

# **RESULTS REVIEW AND RESOURCES REQUEST FY 2001**

## **USAID/El Salvador**

April 30, 1999

The attached information is from the FY 2001 Results Review and Resources Request (R4) for El Salvador, and was assembled and analyzed by USAID/El Salvador. The R4 is a “pre-decisional” USAID document and does not reflect results stemming from formal USAID reviews. Additional information on the attached can be obtained from Charles North, USAID/El Salvador, Office of Strategic Development. Related document information can be obtained from:

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## **Please Note:**

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*Released on or after Oct. 1, 2001*

TO: AA/LAC, Mark Schneider

FROM: USAID/El Salvador, Director, Kenneth E. Ellis

SUBJECT: Results Review and Resources Request for FY 2001

USAID/El Salvador is pleased to submit its Results Review and Resources Request for FY 2001. In so doing, I would like to call your attention to some aspects related to it.

#### Revisions to Performance Monitoring Plan

The Mission has reviewed its performance monitoring plans and related sections of grants and contracts, and eliminated performance measures that are not being used for results management.

#### Changes to Management Contract

The Mission has no plans to adjust how it implements any of its existing strategic objectives (SOs). It has, however, proposed adding a Special Objective for Hurricane Mitch Reconstruction. The Special Objective document was submitted to USAID/W on March 31, 1999, and reviewed in Washington on April 14, 1999.

The Mission is proposing minor adjustments to its democracy results framework to eliminate multi-dimensional intermediate results and to modify indicators to address concerns raised in annual reviews and the most recent Inspector General audit on indicators. These adjustments do not represent a revision of the USAID/El Salvador Strategic Plan. For example, the intermediate result “increased participation in strengthened local government” will be changed to “strengthened local government”. Increased citizen participation in local government will be added as a lower level result contributing to strengthened local government. The intermediate result, “more effective legal/judicial protection for citizens”, will be replaced by two intermediate results, “increased use of the justice system” and “improved case preparation and management”. The revised democracy results framework also eliminates the separate intermediate result, “improved and transparent stewardship of public finances”. Efforts to improve transparency and accountability are managed and implemented as integral elements of the other intermediate results. Proposed changes in the results framework and associated indicators are reflected in Annex A, Results Framework. The Mission is planning to review the democracy SO’s complete performance monitoring plan with its USAID/W LAC and Global Bureau technical counterparts in June, to ensure that all of the longstanding program measurement issues have been addressed.

The following adjustments are being made to the economic growth SO: a) the SO-level indicator “rural population with access to water” (a subject matter addressed by the water SO) is being replaced with “rural households with electricity” (a subject related directly

to the economic growth SO); b) the words “population with” is being deleted from the SO-level indicator, “rural population with children aged 7-10 attending school”; and c) the SO-level indicator “rural active borrowers with access to the formal financial system” is being replaced with a former intermediate result indicator, “rural active borrowers” (number of people outstanding loans from financial institutions supported by USAID). In addition, the following intermediate result indicators are being deleted: “percentage of school children completing sixth grade in only six years” (information not supported nor validated); “literacy rate for children from 7 to 15 years of age” (redundant); and “Modernization of the State Index” (not objectively verifiable).

The Mission is also re-wording the water SO’s intermediate result “improved municipal management of water resources” to “greater municipal participation of water resources” as a result of negotiations with the Government of the Republic of El Salvador.

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# **I: OVERVIEW**

**USAID/El Salvador FY 2001 R4**

## Overview

El Salvador is prepared to enter the new millenium on a solid democratic and economic footing. Even the most informed and optimistic Latin American scholars could not have foreseen the extent and success of the country's political, military and economic transformation since the 1992 Peace Accords. USAID, along with the rest of the U.S. Mission, has been a major partner in this process.

USAID/El Salvador's strategy, aimed at sustainable development through rural poverty alleviation and democratic consolidation, is on track, with all four strategic objectives exceeding expectations in 1998. These objectives support directly U.S. national interests and the U.S. Mission goals as articulated in the Mission Performance Plan (MPP).

