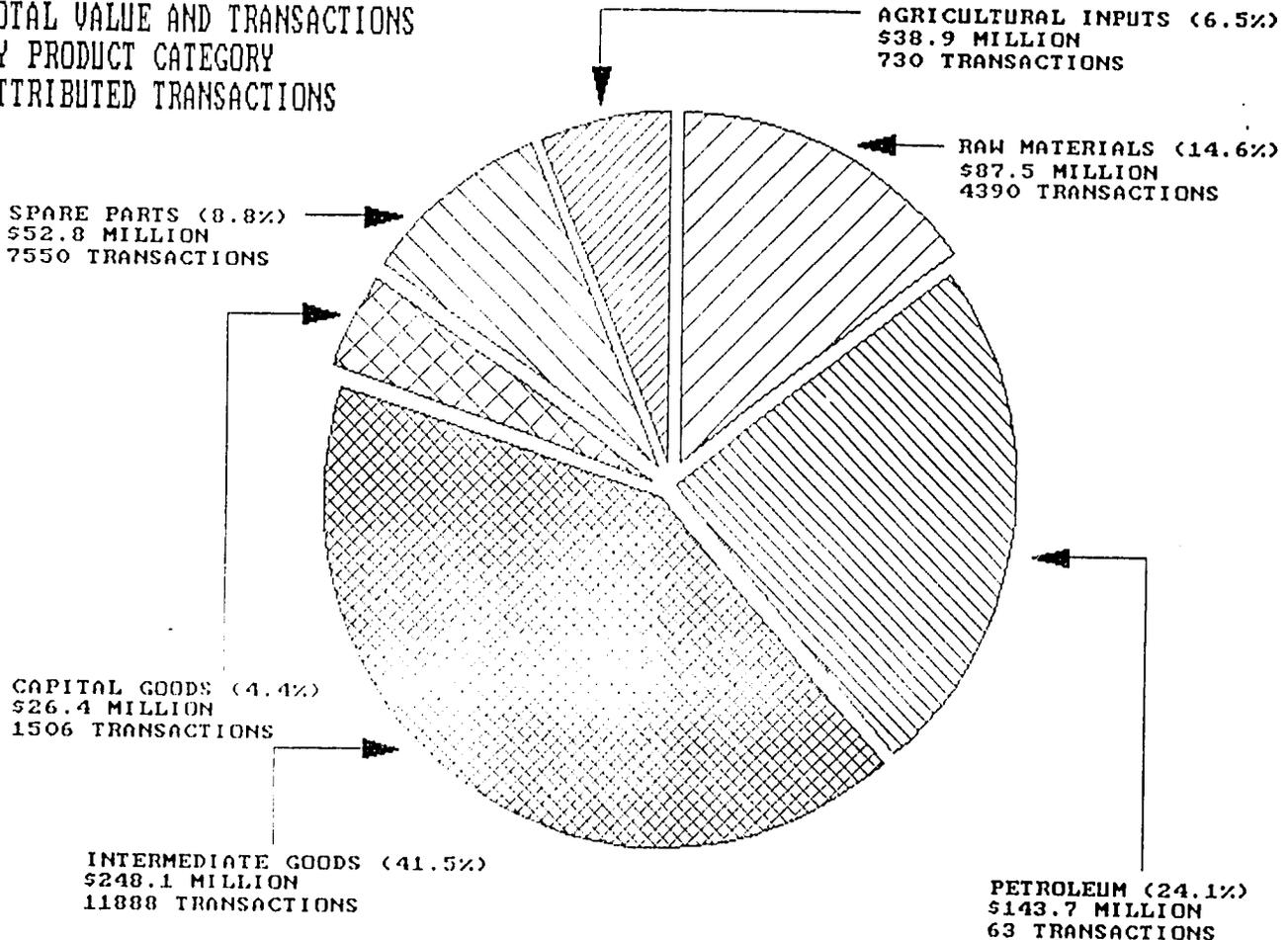
In an effort to shed more light on the use of ESF dollars provided to El Salvador for 1981-1986 under Projects 519-0267 and 519-0310, an analysis of the attributed transactions was conducted to identify the types of products imported (category), the economic sub-sectors that benefited from the imports, and the geographic distribution of the source of those imports financed through this program.

Detailed information concerning the use of Projects 519-0267 and 519-0310 funds can be found in Appendix I to this report.

It is clear that the largest category of products that were imported and attributed to Projects 519-0267 and 519-0310 was intermediate goods accounting for 41.5% of the total value of the combined projects attributions (see Figure 14).

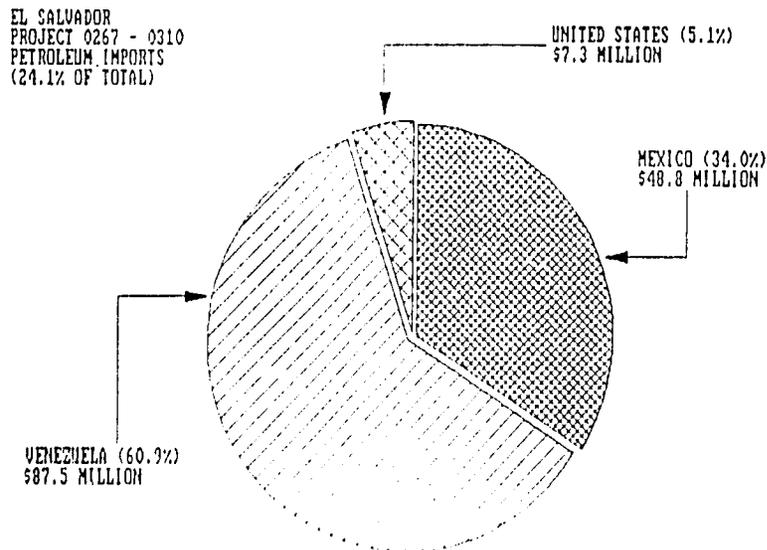
Figure 14

EL SALVADOR
PROJECT 0267 - 0310
TOTAL VALUE AND TRANSACTIONS
BY PRODUCT CATEGORY
ATTRIBUTED TRANSACTIONS



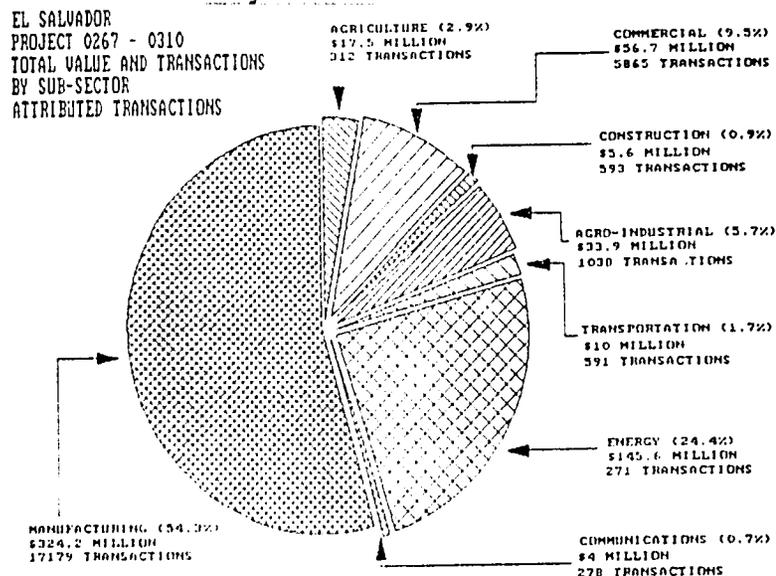
Of the petroleum financed by Projects 519-0267 and 519-0310 60.9% was Maraven Reconstituted and was imported from Venezuela (see Figure 15).

Figure 15



The economic sub-sector that benefited the most from Projects 519-0267 and 519-0310 was the Manufacturing sector receiving 54.3% of the total attributed (see Figure 16).

Figure 16

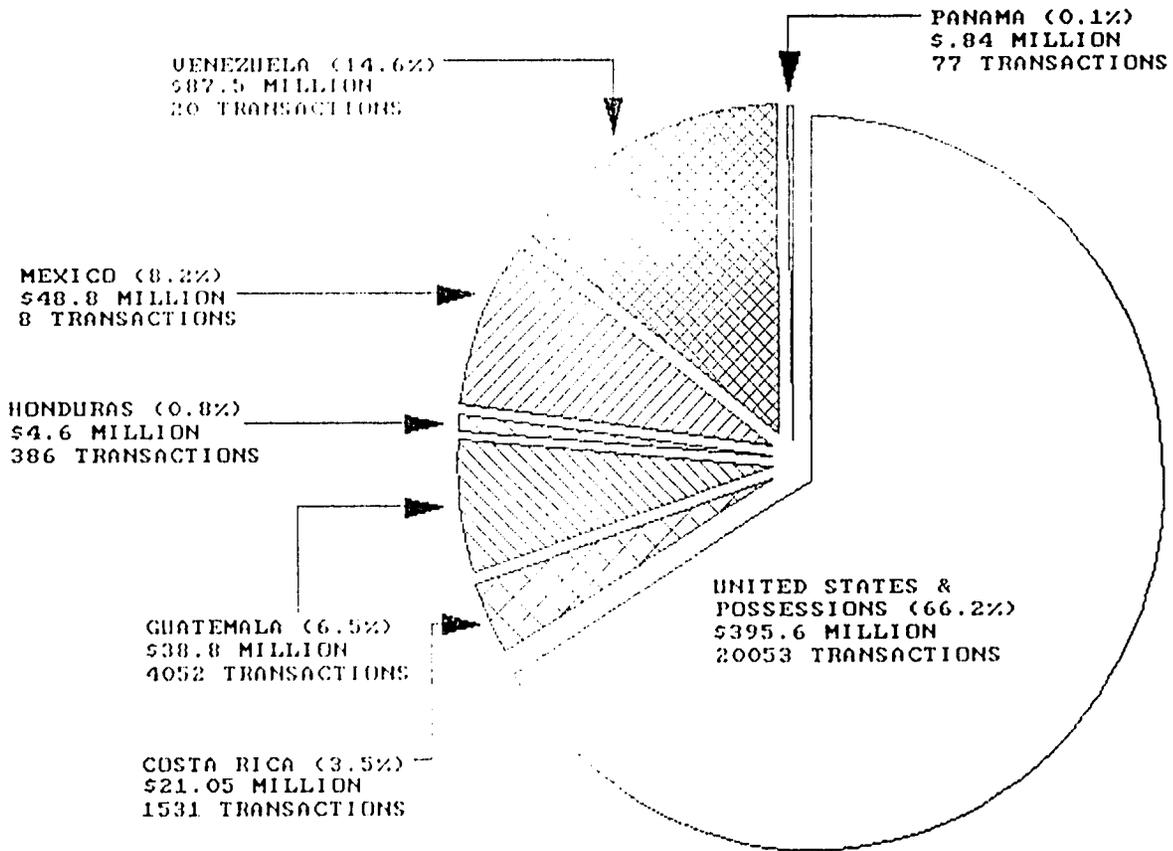


The statistics would tend to support the premise that Projects 519-0267 and 519-0310 funds were instrumental in sustaining the Private Sector industrial base and formed an important element in increasing the level of non-traditional exports between 1981 and 1986. In addition, the program also helped to increase investment in the manufacturing sub-sector even though some of such investment may have been for equipment from other than the U.S.

Under Projects 519-0267 and 519-0310, 66.2% of the attributions were distributed to suppliers within the Continental United States and Puerto Rico (see Figure 17).

Figure 17

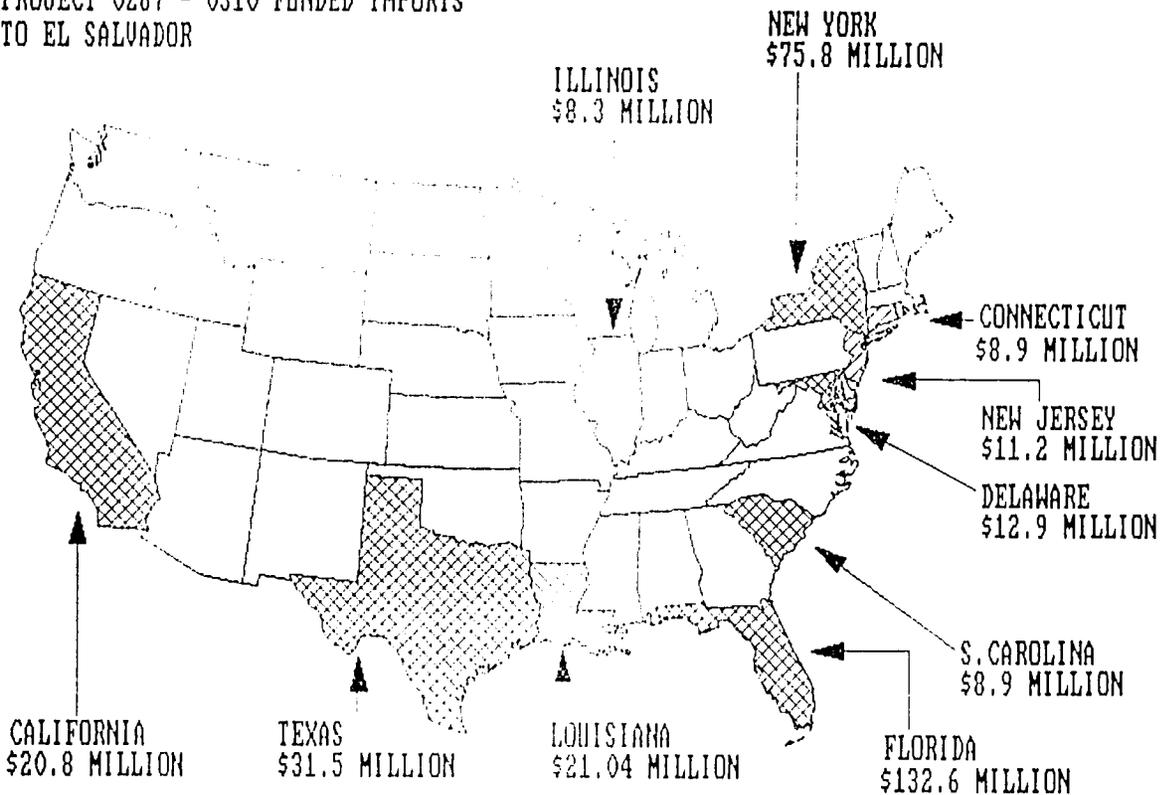
EL SALVADOR
PROJECT 0267 - 0310
ATTRIBUTED IMPORTS BY SOURCE



Forty six states and Puerto Rico received some benefit from the ESF Program. Overall, Florida was the largest recipient receiving 33.5% of the total amount attributed to U.S. imports under these Projects (see Figure 18). Florida also led the way with 47.3% of the total number of transactions thus attributed. These figures are considered somewhat unreliable and tend to be overstated because it is not always possible to determine the real origin of many products that were imported through trading companies based in Florida.

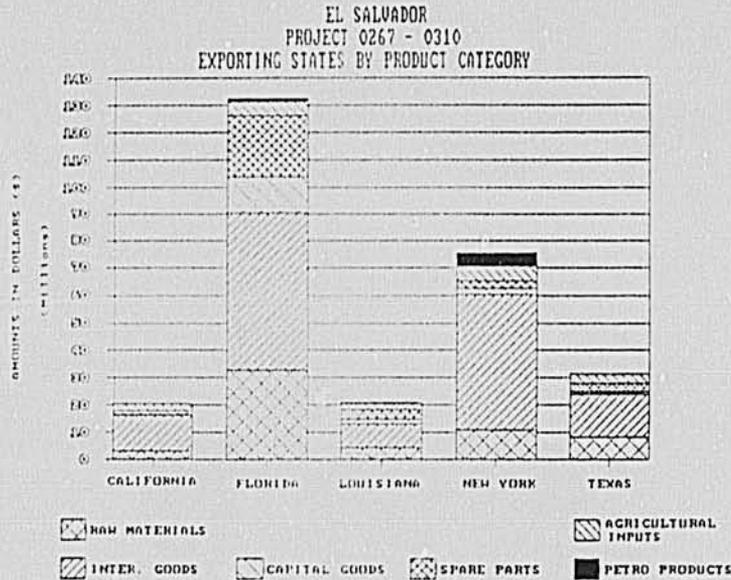
Figure 18

TOP 10 RECIPIENT STATES OF
PROJECT 0267 - 0310 FUNDED IMPORTS
TO EL SALVADOR



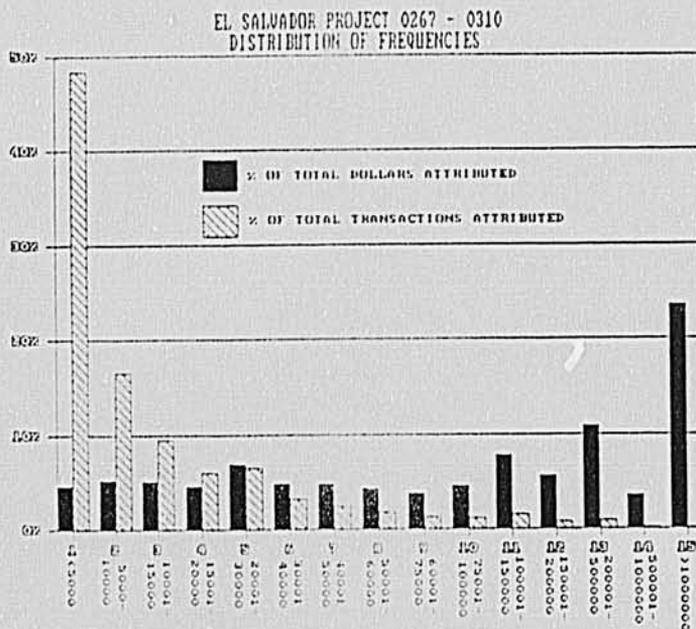
It is interesting to note, however, that New York exceeded Florida as a recipient of ESF dollars for the exporting of Energy products (see Figure 19).

Figure 19



The average transaction value was US\$22,869.21. However, 48.25% of all the transactions attributed under Projects 519-0267 and 519-0310 had a value of less than US\$5,000. Yet this significantly large percentage of the total number of transactions accounted for only 4.57% of the total amount of dollars attributed under the Projects (see Figure 20). 54.3% of the dollar value attributed to the Projects benefited the Manufacturing sub-sector and 41.5% of the dollar value in the final attribution listing consisted of Intermediate Goods.

