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Office of
Infrastructure
& Regional
Development

USAID/EL SALVADOR

**THE FIRST THREE YEARS OF
THE PEACE AND NATIONAL
RECOVERY PROJECT (519-0394):**

LESSONS LEARNED

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PREFACE

USAID/El Salvador has been engaged in the planning for and then implementing of a major post-civil war recovery project since 1991. While the end of the Cold War had a significant impact on reducing the resources available to fuel El Salvador's civil war and on bringing that war to an end, that same end of the Cold War has increased the probability for other small wars around the globe, some of which are already underway. A.I.D. may find that it will want to respond to other post-civil war situations similar to that of El Salvador in 1992.

The purpose of this paper is to present to USAID and other donors USAID/El Salvador's "lessons learned" from experience over the last three years in the design and implementation of a post-civil war project.

This paper is neither meant to be an evaluation nor to describe comprehensively the Peace and National Recovery Project (the relevant Project Paper and Amendment and a January 1994 formal evaluation are available at both USAID/Washington and USAID/El Salvador). The discussion of the Project is to provide context to the "lessons learned."

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ACRONYMS

DTF	Demobilization and Transition Fund
ESAF	El Salvador Armed Forces
ESF	Economic Support Fund
FMLN	Farabundo Martí National Liberation Front
GOES	Government of El Salvador
HCOLC	Host Country-Owned Local Currency
MEA	Municipalities in Action Program
NGOs	Non-Governmental Organizations
NP	National Police
NRP	USAID/El Salvador's Peace and National Recovery Project (519-0394)
PN	National Police
PRN	National Reconstruction Program
SRN	Secretariat for National Reconstruction
UN	United Nations
UNDP	United Nations Development Program
ONUSAL	United Nations Observer Mission for El Salvador
USG	United States Government



I. PROJECT SETTING

El Salvador is one of Latin America's smallest countries, approximately the size of the State of Massachusetts, with a population of 5.3 million. Throughout El Salvador's history this densely populated, principally agricultural country has experienced social and political conflict, primarily stemming from the large concentrations of land and other wealth held by a small and closed elite. An uprising in 1932 resulted in extremely violent repression wherein the Army executed some 30,000 peasants, executions that continued after the uprising had ended as an effective warning to the peasants. Relative calm would reign for over four decades before the seeds of violent revolution would begin to grow again in earnest.

Army officers ran El Salvador from 1932 to 1980, and their election to the Presidency was seldom free or fair. A reformist non-military candidate for the Presidency was widely believed to have been denied electoral victory in 1977. Because of the accumulation of grievances and a loss of belief that reform could result working through the political system, groups capitalized on the discontent and began guerrilla warfare in 1979. The cycle of violence accelerated as rightist vigilante "death squads" killed thousands. The Salvadoran Armed Forces (ESAF) also engaged in repression and indiscriminate killings.

In late 1979, reform-minded military officers joined with moderate civilian leaders to undertake a peaceful revolution. This led to a free election in March 1982 of deputies to a constituent assembly. The latter drafted the 1983 Constitution which: 1) strengthened individual rights; 2) established some safeguards against excessive provisional detention and unreasonable searches; 3) established a republican, pluralistic form of government; 4) strengthened the legislative branch; and 5) enhanced judicial independence. It also codified labor rights, particularly for agricultural workers.

During this period internal warfare was having a devastating effect on the economy. Between 1978-82 real Gross Domestic Product fell by 22 percent. Over 500,000 persons were displaced from their homes and hundreds of thousands more migrated to other countries. Schools, health facilities and municipal centers were destroyed. Dams, power lines, water supplies and railroads were attacked and damaged by the guerrillas. Over the course of the first four years of fighting, every major bridge in the country was sabotaged. Foreign investors left and some domestic businesses closed their doors. Massive capital flight took place.

Far-reaching reforms were begun in the area of land tenancy. By the mid-1980s almost 287,000 has. of El Salvador's farmland was redistributed to nearly 96,000 tenant farmers, share-croppers, and farm laborers.

The newly initiated reforms, however, did not satisfy the guerrilla movements, which had unified under the Farabundo Martí National Liberation Front (FMLN), and the warfare continued. Thus, the FMLN did not participate in the presidential elections of 1984 and 1989 or the municipal and legislative elections of 1985 and 1989. The presidential elections were historic because that of 1984 was the first free and fair election in more than 50 years. The 1989 election was the first in decades in which power passed from one freely elected civilian leader to another.

In spite of these positive historic events, the civil war continued and human rights violations were rampant by both left and right-wing forces. As reported in the *Report of the United Nations Truth Commission for El Salvador* and other credible reports, there were incidents of political killings, torture of detainees, arbitrary arrest, and forced recruitment by the ESAF. There were also cases of killings, kidnappings, abuse of non-combatants, intimidations of civilians, and forced recruitment by the FMLN. Right-wing death squads took advantage of this chaotic environment to engage in political assassinations. Many individuals acted with virtual impunity; the judicial system was weak, overwhelmed by the magnitude of the bloodshed, and burdened with corruption.

In the period from 1979 until 1992, between 60,000 and 80,000 persons lost their lives as a result of the civil war; between 750,000 and a million persons emigrated to other countries, principally the United States; and the cost of replacing or repairing damaged infrastructure has been estimated at \$1.3 billion.

In 1984 the first conversations between the GOES and the insurgents (FMLN) took place, but quickly failed. The next meetings took place in 1987 without significant results due to a wide gap in positions. The GOES argued that problems with free elections, human rights violations, the need for land reform, etc. were things of the past, therefore, hostilities should end. The FMLN argued that the GOES had become a U.S. puppet in the Cold War and that the peace negotiations should include the administration of justice, labor relations, the role of the armed forces in society and additional land reform. In 1989 then President Cristiani announced in favor of negotiations to include these and other agenda items and the negotiations began in earnest.

In early 1990, following a request from the Central American Presidents, the United Nations (UN) became involved in an effort to mediate direct talks between the two sides. An agreement was reached on the subjects of the negotiation in April 1990: a) the role of the armed forces; b) human rights; c) the judicial system; d) the electoral system; e) constitutional reforms; f) social and economic reforms and g) verification by the UN of compliance with the agreement. After numerous meetings, the Chapultepec Accords were signed in January 1992.

In brief, the Accords have the following seven chapters:

- I. Armed Forces. Established the legitimate field of armed forces involvement, i.e., national defense, and required a reduction in the number of personnel and a purge of the officer corps.
- II. Civilian National Police. Required the substitution of the National Police, which was under the ESAF, by a national civilian police and established minimum requirements for membership.
- III. Judicial System. Required an increase in the independence of the judiciary, in particular the Supreme Court, and the establishment of the Office of Advocate for the Defense of Human Rights.
- IV. Electoral System. Established a commission to modify the electoral code, which would present proposals to increase the openness and integrity of elections.
- V. Economic and Social Subjects. Dealt with land tenure, particularly in the ex-conflictive zones, access to agricultural credit, a social compensation fund, a consumer protection agency, the implementation of a national reconstruction program and the establishment of a forum to reach economic and social agreements.
- VI. Participation of the Insurgents in Politics. Legalized the FMLN as a political party.
- VII. Ceasefire. Provided a detailed calendar for the reduction or demobilization of the belligerents under UN supervision.

As the peace process began to accelerate in early 1991, GOES President Cristiani designated the Minister of Planning to lead the effort to formulate a postwar recovery strategy. In July 1991 the Minister established, with funding from the UNDP, a National Reconstruction Committee to work with government agencies and private organizations in preparing a National Economic and Social Recovery Plan.

The USAID, which also had begun planning for the postwar period, contributed to the preparation of the GOES recovery plan. First, USAID contracted with Creative Associates International, Inc. to suggest program alternatives for reintegrating ex-combatants into civilian society from the ranks of the military and insurgents. This report included a review of post-conflictive reintegration programs in Nicaragua, Zimbabwe, Colombia and the United States, as well as the assimilation of military personnel into the security forces of Panama.

Second, a team of consultants was contracted to assist the GOES to perform an infrastructure restoration/reconstruction assessment for the National Reconstruction Plan, based in part on the 1990 infrastructure damage assessment. Third, the U.S. Military Advisory Group and USAID collaborated on preparing an ex-

combatant assistance strategy to integrate soldiers from both sides back into Salvadoran society. The USAID also sponsored visits of Salvadorans and USAID personnel to Nicaragua and Colombia to observe the experience of these countries with reintegration programs.

The result of the GOES process was the elaboration of the Programa de Reconstrucción Nacional (PRN). A preliminary version of the Plan was completed immediately prior to President Cristiani's talks with the FMLN at the United Nations in September 1991. The Plan was subsequently revised and presented to an informal donors meeting in San Salvador on November 21.

In December 1991, the Central American Business Administration Institute (INCAE), with USAID funding, conducted a series of five inter-sectoral policy dialogue seminars on the PRN with participation by leaders from the business community, the armed forces, labor, government, the religious community, academia, and a cross-section of local and international NGOs. The purpose of the seminars was to inform the participants of the commitment of the GOES to peace and equity, to receive the participants' input, and to foster a national consensus.

The GOES completed the PRN and officially initiated it after the Peace Accords were signed in Mexico on January 16, 1992. The first action under the PRN was taken on January 28th by the Secretaría para la Reconstrucción Nacional (SRN); the SRN had been established by the GOES to coordinate the implementation of the PRN.

The general goal of the PRN was to support the process of peace and national reconciliation by helping to create the necessary conditions to reintegrate socially and economically those most affected by the conflict. The objectives of the PRN were to:

- facilitate the reintegration into civilian and productive life of the ex-combatants and of the population most severely affected by the conflict;
- improve the social, economic and environmental conditions of the areas most severely affected by the conflict;
- reconstruct the basic social and productive infrastructure damaged or destroyed during the conflict; and
- promote the participation of all parts of society in the national reconstruction effort.

The principal components of the PRN, as set forth in the GOES presentation to the March 1992 meeting of a Consultative Group of donors, and the estimated funding requirements for the Program (in \$ millions) were as follows:

Social Sector and Human Capital Needs	324.5
Infrastructure	268.1
Productive Sector	137.5
Environment	<u>15.6</u>
Total a/	745.7

a/ Excludes Programs of Technical Assistance and the Strengthening of Democratic Institutions which were presented separately.

The Social Sector and Human Capital Needs category included health and nutrition programs, education, housing and basic sanitation, all targeted to the most vulnerable groups located in the PRN target territory. Specific programs/projects included: 1) rehabilitation of physically disabled citizens; 2) rehabilitation and strengthening of health and education services with an emphasis on pre-school and primary levels; 3) community kindergartens; 4) vocational training and adult education; 5) special education development; 6) basic community infrastructure; 7) housing; 8) registry of the population; and 9) integrated support for returning families.

The Infrastructure component included the reconstruction and rehabilitation of public infrastructure in the following sectors: energy, telecommunications, roads (including rural roads and bridges), water and sanitation, and health and education buildings.

The Productive Sector component included projects to support the economic recovery of PRN target territory such as: 1) land acquisition; 2) productive credit; 3) technical assistance and extension services; 4) rehabilitation and development of small irrigation works; 5) rehabilitation and development of community based aquaculture; and 6) establishment of agro-forestry systems.