The biggest setback to USAID's program and El Salvador's development in 1998 was the damage caused by Hurricane Mitch. In November, rains from the hurricane inundated El Salvador, causing widespread flooding and mudslides that killed 239 people. The Government of El Salvador (GOES) estimates the direct and indirect damage from the storm at \$282 million. The emergency response from the international community was swift and substantial. The U.S. Government alone provided \$37.7 million in emergency assistance. The outpouring from Salvadorans, in El Salvador and abroad, was unprecedented in its generosity and the unity, albeit brief, across all sectors of society.

The extent of the damage caused by Hurricane Mitch resulted directly from the severely degraded state of the environment and lack of watershed management in El Salvador. It also called attention to the precarious existence and vulnerability of the rural poor who suffered most from the disaster.

The Salvadoran economy performed well in 1998, despite the adverse impacts of Hurricane Mitch and *El Niño* on the agricultural sector. The gross domestic product (GDP) grew by 3.4 percent in real terms, and inflation was low at 4.2 percent. About one third of the 1998 inflation was due to a temporary end-of-year spike caused by a jump in food prices that arose from the hurricane-related disruptions to transportation; prices returned to their normal levels in the first months of 1999. Fiscal management continued to be sound, although concern is growing over El Salvador's continued low tax effort (11.2 percent of GDP) and the increasingly difficult choices that must be made regarding public sector expenditures. The overall deficit of the public sector was 2.0 percent of GDP.

The growing economy facilitated a reduction in poverty in 1998, according to preliminary results of the national household survey. Poverty was reduced from 48.1 percent to 44.8 percent over all, and among the rural population, from 61.6 percent to 56.2 percent. This result (similar to large drop in poverty between 1994 and 1995) may be overstated due to factors relating to basic grains output and prices, but other rural standards of living indicators are consistent with a continued reduction in rural poverty in 1998.

National health indicators, for example, showed substantial improvements, continuing a 20-year trend. From 1993 to 1998, maternal mortality declined from 158 per 100,000 live births to 120; child mortality dropped from 12 to eight per 1,000 live births; and infant mortality from 41 to 35 per 1,000. Over this same period, 99,000 more people gained access to potable water and 82,000 more have sanitary latrines; acute respiratory infections decreased from 59.4% to 33.4%; the total fertility rate dropped from 3.83 to 3.54 children per woman, and the incidence of diarrhea nationwide decreased by more than four percent.

El Salvador's democratic processes and institutions continued to mature in 1998. While showing growing pains, the judicial and legislative branches have now firmly demonstrated their independence and autonomy as separate branches of government.

The country's high crime rate continued to be an overwhelming concern for citizens, even as El Salvador took significant steps to consolidate the rule of law. Long-awaited reforms to El Salvador's criminal justice system took effect in April 1998. Despite initial resistance to the reforms, an in-depth assessment of the system's performance in the first year demonstrated a significant reduction in case processing time. Justice sector officials note that the new criminal code has shortened considerably the time frame in which they are closing cases and sentencing criminals, from an indefinite period - often years - after initial arrest to a matter of months.

All political parties have learned the political process quickly and well. This is apparent in the National Assembly, where negotiation and compromise among political parties is required in order to achieve a simple majority. For the second consecutive year, the annual budget approval process has been mired in partisan debate; four months into 1999, the executive is still operating without a budget. On the positive front, however, a legislative budget office, created with USAID support, completed an excellent analysis of the budget package, helping to define the issues clearly and contribute to the quality of analysis and debate.

The electoral campaign leading up to presidential elections in March 1999 - the third election since the signing of the Peace Accords - was notable for its absence of political violence and the candidates' commitment to conducting clean campaigns. Nonetheless, voter abstentions continued to be high in the election itself, which was won by the *Alianza Republicana Nacionalista* (ARENA) Party's candidate, who was the former National Assembly President, Francisco Flores.