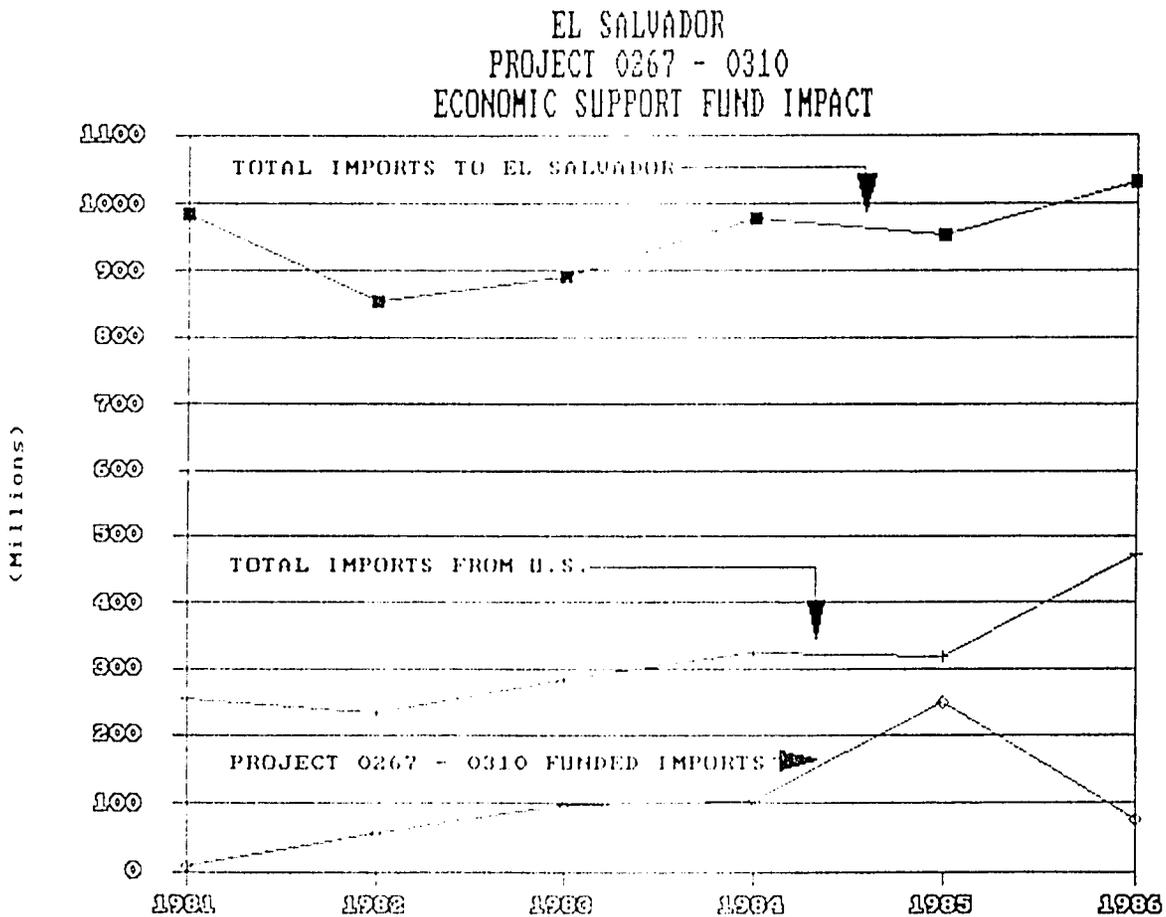
Figure 20



C. Economic Impact

While endless statistical analysis can be undertaken with respect to the impact of the ESF Program in El Salvador, certain observations are in order to indicate the importance of the ESF Balance of Payments Program to El Salvador. The following statistics are based on data developed by the Central Bank and only the ESF Project 519-0267 and 519-0310 funds are taken into consideration for this analysis (see Figure 21).

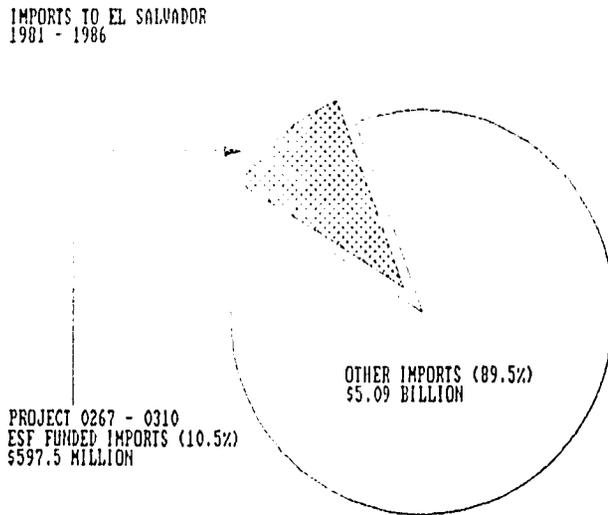
Figure 21



Note: The above figure only represents Projects 519-0267 and 519-0310. A new Balance of Payments project was initiated on July 31, 1986, the impact of which is not reflected in the above figure or anywhere else in this Report.

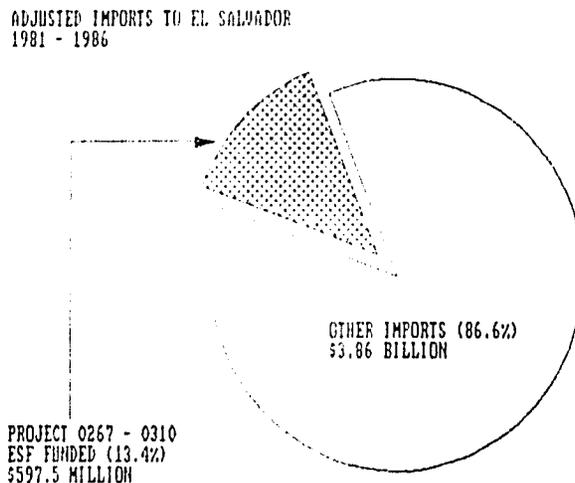
During calendar years 1981-1986, El Salvador's total imports amounted to US\$5,695,649,116.82. During that same period, US\$597,503,987.54 from Projects 519-0267 and 519-0310 were attributed. Thus, it can be said that these projects provided some 10.5% of the total foreign exchange needs for that period (see Figure 22).

Figure 22



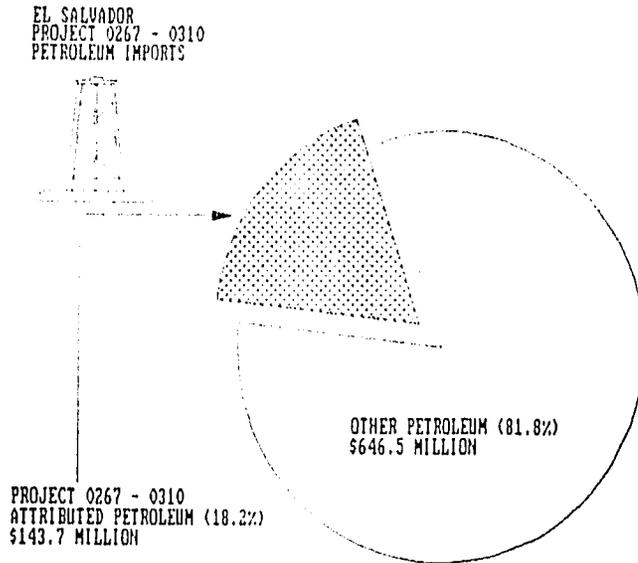
If the total value of imported durable and non-durable goods, as well as Petroleum imports, are excluded from the total import figures, the percentage of foreign exchange needs covered by Projects 519-0267 and 519-0310 rises to 13.39% for the period 1981 to 1986 (see Figure 23). If the amount of petroleum attributed to Projects 519-0267 and 519-0310 is excluded, then the balance of the combined Projects funds covered 10.17% of the adjusted total of imports to El Salvador for the period 1981 to 1986.

Figure 23



It can also be said that 18.2% of El Salvador's foreign exchange needs for petroleum were covered by Projects 519-0267 and 519-0310 (see Figure 24).

Figure 24



During that same period, imports from the United States and Puerto Rico amounted to US\$1,837,209,286.64 or 33.1% of the total. Of this amount, ESF dollars provided under Projects 519-0267 and 519-0310 satisfied 21.0% of the foreign exchange needs (see Figures 25 through 28A).

Figure 25

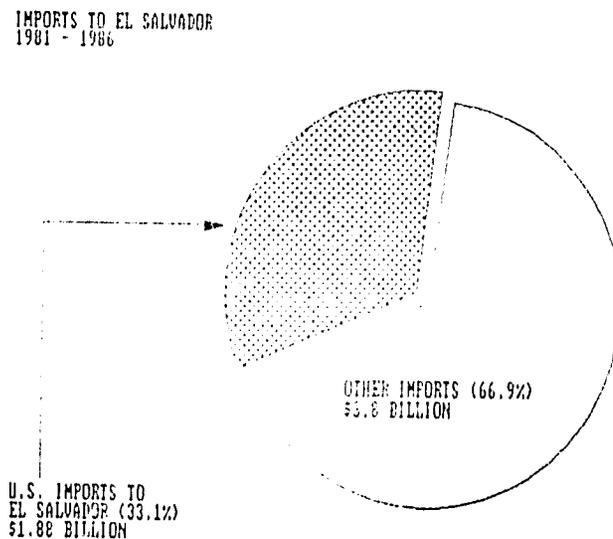


Figure 26

U.S. IMPORTS TO EL SALVADOR
1981 - 1986

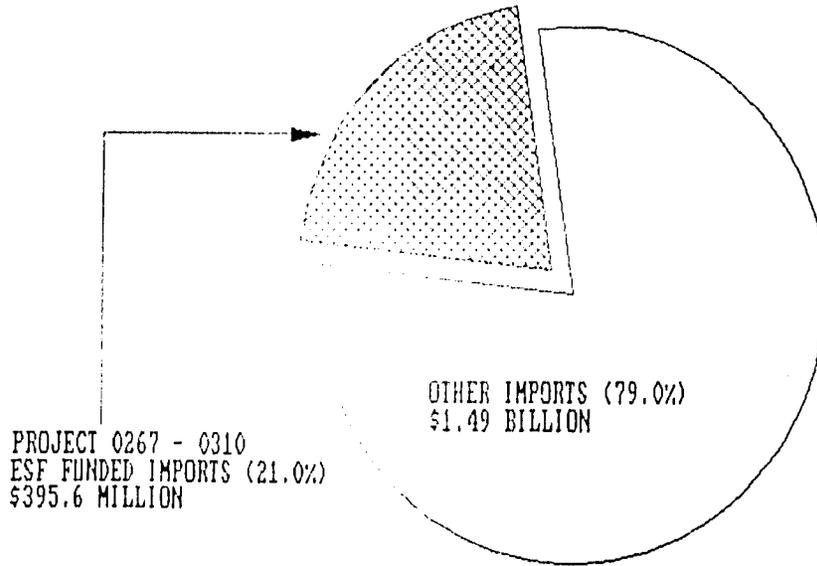


Figure 27

EL SALVADOR
PROJECT 0267 - 0310
U.S. AND ESF (U.S.) FUNDED IMPORTS

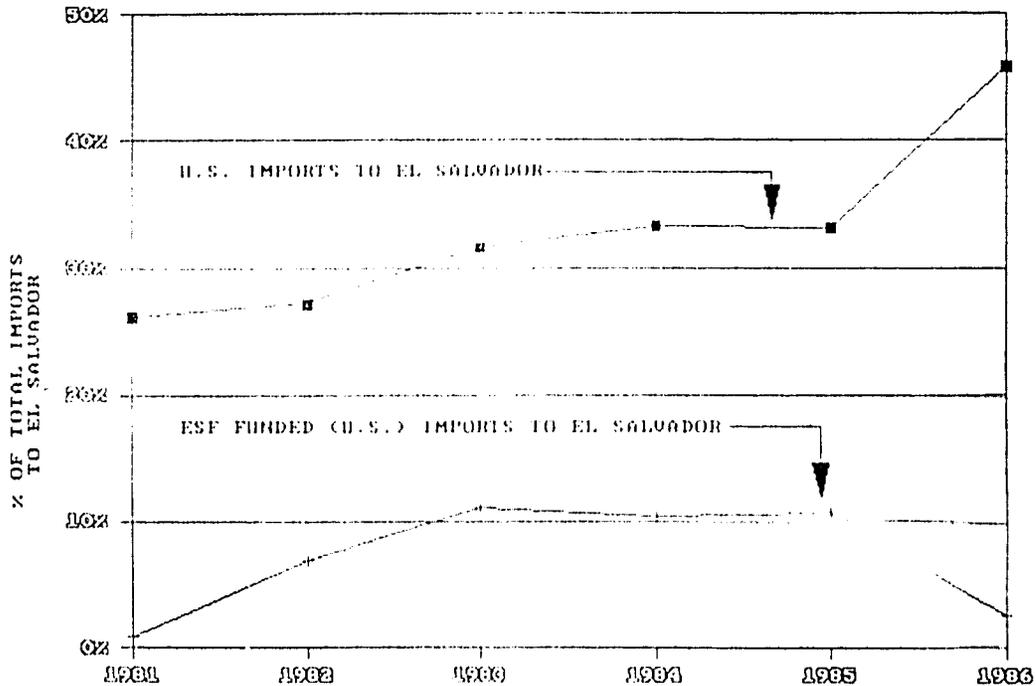


Figure 28
 EL SALVADOR
 PROJECT 0267 - 0310
 ECONOMIC SUPPORT FUND IMPACT

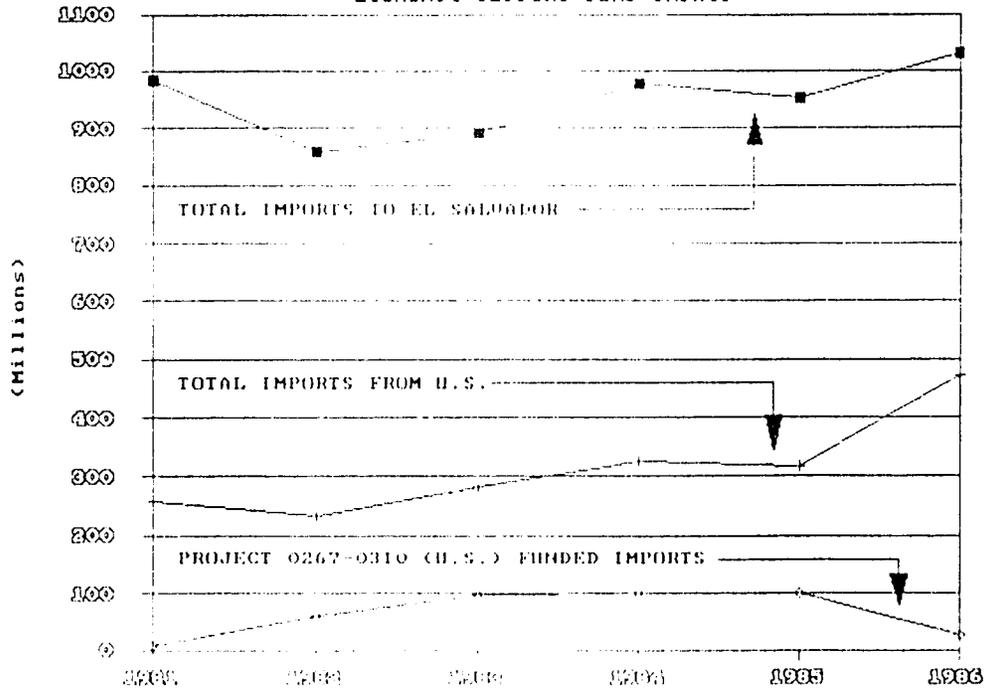
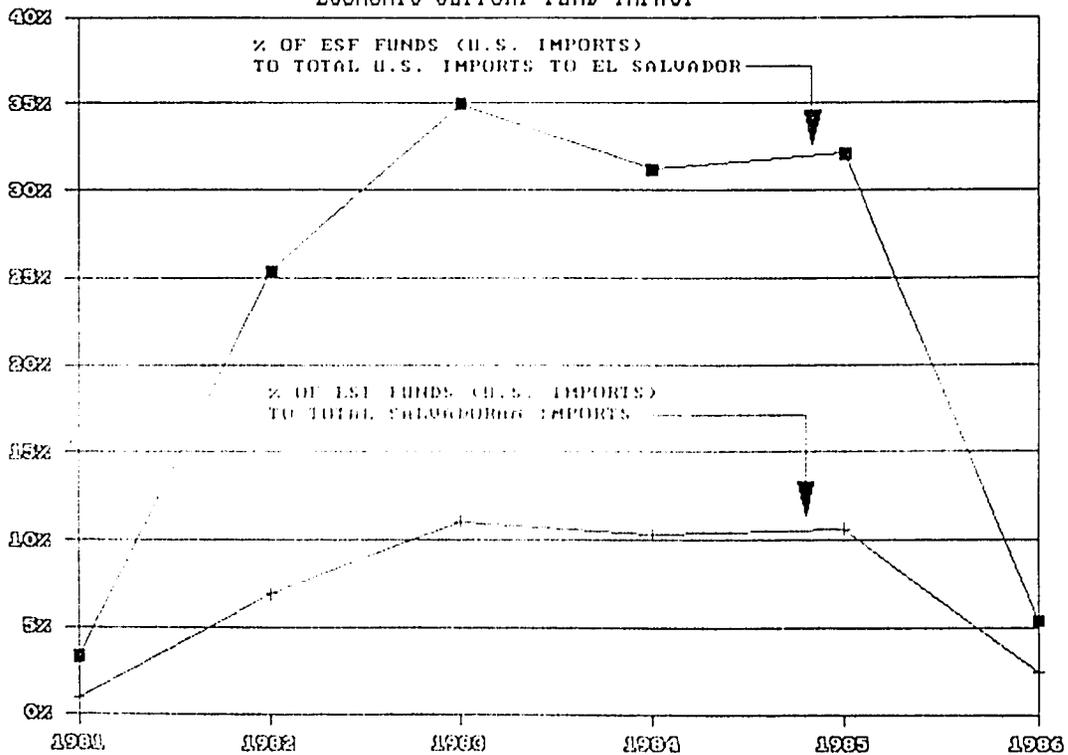


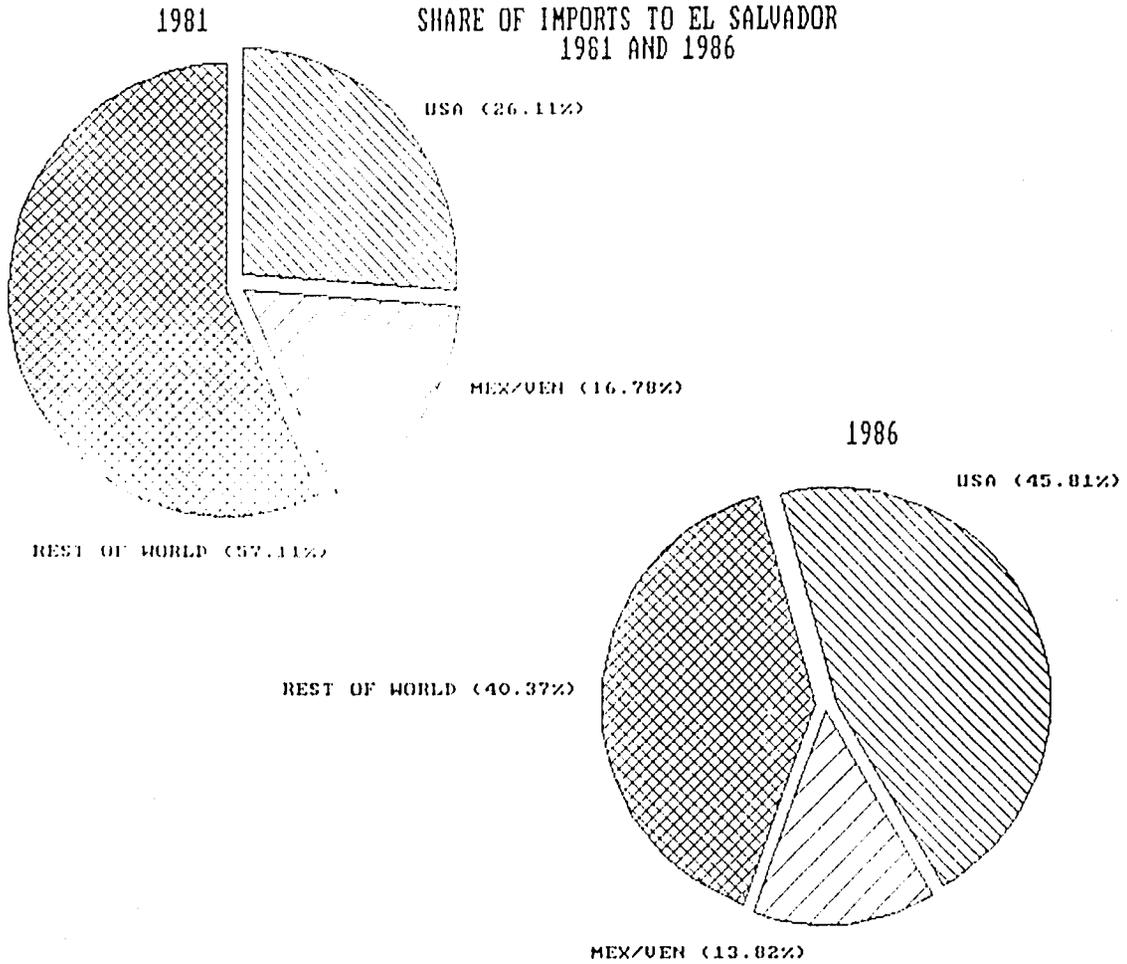
Figure 28A

EL SALVADOR
 PROJECT 0267 - 0310
 ECONOMIC SUPPORT FUND IMPACT



Partly as a result of the ESF Balance of Payments Program, US share of imports have steadily increased (see Figure 29).