The Environment component included six programs: 1) protection and management of natural reserves; 2) establishment of community based nurseries; 3) a pilot reforestation program; 4) soil conservation; 5) flood control; and 6) environmental education and environmental impact analyses.

One final set of comments are needed to understand the Project Setting. When the civil war began in 1979, El Salvador found itself basically friendless due to its notorious human rights record (while the FMLN was able to call upon Cuba and its friends for support). Even many international PVOs rejected involvement in El Salvador for reasons of conscience. In the early 1980s the U.S. Executive Branch was able to convince the U.S. Congress to support El Salvador as the alternative was the collapse of the GOES and a second communist country (Nicaragua then being in Sandinista hands) in Central America. In time, little El Salvador would find that it was receiving very large per capita U.S. economic assistance levels (over \$3.1 billion from

1980 through 1991). However, a number of U.S. groups and their friends in the U.S. Congress were uneasy to outright hostile to a USG partnership with the GOES to defeat what they saw as justifiably aggrieved insurgents. This placed the USAID program in El Salvador under a powerful spotlight, one that has dimmed considerably over time but even today shines. Moreover, El Salvador became very dependent financially, psychologically and politically on high levels of U.S. assistance and involvement. When the Peace Accords bill was presented there was a powerful GOES assumption that the U.S. would be very flexible and very generous in supporting GOES and FMLN agreements.

II. Summary Project Description

While negotiations brought an end to the war, many problems would need to be addressed if peace were to endure: security guarantees; social impediments to reintegrating ex-combatants and their families into society; access to land; lingering mistrust of official programs; a dysfunctional justice system; GOES institutional weaknesses; low incomes; lack of employment opportunities; and a deteriorating environment.

Economic reactivation and the renewal of basic social services in the postwar period was expected to be severely hampered by the lack of public infrastructure. Damage and losses to the electrical, roads, telephone, water and school systems occurred both directly through violence and indirectly from power outages, insufficient maintenance and replacement, and normal deterioration. Many repairs had been postponed and expenditures had been especially limited in the conflictive zones. The investment necessary to extend and upgrade the infrastructure had simply not been available. The backlog of reconstruction and new construction needs was enormous --one survey estimated the needs would cost \$1.3 billion.

It was considered in the U.S. Government's interest to support a national reconstruction plan that would consolidate the peace negotiation process, help resolve societal unrest, and sow the seeds for future growth with equity within a stronger democracy. During the crisis years of the 1980s, much had been accomplished toward democracy and economic stabilization, but these thin foundations for progress needed to be made permanent by the continued nurturing of institutions of economic and political freedom. El Salvador needed to demonstrate that the expectations of democracy were well founded, and that an elected government, with market-based economic policies, could work for the benefit of all segments of society. If not, desperate people might again resort to violence.



As the peace process began to accelerate in early 1991, the USAID began to explore what it could do to support the national reconstruction program being elaborated by the GOES and the process of national reconciliation and economic stabilization that would need to follow the termination of the conflict.

This led to two actions: a) the pre-positioning of 100 million colones (\$13.5 million equivalent at that time) of Host Country Owned Local Currency

(HCOLC) which would be available for immediate disbursement by the GOES upon signature of the Peace Accords; and b) the development of a Project Paper for the Peace and National Recovery (NRP) Project (519-0394).

The Project Agreement called for USAID dollar funding of \$166 million, GOES concurrence in the use of HCOLC equivalent to \$35 million (from ESF and P.L. 480, Title I; generations) and contributions from existing USAID projects of \$49 million. Thus, a total contribution of \$250 million was anticipated.

The USAID strategy was to provide major support to the PRN, but to do it in such a way as to support the national reconciliation process and the economic stabilization of the country. The Project Goal statement in the NRP Project Paper read: "to support El Salvador's National Reconstruction Plan in consolidating the peace process, helping resolve societal unrest, and sowing the seeds for future growth with equity and strong democracy."

It was assumed that the most essential element would be the re-integration of the conflictive zones -- 115 of El Salvador's 262 municipalities -- into the economy and society and providing employment in those areas. Hence, the purpose statement read: "to promote the economic and social reactivation of the conflictive zones by restoring infrastructure and access to basic services, and assisting the democratic reintegration of their population." Some 63 percent of the \$250 million budget was allocated for Social and Economic Reactivation of the Conflictive Zones; an additional 21 percent was allocated to infrastructure, an essential need for re-vitalizing the conflictive areas. The various Components of the NRP were designed to be an integrated whole; Sub-Components supporting other Sub-Components and Components. The integrated whole focus was not maintained, however, due to factors mentioned earlier.

As noted previously, the GOES had established the SRN in February 1992 to coordinate the PRN. The SRN was formed basically from a predecessor organization known as CONARA, which since 1986 had provided funds for small projects to municipalities under the HCOLC-funded Municipalities in Action Program (MEA). From 1986 through 1991 MEA had implemented 13,137 projects with a total cost of approximately \$97.5 million equivalent. Although CONARA's origins were counterinsurgency, it had proven very capable not only administratively and technically in the funding of small infrastructure projects, but also at strengthening municipalities and fostering local democratic processes in all but 19 of the 115 municipalities in the conflictive zones where the municipalities could not function. Therefore, a decision was made that the SRN would implement all USG NRP funds except those obligated to the existing USAID projects that also would serve the NRP.

A significant portion of the USAID budget, particularly from the other projects cited in the Project Paper, was devoted to activities that would be of immediate

concern once the Peace Accords were signed; it was assumed that most other donors would not be in a position to respond as quickly to GOES needs for supporting the peace process as would the U.S., and the USAID knew that the GOES could not fund most of the needs without jeopardizing its economic stabilization efforts.

The USAID assumed that some immediate assistance would go to ex-combatants, but that the objective would be to integrate them as quickly as possible into the mainstream of society. Hence, a minimal amount of funds was initially allocated for ex-combatants; it was assumed that they would benefit primarily from the allocation for socio-economic reactivation of the ex-conflictive zones, along with displaced persons, a repatriated population and the inhabitants of the ex-conflictive zones.

Another part of the USAID strategy was to maximize the importance of the USAID contribution to the GOES reconstruction and reconciliation effort in order to set a standard for contributions by other donors. Thus, contributions of nine other USAID projects -- some of which received additional funds -- were included in the write-up for the NRP. Although it was anticipated that other donors could not move as quickly as the USG, it was hoped that they would come forth by 1993 with significant funding, particularly in support of socio-economic reactivation. The USAID contribution for infrastructure included funds for feasibility studies and support to the Directorate General for Reconstruction (DGR) (an organization which had successfully managed reconstruction after the October 1986 earthquake); these allocations were designed to facilitate other donor contributions to the rebuilding of infrastructure.

Approximately one year after the approval of the NRP, the Project Paper was amended to increase the funding by \$50 million. This was justified primarily because the contributions of other donors had not been forthcoming as expected. The Project Goal statement did not change in substance but was recast slightly: "to support El Salvador's National Reconstruction Plan in consolidating the peace process, furthering national reconciliation, and sowing the seeds for future growth with equity and a stable democracy."

The USAID's assumption about the quick re-integration of ex-combatants turned out not to be valid. Both the ESAF and the FMLN insisted on controlling the process of providing benefits rather than letting the ex-combatants come forward on an individual basis. In addition, new demands were made on behalf of the ex-combatants; a new category of ex-combatants was added, the National Police, which are being de-mobilized during a 14-month period beginning November 1993; they are being replaced by the new National Civilian Police.

The result of the added emphasis on ex-combatant assistance was a re-writing of the Project Purpose and a revision of the project budget which, *inter alia*, increased the ex-combatant component by over tenfold. The revised Project Purpose statement

reads: "to support implementation of the Salvadoran Peace Accords and the National Reconstruction Program by assisting the reintegration of ex-combatants, the economic and social reactivation of the formerly conflictive zones, and the democratic reintegration of their population." The willingness of USAID/Washington to approve an additional \$50 million for the project coincided with a special appropriation of Demobilization and Transition Funds.

The NRP project was approved by the Mission Director on January 17, 1992 and authorized by the Assistant Administrator for Latin America and the Caribbean in USAID/Washington on March 25, 1992. The Grant Agreement was signed with the GOES on May 6, 1992. The first dollar-funded Action Plan was approved on August 20, 1992. The first HCOLC-funded Action Plan had been approved January 28th, i.e., NRP activities started within days of the signing of the Peace Accords.

The Project Paper was revised March 8, 1993 to increase the life of project USAID dollar contribution to the NRP project from \$166,000 to \$191,000, the contribution of HCOLC from \$35 million to \$48 million and the contribution of other USAID projects from \$49 million to \$61 million. Thus, the total funds available from the USAID program for assisting the GOES National Reconstruction Program was increased from \$250 million to \$300 million. Subsequently, the GOES added \$9,815,000 equivalent in HCOLC (increasing HCOLC to \$57,815,000) to provide additional funds for Land Transfers.

		<u>NRP BUDGET*</u>	
C O M P O N E N T		Original (\$000)	Current (\$000)
A.	Immediate Assistance	4,000	5,686
B.	Ex-Combatant Assistance **	8,000	96,703
C.	Social and Economic Reactivation	157,000	121,774
D.	Land Transfers to the General Populace	15,000	20,736
E.	Major Infrastructure Activities	56,000	51,114
F.	Program Audit and Management	<u>10,000</u>	<u>13,802</u>
		250,000	309,815

* A breakdown into the current 39 sub-component line items can be found in Appendix A.

** Includes \$39.4 million for land transfers to ex-combatants

III. PROJECT IMPLEMENTATION AND STATUS

The NRP, like most USAID Projects, required time for the USAID and counterpart organizations to organize, establish and/or become familiar with procedures and to begin an acceptable pace of implementation. However, the NRP was not an ordinary project; it would be viewed very much in the manner that projects responding to natural catastrophes are viewed. There were demands that it move quickly in meeting demobilization requirements and the expectations of the ex-combatants, the general population of the ex-conflictive municipalities, and US and El Salvador government and private officials and organizations. Initially, the USAID and the GOES bureaucracies were unable to respond to some of those demands.

The first programs under the NRP were funded by the SRN using HCOLC, which allowed the GOES to begin projects quickly because it had administered local currency over past years and the administrative processes were well established. The SRN approved about \$23 million in HCOLC project proposals between February and December of 1992 and disbursed about \$21 million for these projects through June 30, 1993.

In September 1992, NRP programs began to be funded with U.S. dollars, which are administered under different rules and procedures than the HCOLC; this slowed program implementation. Through June 30, 1993, the first 10 months of this phase, the SRN had planned to disburse about \$18 million of the \$75 million available but disbursed only about \$11 million.

The implementation of the initial programs to be funded with U.S. dollars was delayed because AID was unable to disburse funds to the Salvadoran Government until it met certain administrative requirements. These requirements were not met until September 1992, four months after the Project Agreement was signed. Even after the requirements were met, additional delays occurred. Administrative processes within the Salvadoran Government delayed the first two AID disbursements from reaching the SRN by two months as Salvadoran procedures required several government agencies to review and approve the transfer of funds among government organizations.