Through USAID support, the national mayors association and non-governmental organizations (NGOs) are building public and political support for greater decentralization and devolution of authorities to the local level, beginning with the administration of water delivery systems and the enactment of a municipal property tax. The mayors' association also participated actively in drafting regulations that govern how the six-percent revenue sharing legislation is implemented. Meanwhile, the mayors have

been working with their constituents to formulate action plans to use the funds to address the priority needs of the municipalities.

Over the past several years, USAID has supported the use of fora across the country to increase citizen participation and input into key pieces of legislation such as the new criminal code and the new environmental law, both of which were enacted in 1998. They were used extensively in 1998 to elicit citizen participation in reviewing the *Bases para el Plan de Nación* (National Plan), a proposal by the National Development Commission for addressing the country's development priorities. In early 1999, an editorial in a major daily newspaper concluded that the use of citizen forums is here to stay. While clearly a step in the right direction, citizen forums fall significantly short of full citizen participation in democratic governance and may lead to increased expectations that the government is not prepared to meet.

USAID continues to focus across all its strategic objectives on developing effective mechanisms for citizen participation, while simultaneously strengthening the government's ability meet citizen needs through the policy making process. These USAID efforts have already begun to show impact, with organizing coalitions around issues ranging from drafting a popular participation law to reducing the pollution of critical waterways. With USAID support, the National Assembly has also opened the first constituents' services office, in the northern Chalatenango department, to provide for greater access by the citizenry to legislators and the legislative process.

The successes of 1998 and the remaining challenges ahead reaffirm that USAID/El Salvador's Strategic Plan is on track and focused correctly. The perspectives for 1999 include continued growth (between 3.5 and 4.0 percent) and low inflation. Both this growth and the expected stronger showing for agriculture (4.9 percent real growth, in 1999), portend another year in which rural poverty is reduced. The impact of economic growth on rural poverty could be magnified, if needed resources for hurricane reconstruction arrive on time and are applied to the poor rural areas that suffered most from the storm.

Based upon public statements to date, the new Flores administration, to be inaugurated in June 1999, should prove to be a strong partner in achieving these development objectives. President-elect Flores and his running mate, Carlos Quintanilla Schmidt – a respected lawyer, supporter of judicial reform and USAID-funded participant in the Eighth Anti-Corruption Conference – have pledged a government committed to participation, decentralization (including the restructuring of the national water authority), transparency and service to all Salvadorans. They have also committed their administration to the consolidation of the rule of law and citizen security.

# **II: RESULTS REVIEW**

**USAID/El Salvador FY 2001 R4**

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

### **Summary**

USAID's economic growth strategic objective (SO) is the primary mechanism through which the U.S. Government seeks to achieve the MPP goal of helping El Salvador to achieve sustainable economic development and raise incomes, especially among the rural poor. Its attainment will help expand the Salvadoran market for U.S. goods and services, stem the flow of illegal migration to the United States, and consolidate the country's democracy.

El Salvador has achieved economic stability and growth, but this growth benefits primarily urban residents, including the urban poor. El Salvador's rural poor - the customers of the economic growth SO - have been left behind. Deficient infrastructure, low education levels and inadequate access to credit and technology all prevent rural poor Salvadorans from sharing in the benefits of growth. These same barriers were a source of frustration and inequity that led to El Salvador's past civil war. The economic growth SO promotes policy reform efforts that support rural poverty reduction at the national and municipal level through infrastructure policy, municipal tax reform, and encouraging more competitive markets in El Salvador. It supports activities to expand educational opportunities, provide secure land titles to Peace Accords beneficiaries, facilitate access to credit and secure savings in rural areas, develop sources of technical and marketing assistance for rural producers, and improve rural infrastructure.

### **Key Results**

USAID is working to achieve five key intermediate results, essential to expand opportunity and access for rural poor families. These results are based on increasing access to: 1) education and training; 2) secure land titles; 3) marketing, technology, and financial services; 4) infrastructure; and 5) a supportive policy environment.