Figure 29



Since 1981 there has been a steady increase of imports of industrial machinery in Colones terms and petroleum has declined as a percentage of total imports (see Table 1.2).

TABLE 1.2

EL SALVADOR'S COUNTRY SHARE OF IMPORTS (1981-1986)

| COUNTRY | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 |
|--|--------|--------|--------|--------|--------|--------------------|
| United States | 26.11 | 27.20 | 31.70 | 33.27 | 33.21 | 45.81 |
| Guatemala | 25.13 | 24.50 | 19.18 | 19.18 | 16.14 | 6.17 |
| Other CACM Countries | 5.83 | 59.94 | 6.92 | 6.81 | 6.49 | 4.12 |
| Mexico/Venezuela | 16.78 | 17.13 | 17.83 | 16.71 | 17.47 | 13.82 |
| Japan | 3.40 | 3.13 | 3.51 | 4.29 | 4.99 | 3.56 |
| West Germany | 3.74 | 4.65 | 4.16 | 4.41 | 4.38 | 5.53 |
| Rest of World | 19.01 | 17.45 | 16.70 | 15.33 | 17.32 | 20.99 |
| Total | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | (Note 1) 100.00 |
| Industrial Machinery | 3.98 | 3.76 | 4.22 | 4.36 | 4.21 | 5.71% |
| Petroleum | 15.13 | 15.66 | 15.10 | 13.33 | 14.46 | 10.56% |
| Petroleum as percentage of Mexico/Venezuela Total | 90.14 | 91.45 | 84.72 | 79.80 | 82.79 | 76.38% |

Compiled from data provided by Central Reserve Bank of El Salvador.

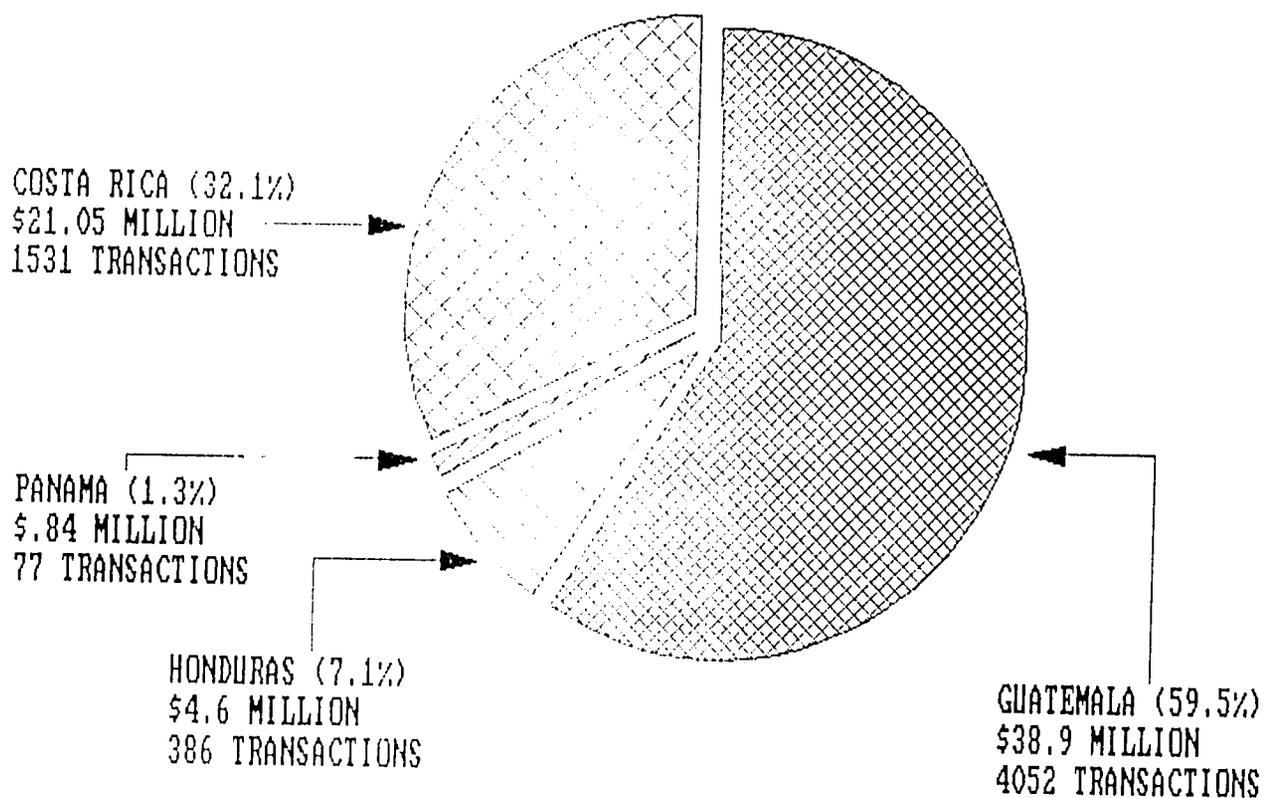
As can be discerned from the 1986 figure, the country allocated more resources in terms of Colones for investment in industrial machinery relative to total imports.

Even though a significant percentage of Project 519-0310 funds were used to pay for petroleum imports from Venezuela and Mexico, the level of imports from the US did not suffer; on the contrary, they increased dramatically from 1985 to 1986 and almost doubled with respect to levels in 1981. In addition, it can be seen that due to the decline in oil prices, the pressure of demand for foreign exchange for this product declined by 35% thus freeing sources to be redirected for other imports from other countries, among which the U.S. figures prominently. In fact, since 1981, the United States has become the leading exporting country to El Salvador.

During 1985-1986, Central American imports, excluding Panama, amounted to 16.21% of total imports to El Salvador. Attributions under Projects 519-0267 and 519-0310 for Central American imports accounted for 10.97% of the total amount attributed under these projects. During the same period, the ESF Program provided 20.11% of the foreign exchange requirements for imports from these Central American countries (see Figure 30).

Figure 30

EL SALVADOR
PROJECT 0267 - 0310
IMPORTS FROM CENTRAL AMERICA & PANAMA
(10.97% OF TOTAL)
ATTRIBUTED TRANSACTIONS



SECTION V. REVIEW COST/BENEFIT

As a result of the review, some US\$84.39 million in ineligible transactions were discovered (see Page 17, Table 1.1). The cost involved in conducting the verification of the proper usage of ESF funds amounted to 1/7 of a cent per dollar invested in the ESF Balance of Payments Support Program, AID Project No.'s 519-0267 and 519-0310.

For each dollar spent on the review, US\$92.45 of potentially inappropriate attributions were uncovered and precluded from inclusion in the final attribution of Projects 519-0267 and 519-0310.

The real benefit of the review was in assuring the proper use of ESF dollars and the development of statistical data in the expenditure of ESF dollars over a six year period. This data can provide comparison data for future ESF Programs and can be useful in ESF policy planning.

SECTION VI: REVIEW PURPOSE

The purpose of the review was to determine:

- A. That transactions on file represented a sufficient dollar value to fully attribute all Disbursements to the Grant Agreements.
- B. That the transactions on file represented imports of the specified categories and for the specified eligible private sub-sectors as documented by the Grant Agreements and its Amendments and Implementation Letters.
- C. That all transactions attributed to the Grant Agreements were properly filed in individual folders and were accurately marked according to the Agreements to which they applied.
- D. That all transactions on file contained sufficient documentation to support the following:
 - 1) Permission for import (Form 10).
 - 2) Allocation of foreign exchange (Form 15).
 - 3) Proof of physical importation (Poliza or Import Certificate).
 - 4) U.S., Panamanian, Honduran, Guatemalan, Costa Rican, and in the case of petroleum Venezuelan and Mexican source.
 - 5) Eligible product.
 - 6) Eligible sub-sector.
 - 7) Eligibility by Amendment period.
- E. That no duplication of transactions existed.
- F. That sufficient evidence was available to assure that the transactions had been completed and fully paid.

SECTION VII. REVIEW METHODOLOGY

The methodology used to accomplish the intended purposes as outlined above was as follows:

- A. During the term of the review, all work papers remained secured by lock and key with review personnel maintaining control of the keys as well as all work papers involved in the review process.
- B. Control sheets were used for batches of transactions to facilitate allocating transactions for Separate Account payment and identifying those transactions found to be ineligible.
- C. Each and every transaction together with each document involved was physically inspected to determine:
 - 1) Document continuity (i.e.: the product description on the F-10 conformed to that on the Import Certificate (Poliza), the F-15, the commercial invoice, and the shipping documents and that the F-10 number was recorded on the F-15 and the Poliza).
 - 2) Accurate price recording (i.e.: CIF price shown on the Poliza was in conformance with the amount paid against the F-15).
 - 3) Qualified source (i.e.: shipping documents and commercial invoices were compared to identify port of embarkation).
 - 4) Amendment applicability (i.e.: the later of the date on the Poliza or the F-15 was compared to the effective date of each Disbursement).
 - 5) Product and sub-sector eligibility (i.e.: The detailed description of the products on the invoice were identified and compared to the allowable categories contained in Implementation Letter No. 1 to determine the applicable sub-sector by importer in combination with the type of product).

Since all the documentation required to complete an Import Transaction is interrelated and generally cross-referenced, it was not always necessary for every document to be present in a given transaction file in order to determine the legitimacy of the transaction.

Table 1.2 indicates the documents we required to be present to substantiate the validity for each transaction.

TABLE 1.3

| <u>Document</u> | <u>Purpose</u> | <u>Data Used</u> | <u>Cross Reference</u> |
|---|---|---|--|
| F-15 (Foreign Exchange Authorization) | 1. To establish the Central Reserve Bank's commitment of foreign exchange for a specific transaction. | 1. Application Date. 2. Authorization Date. | 1. Declaracion Jurada (Sworn Declaration) 2. F-10 |
| | 2. To establish the final liquidated amount of foreign exchange for a specific transaction | 3. Authorized Amount. 4. Liquidated Date. 5. Liquidated Amount. | 3. Poliza (Import Certificate) |
| | 3. To establish the amount of foreign exchange sold to a commercial bank for a specific transaction. | 6. Form number | |
| Poliza (Import Cert.) | 1. To establish CIF value. | 1. Approved CIF value. | 1. F-10 |
| | 2. To establish that product the was physically imported. | 2. Customs Release Stamp Date or Import Certificate Date (whichever is later) | 2. Bill of Lading 3. Commercial Invoice. |
| | 3. To establish product description. | | 4. F-15 |
| | | 3. FOB value | |
| | 4. To establish date for Amendment Qualification. | 4. Form Number | |
| 5. To establish transaction completion. | | | |

| <u>Document</u> | <u>Purpose</u> | <u>Data Used</u> | <u>Cross Reference</u> |
|-------------------------------|--|------------------------------|------------------------|
| Form 10 (Import Permit) | 1. To establish product description in accordance with category criteria. | 1. NAUCA code | 1. Form 15 |
| | | 2. NIT code | 2. Poliza |
| | 2. To establish Importer. | 3. Importer name. | 3. Declaracion Jurada. |
| | | 4. Exporter name. | |
| | | 5. Requested Amount. | |
| | | 6. Form Number | |
| Bill of Lading | 1. To establish product source. | 1. Port of Embarkation. | 1. Poliza |
| | | 2. Date. | 2. F-10 |
| | | 3. Product Description. | 3. F-15 |
| | | 4. Shipping Document Number. | |
| Commercial Invoice | 1. To establish product description in accordance with category criteria. | 1. Product description. | 1. Poliza |
| | | 2. Quantity | 2. F-15 |
| | 2. To establish end-use of product in accordance with sub-sector criteria. | 3. FOB value | 3. F-10 |
| | | 4. CIF value | 4. Bill of Lading. |
| | | 5. Source | |
| | | 6. Invoice Date. | |
| | | 7. Invoice Number. | |

- D. Following the review, the control sheets were tabulated to ensure that required dollar values associated with the transactions reviewed were present to fulfill the requirements for fully attributing the \$405 Million disbursed under Project 519-0267 and the \$190 Million disbursed under Project 519-0310 plus the US\$2,503,931.81 in interest earned on Project 519-0310 funds while on deposit in the Separate Accounts.
- E. After verifying the computer listing of transactions against the manually verified control sheets and completing required corrections, the accurate listings were tested for duplications.
- F. The final listings of transactions with duplications eliminated were then compared to the PRESA (a listing of transactions as yet unpaid by the BCR and a listing of cancelled transactions) for Project 519-0267, and the Statements of Account from the four Separate Accounts for Project 519-0310, to verify that only eligible transactions had been attributed.
- H. Finally, a series of reports were generated providing statistical data on the transactions reviewed.

APPENDIX I

| NO. F-15 | POLIZA | NO. DE NIT | IMPORTADOR | CAT. | SS. | ORI | VALOR | GIF | VALOR ACUMULADO | FECHA | AN | CORR |
|----------|---------|------------|------------|------|-----|-----|---------------|-------|-----------------|--------|----|-------|
| 1090832 | 268 | | | 8 | 1 | GT | 63,668,559.13 | | 63,668,559.13 | 851226 | 73 | 5,825 |
| 1091024 | 859 | | | 8 | 1 | GT | 63,709,343.71 | | 63,709,343.71 | 851226 | 73 | 5,426 |
| 1091247 | 783 | | | 8 | 4 | GT | 63,729,578.25 | | 63,729,578.25 | 851226 | 73 | 5,827 |
| 1097349 | 1428 | | | 8 | 1 | GT | 63,732,573.29 | | 63,732,573.29 | 851226 | 73 | 5,828 |
| 1097850 | 1438 | | | 8 | 1 | GT | 63,735,573.29 | | 63,735,573.29 | 851226 | 73 | 5,829 |
| 1003858 | 743 | | | 8 | 4 | GT | 63,737,453.99 | | 63,737,453.99 | 851227 | 73 | 5,830 |
| 1004672 | 47 | | | 8 | 4 | GT | 63,739,411.99 | | 63,739,411.99 | 851227 | 73 | 5,831 |
| 1057235 | 67 | | | 8 | 5 | GT | 63,742,613.99 | | 63,742,613.99 | 851227 | 73 | 5,832 |
| 1074993 | 1348 | | | 8 | 4 | GT | 63,756,891.99 | | 63,756,891.99 | 851227 | 73 | 5,833 |
| 1081177 | 11311 | | | 8 | 1 | GT | 63,777.99 | | 63,777.99 | 851227 | 73 | 5,834 |
| 1081179 | 37 | | | 8 | 1 | GT | 63,774,292.99 | | 63,774,292.99 | 851227 | 73 | 5,835 |
| 1082599 | 545 | | | 8 | 1 | GT | 63,795,359.44 | | 63,795,359.44 | 851227 | 73 | 5,836 |
| 1084144 | 12120 | | | 8 | 1 | GT | 63,807,274.44 | | 63,807,274.44 | 851227 | 73 | 5,837 |
| 1086310 | 1 | | | 8 | 5 | GT | 63,810,374.44 | | 63,810,374.44 | 851227 | 73 | 5,838 |
| 1086712 | 9762 | | | 8 | 1 | GT | 63,814,374.44 | | 63,814,374.44 | 851227 | 73 | 5,839 |
| 1086845 | 159 | | | 8 | 1 | GT | 63,818,374.44 | | 63,818,374.44 | 851227 | 73 | 5,840 |
| 1087005 | 11215 | | | 8 | 1 | GT | 63,822,374.44 | | 63,822,374.44 | 851227 | 73 | 5,841 |
| 1088391 | 8 | | | 8 | 1 | GT | 63,826,374.44 | | 63,826,374.44 | 851227 | 73 | 5,842 |
| 1088447 | 23 | | | 8 | 1 | GT | 63,830,374.44 | | 63,830,374.44 | 851227 | 73 | 5,843 |
| 1089075 | 323 | | | 8 | 1 | GT | 63,834,374.44 | | 63,834,374.44 | 851227 | 73 | 5,844 |
| 1089117 | 27 | | | 8 | 1 | GT | 63,838,374.44 | | 63,838,374.44 | 851227 | 73 | 5,845 |
| 1089177 | 188 | | | 8 | 4 | GT | 63,842,374.44 | | 63,842,374.44 | 851227 | 73 | 5,846 |
| 1089719 | 199 | | | 8 | 1 | GT | 63,846,374.44 | | 63,846,374.44 | 851227 | 73 | 5,847 |
| 1089723 | 353 | | | 8 | 4 | GT | 63,850,374.44 | | 63,850,374.44 | 851227 | 73 | 5,848 |
| 1089779 | 501 | | | 8 | 4 | GT | 63,854,374.44 | | 63,854,374.44 | 851227 | 73 | 5,849 |
| 1089791 | 741 | | | 8 | 1 | GT | 63,858,374.44 | | 63,858,374.44 | 851227 | 73 | 5,850 |
| 1089800 | 289 | | | 8 | 1 | GT | 63,862,374.44 | | 63,862,374.44 | 851227 | 73 | 5,851 |
| 1089807 | 1017 | | | 8 | 1 | GT | 63,866,374.44 | | 63,866,374.44 | 851227 | 73 | 5,852 |
| 1089855 | 187 | | | 8 | 4 | GT | 63,870,374.44 | | 63,870,374.44 | 851227 | 73 | 5,853 |
| 1089876 | 0793 | | | 8 | 4 | GT | 63,874,374.44 | | 63,874,374.44 | 851227 | 73 | 5,854 |
| 1089877 | 265 | | | 8 | 4 | GT | 63,878,374.44 | | 63,878,374.44 | 851227 | 73 | 5,855 |
| 1089878 | 19 | | | 8 | 4 | GT | 63,882,374.44 | | 63,882,374.44 | 851227 | 73 | 5,856 |
| 1089940 | 679 | | | 8 | 4 | GT | 63,886,374.44 | | 63,886,374.44 | 851227 | 73 | 5,857 |
| 1089997 | 27 | | | 8 | 1 | GT | 63,890,374.44 | | 63,890,374.44 | 851227 | 73 | 5,858 |
| 1089998 | 881 | | | 8 | 1 | GT | 63,894,374.44 | | 63,894,374.44 | 851227 | 73 | 5,859 |
| 1089999 | 202 | | | 8 | 4 | GT | 63,898,374.44 | | 63,898,374.44 | 851227 | 73 | 5,860 |
| 1090038 | 1657 | | | 8 | 1 | GT | 63,902,374.44 | | 63,902,374.44 | 851227 | 73 | 5,861 |
| 1090040 | 083,092 | | | 8 | 1 | GT | 63,906,374.44 | | 63,906,374.44 | 851227 | 73 | 5,862 |
| 1090041 | 777 | | | 8 | 1 | GT | 63,910,374.44 | | 63,910,374.44 | 851227 | 73 | 5,863 |
| 1090059 | 566 | | | 8 | 4 | GT | 63,914,374.44 | | 63,914,374.44 | 851227 | 73 | 5,864 |
| 1090114 | 1018 | | | 8 | 1 | GT | 63,918,374.44 | | 63,918,374.44 | 851227 | 73 | 5,865 |
| | | | | | | | ===== | ===== | ===== | | | |
| | | | | | | | 260,196.45 | | 63,950,036.73 | | | |
| | | | | | | | ===== | ===== | ===== | | | |