Organizations receiving funds from the GOES are required to report on how funds previously received were spent before receiving additional funds, with the Salvadoran Government's audit agency reviewing and approving the report. However, the audit agency can disallow the entire report if any one expenditure is questioned, returning the report to the submitting organization for resolution and thereby delaying further disbursements for the organization's project. For example, early in project implementation the Salvadoran audit agency rejected approximately \$1.7 million in expenditure reports submitted by three nongovernment organizations (NGOs) administering projects under the NRP even though only a small portion of each report

was being questioned. As a result, additional funding for the organizations' activities was delayed for several months.

Misunderstandings about AID regulations and processes also contributed to disbursement delays. For example, the SRN mistakenly believed that under AID rules it could not submit expenditure reports to AID until at least 70 percent of the funds already received had been spent. AID rules do not prescribe a percentage of expenditures that must be reported but encourage monthly reports of expenditures to facilitate disbursements.

The USAID, therefore, had to take action to address problems that impeded program implementation. Its staff worked with the GOES to improve administrative processes and clear misunderstandings of AID rules. The third transfer of AID funds in April 1993 was reviewed by GOES agencies and passed to the SRN in 13 days. In a June 1993 letter to the SRN, AID modified and amplified the procedures to disburse funds and report expenditures and required the SRN to process expenditure reports within 15 days so that the replenishment of advances was not delayed. The GOES also adopted a standard disallowance system so that entire expenditure reports were not rejected because of minor disallowances.

While the USAID officials underestimated the potential for administrative problems and technical difficulties that initially impeded the implementation of the NRP, competing demands for their time and resources were the biggest reason they could not respond immediately when problems surfaced. For the first year following the signing of the peace agreement, many of AID's efforts were directed towards resolving immediate crises and contentious issues arising from the ambiguities of the peace agreement. Furthermore, establishing new organizational structures within AID and the GOES to support the programs, as well as reviewing, approving, and monitoring initial projects funded with local currency, required considerable time and resources.

Another problem that impeded getting the NRF off the ground as quickly as planned was that USAID had assumed that its approval and monitoring responsibilities for the activities of the NRP could be handled primarily by its technical offices (Agriculture, Health, Education and Training, Private Enterprise, Infrastructure and Regional Development) with a small coordination unit. This assumption, however, turned out not to be valid. All of these offices had large portfolios of ongoing projects and could not devote the enormous amount of time that the NRP was demanding without neglecting those portfolios. By the end of 1992 it was clear that USAID collectively was not on top of the NRP and the National Reconstruction Division of the Office of Infrastructure and Regional Development was staffed up to deal with: a) the increasing number of activities to be approved; b) a backlog in monitoring activities in the field; and c) the need for better data on project progress. Given USAID recruitment procedures (position descriptions, pre-contract documents, competitive selection and contracts) this process took about six months, i.e., until mid 1993.

Although the Immediate Assistance Component and the MEA Subcomponent got off to quick starts, which were critical to "nailing down" the peace by showing positive GOES action and by providing the logistics required to demobilize the FMLN, very contentious issues quickly arose concerning the Ex-Combatant Assistance Component. The FMLN had not been included in any of the discussions leading up to the Project. It now made itself heard in both El Salvador and the U.S., in effect insisting that the Ex-Combatant Component become a much larger part of the NRP and that the ex-combatants be dealt with through the FMLN -- the ESAF would also make this demand. The over tenfold increase in the Ex-Combatant Assistance Component that resulted, along with a de facto requirement placed on the USAID and SRN that this Component receive priority treatment, divided the NRP into three implementation phases: Immediate Assistance, Ex-combatant Assistance and Social and Economic Reactivation, in that order, but with some overlap. The Land Transfers to the General Populace and Major Infrastructure Components, and the scholarships and land transfers under the Ex-Combatant Assistance Component, are outside of these implementation phases because they require so much time.

Win-lose style negotiations between the FMLN and the GOES, with the USAID and/or the UN also involved, would delay movements toward reconciliation on the part of the FMLN and GOES. It also affected the USAID's relationship with the SRN, to which USAID had delivered the management authority for the NRP. In effect, USAID/Washington, which had approved the Project Paper, now demanded certain actions which would require USAID/El Salvador to ignore some of the project management provisions of the Grant Agreement over the objections of the SRN. This subject will be discussed later in this paper; however, it requires mention here because it had an overarching effect on the entire implementation process during the first year of the NRP -- significantly delaying project implementation and reducing the quality of certain interventions.

The USAID entered into the GOES National Reconstruction Program as one of many donors to the reconstruction effort, albeit the largest, providing over 25% of the total pledged. The USAID expected that other donors -- primarily the Inter-American Development Bank, the Central American Bank for Economic Integration, the European Economic Community, Japan and Germany -- would be slower than the USAID in providing resources. In the event, the other donors were slower and they were restrictive in the use of their funds, e.g., funds totaling about \$670 million are being provided only for roads or bridges or to be implemented by specific GOES ministries or NGOs, and critical Peace Accord activities such as public safety and land transfers generally have not received the level of other-donor attention desired. In fact, only the USG has provided a significant amount of funds to the SRN. This has meant that every time a new demand was placed on the SRN, USAID was asked funds for and NRP reprogramming. It would be difficult to exaggerate the work, e.g., meetings and preparation of documents, that this situation caused during the first year of the NRP or, in the opinion of some, the damage that satisfying these demands did to the

mutually reinforcing Components and Sub-Components of the original NRP design. Without question, these changes significantly slowed NRP implementation.

The following comments are divided into the NRP's six components.

1. Component A -- Immediate Assistance to the Zones Affected by the Conflict

<u>Sub-Components</u>	Life of Project Funding (\$000)	
	<u>Original</u>	<u>Oct. '94</u>
1. Land Mine Awareness Campaign	500	-0-
2. Food Distribution	500	47
3. Health Services	400	-0-
4. PVO Support	1,000	1,884
5. Socio-Demographic Studies	100	14
6. Documentation Certification	250	1,241
7. SRN Administrative Costs	700	1,000
8. UN Humanitarian Assistance *	-0-	500
9. UN Truth Commission **	-0-	1,000
10. Contingencies	<u>550</u>	<u>-0-</u>
Total	4,000	5,686

* Assistance for sustenance provided to FMLN combatants during the demobilization process and while they were in special encampments.

** The Commission produced a report on many of the atrocities committed by both sides of the conflict.

All of the above now completed activities were funded under existing USAID/EI Salvador projects or HCOLC, with the exception of the UN Humanitarian Assistance and Truth Commission activities (not originally included in the NRP) which were funded under the NRP, but by Grant Agreements entered into by USAID/Washington. Therefore, this component moved quickly and is generally recognized to have moved very satisfactorily (with the exception of the socio-demographic studies which were intended to provide information that would be useful for activity design, targeting, monitoring and evaluation. The results were not useful for that purpose). The Land Mine Awareness Campaign was dropped from the NRP when UNICEF funded it with other resources.

In general, this Component allowed NGOs, the GOES, UN and USAID to provide quickly i) food, health care, temporary shelter and other requirements for demobilizing FMLN ex-combatants and, in the case of health care, residents of the ex-conflictive zones; ii) support to the SRN in its new role; and iii) assistance in the documenting of ex-combatants and others in the ex-conflictive zones. This last requirement was especially important as many ex-conflictive zone residents had lost or never received their *cedulas*, (national identity cards issued by municipalities which are required for voting, obtaining a passport and accessing GOES services) during the conflict. Moreover, many municipal buildings had been destroyed by the insurgents which required reconstructing records. Some 260,000 *cedulas* were issued (371% of the originally estimated target).

2. Component B – Ex-Combatant Assistance

<u>Sub-Components</u>	Life of Project Funding (\$000)	
	<u>Original</u>	<u>Oct. '94</u>
1. Social and Economic Re-integration Counseling	500	7,536 **
2. Local University Scholarships	7,500	9,155
3. Land Transfers *	-0-	39,351
4. Demobilization Packages *	-0-	6,816
5. Vocational Technical Training *	-0-	11,811
6. Agricultural Credit *	-0-	9,884
7. Micro-Enterprise Credit *	-0-	7,071
8. War-Wounded Assistance *	-0-	5,079
Total	8,000	96,703

* The Original Life of Project Budget made provision for this assistance to ex-combatants, but under the Social and Economic Reactivation Component, along with the civilian populace. War-Wounded Assistance for ex-combatants and Land Transfers for ex-combatants are discussed along with related activities in Components C and D, respectively, which follow.

** This figure is misleading as only \$908,000 is for the counseling of ESAF and NP ex-combatants. The remaining \$6,628,000 is for scholarships, vocational training, and agricultural and microenterprise credit for the NP. Because one NGO is handling the entire sub-component under one Agreement, the accounting is aggregated.

The USAID strategy for ex-combatants, which was reflected in the NRP Project Paper design and Grant Agreement, called for dealing with ex-combatants on an individual basis by giving them counseling and providing scholarships to a local

university for up to five years to ESAF and FMLN officers who could qualify for university acceptance. (Over 1,000 FMLN ex-combatants currently are enrolled in local high schools, technical schools or universities, more than two-thirds of whom are funded by the NRP.) inter alia, the counseling was to advise the ex-combatants of the various benefits that they could access under Component C (see following section) which would be available to the general population of the ex-conflictive zones. The reasons for dealing with the ex-combatants in this manner were to accelerate their reintegration into the general population, to avoid the predictable resentment of assistance dedicated to ex-combatants on the part of the general population, which also had suffered during the conflict, and to impact in an equitable manner on the larger target group of poor peasants. This strategy -- based upon the assumption that design decisions would be driven primarily by technical developmental factors rather than political considerations -- collapsed almost immediately when it was rejected by the FMLN.

The Peace Accords required that the GOES provide the PRN to the FMLN within 30 days of the signature of the Accords. Although the FMLN would publicly accept the PRN at a donor's conference, in order not to block expected large pledges of assistance, it rejected the idea that it would not control assistance to its constituency and that this assistance would not be delivered through NGOs sympathetic to the FMLN. On the other hand, the GOES was not happy at having to deal with a group which only very recently had concluded a 12-year period of armed insurrection. Moreover, the FMLN was now a political party gearing up for the March 1994 general elections which further heightened feelings. And the FMLN did not like dealing with the GOES in general or the SRN in particular, which was the outgrowth of a counterinsurgency institution (CONARA). The political agendas of both the FMLN and the GOES would hang over the NRP for two years, i.e., until the elections in March of 1994.

The FMLN proved especially successful at lobbying in the U.S. and the USAID was pressed to deal directly and often separately with the FMLN, which was contrary to the USAID policy of encouraging the FMLN to deal with the GOES in order to promote reconciliation. Moreover, the FMLN became adept at playing the GOES off against the USAID, e.g., telling the SRN that "the USAID has already approved our position." The GOES reacted predictably and relations between the USAID and the SRN, which had been excellent, deteriorated sharply. Fortunately, over time the situation cooled down and the relationship returned to its former excellent status. However, Action Plans had to be developed for 24 separate activities in order to implement this Component. (See Annex C for an annotated list of "NRP Activities Dedicated to Ex-Combatants.") And activity design was made even more difficult when the FMLN initially refused to deliver a list of its beneficiaries and permanently rejected counseling, claiming fears for the safety of its sympathizers if the GOES knew

their names. In time, as the FMLN developed confidence in the GOES and USAID, it would begin to develop lists and amended lists, each of which would increase the numbers of FMLN determined and UN sanctioned "eligible beneficiaries."