### **Performance and Prospects**

The performance of the economic growth SO exceeded expectations. This year, the SO made significant progress toward developing a rural poverty strategy for El Salvador. The economic growth SO and other donors (principally the World Bank, the InterAmerican Development Bank - IDB - and the GOES) contributed to the development objective of reducing rural poverty. The national household survey shows that between 1997 and 1998, rural poverty fell from 61.6% to 56.2%, and extreme poverty declined from 27.9% to 27.2%.

USAID funded a rural poverty study that examines changes in the standard of living of 600 rural families. It showed a 68% rate of poverty among its 600 rural households for 1997, an increase over the 63% estimated for 1995. These data track roughly with the national household survey, and reflect the performance of the agriculture sectors in those two years. 1997 was a bad crop year. The survey indicated modest improvements in

virtually all non-income measures of well-being between 1995 and 1997, including access to all services such as water and power, housing conditions, and social services availability.

Hurricane Mitch delayed or reversed several SO activities. For example, when flood waters washing away parcel markers, it caused the land titling activity to lose a month of work time. In Chilanguera, one of the worst hit areas, work switched from supporting producers to organizing members of a devastated community. In affected areas, school materials provided through the education activities were lost and need to be replaced.

Education and Training: The national household survey shows that 81% of rural children ages seven to ten attended school in 1998. The Mission plans to undertake analysis to determine why school attendance among this age group is growing so slowly. The new Early Childhood and Family Education activity, by working with families of rural preschoolers, should help expand rural school attendance. Nevertheless, children are staying longer in schools, and the schools they attended offered better quality education, achieved through USAID's flagship primary education project that ends in 1999. The Ministry of Education has legally institutionalized its commitment to monitor educational attainment through regular student testing. This year's tests were performed with a revised methodology that should lead to higher quality results from the testing system. USAID's commitment to education remains strong. This year, First Lady of the United States Hillary, Rodham Clinton, and Salvadoran First Lady, Elizabeth de Calderon Sol, inaugurated the new early childhood and family education activity at the signing of a First Ladies' Declaration of Support for Education in San Salvador in November 1998.

Land: The individual land titling activity met its targets fully and delivered 4,326 titles to Peace Accords land beneficiaries. An additional 7,978 beneficiaries have had their parcels identified and measured, and their titles signed and legalized. The latter group's titles will be recorded in the national land registry over the next year. USAID will now expand this activity to all Peace Accords land beneficiaries to give them individual titles.

Services for Producers: Through USAID activities, more rural producers enjoyed access to financial and marketing services, and technical assistance. By a small margin, USAID exceeded its targets for marketing and technical assistance delivered to producers, including a target for reaching female producers. USAID activities have helped a cumulative total of 50,631 rural producers, of whom 13,195 were women. In addition, a new activity to provide technical and marketing assistance for poor households engaging in environmentally sound agriculture will start later this year. For financial services, USAID supported programs that reached 36,960 rural borrowers during fiscal year (FY) 1998. Savings and loan cooperatives doubled the number of depositors from 25,093 to 56,118. In addition, USAID has indirectly supported 19,743 micro-entrepreneurs by creating a credit data bureau and conducting related studies.

Infrastructure: Customers in rural areas indicate that their most important need is for better infrastructure. USAID responds to this highest priority need both through policy reform and activities that provide infrastructure directly. Through technical assistance to

the GOES, USAID is helping to establish a subsidy mechanism to electrify rural areas within the newly privatized power distribution system. A local-currency funded electrification activity extended power lines an additional 114 kilometers, reaching 4,204 new families. Overall, USAID activities helped expand access to electricity, which now reaches 59.6% of the rural population, up from 55.7% in 1997. USAID's Small Infrastructure Activity financed 32 community-identified projects, including road improvements, water activities, bridge construction, schools and health units. This activity benefited 39,426 people in rural areas during FY 1998.