| NO. F-15 | POLIZA NO. | DE NIT | IMPORTADOR | GAT. | SS. | ORI | VALOR | GIF | VALOR ACUMULADO | FECHA | AN | CORR |
|----------|------------|--------|------------|------|-----|-----|------------------------------|---------------------------------|-----------------|-------|----|-------|
| 1090155 | 85 | | | A | 1 | GT | 5,808.88 | 63,955,845.61 | 851227 | 73 | | 5,277 |
| 1090216 | 221,216, | | | A | 1 | GT | 3,500.00 | 63,959,345.61 | 851227 | 73 | | 5,278 |
| 1090217 | 134 | | | B | 1 | GT | 1,000.00 | 63,960,345.61 | 851227 | 73 | | 5,279 |
| 1090222 | 431 | | | B | 4 | GT | 1,296.00 | 63,961,641.61 | 851227 | 73 | | 5,280 |
| 1090246 | 1551 | | | B | 1 | GT | 500.00 | 63,962,141.61 | 851227 | 73 | | 5,281 |
| 1090248 | 137 | | | B | 1 | GT | 1,200.00 | 63,963,341.61 | 851227 | 73 | | 5,282 |
| 1090249 | 138 | | | B | 4 | GT | 1,200.00 | 63,964,541.61 | 851227 | 73 | | 5,283 |
| 1090326 | 926 | | | A | 1 | GT | 2,145.00 | 63,966,686.61 | 851227 | 73 | | 5,284 |
| 1090327 | 933 | | | B | 1 | GT | 2,145.00 | 63,968,831.61 | 851227 | 73 | | 5,285 |
| 1090328 | 283 | | | B | 4 | GT | 1,118.75 | 63,969,950.36 | 851227 | 73 | | 5,286 |
| 1090329 | 428 | | | D | 4 | GT | 1,500.00 | 63,971,450.36 | 851227 | 73 | | 5,287 |
| 1090418 | 108 | | | D | 4 | GT | 2,671.20 | 63,974,121.56 | 851227 | 73 | | 5,288 |
| 1090419 | 563 | | | D | 4 | GT | 4,379.14 | 63,978,500.70 | 851227 | 73 | | 5,289 |
| 1090420 | 791 | | | D | 4 | GT | 5,548.80 | 63,984,049.50 | 851227 | 73 | | 5,290 |
| 1090422 | 787 | | | B | 4 | GT | 2,674.56 | 63,986,724.06 | 851227 | 73 | | 5,291 |
| 1090522 | 215 | | | B | 4 | GT | 2,727.54 | 63,989,451.60 | 851227 | 73 | | 5,292 |
| 1090635 | 640 | | | A | 1 | GT | 1,433.39 | 63,990,884.99 | 851227 | 73 | | 5,293 |
| 1090834 | 1197 | | | B | 1 | HD | 8,929.55 | 64,000,314.54 | 851227 | 73 | | 5,294 |
| 1091110 | 50 | | | B | 1 | HD | 3,100.00 | 64,003,414.54 | 851227 | 73 | | 5,295 |
| 1091666 | 10 | | | B | 1 | HD | 3,200.00 | 64,006,614.54 | 851227 | 73 | | 5,296 |
| 1091819 | 10 | | | B | 1 | HD | 18,050.00 | 64,024,664.54 | 851227 | 73 | | 5,297 |
| 1091834 | 12070 | | | B | 1 | HD | 8,034.68 | 64,032,699.22 | 851227 | 73 | | 5,298 |
| 1093446 | 10 | | | B | 1 | HD | 4,625.00 | 64,037,324.22 | 851227 | 73 | | 5,299 |
| 1097809 | | | | B | 1 | HD | 6,252.00 | 64,043,576.22 | 851227 | 73 | | 5,300 |
| 1097846 | 955 | | | B | 1 | HD | 3,000.00 | 64,046,576.22 | 851227 | 73 | | 5,301 |
| 1097847 | 1205 | | | B | 1 | HD | 3,000.00 | 64,049,576.22 | 851227 | 73 | | 5,302 |
| 1097849 | 1271 | | | B | 1 | HD | 3,000.00 | 64,052,576.22 | 851227 | 73 | | 5,303 |
| 1097851 | 110 | | | B | 1 | HD | 3,400.00 | 64,055,976.22 | 851227 | 73 | | 5,304 |
| 1098061 | 188 | | | B | 1 | HD | 3,400.00 | 64,059,376.22 | 851227 | 73 | | 5,305 |
| 7003296 | 1207 | | | D | 2 | GT | 27,000.00 | 64,086,376.22 | 851227 | 73 | | 5,306 |
| 7065881 | 508 | | | B | 1 | GT | 2,482.60 | 64,088,858.82 | 851227 | 73 | | 5,307 |
| 7065587 | 57 | | | B | 4 | GT | 6,850.80 | 64,095,709.62 | 851227 | 73 | | 5,308 |
| 7065582 | 235 | | | B | 4 | CR | 10,729.25 | 64,106,438.87 | 851227 | 73 | | 5,309 |
| 7066667 | 154 | | | B | 4 | CR | 15,018.00 | 64,121,456.87 | 851227 | 73 | | 5,310 |
| 7066668 | 153 | | | B | 1 | HD | 1,785.28 | 64,123,242.15 | 851227 | 73 | | 5,311 |
| 7067784 | 1443 | | | B | 1 | HD | 1,785.28 | 64,125,027.43 | 851227 | 73 | | 5,312 |
| 7067845 | 249 | | | B | 4 | GT | 7,841.36 | 64,132,868.79 | 851227 | 73 | | 5,313 |
| 7068711 | 815 | | | B | 1 | GT | 14,277.60 | 64,147,146.39 | 851227 | 73 | | 5,314 |
| 7068713 | 628 | | | B | 1 | GT | 14,277.60 | 64,161,423.99 | 851227 | 73 | | 5,315 |
| 7070615 | 1632 | | | B | 1 | GT | 14,277.60 | 64,175,701.59 | 851227 | 73 | | 5,316 |
| 1062349 | 702 | | | B | 1 | GT | 14,277.60 | 64,189,979.19 | 851227 | 73 | | 5,317 |
| 1071954 | 137 | | | B | 1 | GT | 2,000.00 | 64,191,979.19 | 85202 | 73 | | 5,318 |
| 1076624 | 140 | | | A | 1 | HD | 12,000.00 | 64,311,979.19 | 860102 | 73 | | 5,319 |
| 1076625 | 120 | | | D | 5 | HD | 6,400.00 | 64,318,379.19 | 860102 | 73 | | 5,320 |
| 1078336 | 193 | | | D | 5 | HD | 6,490.00 | 64,324,869.19 | 860102 | 73 | | 5,321 |
| 1078337 | 100 | | | D | 5 | HD | 3,195.00 | 64,328,064.19 | 860102 | 73 | | 5,322 |
| 1078339 | 99 | | | D | 5 | HD | 3,155.29 | 64,331,219.48 | 860102 | 73 | | 5,323 |
| 1078339 | 131 | | | D | 5 | HD | 3,142.50 | 64,334,361.98 | 860102 | 73 | | 5,324 |
| 1079722 | 44 | | | D | 5 | HD | 3,350.00 | 64,337,711.98 | 860102 | 73 | | 5,325 |
| 1079723 | 122 | | | D | 5 | HD | 3,350.00 | 64,341,061.98 | 860102 | 73 | | 5,326 |
| 1080381 | 009 | | | D | 5 | HD | 3,316.47 | 64,344,378.45 | 860102 | 73 | | 5,327 |
| 1084239 | 000004 | | | D | 5 | HD | 3,040.32 | 64,347,418.77 | 860102 | 73 | | 5,328 |
| | | | | D | 5 | HD | 3,015.21 | 64,349,633.98 | 860102 | 73 | | 5,328 |
| | | | | | | | ===== 399,597.25 ===== | ===== 64,349,633.98 ===== | | | | |

SECTION A

| NO. F-15 | POLIZA | NO. DE NIT | IMPORTRADOR | GAT. | SS. | DI VALOR | CIE | VALOR ACUMULADO | FECHA | AN | CORR |
|----------|--------|------------|-------------|------|-----|-----------|-----|-----------------|--------|----|-------|
| 1085267 | 037 | | | A | 1 | 10,000.00 | | 64,359,633.98 | 860102 | 73 | 5,929 |
| 1085439 | 0098 | | | A | 1 | 10,000.00 | | 64,369,633.98 | 860102 | 73 | 5,930 |
| 1085490 | 0101 | | | A | 1 | 15,000.00 | | 64,384,633.98 | 860102 | 73 | 5,931 |
| 1089516 | 334 | | | D | 1 | 7,073.47 | | 64,391,707.45 | 860102 | 73 | 5,932 |
| 1089640 | 165 | | | D | 1 | 16,472.00 | | 64,408,179.45 | 860102 | 73 | 5,933 |
| 1089710 | 1713 | | | D | 1 | 3,160.00 | | 64,411,339.45 | 860102 | 73 | 5,934 |
| 1089714 | 1014 | | | D | 1 | 3,260.00 | | 64,414,599.45 | 860102 | 73 | 5,935 |
| 1089734 | 75 | | | D | 1 | 4,139.20 | | 64,418,738.65 | 860102 | 73 | 5,936 |
| 1089735 | 5 | | | D | 1 | 3,029.32 | | 64,421,767.97 | 860102 | 73 | 5,937 |
| 1089874 | 792 | | | A | 1 | 18,050.00 | | 64,439,817.97 | 860102 | 73 | 5,938 |
| 1089882 | 0030 | | | A | 1 | 4,454.11 | | 64,444,272.08 | 860102 | 73 | 5,939 |
| 1090058 | 793 | | | D | 1 | 5,430.00 | | 64,449,702.08 | 860102 | 73 | 5,940 |
| 10911111 | 000005 | | | D | 1 | 4,454.11 | | 64,454,156.19 | 860102 | 73 | 5,941 |
| 10911112 | 44 | | | D | 1 | 100.00 | | 64,455,156.19 | 860102 | 73 | 5,942 |
| 10911114 | 55 | | | D | 1 | 100.00 | | 64,456,156.19 | 860102 | 73 | 5,943 |
| 10911119 | 3010 | | | D | 1 | 100.00 | | 64,457,156.19 | 860102 | 73 | 5,944 |
| 10911120 | 3051 | | | D | 1 | 100.00 | | 64,458,156.19 | 860102 | 73 | 5,945 |
| 10911121 | 3051 | | | D | 1 | 100.00 | | 64,459,156.19 | 860102 | 73 | 5,946 |
| 10911122 | 3051 | | | D | 1 | 100.00 | | 64,460,156.19 | 860102 | 73 | 5,947 |
| 10911123 | 3051 | | | D | 1 | 100.00 | | 64,461,156.19 | 860102 | 73 | 5,948 |
| 10911124 | 3051 | | | D | 1 | 100.00 | | 64,462,156.19 | 860102 | 73 | 5,949 |
| 10911125 | 3051 | | | D | 1 | 100.00 | | 64,463,156.19 | 860102 | 73 | 5,950 |
| 10911126 | 3051 | | | D | 1 | 100.00 | | 64,464,156.19 | 860102 | 73 | 5,951 |
| 10911127 | 3051 | | | D | 1 | 100.00 | | 64,465,156.19 | 860102 | 73 | 5,952 |
| 10911128 | 3051 | | | D | 1 | 100.00 | | 64,466,156.19 | 860102 | 73 | 5,953 |
| 10911129 | 3051 | | | D | 1 | 100.00 | | 64,467,156.19 | 860102 | 73 | 5,954 |
| 10911130 | 3051 | | | D | 1 | 100.00 | | 64,468,156.19 | 860102 | 73 | 5,955 |
| 10911131 | 3051 | | | D | 1 | 100.00 | | 64,469,156.19 | 860102 | 73 | 5,956 |
| 10911132 | 3051 | | | D | 1 | 100.00 | | 64,470,156.19 | 860102 | 73 | 5,957 |
| 10911133 | 3051 | | | D | 1 | 100.00 | | 64,471,156.19 | 860102 | 73 | 5,958 |
| 10911134 | 3051 | | | D | 1 | 100.00 | | 64,472,156.19 | 860102 | 73 | 5,959 |
| 10911135 | 3051 | | | D | 1 | 100.00 | | 64,473,156.19 | 860102 | 73 | 5,960 |
| 10911136 | 3051 | | | D | 1 | 100.00 | | 64,474,156.19 | 860102 | 73 | 5,961 |
| 10911137 | 3051 | | | D | 1 | 100.00 | | 64,475,156.19 | 860102 | 73 | 5,962 |
| 10911138 | 3051 | | | D | 1 | 100.00 | | 64,476,156.19 | 860102 | 73 | 5,963 |
| 10911139 | 3051 | | | D | 1 | 100.00 | | 64,477,156.19 | 860102 | 73 | 5,964 |
| 10911140 | 3051 | | | D | 1 | 100.00 | | 64,478,156.19 | 860102 | 73 | 5,965 |
| 10911141 | 3051 | | | D | 1 | 100.00 | | 64,479,156.19 | 860102 | 73 | 5,966 |
| 10911142 | 3051 | | | D | 1 | 100.00 | | 64,480,156.19 | 860102 | 73 | 5,967 |
| 10911143 | 3051 | | | D | 1 | 100.00 | | 64,481,156.19 | 860102 | 73 | 5,968 |
| 10911144 | 3051 | | | D | 1 | 100.00 | | 64,482,156.19 | 860102 | 73 | 5,969 |
| 10911145 | 3051 | | | D | 1 | 100.00 | | 64,483,156.19 | 860102 | 73 | 5,970 |
| 10911146 | 3051 | | | D | 1 | 100.00 | | 64,484,156.19 | 860102 | 73 | 5,971 |
| 10911147 | 3051 | | | D | 1 | 100.00 | | 64,485,156.19 | 860102 | 73 | 5,972 |
| 10911148 | 3051 | | | D | 1 | 100.00 | | 64,486,156.19 | 860102 | 73 | 5,973 |
| 10911149 | 3051 | | | D | 1 | 100.00 | | 64,487,156.19 | 860102 | 73 | 5,974 |
| 10911150 | 3051 | | | D | 1 | 100.00 | | 64,488,156.19 | 860102 | 73 | 5,975 |
| 10911151 | 3051 | | | D | 1 | 100.00 | | 64,489,156.19 | 860102 | 73 | 5,976 |
| 10911152 | 3051 | | | D | 1 | 100.00 | | 64,490,156.19 | 860102 | 73 | 5,977 |
| 10911153 | 3051 | | | D | 1 | 100.00 | | 64,491,156.19 | 860102 | 73 | 5,978 |
| 10911154 | 3051 | | | D | 1 | 100.00 | | 64,492,156.19 | 860102 | 73 | 5,979 |
| 10911155 | 3051 | | | D | 1 | 100.00 | | 64,493,156.19 | 860102 | 73 | 5,980 |
| 10911156 | 3051 | | | D | 1 | 100.00 | | 64,494,156.19 | 860102 | 73 | 5,981 |
| 10911157 | 3051 | | | D | 1 | 100.00 | | 64,495,156.19 | 860102 | 73 | 5,982 |
| 10911158 | 3051 | | | D | 1 | 100.00 | | 64,496,156.19 | 860102 | 73 | 5,983 |
| 10911159 | 3051 | | | D | 1 | 100.00 | | 64,497,156.19 | 860102 | 73 | 5,984 |
| 10911160 | 3051 | | | D | 1 | 100.00 | | 64,498,156.19 | 860102 | 73 | 5,985 |
| 10911161 | 3051 | | | D | 1 | 100.00 | | 64,499,156.19 | 860102 | 73 | 5,986 |
| 10911162 | 3051 | | | D | 1 | 100.00 | | 64,500,156.19 | 860102 | 73 | 5,987 |
| 10911163 | 3051 | | | D | 1 | 100.00 | | 64,501,156.19 | 860102 | 73 | 5,988 |
| 10911164 | 3051 | | | D | 1 | 100.00 | | 64,502,156.19 | 860102 | 73 | 5,989 |
| 10911165 | 3051 | | | D | 1 | 100.00 | | 64,503,156.19 | 860102 | 73 | 5,990 |
| 10911166 | 3051 | | | D | 1 | 100.00 | | 64,504,156.19 | 860102 | 73 | 5,991 |
| 10911167 | 3051 | | | D | 1 | 100.00 | | 64,505,156.19 | 860102 | 73 | 5,992 |
| 10911168 | 3051 | | | D | 1 | 100.00 | | 64,506,156.19 | 860102 | 73 | 5,993 |
| 10911169 | 3051 | | | D | 1 | 100.00 | | 64,507,156.19 | 860102 | 73 | 5,994 |
| 10911170 | 3051 | | | D | 1 | 100.00 | | 64,508,156.19 | 860102 | 73 | 5,995 |
| 10911171 | 3051 | | | D | 1 | 100.00 | | 64,509,156.19 | 860102 | 73 | 5,996 |
| 10911172 | 3051 | | | D | 1 | 100.00 | | 64,510,156.19 | 860102 | 73 | 5,997 |
| 10911173 | 3051 | | | D | 1 | 100.00 | | 64,511,156.19 | 860102 | 73 | 5,998 |
| 10911174 | 3051 | | | D | 1 | 100.00 | | 64,512,156.19 | 860102 | 73 | 5,999 |
| 10911175 | 3051 | | | D | 1 | 100.00 | | 64,513,156.19 | 860102 | 73 | 6,000 |
| 10911176 | 3051 | | | D | 1 | 100.00 | | 64,514,156.19 | 860102 | 73 | 6,001 |
| 10911177 | 3051 | | | D | 1 | 100.00 | | 64,515,156.19 | 860102 | 73 | 6,002 |
| 10911178 | 3051 | | | D | 1 | 100.00 | | 64,516,156.19 | 860102 | 73 | 6,003 |
| 10911179 | 3051 | | | D | 1 | 100.00 | | 64,517,156.19 | 860102 | 73 | 6,004 |
| 10911180 | 3051 | | | D | 1 | 100.00 | | 64,518,156.19 | 860102 | 73 | 6,005 |
| 10911181 | 3051 | | | D | 1 | 100.00 | | 64,519,156.19 | 860102 | 73 | 6,006 |
| 10911182 | 3051 | | | D | 1 | 100.00 | | 64,520,156.19 | 860102 | 73 | 6,007 |
| 10911183 | 3051 | | | D | 1 | 100.00 | | 64,521,156.19 | 860102 | 73 | 6,008 |
| 10911184 | 3051 | | | D | 1 | 100.00 | | 64,522,156.19 | 860102 | 73 | 6,009 |
| 10911185 | 3051 | | | D | 1 | 100.00 | | 64,523,156.19 | 860102 | 73 | 6,010 |
| 10911186 | 3051 | | | D | 1 | 100.00 | | 64,524,156.19 | 860102 | 73 | 6,011 |
| 10911187 | 3051 | | | D | 1 | 100.00 | | 64,525,156.19 | 860102 | 73 | 6,012 |
| 10911188 | 3051 | | | D | 1 | 100.00 | | 64,526,156.19 | 860102 | 73 | 6,013 |
| 10911189 | 3051 | | | D | 1 | 100.00 | | 64,527,156.19 | 860102 | 73 | 6,014 |
| 10911190 | 3051 | | | D | 1 | 100.00 | | 64,528,156.19 | 860102 | 73 | 6,015 |
| 10911191 | 3051 | | | D | 1 | 100.00 | | 64,529,156.19 | 860102 | 73 | 6,016 |
| 10911192 | 3051 | | | D | 1 | 100.00 | | 64,530,156.19 | 860102 | 73 | 6,017 |
| 10911193 | 3051 | | | D | 1 | 100.00 | | 64,531,156.19 | 860102 | 73 | 6,018 |
| 10911194 | 3051 | | | D | 1 | 100.00 | | 64,532,156.19 | 860102 | 73 | 6,019 |
| 10911195 | 3051 | | | D | 1 | 100.00 | | 64,533,156.19 | 860102 | 73 | 6,020 |
| 10911196 | 3051 | | | D | 1 | 100.00 | | 64,534,156.19 | 860102 | 73 | 6,021 |
| 10911197 | 3051 | | | D | 1 | 100.00 | | 64,535,156.19 | 860102 | 73 | 6,022 |
| 10911198 | 3051 | | | D | 1 | 100.00 | | 64,536,156.19 | 860102 | 73 | 6,023 |
| 10911199 | 3051 | | | D | 1 | 100.00 | | 64,537,156.19 | 860102 | 73 | 6,024 |
| 10911200 | 3051 | | | D | 1 | 100.00 | | 64,538,156.19 | 860102 | 73 | 6,025 |
| 10911201 | 3051 | | | D | 1 | 100.00 | | 64,539,156.19 | 860102 | 73 | 6,026 |
| 10911202 | 3051 | | | D | 1 | 100.00 | | 64,540,156.19 | 860102 | 73 | 6,027 |
| 10911203 | 3051 | | | D | 1 | 100.00 | | 64,541,156.19 | 860102 | 73 | 6,028 |
| 10911204 | 3051 | | | D | 1 | 100.00 | | 64,542,156.19 | 860102 | 73 | 6,029 |
| 10911205 | 3051 | | | D | 1 | 100.00 | | 64,543,156.19 | 860102 | 73 | 6,030 |
| 10911206 | 3051 | | | D | 1 | 100.00 | | 64,544,156.19 | 860102 | 73 | 6,031 |
| 10911207 | 3051 | | | D | 1 | 100.00 | | 64,545,156.19 | 860102 | 73 | 6,032 |
| 10911208 | 3051 | | | D | 1 | 100.00 | | 64,546,156.19 | 860102 | 73 | 6,033 |
| 10911209 | 3051 | | | D | 1 | 100.00 | | 64,547,156.19 | 860102 | 73 | 6,034 |
| 10911210 | 3051 | | | D | 1 | 100.00 | | 64,548,156.19 | 860102 | 73 | 6,035 |
| 10911211 | 3051 | | | D | 1 | 100.00 | | 64,549,156.19 | 860102 | 73 | 6,036 |
| 10911212 | 3051 | | | D | 1 | 100.00 | | 64,550,156.19 | 860102 | 73 | 6,037 |
| 10911213 | 3051 | | | D | 1 | 100.00 | | 64,551,156.19 | 860102 | 73 | 6,038 |
| 10911214 | 3051 | | | D | 1 | 100.00 | | 64,552,156.19 | 860102 | 73 | 6,039 |
| 10911215 | 3051 | | | D | 1 | 100.00 | | 64,553,156.19 | 860102 | 73 | 6,0 |