An issue which has plagued the NRP's acceptability to the FMLN and its supporters in the U.S. has been the role that FMLN NGOs (or NGOs sympathetic to the FMLN) would play in the NRP. During the long conflict a number of informal NGOs came into being which assisted the areas of insurgent influence with donations from foreign groups. Many of these had (and have) political agendas. These NGOs had never dealt either with the GOES or USAID. Institutionally they were weak, i.e., in their ability to develop, manage and evaluate projects and to maintain project accounting acceptable to donors such as USAID. The NRP was not intended to be an institutional strengthening project. The USAID had expected significant involvement in the NRP of a number of U.S. and local NGOs which it had developed during the 1980s and which would not need strengthening. However, the USAID found that the pressures to utilize these NGOs required both institutional development interventions and special arrangements such as U.S. umbrella PVOs, e.g., Catholic Relief Services, which have worked with and through 43 FMLN related NGOs. (A matter of concern is whether in a couple of years there will be a sufficient flow of donor funds into El Salvador to allow these NGOs to survive.)

What the FMLN demanded, the ESAF also demanded and received, with the exception of household starter packages and training and productive credit for political officers (urban FMLN non-combatants). The FMLN made demands for these benefits non-negotiable. A major distinction between these two organizations was that while neither had previously been seriously involved in development, the FMLN got seriously interested in what did and did not happen. On the other hand, the ESAF made demands, but institutionally did not establish effective mechanisms or procedures to support what it obtained, e.g., the ESAF accepted counseling, but the actions or lack thereof (e.g., abruptly demobilizing 15,000 troops with insufficient lead-time for counseling) made offering the counseling very difficult. Both organizations, unfortunately, often tended to name people for training courses without consulting the trainees. In most of the programs, the FMLN decided which of its personnel would be able to participate. The FMLN wanted to be able to provide something like mustering out pay, but such was not permitted under the terms of the USAID Project Agreement. Therefore, the FMLN insisted that their personnel participate in all kinds of training programs, because they would be guaranteed some income (living expenses) for at least four to six months, depending on the program. As a result, some of the ex-combatant training has not been as effective as it might have been when measured by graduates employed in the area in which they were trained -- 25% of the FMLN and 19% of the ESAF as of May 1994.

In 1993, the USAID took on the task of assisting in the demobilization of the National Police, which are being treated as ex-combatants. They are eligible for counseling, scholarships, training, credit and agricultural tool starter kits.

In late 1993 when the USAID evaluated this Component it found that although about 30 percent of the FMLN eligible beneficiaries were women, a significant percentage of them were not benefitting from the NRP due to child rearing responsibilities. The special needs of women had been overlooked in the rush to redesign Component B.

All activities under this Component are now completed or underway, allowing the USAID and the SRN to increase their attention to Components C, D and E which follow.

3. Component C – Social and Economic Reactivation

<u>Sub-Components</u>	Life of Project Funding (\$000)	
	<u>Original</u>	<u>Oct. '94</u>
1. MEA	82,500	53,793
2. Equipping and Supplying Health Posts	8,000	5,000
3. Vaccinations	200	-0-
4. War-wounded	11,600	3,794
5. School Supplies, Equipment and Furniture	7,000	4,250
6. Hiring Teachers	1,200	420
7. PVO Support for Social Services	4,000	15,532
8. Micro-Enterprise Credit and T.A.	11,000	16,220
9. Agricultural Credit and T.A.	15,000	13,384
10. Support for Investment and Promotion	500	-0-
11. Agricultural/Household Starter Packages	2,000	-0-
12. Vocational/Technical Training	<u>14,000</u>	<u>9,382</u>
Total	157,000	121,774

This Component was to have received 52% of NRP funding. It will now receive 39%. However, some of the war-wounded, training and credit activities, and the entire Agricultural/Household Starter Packages activity that this Component was to have funded have been funded under the Ex-Combatant Assistance Component. The major loser in the budget battle that has diverted funds to ex-combatant and land transfer activities has been MEA, which has been reduced from \$82.5 million to \$53.8 million in order to meet these other demands. This has been unfortunate as the felt needs of the population of the ex-conflictive zone place very high priority on infrastructure improvements, especially roads, school-rooms and electrification projects. MEA also provides support to decentralization of government and to local reconciliation through

local government processes; e.g., MEA projects are identified in open town meetings by the general population and citizen groups of a municipality, who also get to question the municipal council on the prioritization of projects selected. Members of the community where projects are located are full members of the committee that selects and monitors the contractor who constructs the project, with locally hired labor. Nevertheless, MEA has completed 2,116 NRP small, basic infrastructure projects in the formerly conflictive zones since early 1992.

Here, as in Component C, an emphasis has been placed on using NGOs; a total of 122 NGOs have participated in NRP activities -- credit, training, infrastructure, war-wounded rehabilitation, etc. -- under all Components. Of the \$300 million in project funded activities, slightly more than \$100 million -- one third -- is being implemented, or is scheduled to be implemented, by NGOs. Clearly, dealing with this number of NGOs has been a challenge for both the SRN and USAID/El Salvador.

While the requirements of most of the activities in this Component, e.g., equipping health posts and schoolrooms, providing agricultural credit, etc. are well known to most USAID foreign service and other donor personnel, special mention should be made of war-wounded activities. Fortunately, these activities are less well known to most development practitioners. They will be requirements, however, of a post-war recovery effort.

Land mines are so cheap that they are used in great numbers by both sides in a long conflict. Of course, land mines can not distinguish between belligerents and the civilians, so both will be injured -- 75% of the civilian physically war-wounded were injured by land mines. Treating land mine victims probably will be a greater requirement than treating victims of other weapons. And there also will be civilian and ex-combatant victims of post-war traumatic stress disorders (PTSD) (psychosis, and acute and severe depression). The number of civil-war disabled Salvadorans (civilian and ex-combatant) exceeds 12,000. The PTSD affected population may exceed one million.

As early as 1986 the USG began to assist El Salvador to develop GOES (civilian and military) and private institutions to deal with the war-wounded. The institution building required was not easy and it took time. Fortunately, when the NRP arrived the USAID had experience in this area and there were institutions that the USAID could assist. ESAF war-wounded have been helped by the provision of raw materials for prosthetic and orthotic devices to an ESAF facility and by access to vocational training and assistance in seeking credit. The FMLN war-wounded have been helped by USAID funding of a) Ministry of Health surgical procedures and b) a large NGO that assists all disabled, including civilian war-wounded, and has facilities throughout the country. A separate NGO is working on PTSD with USAID funds.

Nevertheless, considerable USAID effort was necessary to gain the confidence of FMLN sympathizers in these institutions and, to some extent, in getting the institutions interested in dealing with the ex-insurgents. Interinstitutional cooperation also had been a problem. Developing a civilian war-wounded strategy acceptable to the local institutions, SRN and USAID took almost two years. The NRP war-wounded activities are now moving well. However, a lot of work was needed to get them to this point.

Overall outputs for this Component are in line with or ahead of the 50% percent of the elapsed Life of Project. (See Annex B for output information on this and other Components.)

4. Component D -- Land Transfers to the General Populace

<u>Sub-Components</u>	Life of Project Funding (\$000)	
	<u>Original</u>	<u>Oct. '94</u>
1. Credit for Land Purchases	13,500	(not broken down)
2. Surveys and Administrative Salaries and Supplies	<u>1,500</u>	
Total	15,000	<u>20,736</u>

This discussion also covers the Ex-Combatant Assistance Land Transfer Sub-Component, which has an additional \$39.4 million in Life of Project funding. In total, the amount of funds programmed for land transfers has risen from \$15 million to over \$60 million, which has the effect of reducing funds for other NRP objectives.

Land transfers, either on land where FMLN sympathizers were squatting or other purchased land was an important part of the Peace Accords. The GOES promised to finance land for squatters or relocate the occupants if landowners refused to sell. The FMLN promised to provide an inventory of lands its supporters claimed within 20 days of the signature of the Accords. In turn, the GOES promised to legalize the status of these lands within six months, including the provision of titles. Both of these timeframes were wildly optimistic. For example, previous Salvadoran experience with agrarian reform in the 1980s indicated that the process took 18 months when the beneficiary was known and if everything went smoothly -- which it rarely did.

The Project Paper talked of an estimated 8,000 squatters who might want land. In early 1992 the UN brokered an agreement wherein 22,500 ex-combatants (7,500 FMLN and 15,000 ESAF) and 25,000 squatters were the target. The UN agreement also called for land to be transferred to approximately 19,400 recipients by April 30, 1993, with transfers in process for the remaining recipients. However, as of that date only 4,589 recipients had received land. And by September 30, 1994 that number had only climbed to 13,516, 38% of the current Life of Project target (or estimate) of 36,000 beneficiaries.

A recently completed survey indicates that 53% of all arable land which has been transferred (11,251 has. out of a total of 21,166 has.) is currently in production, complemented by another 19,509 has. in pasture currently ranging more than 23,000 head of cattle. Of all beneficiaries who have received land, 64% are currently working it. This is a significant increase over the 1993 survey figure of only 25%; however, there is concern that some recipients have taken advantage of a benefit and do not plan to seriously farm their land. A total of 43,121 has. have been transferred (41,510 under the NRP).

The process of verifying eligible recipients was very difficult for the FMLN, which agreed in September 1993 to a nationwide GOES campaign using newspaper notices. Even where the beneficiaries have been identified technical and procedural problems have delayed the process. Recently a new strategy for facilitating land transfer was adopted, by which beneficiaries are issued certificates worth up to ¢30,000 (approximately \$3,480) from the Land Bank. These certificates can be used to negotiate land purchases. The Land Bank is available to assist the beneficiaries in negotiations and in the use of the certificates. While this new system has reduced delays in processing land transfers, a number of problems still remain in the following areas: locating the owners of some of the properties requested, liens on or disputes over titles, surveying difficulties, overly centralized decision making in GOES institutions and even getting the beneficiaries to property closing meetings. Government bureaucracies -- especially those in developing countries -- often move slowly. El Salvador's land transfer bureaucracies have not been an exception. Still, given the experience that El Salvador should have gained in land transfers during the 1980s, the GOES' performance in the NRP has been disheartening.

One final set of comments on land transfers. Simply placing beneficiaries on his or her land is not enough. They need shelter and a safe water supply immediately. Few have ever owned farms; generally they are not skilled farmers. They need technical assistance on how to grow crops and/or raise livestock and on farm management. They need credit for inputs. And the timing of the technical assistance and credit opportunities must relate to the growing season or it may be lost. In addition, the beneficiaries and their neighbors probably will require improvements on neglected farm-to-market roads. Provision has been made for these interventions in other NRP Components; albeit, in some cases belatedly.