Policy: The strategic objectives for economic growth, and democracy and governance (henceforth referred to as simply the democracy SO), collaborated to help Salvadoran municipal governments begin a tax reform process that promotes greater fiscal autonomy and efficiency for local governments, and greater equity for taxpayers. To start, USAID assisted the National Assembly to review municipal tax reform proposals, and is helping a group of pilot municipalities to develop model tax reforms.

The economic growth SO has also contributed to the emergence of a Rural Development Committee that represents the Ministry of Agriculture, donors, and private groups of agricultural producers. This marks the first time that a broad political spectrum of groups has defined a consensus position on agricultural and rural policy. The Committee's proposal has been incorporated into national development fora such as the consultative process for the National Plan. The Committee is collaborating with the planning process for post-hurricane recovery. In the financial services arena, USAID's engagement of the GOES, the international financial institutions and the local NGO community in discussions about the need for formal microfinance institutions has resulted in the current banking reform proposals containing the desired provisions.

Prospects: Prospects are excellent for the economic growth SO to achieve its results in the remaining second half of the strategy period (through FY 2002). All new projects are on line, and new implementation mechanisms for small infrastructure and training are in place and operating smoothly. The Salvadoran President-elect has lent his support for the education reform underway. Land titling and registering will benefit more rural residents than anticipated initially. Services in agricultural production and marketing, microfinance, and rural electrification should meet or exceed their targets. The economic growth SO will continue to provide policy assistance to public and private-sector institutions in critical areas such as promoting rural electrification, municipal tax system reforms and improved municipal infrastructure procurement. Policy reforms will enhance results in sectors such as microfinance and rural infrastructure. Requested supplemental Hurricane Mitch relief assistance will enable the SO to overcome any adverse effects to its program accomplishments arising in late 1998 due to the hurricane.

### **Other Donor Programs**

USAID works closely with other donors across its economic growth portfolio. In education, the United Nations Children's Fund (UNICEF) supports early childhood development with both its own and Japanese funding; and the World Bank and the IDB build upon the basic education foundation laid by USAID. The Regional Technical Assistance Unit (financed by several donors including the World Bank), the United Nations Development Program (UNDP) and the Interamerican Institute for Agricultural Cooperation participate in the Rural Development Committee. In microfinance, USAID coordinates activities with other bilateral donors and the international financial institutions. The land titling project staff coordinate with a World Bank effort to upgrade the property registry.

### **Major Contractors and Grantees**

In education, USAID works with the local NGO, Business Foundation for Educational Development (FEPADE) and its subcontractor, the Harvard Institute for International Development. Development Associates manages the Mission training core activity. USAID's land titling activity is implemented by the Cooperative for Assistance and Relief Everywhere, Inc. (CARE) and a group of local NGOs. In agriculture, USAID works with Chemonics. Key microfinance partners are Catholic Relief Services, the World Council of Credit Unions, and Development Alternatives, Inc. Policy activity grantees include the local think tanks, *Fundación Salvadoreña para el Desarrollo Económico y Social* (FUSADES) and the Dr. Guillermo Manuel Ungo Foundation (FUNDAUNGO), as well as the U.S. contractor DevTech Systems, Inc. A new partner for agricultural services will be announced soon.

**PERFORMANCE DATA TABLES  
EXPANDED ACCESS AND ECONOMIC OPPORTUNITY FOR  
EL SALVADOR'S RURAL POOR FAMILIES  
SO APPROVED JUNE 7, 1996**

**SO-LEVEL RESULTS:**

<b>INDICATOR No. 1:</b> Rural Households With Electricity			
<b>UNIT OF MEASURE:</b> Percent of households	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCES:</b> Multi-Purpose Household Survey	1995 (B)		51.2
<b>INDICATOR DESCRIPTION:</b> This indicator has been added due to USAID's role in assisting the GOES to promote rural electrification within the newly privatized power market.	1996		52.9
	1997		55.7
	1998*		59.6
	1999	61.0	
<b>COMMENTS:</b> USAID is working with the incoming GOES administration to establish targets, so indicator target may be revised.  * preliminary data	2000	65.0	
	2001	69.0	
	2002	73.0	