| No. REP | No. FIO | No. FIS | IMPORTER NAME | FRMO SECT | EXPORTER NAME | ORIGIN CORRESPONDENT | LOCAL BANK NAME | POLIZA | DATE OF EXPORTER PAYMENT | DATE OF SEPARATE ACCOUNT PAYMENT | TOTAL \$ | TOTAL \$ | DOLPES DEDUCCION AT 0.5% | TOTAL ALLOWABLE FINE | RR REPORSESS TO SEPARATE ACCT | BALANCE DED BOP (SET. ACCT) | |
|---------|---------|---------|------------------------------------|-----------|---------------|-------------------------------|-----------------|--------|--------------------------|----------------------------------|-----------------------------|--------------------|--------------------------|----------------------|-------------------------------|-----------------------------|----------|
| | | | | | | | | | | | ALLOWABLE FROM DEF. ACCOUNT | PAID FROM DEF ACCT | | TOTAL PAID | | | |
| 2912 | / 64 | 452349 | SAPO COLTREE LIERES, S.A. DE C.V. | D | 1 | U.S. ELECTRICAL MOTORS DIV. | FL CAPITAL BANK | | 03/03/86 | 02/21/86 | 550.65 | 550.65 | | 1,291.62 | 0.00 | 0.00 | 0.00 |
| 2914 | / 64 | 347705 | SAPO COLTREE LIERES, S.A. DE C.V. | D | 1 | U.S. ELECTRICAL MOTORS DIV. | FL CAPITAL BANK | | 02/03/86 | 02/21/86 | 45,943.60 | 45,943.09 | | 114,612.72 | 100.51 | 0.00 | 113.51 |
| 2915 | / 64 | 441202 | TRACO JARJE ALBERTO SEQUEIRA C. | A | 1 | IMEI TRADING INCORPORATED | FL CAPITAL BANK | | 02/19/86 | 02/25/86 | 5,525.08 | 5,474.96 | | 10,742.40 | 66.12 | 0.00 | 66.62 |
| 2916 | / 64 | 203301 | EMSA CAJAS Y BOLSAS S.A. | A | 1 | OSBA CORPORATION | FL CAPITAL BANK | | 02/19/86 | 02/25/86 | 1,103.68 | 1,103.68 | | 2,709.15 | 0.00 | 0.00 | 0.00 |
| 2918 | / 64 | 202262 | TOMA SASTOS INDUSTRIAL DE EL CALV. | A | 1 | FINNER AMERICAS INT. | FL CAPITAL BANK | | 02/25/86 | 02/25/86 | 20,602.29 | 20,951.20 | | 74,578.00 | 51.29 | 0.00 | 51.00 |
| 2919 | / 64 | 297710 | EMSA CAJAS Y BOLSAS S.A. | D | 1 | SOUTHERN SALES CO. | LA CAPITAL BANK | | 05/07/86 | 02/25/86 | 36,333.57 | 33,067.94 | | 11,719.65 | 3,250.33 | 0.00 | 3,250.33 |
| 2920 | / 64 | 241203 | EMSA CAJAS Y BOLSAS S.A. | A | 1 | OSBA CORPORATION | FL CAPITAL BANK | | 02/19/86 | 02/25/86 | 2,611.59 | 2,721.56 | | 4,893.95 | 95.01 | 0.00 | 95.01 |
| 2921 | / 64 | 246727 | EMSA CAJAS Y BOLSAS S.A. | D | 1 | A. R. C. L. TEXTILE MACHINERY | W. CAPITAL BANK | | 02/11/86 | 02/25/86 | 1,036.45 | 1,019.44 | | 2,545.60 | 17.25 | 0.00 | 17.25 |
| 2922 | / 64 | 447776 | EMSA LA CASA DEL SUCROSA | B | 1 | LOCITE CORPORATION | FL CAPITAL BANK | | 02/11/86 | 02/25/86 | 1,655.47 | 1,688.47 | | 4,221.17 | 0.00 | 0.00 | 0.00 |
| 2924 | / 64 | 434723 | TRACO JARJE ALBERTO SEQUEIRA C. | A | 1 | IMEI TRADING INCORPORATED | FL CAPITAL BANK | | 04/07/86 | 02/25/86 | 3,202.03 | 3,202.02 | | 6,055.07 | 0.00 | 0.00 | 0.00 |
| 2925 | / 64 | 421205 | TRACO JARJE ALBERTO SEQUEIRA C. | D | 1 | J. & J. INTERNATIONAL INC. | FL CAPITAL BANK | | 04/06/86 | 02/25/86 | 934.08 | 904.06 | | 2,331.20 | 0.00 | 0.00 | 0.00 |
| 2927 | / 64 | 441201 | TRACO JARJE ALBERTO SEQUEIRA C. | D | 1 | J. & J. INTERNATIONAL INC. | FL CAPITAL BANK | | 04/05/86 | 02/25/86 | 742.45 | 741.45 | | 1,350.12 | 0.00 | 0.00 | 0.00 |
| 2928 | / 64 | 417776 | EMSA OFICINA EMERSA, S.A. | D | 1 | OSBA CORPORATION | FL CAPITAL BANK | | 02/11/86 | 02/25/86 | 459.49 | 459.49 | | 1,154.72 | 0.00 | 0.00 | 0.00 |
| 2929 | / 64 | 412104 | TRACO EMPLEO S.A. S.A. | A | 1 | VIRA CHEMICAL INTL. | FL CAPITAL BANK | | 02/12/86 | 02/25/86 | 670.60 | 670.60 | | 1,434.50 | 0.00 | 0.00 | 0.00 |
| 2930 | / 64 | 409726 | TRACO EMERSON WILLIAMS S | C | 1 | STAS AMERICAN INTL. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 5,920.60 | 6,000.00 | | 14,748.59 | 41.44 | 0.00 | -61.44 |
| 2931 | / 64 | 407724 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 170.67 | 160.50 | | 401.29 | 10.17 | 0.00 | 10.17 |
| 2932 | / 64 | 407724 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 170.67 | 160.50 | | 401.29 | 10.17 | 0.00 | 10.17 |
| 2933 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 5,799.78 | 5,499.76 | | 21,745.45 | 24.00 | 0.00 | 24.00 |
| 2934 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 5,004.47 | 5,000.00 | | 21,775.55 | 11.87 | 0.00 | 35.11 |
| 2935 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 4,349.07 | 4,349.07 | | 10,974.67 | 0.00 | 0.00 | 0.00 |
| 2936 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 1,142.49 | 1,120.45 | | 2,968.43 | 10.24 | 0.00 | 10.24 |
| 2937 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,700.90 | 2,700.90 | | 6,974.10 | 0.00 | 0.00 | 0.00 |
| 2938 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 3,437.07 | 3,437.07 | | 8,242.67 | 0.00 | 0.00 | 0.00 |
| 2939 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 6,070.14 | 6,070.14 | | 15,573.50 | 0.00 | 0.00 | -52.96 |
| 2940 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2941 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2942 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2943 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2944 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2945 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2946 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2947 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2948 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2949 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2950 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2951 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2952 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2953 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2954 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2955 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2956 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2957 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2958 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2959 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2960 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2961 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2962 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2963 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2964 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2965 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2966 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2967 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2968 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2969 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2970 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2971 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2972 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2973 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | 6,350.11 | 0.00 | 0.00 | 0.00 |
| 2974 | / 64 | 441205 | EMSA EMERSON WILLIAMS S.A. S.A. | A | 1 | EMERSON WILLIAMS S.A. | FL CAPITAL BANK | | 07/21/86 | 02/25/86 | 2,500.47 | 2,500.47 | | | | | |

PROJECT 519-0310

DETAIL OF SEPARATE ACCOUNT DEBITS

DATE: 02/26/87 21: 7

PAGE NO. 47

| No. BT | No. FID | No. FIS | IMPORTER NAME | ECOM | | ORIGIN CORRESPONDENT | LOCAL BANK NAME | FOLIO | DATE OF EXPORTER PAYMENT | DATE OF SEPARATE ACCT PAYMENT | TOTAL \$ ALLOCABLE FROM SEP. ACCTANT | TOTAL \$ PAID FROM SEP. ACCT | CONVERTION AT 2.5:1 | TOTAL ALLOWABLE M/M | B/F REIMBURSED TO SEPARATE ACCT | BALANCE DED B/F (SEP. ACCT) | |
|--------------|---------|---------|----------------|------------|----------|---------------------------|--------------------------|--------------------|--------------------------|-------------------------------|--------------------------------------|------------------------------|---------------------|---------------------|---------------------------------|-----------------------------|---------------|
| | | | | PK-30 SECT | CAT CODE | | | | | | | | | | | | EXPORTER NAME |
| 2942A | / ET | 45780 | 02714 SACA | F | B | ERSON INTERNATIONAL CORP. | NY FARMAC, W.A. TRUST CO | CENTRAL DE RESERVA | 3 | 04/25/85 | 02/05/87 | 431,204.76 | 431,356.68 | 1,117,062.67 | -51,101.92 | 0.00 | -51,101.92 |
| 2943 | / ET | 44570 | 77126 C.E.L.L. | F | B | MARLEN, S.A. | VI CITIZEN AND SOUTHERN | CENTRAL DE RESERVA | 1 | 01/20/85 | 01/09/87 | 1,820,454.74 | 2,024,156.03 | 4,914,856.77 | -301,751.29 | 0.00 | -301,751.29 |
| 2943 | / ET | 445810 | 77136 C.E.L.L. | F | B | MARLEN, S.A. | VI CAPITAL BNA | CENTRAL DE RESERVA | 1 | 01/25/85 | 01/28/87 | 3,245,141.96 | 3,643,670.76 | 7,914,000.37 | -352,557.64 | 0.00 | -352,557.64 |
| 2943A | / ET | 443495 | 77793 SACA | F | B | ERSON INTERNATIONAL CORP. | NY NATIONAL BNA, GEORGIA | DUSSATLAN | 1 | 02/26/85 | 02/11/87 | 292,207.10 | 231,510.60 | 575,176.62 | 61,696.50 | 0.00 | 61,696.50 |
| TOTAL S..... | | | | | | | | | | | 192,562,931.61 | 193,636,557.66 | 500,707,125.38 | -1,231,625.85 | 1,231,625.85 | 0.00 | |

SECTION A

PROYECTO 0310-0267

REPORTE DE TRANSACCIONES POR SUB-SECTOR Y CATEGORIA

FECHA: 03/24/87

| SUB-SECTOR | RAW MATERIALS | INTERM. GOODS | CAPITAL GOODS | SPARE PARTS | AGRICULTURAL | PETROLEUM | T O T A L E S |
|-----------------|------------------|------------------|------------------|-------------|--------------|-----------|---------------|
| MANUFACTURING | 4074 | 9211 | 871 | 2783 | 37 | 3 | 17179 |
| AGRICULTURAL | 16 | 41 | 53 | 81 | 120 | 1 | 312 |
| AGRO-INDUSTRIAL | 107 | 118 | 121 | 275 | 416 | 1 | 1038 |
| COMERCIAL | 72 | 2090 | 376 | 3188 | 136 | 3 | 5865 |
| CONSTRUCTION | 51 | 206 | 31 | 305 | 0 | 0 | 593 |
| TRANSPORTATION | 4 | 62 | 16 | 488 | 14 | 7 | 591 |
| COMMUNICATION | 63 | 110 | 21 | 82 | 2 | 0 | 278 |
| ENERGY | 3 | 50 | 17 | 148 | 5 | 48 | 271 |
| T O T A L E S | 4390 | 11888 | 1506 | 7550 | 730 | 63 | 26127 |

SECTION B

CTO 0310-0267

REPORTE POR SUB-SECTOR Y CATEGORIA

FECHA: 03/24/87

| SECTOR | RAW MATERIALS | INTERM. GOODS | CAPITAL GOODS | SPARE PARTS | AGRICULTURAL | PETROLEUM | TOTALS |
|----------------|-----------------|------------------|-----------------|-----------------|-----------------|------------------|------------------|
| MANUFACTURING | \$79,279,897.72 | \$211,608,385.54 | \$13,962,073.80 | \$18,757,998.77 | \$566,381.09 | \$99,736.94 | \$324,274,473.86 |
| CULTURAL | \$667,487.75 | \$2,184,037.63 | \$1,227,361.95 | \$931,911.91 | \$12,428,822.95 | \$55,379.00 | \$17,495,001.19 |
| INDUSTRIAL | \$4,505,800.91 | \$2,862,271.84 | \$4,812,257.81 | \$2,811,736.75 | \$18,869,130.67 | \$13,226.20 | \$33,874,424.18 |
| SOCIAL | \$1,146,520.22 | \$23,590,616.08 | \$4,572,880.87 | \$20,878,861.73 | \$6,320,443.36 | \$278,723.20 | \$56,788,045.46 |
| CONSTRUCTION | \$952,125.13 | \$2,062,429.60 | \$483,745.51 | \$2,156,021.41 | \$0.00 | \$0.00 | \$5,654,121.65 |
| TRANSPORTATION | \$68,707.50 | \$3,127,861.19 | \$296,596.18 | \$4,874,440.45 | \$636,559.39 | \$876,179.30 | \$9,880,344.01 |
| COMMUNICATION | \$892,500.04 | \$1,449,339.98 | \$912,071.65 | \$642,775.56 | \$27,643.39 | \$0.00 | \$3,924,330.62 |
| OTHER | \$18,460.70 | \$1,230,095.37 | \$170,575.66 | \$1,749,837.31 | \$66,031.80 | \$142,378,246.01 | \$145,613,246.85 |
| TOTALS | \$87,531,499.97 | \$248,115,037.23 | \$26,437,363.42 | \$52,803,583.89 | \$38,915,012.65 | \$143,701,490.65 | \$597,503,987.81 |

SECTION C

DISTRIBUCION POR FRECUENCIA DE CATEGORIA

FECHA: 03/24/87

| C A T E G O R I A | T. IRAN. | % TRAN. | TOTAL ASIGNADO | % ASIGNADO |
|---------------------|----------|----------|------------------|------------|
| RAW MATERIALS | 4390 | 16.8025% | \$87,531,499.89 | 14.6495% |
| INTERMEDIATE GOODS | 11888 | 45.5008% | \$248,115,037.31 | 41.5253% |
| CAPITAL GOODS | 1506 | 5.7642% | \$26,437,363.48 | 4.4246% |
| SPARE PARTS | 7550 | 28.8973% | \$52,803,583.77 | 8.8374% |
| AGRICULTURAL INPUTS | 730 | 2.7940% | \$38,915,012.57 | 6.5129% |
| PETROLEUM | 63 | 0.2411% | \$143,701,490.52 | 24.0503% |
| T O T A L S | 26127 | 100.00% | \$597,503,987.54 | 100.00% |

SECTION D

DISTRIBUCION POR FRECUENCIA DE SUBSECTOR

FECHA: 03/24/87

| S U B - S E C T O R | T. TRAN. | % TRAN. | TOTAL ASIGNADO | % ASIGNADO |
|---------------------|----------|----------|------------------|------------|
| MANUFACTURING | 17179 | 65.7519% | \$324,274,473.89 | 54.2715% |
| AGRICULTURAL | 312 | 1.1942% | \$17,495,001.14 | 2.9280% |
| AGRO-INDUSTRIAL | 1038 | 3.9729% | \$33,874,424.11 | 5.6693% |
| COMERCIAL | 5865 | 22.4480% | \$56,788,045.25 | 9.5042% |
| CONSTRUCTION | 593 | 2.2697% | \$5,654,121.69 | 0.9463% |
| TRANSPORTATION | 591 | 2.2620% | \$9,880,343.95 | 1.6536% |
| COMMUNICATION | 278 | 1.0640% | \$3,924,330.70 | 0.6568% |
| ENERGY | 271 | 1.0372% | \$145,613,246.81 | 24.3703% |
| T O T A L S | 26127 | 100.00% | \$597,503,987.54 | 100.00% |

SECTION E

PROYECTO 0310-0267 DISTRIBUCION POR FRECUENCIA DE SUBSECTOR

FECHA: 03/24/87

| R A N G O | | T. TRAN. | % TRAN. | TOTAL ASIGNADO | % ASIGNADO |
|-------------|----------|----------|----------|------------------|------------|
| < 5000 | | 12609 | 48.2604% | \$27,335,437.48 | 4.5749% |
| 5000 | 10000 | 4321 | 16.5384% | \$30,851,168.26 | 5.1633% |
| 10001 | 15000 | 2479 | 9.4883% | \$30,648,924.75 | 5.1295% |
| 15001 | 20000 | 1559 | 5.9670% | \$26,995,634.92 | 4.5181% |
| 20001 | 30000 | 1700 | 6.5067% | \$41,507,941.66 | 6.9469% |
| 30001 | 40000 | 837 | 3.2036% | \$28,622,925.45 | 4.7904% |
| 40001 | 50000 | 635 | 2.4304% | \$28,633,477.02 | 4.7922% |
| 50001 | 60000 | 477 | 1.8257% | \$26,177,023.66 | 4.3811% |
| 60001 | 75000 | 338 | 1.2937% | \$22,464,310.23 | 3.7597% |
| 75001 | 100000 | 309 | 1.1827% | \$27,104,381.81 | 4.5363% |
| 100001 | 150000 | 391 | 1.4965% | \$46,625,955.68 | 7.8035% |
| 150001 | 200000 | 193 | 0.7387% | \$33,773,803.77 | 5.6525% |
| 200001 | 500000 | 224 | 0.8574% | \$64,771,818.48 | 10.8404% |
| 500001 | 1000000 | 32 | 0.1225% | \$21,565,252.36 | 3.6092% |
| | >1000000 | 23 | 0.0890% | \$140,425,932.01 | 23.5021% |
| ===== | | | | | |
| T O T A L S | | 26127 | 100.00% | \$597,503,987.54 | 100.00% |
| ===== | | | | | |