5. Component E -- Major Infrastructure

<u>Sub-Components</u>	Life of Project Funding (\$000)	
	<u>Original</u>	<u>Oct. '94</u>
1. Feasibility Studies	10,000	4,238
2. Technical Assistance to the DGR	7,000	697
3. Emergency Repairs	10,000	-0-
4. Infrastructure Reconstruction and Repairs	<u>29,000</u>	<u>46,179</u>
Total	56,000	51,114

This Component has suffered from both non-valid assumptions and, initially, from neglect. The first assumption to fall was a need for a special fund for emergency repairs. In fact, the USAID for a decade had met (and would continue to meet) nationwide emergency major infrastructure needs from an existing war-related project, i.e., this sub-component was not needed in the NRP. The second assumption to fall was that the SRN and the DGR would be able to cooperate successfully and that other donors would seek their services in the design and implementation of infrastructure projects. The SRN insisted that DGR personnel be seconded; the DGR insisted on money and responsibility. Moreover, other donors showed no interest in either the SRN or the DGR. This sub-component was terminated. The third assumption to fall was that the GOES and other donors would want feasibility study funds to develop major infrastructure projects. To the extent that a need for such funds developed, other donors covered the costs, with the exception of an Intermodal Transportation Study which the USAID is funding at the request of the GOES and the Inter-American Development Bank. However, funds have been set aside recently to expand industrial production in the ex-conflictive zones through technical assistance and infrastructure improvements.

A significant amount of Existing Project dollars and HCOLC have been committed and disbursed for Major Infrastructure Reconstruction and Repairs, primarily potable water, rural roads and rural electrification. However, the ESF/DTF funded Infrastructure Restoration and Reconstruction sub-component activities languished as program managers focused elsewhere until mid-1994 when these funds began to move slowly for the Intermodal Transportation Study, shelter and latrines, rural electrification and flood control. A major project activity to rehabilitate or construct farm-to market access roads -- with a focus on newly transferred land parcels -- will begin after the rainy season that ends in November 1994.

6. Component F – Program Audit and Management

<u>Sub-Components</u>	<u>Life of Project Funding</u> (\$000)	
	<u>Original</u>	<u>Oct. '94</u>
1. Audit	(not	2,274
2. Management	broken	6,335
3. SRN Administrative Costs	<u>down)</u>	<u>5,193</u>
Total	10,000	13,802

This Component was provided to finance: 1) contracts for personal services to support the National Reconstruction Division of the Office of Infrastructure and Regional Development (IRD) of USAID/EI Salvador; 2) evaluations; 3) concurrent and post audits, pre-award surveys, technical assistance and other financial management activities; 4) short-term technical assistance and special studies to deal with issues of a technical, management, administrative or a policy nature; and 5) specialized support for the SRN and other GOES units.

The HCOLC for SRN Administrative Costs were added at the request of the GOES, which has yet to provide sufficient ordinary budget or other non-USG resources to support the SRN, which is needed to continue NRP implementation. The management costs rose when additional staff were added for the National Reconstruction Division of IRD. The audit costs rose as the number of administratively weak NGOs and/or NGOs which had no experience with USAID were added.

Concluding Comments on Implementation and Status

As of September 30, 1994, the accrued expenditures for the NRP totaled \$165.6 million, or 53% of the total Life of Project (LOP) Budget; and a total of \$218.6 million, or 71% of the Budget, had been committed. Moreover, a total of 72 Action Plans have been developed by the implementing agencies and approved by the GOES and USAID, and three major implementation agreements entered into by USAID/EI Salvador with U.S. NGOs. The breakdown by funding source of accrued expenditures is as follows:

	<u>Amount</u> (\$000)	<u>Percent of LOP Budget Expended</u>
ESF/DTF	87,426	46
HCOLC	40,695	70
Existing Projects	37,474	61

The USAID was forced to be more accommodating and flexible than was desirable from a purely developmental standpoint in redesigning and implementing the NRP. As a result, some of its activities have not been as effective as they might have been. And a few -- primarily related to land transfers -- are well behind schedule. There has been a trade-off between peace and recovery. However, the peace has held, free and fair elections have been held and respected, and reconstruction and reconciliation have taken hold, to which the NRP has made a critical contribution. Not a bad bottom line.

IV. LESSONS LEARNED FOR POST-CONFLICT PEACE AND RECOVERY PROJECTS

1. USAID Management and Staff Should Receive Special Training by an Expert in Conflict Resolution/Consensus Building Prior to Design of the Project.

A USAID probably will be faced with project counterparts and beneficiaries holding deep-seated emotions, and mutual distrust and animosities towards each other -- and perhaps toward the USAID if it is identified with one side of the conflict -- due to their recent belligerent status. And there may be a number of political agendas being pushed. There must be strong consideration of the political dimension of the project and a good understanding of the political forces at play.

This is far beyond the normal situations in which a USAID attempts to build consensus among a project's stakeholders. Reducing the conflicts and reaching consensus will be a tough job, one for which good preparation is needed. Success will not only result in a better project and faster implementation, but also serve the peace process.

2. The USAID's Project Itself Should Contain Activities and/or Processes for Promoting Reconciliation and Consensus.

As soon as possible the training recommended in 1 above should be given to host government personnel and the representatives of the insurgents who will deal with project design and implementation.

The expert brought in for 1. above or other qualified persons should be tasked with designing project interventions and/or processes for promoting reconciliation and consensus among the belligerents, host government personnel and donors. Consideration should be given to the origins of the conflict and to ways to strengthen a participatory civil society. Perhaps this would include governmental decentralization, including strengthening local governments and citizen groups.

One general design (see 3. below) and implementation principle should be that meetings are tripartite i.e., both belligerent sides -- depending on the situation in a country, one side may be both the government and its military -- and the USAID. They should be participatory and problem-solving in nature with the objective of reaching win-win situations. The USAID should make every effort to be -- and to be seen as -- an honest broker interested only in efficient and effective interventions.

3. Representatives of Beneficiaries Should Participate to the Maximum Extent Feasible in the Design and Implementation of Programs Designed for Their Benefit.

This, of course, is a cardinal rule for all assistance projects (albeit, in the past, often honored in the breach). It strengthens the feeling of ownership of, and interest in, the project on the part of the beneficiaries. It also helps to avoid false expectations, misunderstandings and rejection of what the donor plans to do. And it saves the time that may be needed to redesign a project to make it acceptable to the beneficiaries and/or the implementing institutions. As a USAID may find that meeting with insurgents before the signing of a peace agreement is impossible, there may be a need for two stages in the design process. The first stage would begin as soon as the need for the project is determined and would design the obvious and non-controversial humanitarian, infrastructure and government service requirements which would be needed immediately after the cessation of hostilities, and prepare a rough draft of a design for the remainder of the project. The second stage would begin as soon as the insurgents could be included in the design process.

The USAID should make a strong effort not to deliver a surprise package of assistance. If visits are made to countries which have implemented post-war recovery projects, representatives of the ex-belligerents should be included. (This may require a second round of visits if visits were made prior to the period when the insurgents could be included.) The input of the ex-combatants should be involved in the project design process, including disclosure of the number of ex-combatants which will be requesting assistance, broken down by types of assistance. After full exploration of what is acceptable to the ex-belligerents, the USAID may have to compromise from that which it sees as the best design choice.

Special ex-combatant assistance is not recommended, but if it is required then the representatives of the ex-belligerents should be required to present a registry of the ex-combatants during the design stage. This is to avoid the capricious addition of "eligible ex-combatants" over time, to prevent ex-combatants from trying to access the same benefits more than once and to assist in determining if the target group is being reached. Also, the USAID should insist on a counseling activity to help avoid providing benefits which do not meet the interest of beneficiaries.

One possibility is that a respected neutral party, perhaps the UN, could convoke a general meeting of donors, the host government and the ex-belligerents at which the plans of the donors are discussed, including their possibilities and limitations, and the expected logistical and procedural problems. Separate meetings for the donors that plan to make major contributions to complex projects should follow the general meeting.

4. There will be Pressures to Respond to Every Need. In a Very Large Universe of Needs. This Should be Avoided.

Limited management capabilities and limited funds will reduce the quality of interventions if the USAID allows itself to get into too many areas or works with too many implementing institutions. In the design process a strong attempt should be made to set a) priorities, *inter alia*, based upon what the USAID knows it can do well, b) the parameters of the USAID Program and c) terminal dates for applying for benefits under the several activities. Open-ended timeframes for activities become a drag on program implementors and tie up funds needed elsewhere.

5. A USAID Must Have Access to Resources for at Least Humanitarian Activities Almost Immediately After the Cessation of Hostilities.

These resources may be new USAID dollars, reprogrammed funds from existing projects, HCOLC, PL-480 Title II commodities or a combination of the preceding. The requirements will be placed upon the mission quickly and it will be expected to respond. The source(s) of the resources should provide the flexibility required to respond to a variety of needs. If USAID is looked to as the major donor by the USG, the host government and/or the UN, it may come under pressure to fill gaps if other donors move slowly. Whatever USAID's role, USAID/Washington needs to be ready and able to respond rapidly to requests for flexible procurement procedures and to grant waivers as necessary and appropriate to avoid critical delays in implementation.

6. Adding Funds to Existing Projects which can Add Components to Meet Requirements and/or Utilizing Available HCOLC can be Very Effective Ways to Assure a Fast Start-Up of Implementation.

Normally the existing projects will have established management teams and processes which can be utilized. However, the office(s) managing the existing project(s) must understand the priority attached to the new component by mission management and be required by it to act accordingly. In some countries the procedures for utilizing HCOLC also may be established. Even if not all interventions can be handled with existing projects and HCOLC, specific activities or activity starts could be handled this way. Fast activity starts probably will be required.

7. The USAID should Maintain Implementation Flexibility.

The USAID should not lock itself into an implementation construct under which it does not have the ability to respond to USG instructions or its own best judgement without creating the ill will of its counterpart institutions. The probability is strong that in this type of project USAID will decide that certain interventions or implementation arrangements are needed that may not be viewed positively by the host government for the use of funds which it believes it controls. Therefore, the USAID should

maintain some funds under its control either by obligating them directly to contractors or PVOs as funds are needed and available, or by setting aside some funds in the Project Agreement for direct USAID implementation.

8. The USAID should Adopt an Organizational Structure that will be Effective in the Management and Implementation of a Multisectoral Project.

Differences in the size and nature of projects that may be developed and the organization and staffing of missions preclude a hard and fast rule. Perhaps mission management will be able to provide overall project management with the various project sectors farmed out to existing mission technical offices. Perhaps a single existing or new office should manage the project. Perhaps a mixture is indicated. However it is done, overall and specific responsibilities and related authority should be clearly assigned; and any additional staff required should be recruited as quickly as possible. The implementing unit(s) should not be allowed to view the project's components as isolated interventions but rather as parts of a larger and mutually reinforcing effort. There will be a need for extensive communications between technical offices and between technical offices and Mission management as problems develop and priorities arise. Mission management should keep the structure and staffing under review to ensure that they are effective responses to the requirements. If not, historical and traditional approaches may have to be replaced with a more functional and responsive construct.

9. If There is Unusual Interest in the US -- The Congress, Special Interest Groups, the State Department, USAID/Washington -- in the USAID's Peace and Recovery Project, then a Sophisticated Project Data Base, Management Information System and Related Staff may be Needed to Respond -- Quickly and without Undue Disruption to Implementation -- to a Continuing and Large Number of Inquiries about the Project.

For purposes of project monitoring and evaluation, the USAID may determine that a large multisectoral project will require a sophisticated data base and MIS even if there is not unusual U.S. based interest.