<b>INDICATOR No. 2: Rural Children Aged 7-10 Attending School</b>				
<b>UNIT OF MEASURE:</b> Percent of rural children	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL TOTAL</b>	<b>ACTUAL M/F</b>
<b>SOURCES:</b> Multipurpose Household Surveys	1995 (B)		79.5	80.2/78.7
<b>INDICATOR DESCRIPTION:</b> Ratio of rural children 7-10 attending school to the total number of rural children Aged 7-10 years of age, by gender	1996	80.6	83.3	82.2/84.4
<b>COMMENTS:</b> This indicator is a proxy that measures improvement in access to public sector services in rural areas. In prior years, it reflected the number of households with children aged 7-10. For better precision, USAID is now calculating the indicator as the number of children rather than the number of households with children.  * Preliminary data	1997	81.8	81.5	79.8/83.3
	1998*	83.0	81.0	80.2/81.8
	1999	84.3		
	2000	85.5		
	2001	86.8		
	2002	88.1		

## INTERMEDIATE RESULTS:

<b>RESULT No. 2:</b> Improved Use of Land			
<b>INDICATOR No. 2:</b> Clients of Land Parcelization Receiving Individual and/or Mixed Parcels			
<b>UNIT OF MEASURE:</b> Number of persons receiving individual and/or mixed registered titles	<b>YEAR</b>	<b>PLANNED (cumulative)</b>	<b>ACTUAL</b>
<b>SOURCES:</b> Data from <i>Instituto Libertad y Progreso</i> , local NGOs and National Center for Registry	1998	3,600	4,326
<b>INDICATOR DESCRIPTION:</b> This indicator measures the number of clients who have received individual and/or mixed legal registered titles.	1999	11,000	
<b>COMMENTS:</b> The baseline in 1998 was zero. The number of beneficiaries has been extended to cover 30,000 Land Transfer Program clients instead of 19,000 as reported previously.  Corresponds to registered titles, already delivered into clients hands, including 1,374 with individual titles from Convivir-San Carlos Pilot Plan. These, as part of a total of 8,252 individual legalized titles ( <i>escriturados</i> ), of which 4,354 were already registered into the National Center of Registered Property.	2000	17,500	
	2001	24,000	
	2002	30,000	

<b>RESULT No. 3:</b> Expanded Equitable Access to Financial, Technological and Marketing Services by the Rural Poor			
<b>INDICATOR No. 3:</b> Number of Male (M) and Female (F) Direct Beneficiaries Receiving Agricultural Technical Services from Secondary-Level Organizations			
<b>UNIT OF MEASURE:</b> Number of People, cumulative, at end of fiscal year	<b>YEAR</b>	<b>PLANNED M/F</b>	<b>ACTUAL M/F</b>
<b>SOURCES:</b> Quarterly Reports from the Cooperative League of the USA, Technoserve, Chemonics, and the <i>Funcación Salvadoreña para las Investigaciones del Café</i>	1996 (B)		28,594/7,856
<b>INDICATOR DESCRIPTION:</b> This indicator measures increased access to services by rural inhabitants	1997	34,000/5,100	34,886/11,826
<b>COMMENTS:</b> Baseline and intermediate targets are cumulative figures and estimated at the end of each fiscal year.  Targets were re-adjusted in February 1999 as follows: 1) overall targets were reduced by 15,000 beneficiaries since a new second activity under this results package is not currently envisioned; 2) the number of females was increased to reflect actual accomplishments.	1998	37,000/13,000	37,436/13,195
	1999	39,000/13,500	
	2000	43,000/14,500	
	2001	46,000/15,500	
	2002	49,000/16,000	

## **More Inclusive and Effective Democratic Processes**

### **Summary**

USAID's democracy strategic objective (SO) supports directly the MPP goal of consolidating El Salvador's democratic institutions and practices and institutionalizing respect for human rights. Attaining this goal will help stem illegal immigration to the U.S., improve law enforcement, and facilitate regional cooperation to combat international crime.