SECTION F

| O R I G E N | T. TRAN. | % TRAN. | TOTAL ASIGNADO | % ASIGNADO |
|-------------|----------|----------|------------------|------------|
| AL | 148 | 0.5665% | \$4,876,037.80 | 0.8161% |
| AR | 5 | 0.0191% | \$22,634.29 | 0.0038% |
| AZ | 24 | 0.0919% | \$304,040.06 | 0.0509% |
| CA | 648 | 2.4802% | \$20,848,161.03 | 3.4892% |
| CO | 95 | 0.3636% | \$998,012.27 | 0.1670% |
| CR | 1531 | 5.8598% | \$21,053,110.96 | 3.5235% |
| CT | 161 | 0.6162% | \$8,980,753.60 | 1.5030% |
| DC | 3 | 0.0115% | \$41,907.44 | 0.0070% |
| DE | 347 | 1.3281% | \$12,901,614.42 | 2.1593% |
| FL | 9588 | 36.6977% | \$132,693,025.42 | 22.2079% |
| GA | 147 | 0.5626% | \$6,063,895.22 | 1.0149% |
| GT | 4052 | 15.5089% | \$38,984,775.77 | 6.5246% |
| HD | 386 | 1.4774% | \$4,650,693.54 | 0.7784% |
| IA | 64 | 0.2450% | \$1,783,128.67 | 0.2984% |
| IL | 646 | 2.4725% | \$8,362,285.21 | 1.3995% |
| IN | 96 | 0.3674% | \$1,227,492.80 | 0.2054% |
| KS | 12 | 0.0459% | \$212,474.03 | 0.0356% |
| KY | 99 | 0.3789% | \$2,397,545.70 | 0.4013% |
| LA | 1014 | 3.8810% | \$21,047,062.37 | 3.5225% |
| MA | 160 | 0.6124% | \$4,149,264.29 | 0.6944% |
| MD | 103 | 0.3942% | \$1,403,899.35 | 0.2350% |
| ME | 7 | 0.0268% | \$186,402.12 | 0.0312% |
| MI | 136 | 0.5205% | \$1,171,779.25 | 0.1961% |
| MN | 191 | 0.7310% | \$1,617,951.79 | 0.2708% |
| MO | 137 | 0.5244% | \$4,277,066.22 | 0.7158% |
| MS | 32 | 0.1225% | \$1,518,788.85 | 0.2542% |

SECTION G

| | | | | |
|----|------|----------|-----------------|----------|
| MT | 3 | 0.0115% | \$15,204.00 | 0.0025% |
| MX | 8 | 0.0306% | \$48,821,159.37 | 8.1709% |
| NC | 189 | 0.7234% | \$6,338,429.56 | 1.0608% |
| ND | 1 | 0.0038% | \$1,660.00 | 0.0003% |
| NE | 3 | 0.0115% | \$48,880.36 | 0.0082% |
| NH | 10 | 0.0383% | \$139,614.33 | 0.0234% |
| NJ | 695 | 2.6601% | \$11,202,492.37 | 1.8749% |
| NV | 1 | 0.0038% | \$19,769.35 | 0.0033% |
| NY | 2681 | 10.2614% | \$75,859,388.60 | 12.6960% |
| OH | 307 | 1.1750% | \$4,115,920.86 | 0.6887% |
| OK | 34 | 0.1301% | \$219,726.44 | 0.0368% |
| OR | 13 | 0.0498% | \$197,783.16 | 0.0331% |
| PA | 314 | 1.2018% | \$4,316,691.28 | 0.7225% |
| PN | 77 | 0.2947% | \$848,081.50 | 0.1419% |
| PR | 63 | 0.2411% | \$2,052,242.56 | 0.3435% |
| RI | 35 | 0.1340% | \$914,589.35 | 0.1531% |
| SC | 212 | 0.8114% | \$8,968,921.29 | 1.5011% |
| TN | 88 | 0.3368% | \$2,633,849.81 | 0.4408% |
| TX | 1050 | 4.0188% | \$31,580,403.37 | 5.2854% |
| UT | 12 | 0.0459% | \$34,370.71 | 0.0727% |
| VA | 62 | 0.2373% | \$5,725,266.27 | 0.9582% |
| VT | 2 | 0.0077% | \$19,585.58 | 0.0033% |
| VZ | 20 | 0.0765% | \$87,532,937.10 | 14.6498% |
| WA | 50 | 0.1914% | \$923,240.23 | 0.1545% |
| WI | 362 | 1.3855% | \$2,792,024.59 | 0.4673% |
| WV | 1 | 0.0038% | \$2,025.00 | 0.0003% |
| WY | 2 | 0.0077% | \$5,828.03 | 0.0010% |

T O T A L S

26127

100.00%

\$597,503,987.54

100.00%

SECTION G

YECTO 0310-0267

DISTRIBUCION DE VALORES POR ORIGEN Y CATEGORIA

FECHA: 03/24/87

| ORIGEN | RAW MATERIALS | INTERM. GOODS | CAPITAL GOODS | SPARE PARTS | AGRICULTURAL | PETROLEUM | T O T A L E S |
|--------|-----------------|-----------------|----------------|-----------------|----------------|----------------|------------------|
| | \$1,947,398.28 | \$2,420,642.55 | \$69,276.38 | \$92,664.04 | \$346,056.63 | \$0.00 | \$4,876,037.88 |
| | \$0.00 | \$9,647.00 | \$7,574.10 | \$5,413.18 | \$0.00 | \$0.00 | \$22,634.28 |
| | \$129,895.70 | \$70,974.50 | \$49,286.02 | \$37,279.00 | \$16,605.00 | \$0.00 | \$304,040.22 |
| | \$3,255,562.52 | \$12,996,237.38 | \$343,706.74 | \$1,363,517.65 | \$2,799,914.53 | \$89,222.10 | \$20,848,160.92 |
| | \$217,801.20 | \$524,613.76 | \$63,941.30 | \$138,608.78 | \$53,047.21 | \$0.00 | \$998,012.25 |
| | \$3,249,941.00 | \$13,895,803.30 | \$394,309.00 | \$2,569,849.40 | \$943,208.28 | \$0.00 | \$21,053,110.98 |
| | \$462,305.07 | \$2,046,551.80 | \$43,050.40 | \$151,654.40 | \$6,277,191.93 | \$0.00 | \$8,980,753.60 |
| | \$480.60 | \$33,251.00 | \$0.00 | \$8,175.90 | \$0.00 | \$0.00 | \$41,907.50 |
| | \$1,004,555.65 | \$11,201,528.84 | \$6,002,171.82 | \$240,163.40 | \$444,911.60 | \$0.00 | \$18,893,331.31 |
| | \$32,682,051.72 | \$57,907,573.64 | \$7,269,643.70 | \$22,203,817.68 | \$5,257,390.51 | \$1,380,831.34 | \$126,701,308.59 |
| | \$2,330,580.98 | \$2,303,988.80 | \$122,776.80 | \$1,009,653.90 | \$283,668.60 | \$13,226.20 | \$6,063,895.28 |
| | \$6,964,152.24 | \$21,271,230.27 | \$2,017,167.20 | \$6,243,138.30 | \$2,489,087.70 | \$0.00 | \$38,984,775.71 |
| | \$1,027,483.00 | \$2,680,570.20 | \$158,990.00 | \$583,783.50 | \$199,866.70 | \$0.00 | \$4,650,693.40 |
| | \$10,560.00 | \$1,351,404.80 | \$1,988.80 | \$273,878.15 | \$145,296.89 | \$0.00 | \$1,783,128.64 |
| | \$789,287.45 | \$4,487,568.37 | \$995,471.61 | \$1,871,625.04 | \$218,332.71 | \$0.00 | \$8,362,285.18 |
| | \$101,361.58 | \$747,676.19 | \$224,250.34 | \$94,809.80 | \$59,394.84 | \$0.00 | \$1,227,492.75 |
| | \$0.00 | \$200,239.00 | \$4,252.10 | \$7,983.00 | \$0.00 | \$0.00 | \$212,474.10 |
| | \$189,716.47 | \$2,004,205.70 | \$21,340.30 | \$167,397.21 | \$14,886.00 | \$0.00 | \$2,397,545.68 |
| | \$4,500,036.97 | \$8,820,923.68 | \$1,592,155.95 | \$3,431,115.97 | \$2,278,998.07 | \$423,831.70 | \$21,047,062.34 |
| | \$365,688.77 | \$2,068,973.65 | \$611,774.97 | \$959,157.39 | \$143,669.45 | \$0.00 | \$4,149,264.23 |
| | \$593,281.28 | \$587,678.93 | \$47,433.62 | \$175,505.51 | \$0.00 | \$0.00 | \$1,403,899.34 |
| | \$0.00 | \$168,791.67 | \$0.00 | \$17,610.50 | \$0.00 | \$0.00 | \$186,402.17 |
| | \$248,898.35 | \$524,744.66 | \$78,169.52 | \$298,800.69 | \$21,166.00 | \$0.00 | \$1,171,779.22 |
| | \$228,569.40 | \$927,398.40 | \$75,361.42 | \$293,192.35 | \$93,430.22 | \$0.00 | \$1,617,951.79 |
| | \$946,232.64 | \$1,831,424.25 | \$45,093.94 | \$345,064.61 | \$1,109,250.93 | \$0.00 | \$4,277,066.37 |
| | \$233,608.90 | \$74,893.70 | \$9,738.00 | \$51,149.90 | \$1,149,398.40 | \$0.00 | \$1,518,788.90 |

SECTION H

| | | | | | | |
|-----------------|-----------------|----------------|----------------|----------------|-----------------|-----------------|
| \$0.00 | \$0.00 | \$9,623.00 | \$5,581.00 | \$0.00 | \$0.00 | \$15,204.00 |
| \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$48,821,259.37 | \$48,821,259.37 |
| \$196,530.12 | \$4,993,081.66 | \$533,463.22 | \$400,999.55 | \$214,355.00 | \$0.00 | \$6,338,429.55 |
| \$0.00 | \$1,660.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,660.00 |
| \$0.00 | \$10,515.70 | \$35,947.00 | \$2,417.60 | \$0.00 | \$0.00 | \$48,880.30 |
| \$74,649.00 | \$53,538.00 | \$7,566.30 | \$3,861.00 | \$0.00 | \$0.00 | \$139,614.30 |
| \$1,249,807.64 | \$6,136,620.73 | \$471,865.78 | \$900,919.97 | \$2,443,270.28 | \$0.00 | \$11,202,492.40 |
| \$0.00 | \$19,769.40 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$19,769.40 |
| \$11,038,497.40 | \$49,373,595.68 | \$2,219,095.94 | \$2,713,882.29 | \$5,204,109.15 | \$5,310,208.05 | \$75,859,388.51 |
| \$182,539.07 | \$2,762,419.41 | \$383,297.16 | \$710,891.34 | \$76,773.90 | \$0.00 | \$4,115,920.88 |
| \$15,184.80 | \$138,940.04 | \$32,572.27 | \$22,775.20 | \$10,254.12 | \$0.00 | \$219,726.43 |
| \$31,606.80 | \$160,934.30 | \$0.00 | \$5,242.10 | \$0.00 | \$0.00 | \$197,783.20 |
| \$439,423.42 | \$2,622,716.65 | \$344,725.52 | \$474,957.09 | \$434,868.58 | \$0.00 | \$4,316,691.26 |
| \$198,608.29 | \$407,543.91 | \$162,533.20 | \$27,569.37 | \$51,826.78 | \$0.00 | \$848,081.55 |
| \$200,354.66 | \$1,769,837.98 | \$2,702.90 | \$79,347.00 | \$0.00 | \$0.00 | \$2,052,242.54 |
| \$72,428.21 | \$757,498.90 | \$7,117.00 | \$77,545.30 | \$0.00 | \$0.00 | \$914,589.41 |
| \$882,880.97 | \$7,627,262.96 | \$59,320.00 | \$352,575.85 | \$46,881.50 | \$0.00 | \$8,968,921.28 |
| \$0.00 | \$1,749,330.85 | \$41,985.00 | \$90,228.00 | \$752,306.00 | \$0.00 | \$2,633,849.85 |
| \$8,517,314.58 | \$15,456,744.79 | \$976,350.36 | \$3,112,192.26 | \$3,391,396.28 | \$126,405.20 | \$31,580,403.47 |
| \$48,384.00 | \$68,016.00 | \$0.00 | \$0.00 | \$317,970.70 | \$0.00 | \$434,370.70 |
| \$2,235,919.91 | \$990,796.19 | \$490,236.20 | \$430,921.40 | \$1,577,392.48 | \$0.00 | \$5,725,266.18 |
| \$0.00 | \$8,958.60 | \$0.00 | \$0.00 | \$10,627.00 | \$0.00 | \$19,585.60 |
| \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$87,532,937.10 | \$87,532,937.10 |
| \$398,527.35 | \$436,448.40 | \$850.00 | \$83,845.01 | \$0.00 | \$3,569.49 | \$923,240.25 |
| \$265,591.08 | \$1,410,263.14 | \$409,188.84 | \$668,772.81 | \$38,208.78 | \$0.00 | \$2,792,024.65 |
| \$0.00 | \$0.00 | \$0.00 | \$2,025.00 | \$0.00 | \$0.00 | \$2,025.00 |
| \$3,802.80 | \$0.00 | \$0.00 | \$2,025.30 | \$0.00 | \$0.00 | \$5,828.10 |

T A L S =====
 \$87,531,499.87 \$248,115,037.33 \$26,437,363.72 \$52,803,583.69 \$38,915,012.75 \$143,701,490.55 \$597,503,987.91
 =====

SECTION H

PROYECTO 0310-0267

DISTRIBUCION DE VALORES POR ORIGEN Y SUB-SECTOR

FECHA: 03/24/87

| O R I G E N | MANUFACTURING | AGRICULTURAL | AGRO-INDUSTRIAL | COMMERCIAL | CONSTRUCTION | TRANSPORTATION | COMMUNICATION | ENERGY | TOTALES |
|-------------|-----------------|----------------|-----------------|-----------------|----------------|----------------|----------------|----------------|------------------|
| AL | \$4,014,513.33 | \$348,192.95 | \$313,859.70 | \$180,568.80 | \$0.00 | \$17,547.00 | \$0.00 | \$1,356.00 | \$4,876,037.78 |
| AR | \$461.00 | \$0.00 | \$0.00 | \$22,173.28 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$22,634.28 |
| AZ | \$204,731.60 | \$0.00 | \$24,744.12 | \$63,417.60 | \$0.00 | \$0.00 | \$0.00 | \$11,146.70 | \$304,040.02 |
| CA | \$14,022,478.84 | \$757,012.12 | \$1,520,609.66 | \$3,201,194.38 | \$366,958.41 | \$758,522.51 | \$42,503.30 | \$178,881.90 | \$20,848,161.12 |
| CO | \$853,842.73 | \$27,530.00 | \$43,368.80 | \$55,908.02 | \$0.00 | \$17,362.70 | \$0.00 | \$0.00 | \$998,012.25 |
| CR | \$14,532,590.90 | \$795,952.00 | \$481,358.48 | \$3,489,671.90 | \$1,291,577.50 | \$320,275.20 | \$47,077.40 | \$94,607.50 | \$21,053,110.88 |
| CT | \$1,926,045.30 | \$3,266,801.02 | \$2,435,037.01 | \$1,325,971.77 | \$0.00 | \$0.00 | \$26,898.50 | \$0.00 | \$8,980,753.60 |
| DC | \$41,907.40 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$41,907.40 |
| DE | \$12,267,945.61 | \$0.00 | \$369,931.98 | \$211,885.00 | \$0.00 | \$0.00 | \$51,851.80 | \$0.00 | \$12,901,614.39 |
| FL | \$99,068,652.90 | \$1,708,753.26 | \$7,316,973.95 | \$16,069,430.07 | \$1,562,153.01 | \$3,566,362.49 | \$1,857,310.16 | \$1,543,389.47 | \$132,693,025.31 |
| GA | \$4,837,181.79 | \$2,678.00 | \$855,676.80 | \$91,422.00 | \$4,782.80 | \$259,955.00 | \$2,672.89 | \$9,526.00 | \$6,063,895.28 |
| GT | \$21,424,063.91 | \$1,295,668.20 | \$4,190,537.40 | \$10,544,756.90 | \$1,311,841.50 | \$124,101.10 | \$22,899.40 | \$70,907.40 | \$38,984,775.81 |
| HD | \$2,814,359.90 | \$126,441.70 | \$261,935.00 | \$891,167.20 | \$556,789.80 | \$0.00 | \$0.00 | \$0.00 | \$4,650,693.60 |
| IA | \$1,382,650.95 | \$23,192.89 | \$117,933.90 | \$98,634.90 | \$0.00 | \$160,716.00 | \$0.00 | \$0.00 | \$1,783,128.64 |
| IL | \$5,941,945.63 | \$74,489.22 | \$668,305.06 | \$1,335,259.97 | \$47,351.50 | \$196,730.10 | \$38,770.30 | \$59,353.40 | \$8,362,286.18 |
| IN | \$1,061,403.07 | \$0.00 | \$64,654.48 | \$101,435.20 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,227,492.75 |
| KS | \$207,539.50 | \$0.00 | \$0.00 | \$4,934.60 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$212,474.10 |
| KY | \$2,328,548.47 | \$0.00 | \$1,526.60 | \$67,470.71 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$2,397,545.78 |
| LA | \$10,892,201.75 | \$1,504,742.99 | \$1,527,129.31 | \$4,399,142.33 | \$49,705.00 | \$2,153,247.99 | \$356,034.17 | \$164,858.80 | \$21,047,062.34 |
| MA | \$2,633,470.80 | \$4,537.00 | \$139,376.62 | \$924,908.91 | \$0.00 | \$4,567.00 | \$429,967.00 | \$12,437.00 | \$4,149,264.33 |
| MD | \$1,207,060.02 | \$0.00 | \$0.00 | \$157,062.40 | \$0.00 | \$39,776.92 | \$0.00 | \$0.00 | \$1,403,899.34 |
| ME | \$185,143.57 | \$0.00 | \$0.00 | \$1,258.60 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$186,402.17 |
| MI | \$677,960.44 | \$11,953.00 | \$0.00 | \$418,470.68 | \$0.00 | \$30,634.70 | \$32,760.40 | \$0.00 | \$1,171,779.22 |
| MN | \$1,038,165.97 | \$34,554.50 | \$180,932.24 | \$307,316.18 | \$53,461.70 | \$51.20 | \$3,470.00 | \$0.00 | \$1,617,951.79 |
| MO | \$2,313,888.90 | \$227,163.47 | \$1,278,964.77 | \$434,239.63 | \$20,486.50 | \$2,323.00 | \$0.00 | \$0.00 | \$4,277,066.27 |
| MS | \$204,265.40 | \$1,070,595.00 | \$223,054.80 | \$5,286.50 | \$9,351.10 | \$6,236.00 | \$0.00 | \$0.00 | \$1,518,788.80 |