10. An Assumption should Not be Made that Because an Institution Has Worked Well with USAID in a Previous Project that It will Work Well Initially -- or At All -- in a Different Type of Project.

The USAID should be careful to ensure that host government institutions and NGOs under consideration for an implementation role understand and support the objectives and design of the post-conflict project. If they do, the USAID should also make sure that they have the capability of implementing the project in what assuredly will be a period of considerable stress and pressure. If necessary, institutional

strengthening activities and training, which may include the documentation, procedures and other requirements of the USAID and/or host government, should be scheduled as soon as possible. Adaptations in USAID and/or host government procedures may be required in order to facilitate implementation.

11. War-Wounded Activities Normally will be a Requirement.

If the USAID does not have considerable experience in dealing with the very highly specialized activities (surgery, prosthetic and orthotic devices, integrated functional rehabilitation services and post-war traumatic stress disorders) that will be needed, an immediate requirement will be technical assistance to survey the magnitude of the problem, identify existing and needed institutional capabilities (including facilities located near the victims), determine institutions willing and able to cooperate in the activities and to design a strategy for the activities. A qualified, full-time mission advisor probably will be needed during activity design and implementation.

12. Many Ex-Combatants will have No Immediate Source of Income. Either the Host Government or a Donor(s) will have to Make Provisions to Support the Ex-Combatants, e.g., While They are in Training, Until the First Harvest or for a Set Period.

The willingness to provide a cash payment (conditioned on attendance in mustering out counseling) to ex-combatants immediately following cessation of hostilities and the signing of a Peace Accord may help to reduce the numbers of ex-combatants who enroll in training programs during the period immediately following demobilization only for the purpose of receiving a stipend, or entering into a life of crime utilizing the only skill they have -- how to fire weapons at people. The unwillingness to provide a stipend may *de facto* exclude potential beneficiaries from activities.

13. If a Project is Designed without Consideration of the Special Needs of Women, They may not be Able to Benefit Equitably from the Project. Peace and National Recovery Projects are not an Exception to this Rule.

In the rush to design activities and to provide assistance the fact that the target groups -- ex-combatant and general population -- both contain significant percentages of women, and that they may have special needs in order to access or otherwise benefit from assistance, may be overlooked. Consideration, for example, should be given to day-care centers for the children of ex-combatant mothers who desire training. A registry of ex-combatants would be helpful here both in design and implementation monitoring activities to help ensure that women benefit equitably from the project.

14. There may be a Need for New Sector Strategies for Areas in which the USAID has not Worked or for Modifications of Existing Strategies to Fit the Needs of the Peace and National Recovery Project.

A war-wounded strategy probably will be needed. Other areas will depend on the composition of the project and the amount of planning that has gone into the Project Paper. If objectives, input and output indicators, etc. are not well developed for a sector in the Project Paper, a sector strategy statement probably will be needed.

15. The Structure and Timing of Assistance in the Agricultural Sector are Critical to Avoiding Problems and to Sector Success.

The needs of new farmers, those receiving land transfers, are somewhat different from farmers returning to their land. The former may have been farm laborers or may never have worked on a farm as an adult. New farmers will need technical assistance on how to grow crops and/or raise livestock, and on farm management. Returning farmers probably also would benefit from such technical assistance. Both groups will need funds for farm inputs, but may not be able to service loans for the first year or longer due to insufficient land or the inability to put all of their land into immediate production. Grants or a mixture of loans and grants may be required if massive loan defaults are to be avoided. Both groups also probably will need assistance for shelter, potable water and improvements of neglected farm-to-market roads. Strong efforts must be made to provide needed assistance prior to the start of the first growing season following the beneficiaries settling or resettling on their land, otherwise a crop year will be lost.

16. NGOs Probably will be a Desirable and Necessary Resource for Participatory Project Design and Implementation.

Both local and locally long-standing U.S. NGOs probably will be needed for project implementation, *inter alia*, due to the normal weaknesses in developing country host governments, especially those just emerging from a civil-war. Moreover, these NGOs may be very much in touch with the needs of the target beneficiaries and have their trust. Therefore, these NGOs can make a valuable contribution to the design process. Having said that, it should be recognized that many of them will not be skilled in reconciliation and may be part of the original political polarization. (See number 2 above.)

Depending on the objectives of the project, a decision may be made to a) strengthen local NGOs as part of a building civil society and grass roots democratic initiatives objective, b) use only already capable NGOs in order to move faster and, at least initially, more effectively or c) adopt a mixture of a and b, depending upon the objectives and requirements. If any NGO strengthening is required it should be

undertaken as soon as possible.

One cautionary note. The USAID should be sensitive in its dealings with NGOs with predominately political as opposed to developmental agendas, the inclusion of which in a USAID-funded program could antagonize the host government and general populace and weaken the non-political image of the project.

17. Local Coordination with other Donors.

Most host governments do a poor job of donor coordination. USAIDs often do not do much better. Information on what this or that donor is doing must constantly be dug up, especially if it is to be timely and at a level of detail that is useful. In post-war projects where many donors are involved, this can be a larger problem than it normally is.

The host government should be pressed to improve its coordination, perhaps by co-chairing with the UN an informal donor coordination group. Still, there probably will be a need for USAID staff to do follow-up coordination with donors working in areas related to USAID-funded activities.

To a large extent other donors will have their own agendas and interests. Donor coordination primarily will be information sharing on what others are doing. Still, the USAID may be able to help some donors move more quickly and effectively given the information advantages of a resident USAID mission. And knowing what others are doing can assist the USAID in avoiding duplication of efforts.

USAID PEACE AND NATIONAL RECOVERY PROJECT BUDGET

(US DOLLARS)

As of September 30, 1994

COMPONENT / SUB-COMPONENT	CURRENT LIFE OF PROJECT FUNDING				REVISED LIFE OF PROJECT FUNDING ** (DRAFT)			
	0394	HCOLC	Ex. Projects	TOTAL	0394	HCOLC	Ex. Projects	TOTAL
A. IMMEDIATE ASSISTANCE								
1. Land Mine Awareness *				0	0			0
2. Food Distribution *			150,000	150,000	0		47,000	47,000
3. Health services			400,000	400,000	0			0
4. PVO Support *				0	0		1,884,073	1,884,073
5. Socio-Demog. Studies *		100,000		100,000	0	14,059		14,059
6. Documentation/Certification		1,400,000		1,400,000	0	1,240,992		1,240,992
7. SRN Admin. Costs		1,500,000	150,000	1,650,000	0	974,827	25,400	1,000,227
8. UN Humanitarian Asst. ***	500,000			500,000	500,000			500,000
9. UN Truth Commission ***	1,000,000			1,000,000	1,000,000			1,000,000
TOTALS	1,500,000	3,000,000	700,000	5,200,000	1,500,000	2,229,878	1,956,473	5,686,351
B. EX-COMBATANTS								
1. Counselling, etc. *	2,500,000		1,000,000	3,500,000	7,536,296			7,536,296
2. Scholarships *	9,500,000			9,500,000	9,155,365			9,155,365
3. Land Transfer	20,000,000			20,000,000	22,244,525	17,106,103		39,350,628
4. Demobilization Packages *	2,900,000	5,600,000		8,500,000	2,601,395	4,215,190		6,816,585
5. Voc/Tech Training *	7,600,000	1,300,000		8,900,000	10,395,925	1,414,616		11,810,541
6. Agricultural Credit *	20,000,000	635,000		20,635,000	9,883,721			9,883,721
7. Micro-Enterprise Credit *	10,900,000			10,900,000	7,070,695			7,070,695
8. War-Wounded Assistance *	5,750,000	50,000		5,800,000	4,537,851	541,168		5,079,019
9. Contingencies	850,000	1,415,000		2,265,000	0			0
TOTALS	80,000,000	9,000,000	1,000,000	90,000,000	73,425,773	23,277,077	0	96,702,850
C. SOCIAL / ECONOMIC REACTIVATION								
1. MEA	50,310,000	18,840,000	500,000	69,650,000	40,032,000	13,404,263	356,361	53,792,624
2. Health Posts			8,000,000	8,000,000	0		5,000,000	5,000,000
3. Vaccinations (MOH)			200,000	200,000	0			0
4. Civilian Wounded *	1,284,000	1,466,000	400,000	3,150,000	2,752,299	591,813	450,000	3,794,112
5. School Supplies		375,000	7,000,000	7,375,000	0		4,250,000	4,250,000
6. Hiring Teachers		200,000		200,000	0	419,764		419,764
7. PVO Support *	2,700,000	875,000	5,700,000	9,275,000	8,702,274	830,079	6,000,000	15,532,353
8. Micro-Enterprise Credit & TA *	2,500,000	705,000	4,500,000	7,705,000	12,152,099	1,092,580	2,975,000	16,219,679
9. Ag. Credit & TA *	8,433,000	1,500,000	5,000,000	14,933,000	10,912,933	2,470,912		13,383,845
10. Support for investment and promotion *			500,000	500,000	0			0
11. Agricultural/Household Packages *				0	0			0
12. Voc/Tech Training *	3,473,000	39,000	7,500,000	11,012,000	2,772,055		6,610,000	9,382,055
13. Contingencies				0	0			0
TOTALS	68,700,000	24,000,000	39,300,000	132,000,000	77,323,660	18,809,411	25,641,361	121,774,432
D. LAND TRANSFER & ADMINISTRATION								
1. Land Transfer (Civilian)	15,000,000	9,000,000		24,000,000	12,736,311	8,000,000		20,736,311
TOTALS	15,000,000	9,000,000	0	24,000,000	12,736,311	8,000,000	0	20,736,311
E. INFRASTRUCTURE								
1. Feasibility Studies	2,800,000		1,000,000	3,800,000	1,100,000		3,137,651	4,237,651
2. TA for DGR	2,000,000			2,000,000	697,458			697,458
3. Emergency Repairs				0	0			0
4. Inf. Restoration/Reconstruction	11,000,000		19,000,000	30,000,000	15,913,988		30,264,515	46,178,503
TOTALS	15,800,000	0	20,000,000	35,800,000	17,711,446	0	33,402,166	51,119,612
F. PROGRAM AUDIT / MANAGEMENT								
1. Audit	2,000,000			2,000,000	1,967,990	305,882		2,273,872
2. Management	8,000,000			8,000,000	6,334,820			6,334,820
3. SRN Admin. Costs		3,000,000		3,000,000	0	5,193,215		5,193,215
TOTALS	10,000,000	3,000,000	0	13,000,000	8,302,810	5,499,097	0	13,801,907
GRAND TOTALS	191,000,000	48,000,000	61,000,000	300,000,000	191,000,000	57,815,463	61,000,000	309,815,463

* Principally through PVO's

** Final decisions pending.

*** Grant Agreements signed by AID/Washington.

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PROJECT STATUS (As of September 30, 1994)

A. Planned EOPS

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

B. Major Outputs

COMPONENT I:

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

COMPONENT II:

Assistance to Ex-Combatants	PLANNED				ACCOMPLISHED		
	LOP	THIS SEM.	CUM.	NEXT SEM.	THIS SEM.	CUM.	% OF LOP
No. receiving demobilization packages	22,900	500	22,900	0	0	17,548	76%
a) FMLN	11,200	0	11,200	0	0	10,740	96%
b) ESAF	11,200	0	11,200	0	0	6,800	61%
c) PN	500	500	500	0	1	1	0%
No. of FMLN disabled receiving medical/surgical attention ⁹⁰	2,600	230	2,600	0	124	2,494	95%
No. of disabled receiving rehabilitation assistance ⁸⁰	5,000	950	2,000	700	268	898	17%
a) FMLN	4,400	700	1,400	700	27	517	11%
b) ESAF	600	250	600	0	241	381	63%
No. of ex-combatants receiving training ⁹⁰							
1) 2-5 yr. academic schol.	1,650	450	1,650	0	1,166	1,166	71%
a) FMLN	600	0	600	0	690	690	115%
b) ESAF	600	0	600	0	416	416	69%
c) PN	450	450	450	0	60	60	13%
2) 6-month voc./ag. trng.	17,800	2,600	14,800	800	1,490	15,729	88%
a) FMLN	7,500	0	7,500	0	219	7,870	105%
b) ESAF	6,500	1,800	6,500	0	1,217	7,805	120%
c) PN	3,800	800	800	800	54	54	1%
No. receiving shelter materials	3,000	0	3,000	0	1,252	1,252	42%
a) FMLN	1,500	0	1,500	0	571	571	38%
b) ESAF	1,500	0	1,500	0	681	681	45%

COMPONENT II (Continued):

Assistance to Ex-Combatants	PLANNED				ACCOMPLISHED		
	LOP	THIS SEM.	CUM.	NEXT SEM.	THIS SEM.	CUM.	%
No. of ex-combatants receiving credit ⁸⁰	15,000	3,400	9,000	2,000	4,182	8,987	61
No. of ex-combatants and tenedores receiving land (See Component IV)							
No. receiving reintegration counseling	40,300	3,000	40,300	0	3,346	33,462	83
a) FMLN ^{1/}	7,500	0	7,500	0	0	0	0
b) ESAF ^{2/}	28,500	0	28,500	0	0	29,316	103
c) PN	4,300	3,000	4,300	0	3,346	4,146	96

COMPONENT III:

Social and Economic Reactivation ^{1/}	PLANNED				ACCOMPLISHED		
	LOP	THIS SEM.	CUM.	NEXT SEM.	THIS SEM.	CUM.	%
No. of people trained ^{80 3/}	54,115	9,415	37,880	9,415	16,830	41,806	77
a) men	43,392	7,756	31,312	7,756	11,905	n/a	n/a
b) women	10,723	1,659	6,568	1,659	4,925	n/a	n/a
No. of credit beneficiaries ^{80 3/}							
a) agriculture	63,000	15,000	19,900	3,600	11,044	47,286	75
b) micro-enterprise	5,000	1,000	3,000	2,090	2,425	3,509	70
c) village banks	12,000	5,000	7,000	293	330	8,697	72
Percent of clients receiving credit and training with increased income ⁸⁰	This is a new indicator. Data will be available next semester.						
No. of NGOs participating in reconstruction activities (cum.) ⁸⁰	80	9	49	9	6	122	153
No. of civilian war-wounded receiving physical rehabilitation assistance	2,500	300	1,200	300	543	1,234	49
No. of disabled civilians receiving physical rehabilitation assistance in NRP facilities	3,000	480	1,600	480	1,203	4,164	139

⁸⁰ Strategic Indicator

- 1/ The FMLN declined counseling on behalf of their members after LOP goal was set; PN LOP established this period.
- 2/ 7,329 ESAF trainers were trained, who counselled approximately 4 people each.
- 3/ The beneficiaries in this category are both civilians and ex-combatants.
- 4/ Cumulative gender breakdowns are not available because no gender information was taken at beginning of project. Total for the semester based on formula of 40% women civilians and 14% women ex-combatants trained.
- 5/ Planned figures have been revised to reflect greater-than-expected agricultural credit needs, and lower-than-expected vil bank needs.

COMPONENT III (Continued): Social and Economic Reactivation	PLANNED				ACCOMPLISHED		
	LOP	THIS	CUM.	NEXT	THIS	CUM.	% OF
		SEM.		SEM.	SEM.		LOP
Primary health facilities with adequate water and sanitation	73	10	71	10	16	56	77%
No. of MEA basic infrastructure projects ^{1/2}	4,700	875	3,595	875	350	2,116	45%
a) roads	n/a	n/a	n/a	n/a	173	610	n/a
b) school rooms	n/a	n/a	n/a	n/a	33	510	n/a
c) community buildings	n/a	n/a	n/a	n/a	5	81	n/a
d) electric projects	n/a	n/a	n/a	n/a	73	394	n/a
e) health posts	n/a	n/a	n/a	n/a	26	83	n/a
f) potable water projects	n/a	n/a	n/a	n/a	10	102	n/a
g) municipal buildings	n/a	n/a	n/a	n/a	25	269	n/a
h) other projects	n/a	n/a	n/a	n/a	5	71	n/a
Percent of NRP population served by MEA infrastructure projects ^{30 3/4}							
Percentage of cantons partici- pating in MEA open town meetings ³⁰	90%	80%	n/a	80%	74%	n/a	n/a
No. of open town meetings held ^{30 3/4}	230	230	230	230	246	n/a	106%

COMPONENT IV: Legally Transferred Land	PLANNED				ACCOMPLISHED		
	LOP	THIS	CUM.	NEXT	THIS	CUM.	% OF
		SEM.		SEM.	SEM.		LOP
No. of ex-combatants and tene- doras receiving land ³⁰	36,000	4,000	12,000	8,500	2,882	13,516	38%
No. of acres transferred ^{4/}	250,000	20,000	88,000	58,000	52,901	91,348	37%
Percent of Land Bank clients with land in production ^{30 7/}	75%	60%	n/a	n/a	53%	n/a	n/a

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

COMPONENT V: Infrastructure	PLANNED				ACCOMPLISHED		
	LOP	THIS	CUM.	NEXT	THIS	CUM.	% C
		SEM.		SEM.	SEM.		LOI
No. of physical rehabilitation facilities opened in NRP areas	16	3	13	0	2	15	94%
No. of:							
a) km./roads rehabilitated ^{3/}	3,600	100	600	600	142	899	24%
b) km./railways rehabili- tated	78	13	78	0	13	77.5	99%
c) km./electric transmission and distribution lines rehabilitated ^{9/}	600	400	400	200	194	256	42%
d) additional beneficiaries w/ access to potable water	34,500	10,000	20,000	7,200	12,807	27,307	79%
Cumulative percent of NRP popula- tion benefiting from rural road improvement/expansion activities ³⁰							(The SAR will report on this new indicator as of next semester)

C.1. Other Accomplishments and Overall Status

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

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

Specific Accomplishments - Regular 0394:

Program Activities: 1) Provision of 260,000 new personal ID cards (*cédulas*) to NRP ex-combatants and civilians helped increase the number of registered voters in the 115 target municipalities from 591,496 (1991) to 634,227 (1994). 2) 16,895 ex-combatants have received some form of training since the project began. 3) 59,492 small farmers and micro-enterprise owners have received credit from the Agricultural Development Bank and from 39 NGOs. 4) 122 NGOs have received NRP support, amounting to 40% of the funds committed (excluding land transfers and credit, which are executed by GOES agencies). 5) The Municipalities in Action (MEA) activity added 350 basic infrastructure interventions during the semester, for a cumulative total of 2,116 activities. The Land Bank transferred an additional 22,331 acres to more than 3,300 ex-combatants during the reporting period.

NRP ACTIVITIES DEDICATED TO EX-COMBATANTS

ESAF and FMLN Activities (The following activities are ongoing or have been completed.)

1. Scholarships for Ex-Combatants. The original Project Paper contemplated providing scholarships to 900 ex-combatants. The current program has 690 FMLN, 416 ESAF and 60 National Police (PN) enrolled in two, three and five year programs. Preliminary estimates indicate that an additional 550 ex-PN agents may apply for one of the scholarship options.
2. Agricultural and Vocational Training. For the FMLN and ESAF, enrollment in this activity initiated in March of 1993 and closed, in some cases as late as August of 1994. At first, the SRN contracted directly with a myriad of training institutions, each providing training services based on geographic presence or technical expertise. In order to ease the management burden by lowering the SRN's number of implementation units, it selected an agricultural training NGO specialist and an NGO with a specialty in providing training in industrial and service skills. These "umbrella" NGOs were made responsible for directly training ex-combatants or sub-granting and monitoring regional or local training institutions. 7,870 FMLN and 7,805 ESAF received this benefit and there could be a demand by as many as 3,800 NP for six months of agricultural or vocational training.
3. Livestock and Agricultural Technical Assistance for Ex-Combatants. Additional technical assistance was provided to ex-combatants concentrated in geographic areas of El Salvador. Some 6,000 FMLN and 2,000 ESAF that received agricultural courses received additional orientation in appropriate technology and farm management, and credit application assistance. This one year activity, overseen by the UNDP, was conducted by local NGOs and ended in April of 1994.
4. Agricultural Credit and Technical Assistance for Farmers. Credit subsidized by the GOES has been received by a total of 7,098 ex-combatants from both sides (1,625 ESAF, 5,473 FMLN).
5. Micro-Enterprise Development for Ex-Combatants. Funds for the development of some 1,600 small businesses for the FMLN and the same amount for the ESAF have been made available. Thus far, 1,156 FMLN and 740 ESAF have received micro-enterprise credits.
6. Land Transfer for the Ex-Combatants. Originally the best estimate of the number of families wishing to purchase land was 8,000 (civilians and ex-combatants). As of September 30, 1994, USAID has financed land purchases for 2,712 FMLN and 2,184 ESAF ex-combatants and 6,157 FMLN squatters.

7. Emergency Shelter for the Ex-Combatants. Since October, 1993, emergency shelter materials have been provided for 571 FMLN and 681 ESAF ex-combatant recipients of land transfers in isolated areas. To the extent possible, USAID also is providing basic infrastructure projects such as water and access road improvements to these sites.

8. Agricultural Tool Starter Kits. An assorted tool package consisting of three hoes, a pike, a shovel, a pick, an axe, six assorted machetes, a hammer, a drying cloth and an agricultural sprayer were provided to almost 8,800 FMLN and 6,800 ESAF ex-combatants.

NOTE. It was necessary to provide a subsistence allowance to ex-combatants of roughly \$100 per month during their training period. This benefit still applies for those ex-combatants enrolled in the academic scholarship program.

Special Programs Exclusively for the FMLN

1. Household Furnishings. The U.N. and the FMLN approached USAID in July 1992 for support in providing a household starter package for 8,500 FMLN ex-combatants. The FMLN leadership convincingly explained that the symbolic gesture of the GOES helping the ex-combatant masses to re-establish homes was very important and that the Peace Agreement would break down if the GOES did not manage to provide the FMLN with basic items such as beds, bed linen, a table, chairs, a cooking stove, etc. The U.N. appealed to the donor community for funding pledges but less than sufficient funds were received to buy the household items. Under great pressure from the U.S. Congress and the GOES, USAID agreed to finance the procurement using a U.S. contractor. (Interviews during the distribution indicated that many ex-combatants were storing the goods with relatives because they had no homes. However, there were only a limited number of reports of attempts to re-sell the items.) In the end, nearly 10,747 members of the FMLN received household furnishings.