At the mid-point in USAID's five-year strategy, El Salvador's democracy is stronger in many ways: democratic institutions are in place and stronger; legal reforms improve the protection of rights; and citizens have participated in an open and fair electoral process thrice since the Peace Accords. The challenge for the democracy SO is to ensure that its customers are served equitably by a fair and just legal system, by open and transparent public institutions, and by enhanced opportunities for inclusion in decision-making processes at both the national and local levels. USAID efforts to increase access to legal services, to enable civil society organizations to advocate for reform, and to increase citizen participation are carried out primarily in rural areas on target issues identified by its customers. To enable government institutions to meet the increased demand for services, USAID supports strengthened effectiveness of the institutions fundamental to democracy – the judicial system, local governments and the legislature.

### **Key Results**

USAID is working to achieve five key intermediate results essential to more inclusive and effective democratic processes: 1) increased access to the administration of justice; 2) strengthened local governments; 3) more politically active civil society; 4) more transparent decision-making processes; and 5) more impartial electoral administration.

### **Performance and Prospects**

The democracy SO exceeded expectations. Two key events highlight progress and indicate the changes made in how El Salvador's democracy functions. First, long-awaited reforms to El Salvador's criminal justice system took effect on April 20, 1998. While the transition was not as smooth as had been hoped for, much of the initial resistance to the new legal system has been overcome. An October 1998 IDB survey found that 76% of the judicial operators and attorneys view the reformed criminal legislation positively. Second, greater transparency in government was achieved this year due to the establishment of a legislative budget office, which has facilitated more informed debate and greater public awareness of the budget allocation process.

Administration of Justice: There are strong indications that the new criminal legal system is working. Prosecutors now supervise the police investigative process, enabling judges to focus on adjudicating cases ready for to be tried. As a result, the number of unsentenced detainees was reduced by 11%. Statistics also demonstrate that abbreviated trial court procedures (primarily conciliation) were used in approximately 20% of the cases filed since April 20th – procedures that improve the timeliness of judicial decisions. Access to justice increased most notably through having opened new prosecutor and public defender offices in all of El Salvador's 14

departments. A UNDP-USAID program equipped the new offices, which are staffed with 327 new prosecutors and 166 public defenders. With both these actions and the deployment of the National Civil Police throughout the country, the formal justice sector is now operational and accessible nationwide.

Local Governments: USAID's democratic local governance program continues to be highly successful. During 1998, all 18 targeted municipalities improved transparency, citizen participation, revenue generation, and service delivery. These municipalities more than tripled their investment in services and infrastructure due to increased local revenue generations (up by 27% over 1997) and greater central government transfers. USAID assistance also helped to transform how local officials govern. Local development plans prepared by community organizations in concert with their elected town councils served as the basis for prioritizing funds budgeted for infrastructure and services. Mayors have opened their financial management decision-making to public scrutiny, calling town meetings for the purpose of explaining the municipal budget or reporting on how the previous year's budget was used. Some have opened their council meetings to citizen participation, while others have answered constituent questions on radio call-in programs.

Civil Society: Civil society organizations have played a mixed role in El Salvador, serving to facilitate participation by a broader segment of the public in public debate, but simultaneously fragmenting citizens' voice into small, weak and often duplicative and personality-based organizations. USAID supports advocacy training focused on skill development and inter-organization alliance building. Workshops for over 30 organizations are being conducted on themes identified by participating organizations, such as violence against women, water pollution, agricultural development and citizen participation. In 1999, USAID will establish a grants program to support these and other civil society organizations to hold advocacy campaigns.