SECTION I

- 95 -

| | | | | | | | | | |
|----|-----------------|----------------|----------------|----------------|-------------|----------------|--------------|-----------------|-----------------|
| MT | \$15,204.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$15,204.00 |
| MX | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$48,821,259.37 | \$48,821,259.37 |
| NC | \$5,972,781.65 | \$189.00 | \$210,159.40 | \$105,342.60 | \$2,152.00 | \$5,569.00 | \$0.00 | \$42,236.00 | \$6,338,429.65 |
| ND | \$1,660.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,660.00 |
| NE | \$10,515.70 | \$0.00 | \$2,417.60 | \$35,947.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$48,880.30 |
| NH | \$136,729.50 | \$0.00 | \$0.00 | \$2,884.80 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$139,614.30 |
| NJ | \$7,206,160.79 | \$877,515.19 | \$1,706,803.40 | \$1,053,560.80 | \$54,021.20 | \$81,422.90 | \$198,385.80 | \$24,622.32 | \$11,202,492.40 |
| NV | \$19,769.40 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$19,769.40 |
| NY | \$58,713,802.77 | \$2,391,533.11 | \$3,096,614.42 | \$4,464,336.27 | \$81,955.73 | \$195,230.28 | \$741,753.20 | \$6,174,154.93 | \$75,859,388.71 |
| OH | \$3,334,793.54 | \$0.00 | \$183,165.40 | \$480,190.84 | \$43,214.80 | \$41,683.90 | \$29,259.30 | \$3,613.00 | \$4,115,920.78 |
| OK | \$149,555.74 | \$14,719.53 | \$33,530.33 | \$21,029.33 | \$891.50 | \$0.00 | \$0.00 | \$0.00 | \$219,726.43 |
| OR | \$99,153.30 | \$0.00 | \$0.00 | \$98,629.90 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$197,783.20 |
| PA | \$3,291,314.66 | \$0.00 | \$187,564.18 | \$755,668.32 | \$27,013.00 | \$2,525.20 | \$0.00 | \$52,606.00 | \$4,316,691.36 |
| PN | \$687,899.39 | \$0.00 | \$3,512.60 | \$156,669.56 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$848,081.55 |
| PR | \$1,890,561.34 | \$0.00 | \$0.00 | \$117,725.20 | \$43,956.00 | \$0.00 | \$0.00 | \$0.00 | \$2,052,242.54 |
| RI | \$844,803.11 | \$0.00 | \$0.00 | \$69,786.30 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$914,589.41 |
| SC | \$8,888,235.58 | \$0.00 | \$47,557.50 | \$24,264.20 | \$8,864.00 | \$0.00 | \$0.00 | \$0.00 | \$8,968,921.28 |
| TN | \$1,836,907.35 | \$0.00 | \$752,306.00 | \$34,616.50 | \$10,020.00 | \$0.00 | \$0.00 | \$0.00 | \$2,633,849.85 |
| TX | \$21,315,891.82 | \$537,633.06 | \$2,899,960.11 | \$4,142,374.67 | \$86,044.90 | \$1,844,700.42 | \$18,267.50 | \$735,530.79 | \$31,580,403.27 |
| UT | \$20,976.00 | \$0.00 | \$148,593.60 | \$264,801.10 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$434,370.70 |
| VA | \$575,743.31 | \$2,392,224.07 | \$2,377,682.50 | \$341,409.70 | \$0.00 | \$16,500.00 | \$7,541.70 | \$14,165.00 | \$5,725,266.28 |
| VT | \$8,958.60 | \$0.00 | \$10,627.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$19,585.60 |
| VZ | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$87,532,937.10 | \$87,532,937.10 |
| WA | \$641,575.68 | \$0.00 | \$136,416.50 | \$73,193.80 | \$0.00 | \$8,697.50 | \$0.00 | \$63,356.77 | \$923,240.25 |
| WI | \$2,524,410.75 | \$930.00 | \$61,522.96 | \$142,627.14 | \$21,529.60 | \$25,597.80 | \$13,105.00 | \$2,301.40 | \$2,792,024.65 |
| WV | \$2,025.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$2,025.00 |
| WY | \$2,025.30 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$3,802.80 | \$0.00 | \$5,828.10 |

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T O T A L S \$324,274,473.96 \$17,495,001.28 \$33,874,424.18 \$56,788,045.56 \$5,654,121.55 \$9,880,343.91 \$3,924,330.62 \$145,613,246.85 \$597,503,987.91

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SECTION I

| RESPONDENT BANK | ALLOWED | PAID | ALLOWED-PAID |
|----------------------|----------------|----------------|---------------|
| ===== | ===== | ===== | ===== |
| | | | (Note) |
| CITIZEN AND SOUTHERN | 56,069,603.06 | 56,299,171.86 | -229,568.80 |
| CAPITAL BANK | 74,386,769.84 | 74,811,930.77 | -425,160.93 |
| NATIONAL BNK GEORGIA | 34,691,727.03 | 34,921,797.68 | -230,070.65 |
| MANUFAC.HAN.TRUST CO | 27,355,831.88 | 27,802,657.35 | -446,825.47 |
| TOTALS.... | 192,503,931.81 | 193,835,557.66 | -1,331,625.85 |

te: These amounts represent the difference between the total cost of petroleum transactions and the 97% allowed for under Project 519-0310 guidelines. Since these particular transactions were direct payments to the supplier from the Separate Accounts, it was impractical to only pay the allowed amount. Consequently, the full amount was paid from the Separate Accounts and the 3% difference was reimbursed to the Separate Accounts by the BCR. (See detail of Separate Account credits, Appendix 1, Section C).

SECTION J

DETAIL OF SEPARATE ACCOUNT CREDITS

| CREDITED BY | CREDIT REFERENCE | DATE OF CREDIT | ACCOUNT # | ACCOUNT # | ACCOUNT # | ACCOUNT # | TOTAL CREDITS |
|-------------------------------------|------------------|----------------|---|-------------------------------------|--|--|------------------|
| | | | 61-00108-0 CITIZENS & SOUTHERN INTERNATIONAL | 0902202995 CAPITAL BANK OF MIAMI | 800-500001-4 NATIONAL BANK OF GEORGIA | 6201-053686521 MANUFACTURERS' HANOVER | |
| AID/W | DISBURSEMENT # 1 | 06/20/85 | \$10,000,000.00 | \$15,000,000.00 | \$10,000,000.00 | \$15,000,000.00 | \$50,000,000.00 |
| AID/W | DISBURSEMENT # 2 | 08/02/85 | \$0,120,000.00 | \$14,676,256.94 | \$1,730,000.00 | \$320,000.00 | \$24,846,256.94 |
| AID/W | DISBURSEMENT # 3 | 09/24/85 | \$5,153,743.06 | \$8,000,000.00 | \$0,000,000.00 | \$4,000,000.00 | \$25,153,743.06 |
| AID/W | DISBURSEMENT # 4 | 11/22/85 | \$10,000,000.00 | \$10,000,000.00 | \$5,000,000.00 | \$5,000,000.00 | \$30,000,000.00 |
| AID/W | DISBURSEMENT # 5 | 01/28/86 | \$5,000,000.00 | \$10,000,000.00 | \$10,000,000.00 | \$5,000,000.00 | \$30,000,000.00 |
| AID/W | DISBURSEMENT # 6 | 03/10/86 | \$0.00 | \$12,000,000.00 | \$0.00 | \$0.00 | \$12,000,000.00 |
| AID/W | DISBURSEMENT # 6 | 03/11/86 | \$12,000,000.00 | \$0.00 | \$3,000,000.00 | \$3,000,000.00 | \$18,000,000.00 |
| BCR | BCR NO.169/85 | 11/20/85 | \$0.00 | \$0.00 | \$0.00 | \$215,515.10 | \$215,515.10 |
| BCR | BCR NO.307/85 | 11/20/85 | \$0.00 | \$0.00 | \$0.00 | \$231,310.37 | \$231,310.37 |
| BCR | BCR NO.170/85 | 11/20/85 | \$229,568.80 | \$0.00 | \$0.00 | \$0.00 | \$229,568.80 |
| BCR | BCR NO.168/85 | 11/20/85 | \$0.00 | \$216,174.44 | \$0.00 | \$0.00 | \$216,174.44 |
| BCR | BCR NO.308/85 | 11/20/85 | \$0.00 | \$208,986.49 | \$0.00 | \$0.00 | \$208,986.49 |
| BCR | BCR NO.306/85 | 11/20/85 | \$0.00 | \$0.00 | \$230,070.65 | \$0.00 | \$230,070.65 |
| BCR | INTEREST EARNED | 6/30/85 | \$6,851.91 | \$26,559.76 | \$19,583.72 | \$15,627.24 | \$68,622.63 |
| BCR | INTEREST EARNED | 7/31/85 | \$12,103.98 | \$46,616.46 | \$33,363.51 | \$49,852.92 | \$141,936.87 |
| BCR | INTEREST EARNED | 8/31/85 | \$52,993.94 | \$77,751.29 | \$15,364.18 | \$21,919.77 | \$168,029.18 |
| BCR | INTEREST EARNED | 9/30/85 | \$41,758.50 | \$27,856.88 | \$25,678.36 | \$6,771.52 | \$102,065.26 |
| BCR | INTEREST EARNED | 10/31/85 | \$26,061.97 | \$32,630.16 | \$57,608.66 | \$24,198.69 | \$140,501.48 |
| BCR | INTEREST EARNED | 11/30/85 | \$40,653.65 | \$11,517.79 | \$26,057.66 | \$22,664.94 | \$100,894.04 |
| BCR | INTEREST EARNED | 12/31/85 | \$51,463.68 | \$21,360.49 | \$46,269.65 | \$26,584.90 | \$155,678.72 |
| BCR | INTEREST EARNED | 1/31/86 | \$22,837.56 | \$18,181.84 | \$37,262.47 | \$10,178.75 | \$88,460.62 |
| BCR | INTEREST EARNED | 2/28/86 | \$30,159.91 | \$47,447.70 | \$47,306.77 | \$30,530.73 | \$155,445.11 |
| BCR | INTEREST EARNED | 3/31/86 | \$52,342.24 | \$76,275.21 | \$43,938.68 | \$31,759.99 | \$204,316.12 |
| BCR | INTEREST EARNED | 4/30/86 | \$38,448.99 | \$64,835.43 | \$0.00 | \$20,993.06 | \$124,295.48 |
| BCR | INTEREST EARNED | 5/31/86 | \$30,934.92 | \$40,935.73 | \$15,636.46 | \$23,091.71 | \$110,598.82 |
| BCR | INTEREST EARNED | 6/30/86 | \$39,197.70 | \$32,762.00 | \$23,673.53 | \$30,708.71 | \$126,341.94 |
| BCR | INTEREST EARNED | 7/31/86 | \$40,711.84 | \$50,596.38 | \$25,381.96 | \$24,589.58 | \$141,279.76 |
| BCR | INTEREST EARNED | 8/30/86 | \$36,962.65 | \$22,592.25 | \$33,791.44 | \$24,311.00 | \$117,657.34 |
| BCR | INTEREST EARNED | 9/30/86 | \$35,604.07 | \$43,847.35 | \$40,928.71 | \$19,419.59 | \$139,799.72 |
| BCR | INTEREST EARNED | 10/31/86 | \$35,307.38 | \$22,580.85 | \$56,363.80 | \$18,480.29 | \$132,732.32 |
| BCR | INTEREST EARNED | 11/30/86 | \$31,622.70 | \$32,369.48 | \$34,929.68 | \$29,078.88 | \$127,991.74 |
| BCR | INTEREST EARNED | 12/31/86 | \$46,390.27 | \$21,400.16 | \$42,335.64 | \$17,114.04 | \$127,240.11 |
| BCR | INTEREST EARNED | 01/31/87 | \$8,781.70 | \$5,989.74 | \$5,226.51 | \$6,387.15 | \$26,385.10 |
| BCR | INTEREST EARNED | 02/28/87 | \$0.00 | \$0.00 | \$2,536.80 | \$1,122.65 | \$3,659.45 |
| BCR | TRANSFERS | 10/24/85 | \$59,907.26 | \$0.00 | \$0.00 | (\$59,907.26) | \$0.00 |
| BCR | TRANSFERS | 11/11/85 | \$61,958.95 | \$0.00 | \$0.00 | (\$61,958.95) | \$0.00 |
| BCR | TRANSFERS | 11/1/85 | \$106,787.96 | (\$106,787.96) | \$0.00 | \$0.00 | \$0.00 |
| BCR | TRANSFERS | 11/6/85 | \$80,774.20 | \$0.00 | (\$80,774.20) | \$0.00 | \$0.00 |
| BCR | TRANSFERS | 11/14/85 | \$242,990.00 | \$0.00 | (\$242,990.00) | \$0.00 | \$0.00 |
| BCR | TRANSFERS | 11/27/85 | \$0.00 | \$1,600,000.00 | \$0.00 | (\$1,600,000.00) | \$0.00 |
| BCR | TRANSFERS | 10/15/85 | \$0.00 | \$220,000.00 | \$0.00 | (\$220,000.00) | \$0.00 |
| BCR | TRANSFERS | 10/23/85 | \$0.00 | \$328,500.00 | \$0.00 | (\$328,500.00) | \$0.00 |
| BCR | TRANSFERS | 12/28/85 | \$0.00 | \$7,360.00 | (\$9,360.00) | \$0.00 | \$0.00 |
| BCR | TRANSFERS | 10/3/85 | \$0.00 | \$0.00 | \$366,782.27 | (\$366,782.27) | \$0.00 |
| BCR | TRANSFERS | 10/21/85 | \$0.00 | \$0.00 | \$215,974.77 | (\$215,974.77) | \$0.00 |
| BCR | TRANSFERS | 2/19/86 | \$1,693,375.10 | \$0.00 | \$0.00 | (\$1,693,375.10) | \$0.00 |
| BCR | TRANSFERS | 2/10/86 | \$211,028.00 | (\$211,028.00) | \$0.00 | \$0.00 | \$0.00 |
| BCR | TRANSFERS | 2/7/86 | \$2,441,683.85 | \$0.00 | (\$2,441,683.85) | \$0.00 | \$0.00 |
| BCR | TRANSFERS | 3/3/86 | \$213,370.56 | \$0.00 | \$0.00 | (\$213,370.56) | \$0.00 |
| BCR | TRANSFERS | 4/7/86 | \$0.00 | \$63,838.78 | \$0.00 | (\$63,838.78) | \$0.00 |
| BCR | TRANSFERS | 4/9/86 | \$0.00 | \$56,039.89 | (\$56,039.89) | \$0.00 | \$0.00 |
| BCR | TRANSFERS | 5/22/86 | \$0.00 | \$104,778.33 | \$0.00 | (\$104,778.33) | \$0.00 |
| BCR | TRANSFERS | 9/9/86 | \$0.00 | \$491,068.21 | \$0.00 | (\$491,068.21) | \$0.00 |
| BCR | TRANSFERS | 9/9/86 | \$0.00 | \$1,423,420.26 | (\$1,423,420.26) | \$0.00 | \$0.00 |
| BCR | TRANSFERS | 9/9/86 | (\$7,225.44) | \$7,225.44 | \$0.00 | \$0.00 | \$0.00 |
| TOTAL SEPARATE ACCOUNT CREDITS | | | \$56,299,171.86 | \$74,811,930.77 | \$34,921,797.68 | \$27,802,657.35 | \$193,835,557.66 |
| SUMMARY OF SEPARATE ACCOUNT CREDITS | | | | | | | |
| AID DEPOSITS | | | \$50,273,743.06 | \$49,676,256.94 | \$37,730,000.00 | \$32,320,000.00 | \$190,000,000.00 |
| BCR CREDITS | | | \$229,568.80 | \$425,160.93 | \$230,070.65 | \$446,825.47 | \$1,331,625.85 |
| INTEREST EARNED | | | \$691,209.56 | \$724,097.95 | \$633,238.19 | \$455,386.11 | \$2,503,931.81 |
| TRANSFERS | | | \$5,104,650.44 | \$3,986,414.95 | (\$3,671,511.16) | (\$5,419,554.23) | \$0.00 |
| TOTAL SEPARATE ACCOUNT CREDITS | | | \$56,299,171.86 | \$74,811,930.77 | \$34,921,797.68 | \$27,802,657.35 | \$193,835,557.66 |

SECTION K

PROJECT 519-0310
SEPARATE ACCOUNT BALANCE

| | ACCOUNT # 01-00108-0 CITIZENS & SOUTHERN INTERNATIONAL | ACCOUNT # 0902202995 CAPITAL BANK OF MIAMI | ACCOUNT # 800-500001-4 NATIONAL BANK OF GEORGIA | ACCOUNT # 6201-053686521 MANUFACTURERS' HANOVER | TOTAL CREDITS |
|------------------------------|---|---|--|--|--------------------|
| RY OF SEPARATE NT CREDITS | \$56,299,171.86 | \$74,811,930.77 | \$34,921,797.68 | \$27,802,657.35 | \$193,835,557.66 |
| RY OF SEPARATE NT DEBITS | (\$56,299,171.86) | (\$74,811,930.77) | (\$34,921,797.68) | (\$27,802,657.35) | (\$193,835,557.66) |
| BE OWED (BCR)/ TE ACCOUNT | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| BALANCE T 519-0310 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

SECTION L

BALANCE OF PAYMENTS SUPPORT PROGRAM
VIDEO NARRATIVE

NARRATIVE TO ESF BALANCE OF PAYMENT SUPPORT PROGRAM
VIDEO PRESENTATION

OVER THE YEARS, USAID HAS USED CASH TRANSFER PROGRAMS TO PROVIDE ASSISTANCE TO DEVELOPING NATIONS WORLDWIDE AND SUPPORT US FOREIGN POLICY OBJECTIVES. FORMERLY KNOWN AS THE SECURITY SUPPORT ASSISTANCE FUND, THE ECONOMIC SUPPORT FUND HAS BEEN USED TO PROVIDE BALANCE OF PAYMENTS SUPPORT IN EL SALVADOR SINCE 1980.

- A) IN RECENT YEARS EL SALVADOR HAS BEEN THE THIRD LARGEST RECIPIENT OF SUCH ASSISTANCE AFTER ISRAEL AND EGYPT.

- B) AS OF MARCH 11, 1986, A TOTAL OF \$595 MILLION HAD BEEN TRANSFERRED TO THE GOVERNMENT OF EL SALVADOR UNDER USAID/BALANCE OF PAYMENT SUPPORT PROJECTS 519-0267 AND 519-0310. AN ADDITIONAL \$2.5 MILLION HAD BEEN EARNED ON PROJECT 519-0310 FUNDS WHILE ON DEPOSIT IN THE SEPARATE ACCOUNTS. THESE FUNDS WERE MADE AVAILABLE TO THE CENTRAL RESERVE BANK IN 20 DISBURSEMENTS AND THEIR USE WAS GOVERNED BY TWO AGREEMENTS AND SOME 48 IMPLEMENTATION LETTERS.

THESE AGREEMENTS SERVED TO ESTABLISH CONDITIONS UNDER WHICH THE GOVERNMENT OF EL SALVADOR WOULD RECEIVE THE BALANCE OF PAYMENT SUPPORT PROGRAM FUNDS IN ORDER TO PROMOTE ECONOMIC POLICY REFORMS AND LONG-TERM STABILIZATION AND GROWTH.

THE MOST RECENT BALANCE OF PAYMENTS PROGRAM, KNOWN AS AID PROJECT 519-0310, WAS INITIATED IN JUNE OF 1985. AS OF 11 MARCH 1986, \$190 MILLION HAD BEEN MADE AVAILABLE IN 6 DISBURSEMENTS. THESE FUNDS HAVE BEEN MADE AVAILABLE TO THE PRIVATE SECTOR TO PROVIDE THE NEEDED FOREIGN EXCHANGE TO PURCHASE AGRICULTURAL INPUTS, CAPITAL GOODS, SPARE PARTS, INTERMEDIATE GOODS, RAW MATERIALS AND PETROLEUM. AS OF 2 FEBRUARY 1987, 100% OR \$192.5 MILLION HAD BEEN PAID OUT BY THE CENTRAL BANK FROM PROJECT 519-0310 ESF FUNDS.

THE DOLLARS FROM THE ESF PROGRAM ARE CONVERTED TO THE LOCAL CURRENCY EQUIVALENT OF COLONES AT THE HIGHEST OFFICIAL RATE OF EXCHANGE ALLOWED BY LAW. IN THE CASE OF PROJECTS 519-0267 AND 519-0310 THIS WAS 2.5 COLONES FOR EACH DOLLAR.