2. Agricultural Tool Starter Kits: A total of 1,600 sets were called for in the initial plans. However, that number increased to nearly 8,800.

3. Academic Refresher Course. The FMLN requested a special academic refresher course for those ex-combatants who were going to apply for scholarships. 415 beneficiaries received a three month course along with a modest stipend of approximately \$100 and payment of school supplies.

4. FMLN 600 Leader Micro-Enterprise Training and Credit. The FMLN convinced the State Department and the U.S. Congress that a special program for the leaders of the FMLN was necessary and

important to allow full reintegration by the ex-combatants and political officers of the FMLN. The GOES made provisions for demobilizing ESAF officers utilizing NRP funds and the FMLN wanted a similar program. A program was agreed upon that will provide orientation counselling and vocational skills training to 200, and business management training to 392 former FMLN leaders. A credit line to implement business plans is available to 592 former FMLN leaders. The UNDP and a local NGO are implementing the activity which is scheduled to end in December 1994, but the credit activity may be extended into early 1995.

5. Assistance to War-Wounded. Medical and rehabilitation treatment has been provided to approximately 2,500. Activities covered under this activity include diagnose, referral, surgery, rehabilitation and purchase of equipment. This activity started in January 1993 and ended in June 1994.

Special Programs Exclusively for the ESAF Ex-Combatants

1. Counselling Services. The ESAF troops to be demobilized initially were counselled on military bases situated around El Salvador. Nearly 38,500 ESAF were potential beneficiaries of this activity, 7,400 were actually counselled due to a lack of support from the ESAF high command.

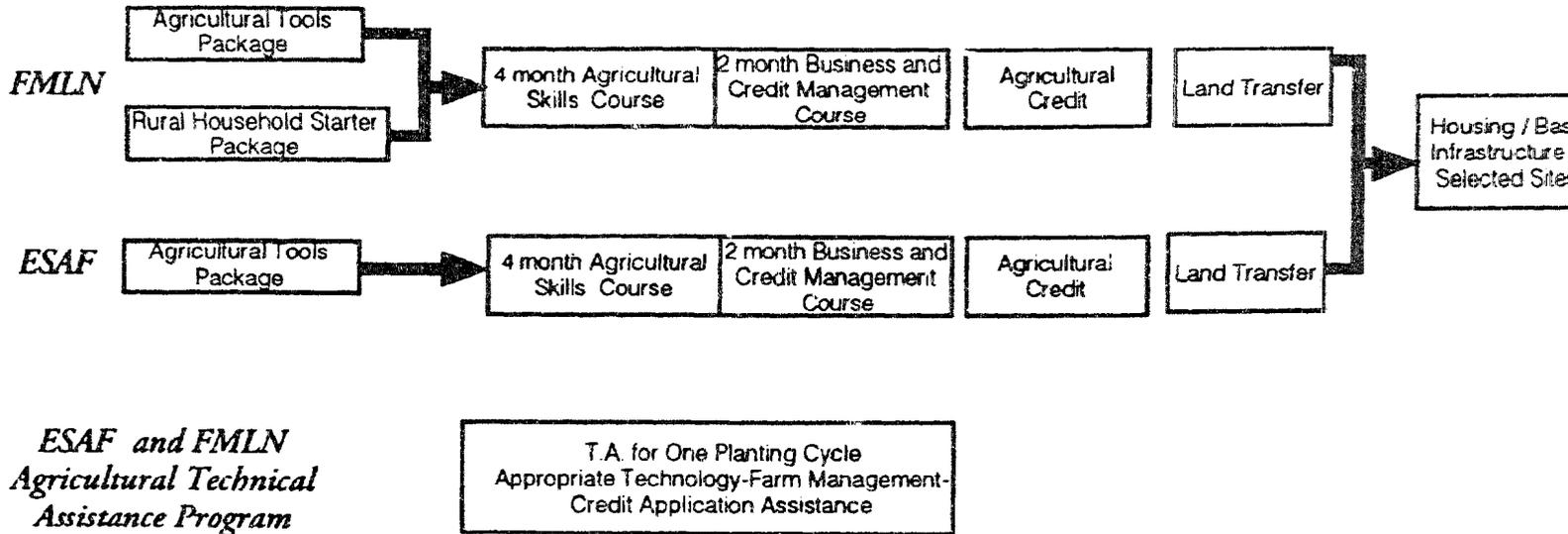
2. Assistance to the ESAF War-Wounded. Assistance is being provided to 350 ESAF disabled ex-combatants in the form of training, professional rehabilitation and micro-enterprise credit through a local NGO. This 19 month activity is scheduled to end in May 1995.

Special Program Exclusively for the demobilizing PN

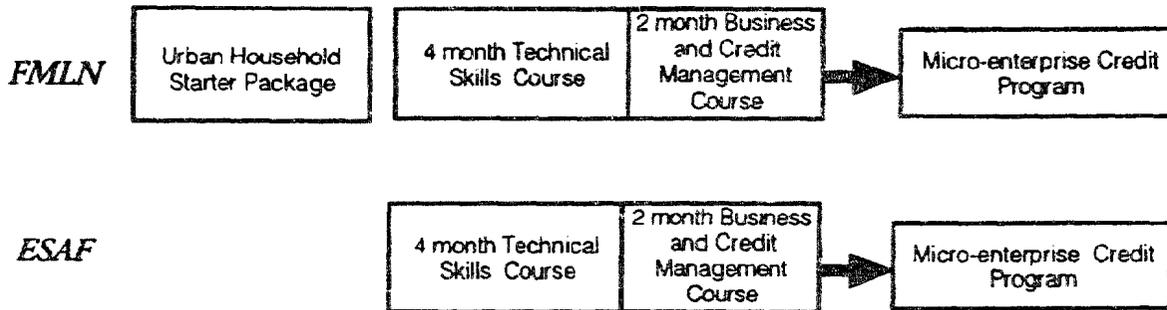
1. Demobilization: A U.S. contractor is working under an USAID Cooperative Agreement to provide assistance to the demobilizing PN. There are six regional centers where PN members can receive counselling services in preparation for accessing training and credit benefits. As of September 1994, 4,146 PN members have received counselling.

Ex-combatant Reintegration Program in El Salvador

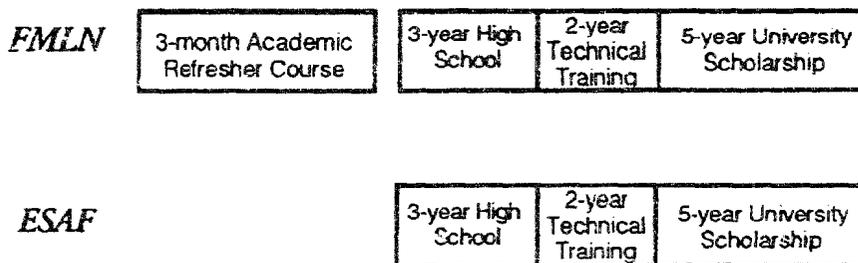
Agricultural Track



Micro-enterprise Track



Academic Scholarship Track



FMLN Mid-Level Officers Program

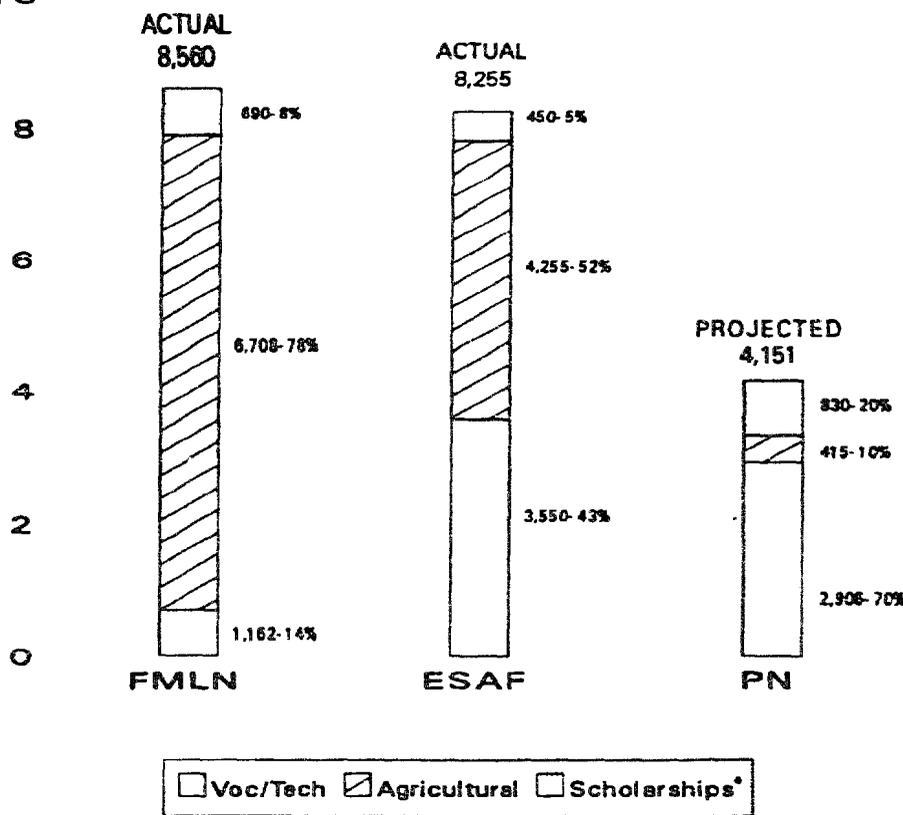


PROFILE OF FMLN, ESAF AND THE PN EX-COMBATANTS RECEIVING OR EXPECTED TO RECEIVE NRP BENEFITS

Farabundo Marti National Liberation Front (FMLN)	El Salvador Armed Forces (ESAF)	National Police (PN)
10,740 Ex-Combatants	14,000 Ex-Combatants	4,000 Ex-Agents
-During the conflict they lived within 115 Municipalities of the conflictive zones -Average age: 20 to 22 years -Average length of service: 4 to 5 years -Average years of education: 6 years	-Come from predominantly rural areas -Average age: 24 years -Average length of service: 2 years -Average years of education: 4.8 years	-Come from predominantly urban areas -Average age: 26 years -25% annual turnover -Average years of education: 9 years

Comparison of Areas Selected by Ex-Combatants for Training

THOUSANDS 1 0



*Scholarships are for high school, technical specialty or university.

APPENDIX E

METHODOLOGY

The preparation of this final report was requested by, and drafted in close collaboration with, USAID/ES staff of the Office of Infrastructure and Regional Development (IRD) by a retired USAID Senior Foreign Service Officer who worked in El Salvador before the civil war from 1968 to 1971, during the civil war from 1984 to 1989 and after the civil war part-time from 1992 until 1994. In addition to his personal knowledge of El Salvador and the Peace and National Recovery Project, he had readily available extensive project documentation (e.g., the Project Paper and Amendment, USAID project status and special reports, a January 1994 Project Evaluation and reports on the Project by the GAO and interested private and international organizations) and access to many individuals familiar with the Project both within and outside USAID/El Salvador who were interviewed. Various drafts of the report were circulated for comment. This final report represents the views of the USAID/El Salvador Mission.

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