THUS, PROJECTS 519-0267 AND 519-0310 ESF DOLLARS DISBURSED TO THE CENTRAL BANK GENERATED 1,487,500,000 COLONES WHICH HAVE BEEN USED FOR PURPOSES MUTUALLY AGREED UPON BY AID AND THE GOVERNMENT OF EL SALVADOR. 69% BULK OF THE LOCAL CURRENCY GENERATED FROM ESF DOLLARS WAS USED TO PROVIDE SUPPORT FOR THE GOVERNMENT OF EL SALVADOR'S ORDINARY BUDGET AND 17% WAS USED TO ESTABLISH LINES OF CREDIT FOR THE PRIVATE SECTOR. THE BALANCE WAS USED TO DEVELOP SPECIFIC PROJECTS AND PROVIDE WORKING CAPITAL FOR GOES AND AID.

TO MAINTAIN THE INTEGRITY OF THE BALANCE OF PAYMENT SUPPORT PROGRAM AND TO FURTHER ENSURE THE EFFICIENT USE OF THE LIMITED FOREIGN

EXCHANGE AVAILABLE, CONTROLS WERE IMPLEMENTED BY THE CENTRAL RESERVE BANK AND AID.

THE CENTRAL RESERVE BANK ESTABLISHED A FOREIGN EXCHANGE CONTROL SYSTEM WHICH INCLUDED THE REGISTRY OF ALL IMPORTERS AND EXPORTERS, THE ISSUANCE OF PERMITS FOR ALL IMPORTS AND EXPORTS AND CENTRALIZED CONTROL OVER ALL FOREIGN EXCHANGE VERIFICATION OF PRICES FOR IMPORT AND EXPORTS. IN ADDITION, IT ESTABLISHED FOUR SEPARATE ACCOUNTS FOR THE MANAGEMENT OF AID PROVIDED BALANCE OF PAYMENTS SUPPORT DOLLARS.

BUSINESSMEN AND WOMEN FROM THE PRIVATE SECTOR SEEKING TO IMPORT PRODUCTS TO EL SALVADOR PRESENT THEIR PERMIT REQUESTS, KNOWN AS FORM-10 OR F-10 AND THEIR FOREIGN EXCHANGE REQUEST, KNOWN AS FORM 15 OR F-15 TO THE CENTRAL BANK'S IMPORTS SECTION. THERE THE INFORMATION CONCERNING THE IMPORT IS ENTERED INTO THE BANK'S COMPUTER. THE COMPUTER COMPARES THE PRODUCT IDENTIFICATION CODE OR NAUCA CODE AND THE IMPORTER'S IDENTIFICATION CODE, OR NIT CODE, TO A LIST OF NAUCA AND NIT CODES THAT HAVE BEEN ESTABLISHED AS REQUIRING PRICE VERIFICATION. THE CRITERIA USED TO ESTABLISH SUCH LISTS CONSIST OF EXCLUSIONARY AND INCLUSIONARY CONDITIONS. FOR EXAMPLE, IMPORTS OF VERY LOW VALUE OR THOSE ASSOCIATED WITH VERY HIGH IMPORT CUSTOM'S DUTIES WOULD NOT NORMALLY BE SELECTED FOR PRICE CHECKING. IN ALL, THERE ARE 5 EXCLUSIONARY GENERAL CRITERIA AND 10 INCLUSIONARY GENERAL CRITERIA. SIMILAR CRITERIA IS APPLIED TO EXPORT REQUESTS SO AS TO DETERMINE THE REQUIREMENT FOR PRICE VERIFICATION.

THE PROCESS OF PRICE VERIFICATION SERVES TO PREVENT OVERVALUATION OF IMPORTS AND UNDERVALUATION OF EXPORTS - TWO METHODS COMMON FOR EFFECTING CAPITAL FLIGHT.

ONCE A TRANSACTION IS IDENTIFIED AS REQUIRING PRICE VERIFICATION, THE COMPUTER TRANSACTION LOG IS FLAGGED WITH THE ENTRY "PCU".

AT THE END OF EACH DAY, THESE LOGS ARE PRINTED OUT IN A LISTING WHICH TOGETHER WITH THE CORRESPONDING F-10 AND F-15 PERMIT REQUESTS, IS SENT TO THE PRICE VERIFICATION UNIT. THE PRICE VERIFICATION UNIT VERIFIES THAT ALL TRANSACTIONS REQUIRED TO BE CHECKED HAVE BEEN RECEIVED AND ANY EXCEPTIONS ARE NOTED IN THE FORM OF AN EXCEPTIONS REPORT. THE TRANSACTIONS TO BE PRICE CHECKED ARE THEN DISTRIBUTED AMONG THE 12 SPECIALIZED ANALYSTS WHO ARE PERMANENTLY ASSIGNED TO THIS 3 YEAR OLD DEPARTMENT WHICH REPORTS DIRECTLY TO THE OFFICE OF THE PRESIDENT OF THE CENTRAL RESERVE BANK.

USING AUTOMATED DATA BASES, CATALOGUES, TELEPHONES AND TELEXES THE ANALYSTS DETERMINE THE CORRECTNESS OF THE STATED PRICES CONTAINED ON THE IMPORT REQUESTS. THEIR DETERMINATION IS REFLECTED IN ONE OF THREE FINDINGS FAVORABLE, WITHOUT BASIS OR UNFAVORABLE. THE APPROPRIATE FINDING IS STAMPED ON THE F-10 AND F-15 AND THE PRICE VERIFIED DOCUMENTS ARE SENT ON TO THE EXCHANGE CONTROL DEPARTMENT. IN ADDITION, THE INFORMATION FROM EACH TRANSACTION SO VERIFIED IS ADDED TO THE PRICE VERIFICATION UNIT'S DATA BASE FOR FUTURE REFERENCE. TO

DATE THERE ARE OVER 8,000 PRODUCTS IN THE DATA BASE REPRESENTING SOME 14,000 TRANSACTIONS. FINALLY, THE PRICE VERIFICATION UNIT ENTERS INTO THE COMPUTER A CODE REPRESENTING THE FINDING EMITTED FOR EACH TRANSACTION PRICE VERIFIED. THOSE TRANSACTIONS FOUND TO CONTAIN PRICING ABUSES ARE REPORTED TOGETHER WITH THE IMPORTER INVOLVED IN AN OFFENDERS REPORT. THIS REPORT IS FORWARDED TO THE OFFICE OF THE PRESIDENT. AFTER AN IMPORTER APPEARS THREE TIMES ON SUCH A LISTING, THE BANK DENIES IMPORT AUTHORIZATION TO THE IMPORTER CONCERNED. IN ADDITION, THE PRESIDENT MAY LEVY A FINE COMMENSURATE WITH THE GRAVITY OF THE OVER OR UNDER VALUATION CONCERNED.

ONCE THE TRANSACTIONS HAVE BEEN PRICE VERIFIED AND THE FINDINGS HAVE BEEN ENTERED INTO THE COMPUTER, THE PERMIT REQUESTS, PROPERLY STAMPED, ARE FORWARDED TO THE CENTRAL BANK'S FOREIGN EXCHANGE CONTROL DEPARTMENT. BASED ON ECONOMIC PRIORITIES AND AVAILABILITY OF FUNDS, THIS DEPARTMENT APPROVES THE IMPORT REQUEST AND AUTHORIZES THE REQUIRED FOREIGN EXCHANGE. THE IMPORT PERMIT IS ISSUED BY THE COMPUTER AND TOGETHER WITH THE FOREIGN EXCHANGE AUTHORIZATION IS FORWARDED TO THE EXTERIOR DEPARTMENT.

IT SHOULD BE NOTED THAT SAFEGUARDS EXIST TO PRECLUDE A TRANSACTION, FOUND TO HAVE BEEN OVERVALUED, FROM BEING GRANTED AN IMPORT PERMIT AND CORRESPONDING FOREIGN EXCHANGE. THESE SAME SAFEGUARDS PRECLUDE A TRANSACTION REQUIRING PRICE VERIFICATION FROM BY PASSING THE PRICE CHECKING UNIT. WHILE THE COMPUTER CAN AUTOMATICALLY CHECK FOR SUCH

EXCEPTIONS AND SO NOTIFY BANK MANAGEMENT, THE COMPUTER GENERATED IMPORT PERMIT IS BLOCKED FROM BEING PRINTED IF EITHER A FLAGGED IMPORT REQUEST HAS NOT HAD A FINDING ENTERED BY THE PRICE VERIFICATION UNIT OR IF A FINDING OF UNFAVORABLE HAS BEEN ENTERED.

THE SYSTEM ALSO DOES NOT PERMIT ANY ARBITRARY ALTERING OF A PRICE VERIFICATION UNIT FINDING.

IN SHORT, THE CONTROLS DESIGNED INTO THE SYSTEM PROVIDE ASSURANCES THAT AN ADEQUATE AND REASONABLE LEVEL OF INTEGRITY CAN BE MAINTAINED.

THE PRICE CHECKING AND CONTROL SYSTEM IS BELIEVED TO BE THE FIRST OF ITS KIND AND WAS 18 MONTHS IN THE MAKING. DESIGNED IN 1984, THE SYSTEM BECAME FULLY OPERATIONAL IN JUNE 1986. EVEN THOUGH THE DEVELOPMENT WAS NEARLY ONE MILLION DOLLARS, THE RESULTS OF THIS PROGRAM ARE ALREADY VERY POSITIVE AND THE OVERVALUATIONS ALREADY IDENTIFIED HAVE FAR EXCEEDED THE PROJECT'S COST.

IN 1983, THE FLEDGLING PRICE CHECKING UNIT REVIEWED ONLY 568 TRANSACTIONS BUT DISCOVERED NEARLY \$900,000 IN PRICE EXCESSES. IN 1984, THE UNIT REVIEWED A LITTLE OVER 2,000 TRANSACTIONS DISCOVERING NEARLY \$1.5 MILLION IN EXCESSES. BY 1985, 11,570 TRANSACTIONS HAD BEEN REVIEWED WITH SOME \$2.2 MILLION IN PRICE EXPENSES IDENTIFIED. WITH TECHNICAL ASSISTANCE, INCREASED MANPOWER, TRAINING AND EXPERIENCE, THE UNIT REVIEWED 47,765 TRANSACTIONS IN 1986. IN ALL,

SINCE 1983, 6.1 MILLION IN PRICE EXCESSES HAVE BEEN UNCOVERED IN OVER 61,000 TRANSACTIONS REVIEWED.

SINCE ITS INCEPTION IN JUNE OF 1983, THE PRICE CHECKING UNIT HAS EFFECTIVELY INCREASED ITS CAPACITY TO VERIFY IMPORT & EXPORT PRICES AND THE STATISTICS SHOW THAT THE AVERAGE VALUE OF PRICING ABUSES HAVE BEEN CUT BY MORE THAN 3/4. THE NUMBER OF OVERVALUED IMPORTS HAS DROPPED FROM 83 PER 1000 IN 1983 TO 7.4 IN 1986 - A DECLINE OF 91%. THESE RESULTS DEMONSTRATE THE COMMITMENT OF THE CENTRAL BANK TO THIS PROJECT AND THE DRAMATIC EFFECT IT IS HAVING IN REDUCING CAPITAL FLIGHT AND PRICING ABUSES IN THE COUNTRY'S IMPORTS AND EXPORTS.

WHEN THE NEED FOR A PRICE VERIFICATION SYSTEM AS PART OF A FOREIGN EXCHANGE CONTROL SYSTEM IS NO LONGER NEEDED, THE DATA BASE CONTAINING INFORMATION ON THOUSANDS OF PRODUCTS CAN BE EFFECTIVELY USED BY THE COUNTRY'S MINISTRY OF TRADE AS WELL AS THE CUSTOMS BUREAU. THE DATABASE, IF PROPERLY MAINTAINED, CAN BECOME A WEALTH OF INFORMATION TO THE PRIVATE SECTOR IN IDENTIFYING EXPORT OPPORTUNITIES AND ASSIST EXPORTERS TO BETTER POSTURE THEIR PRODUCTS IN THE COMPETITIVE WORLD MARKETPLACE.

BEGINNING WITH THE CURRENT BALANCE OF PAYMENTS SUPPORT PROGRAM, A SEPARATE ACCOUNT WAS ESTABLISHED AT FOUR US COMMERCIAL BANKS WITH WHICH THE CENTRAL RESERVE BANK MAINTAINS A CORRESPONDENT BANKING RELATIONSHIP. THESE SEPARATE ACCOUNTS ARE USED TO MANAGE ONLY THE BALANCE OF PAYMENTS SUPPORT FUNDS PROVIDED BY AID TO THE EL SALVADOR

CENTRAL RESERVE BANK. THE USE OF THESE ACCOUNTS WAS TO ACHIEVE THREE PRIMARY OBJECTIVES:

- ONE - PRECLUDE THE COMMINGLING OF BALANCE OF PAYMENTS SUPPORT DOLLARS WITH THE CENTRAL BANK'S OTHER FOREIGN EXCHANGE RESOURCES.
- TWO - PROVIDE IMPROVED ACCOUNTABILITY FOR THE USE OF BALANCE OF PAYMENTS SUPPORT DOLLARS.
- THREE - ENSURE THAT BALANCE OF PAYMENTS SUPPORT DOLLARS WERE ONLY USED FOR THE PURPOSE OF FUNDING ELIGIBLE IMPORTS TO EL SALVADOR.

FUNDS ARE DISBURSED DIRECTLY INTO THESE ACCOUNTS BY THE TREASURY DEPARTMENT AND ARE MANAGED BY THE CENTRAL BANK'S EXTERIOR DEPARTMENT. APPROVED TRANSACTIONS PENDING ASSIGNMENT OF FOREIGN EXCHANGE, ARE REVIEWED TO ESTABLISH THEIR COMPLIANCE WITH THE BALANCE OF PAYMENTS SUPPORT PROGRAM ELIGIBILITY CRITERIA. THE CRITERIA ARE OF THREE MAJOR TYPES:

- THE ORIGIN OF THE PRODUCT
- THE ECONOMIC SUB-SECTOR TO BENEFIT FROM THE IMPORT
- THE TYPE OF PRODUCT TO BE IMPORTED

THE ORIGIN CRITERIA ALLOW FOR ALL PRODUCTS WHICH ARE EXPORTED FROM A PORT IN THE USA, CENTRAL AMERICAN DESIGNATED CARIBBEAN BASIN

INITIATIVE COUNTRY AND IN THE CASE OF PETROLEUM, MEXICO AND VENEZUELA.

THE ECONOMIC SUB-SECTOR CRITERIA DEFINES THOSE AREAS OF THE PRIVATE SECTOR WHICH ARE ELIGIBLE TO BENEFIT FROM THE BALANCE OF PAYMENTS SUPPORT PROGRAM. THEY ARE:

- AGRICULTURE
- AGRO-INDUSTRY
- CONSTRUCTION
- TRANSPORTATION
- COMMERCE
- MANUFACTURING
- COMMUNICATIONS
- SERVICES
- ENERGY

FINALLY, THE TYPE OF PRODUCTS ELIGIBLE UNDER THE BALANCE OF PAYMENTS SUPPORT PROGRAM ARE DESCRIBED BY CATEGORIES AND THESE CATEGORIES CONSIST OF:

- AGRICULTURAL INPUTS
- CAPITAL GOODS
- INTERMEDIATE GOODS
- SPARE PARTS
- RAW MATERIALS
- CRUDE PETROLEUM AND ITS DERIVATIVES

IN ADDITION, ALL TRANSACTIONS ELIGIBLE FOR FUNDING THROUGH THE SEPARATE ACCOUNT MUST HAVE BEEN PRICE VERIFIED BY THE CENTRAL BANK'S PRICE VERIFICATION UNIT.

THE PROCEDURES DEVELOPED BY AID AND THE CENTRAL RESERVE BANK REQUIRE THAT FILES BE ESTABLISHED AND MAINTAINED FOR EACH TRANSACTION FUNDED BY THE SEPARATE ACCOUNT. EACH FILE IS REQUIRED TO HAVE SPECIFIC DOCUMENTS WHICH SUPPORT THE TRANSACTION'S ELIGIBILITY, THE FACT THAT IT WAS IMPORTED INTO EL SALVADOR AND CONFIRMS THE FOREIGN EXCHANGE PAYMENT TO THE EXPORTER.

WHILE SOME TRANSACTIONS SUCH AS PETROLEUM PURCHASES, ARE PAID FOR DIRECTLY FROM THE SEPARATE ACCOUNT, THE MAJORITY OF TRANSACTIONS ARE PAID BY COMMERCIAL BANKS WITH FUNDS FROM THEIR OWN FOREIGN EXCHANGE RESOURCES OR CREDIT LINES. THE COMMERCIAL BANK IN QUESTION THEN PRESENTS DOCUMENTATION EVIDENCING THE COMPLETED, ELIGIBLE TRANSACTIONS TO THE CENTRAL BANK WHO IN TURN REIMBURSES THE COMMERCIAL BANK WITH FUNDS FROM THE SEPARATE ACCOUNT.

IN THIS WAY, BALANCE OF PAYMENTS SUPPORT FUNDS REMAIN IN THE SEPARATE ACCOUNT UNTIL USED TO FINANCE A SPECIFIC IMPORT TRANSACTION. SINCE MOST IMPORT TRANSACTIONS ARE PAID FOR WITH DOCUMENTARY CREDITS, OR LETTERS OF CREDIT, THE FUNDS MAY REMAIN IN THE SEPARATE ACCOUNT FOR AS LONG AS 180 DAYS BEFORE BEING DISBURSED. IN SUCH CASES, THESE FUNDS ON DEPOSIT ARE RESERVED TO SERVE AS THE COLLATERAL TO BACK UP

THESE OBLIGATIONS. PERIODICALLY, THE CENTRAL BANK SUBMITS LISTINGS OF TRANSACTIONS FUNDED WITH SEPARATE ACCOUNT DOLLARS TO AID.

THE LISTINGS ARE REVIEWED BY AID, THE DOCUMENTATION FOR EACH TRANSACTION IS VERIFIED AGAINST THE LISTINGS AND CHECKED FOR COMPLIANCE WITH THE ELIGIBILITY CRITERIA. A REPRESENTATIVE SAMPLE OF TRANSACTIONS ARE PRICE VERIFIED BY AID AND THE PAYMENT FROM THE SEPARATE ACCOUNT TO THE EXPORTER IS ALSO TRACED USING BANK STATEMENTS, CANCELLED CHECKS AND INDEPENDENT VERIFICATIONS. THE COST FOR THIS REVIEW AMOUNTED TO JUST OVER 1/7 OF A PENNY PER DOLLAR VERIFIED.

THE CONTROLS INSTITUTED BY THE EL SALVADOR CENTRAL BANK AND THE AID MISSION TO EL SALVADOR ENSURE THAT THE INTEGRITY OF THE BALANCE OF PAYMENTS SUPPORT PROGRAM IS MAINTAINED.

THE AID MISSION DIRECTOR HAS APPOINTED A BALANCE OF PAYMENTS SUPPORT COMMITTEE TO COORDINATE THE MISSION'S MANAGEMENT OF THE ESF PROGRAM IN EL SALVADOR.

THIS PROGRAM IS CONSTANTLY REVIEWED BY BOTH AID AND THE CENTRAL BANK TO ENSURE THAT IT KEEPS PACE WITH THE REALITIES OF THE CHANGING ECONOMIC SCENE IN EL SALVADOR.

THE BALANCE OF PAYMENTS SUPPORT PROGRAM IN EL SALVADOR HAS BEEN OF SIGNIFICANT IMPORTANCE IN HELPING TO REDUCE CAPITAL FLIGHT, SUSTAIN BASIC PRODUCTION AND CONTRIBUTE TO POSITIVE ECONOMIC GROWTH.

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