Transparent Decision-Making: Much USAID decision-making assistance to date has targeted the legislative and local government processes. In addition to the establishment of the legislative budget office noted above, USAID support has enabled the legislature to open the first constituent service office outside the capital, in Chalatenango Department. A major focus of USAID assistance is to improve financial controls at the national and municipal levels. At the national level, USAID's Inspector General recently certified the Salvadoran Court of Accounts to conduct financial audits of U.S. Government funds. An integrated financial management system for local government operates in a pilot municipality with USAID and German technical assistance agency (GTZ) financing. When expanded to other municipalities in 1999, the system will demonstrate improved stewardship of municipal finances, thereby mitigating the central government's resistance to devolving power and resources. Finally, USAID support has heightened citizen debate and created a coalition of key individuals committed to greater transparency. This coalition, known as the Lima Group, has called for stronger public ethics and integrity and, through the initiative of individual members, contributed to the 1998 ratification of the Inter-American Convention Against Corruption.

Election Administration: USAID and the UNDP co-funded the development of technical plans to establish a new civil registry and single identity document. Attention is now turning toward

helping the national civil registry to develop a unified and complete registry of births and deaths – a first step to constructing a more accurate electoral registry, as well as facilitating the registration of first-time voters. Unfortunately, progress on additional electoral reform continued to lag behind targets despite significant policy dialogue efforts by the Ambassador, Mission Director and donor community. The Supreme Electoral Tribunal tabled plans to employ a pilot residential voting program in the 1999 presidential election due to a lack of support from the political parties. The failure to implement reforms such as residential voting undoubtedly contributed to the reduced participation in the presidential elections. Some 160,000 fewer votes were cast in the 1999 presidential election than in 1994 – an 11.5% decline.

Prospects: Given the significant progress made over the last few years in legal reforms, institutional strengthening and the ongoing lively and public debate on decentralization and citizen participation, the democracy SO is on course for achieving the strategic objective within the remaining time frame. USAID will make some programmatic adjustments to provide greater resources to the rule of law area. These will enable USAID, in coordination with other USG entities, to redouble efforts to improve the operation of the new criminal justice system in such areas as police-prosecutor relationships and resolving differences in code interpretation by police, prosecutors and judges. It will also help improve public security by ensuring that USAID's customers have a basic understanding of their legal rights and mechanisms to protect them. USAID expects municipalities to play stronger democratic roles because the incoming Flores administration has called for devolving greater powers from the national level. The democracy SO and other SOs will coordinate directly to support local governments that have the political will to undertake reforms that ensure both the delivery and the cost recovery of services. Further improvements in election administration will depend upon mobilizing adequate political commitment, popular support and sufficient financing to implement additional electoral reforms. Municipal elections scheduled for March 2000 and a new Electoral Tribunal to be named later this year may spur renewed interest and opportunities for promoting residential voting, as well as other pending reforms such as multi-party representation on municipal councils.

### **Other Donor Programs**

The IDB, UNDP, European Union and the Government of Spain provide significant judicial reform assistance. The UNDP, IDB, GTZ and the German Development Bank also fund local development. The European Union and other bilateral donors support civil society organizations. The U.S. and Japan continue to pursue democracy programs under the Common Agenda.

### **Major Contractors and Grantees**

Major contractors judicial sector contractors include DPK, Chemonics and the National Center for State Courts. Research Triangle Institute manages the municipal development activity, and sub-grants with approximately 12 local NGOs. In the area of citizen participation, legislative development, transparency and elections, USAID partners include World Learning, Management Systems International, DevTech Systems, Inc., and over 20 local NGOs.

**PERFORMANCE DATA TABLES**  
**MORE PEOPLE EQUITABLY SERVED BY SELECT DEMOCRATIC PROCESSES**  
**SO APPROVED ON NOVEMBER 19, 1996**

**SO-LEVEL RESULTS:**

<b>INDICATOR No. 2: Habeas Corpus Cases Adjudicated By Supreme Court</b>			
<b>UNIT OF MEASURE:</b> Number	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Annual report of the Constitutional Chamber of the Supreme Court	1996		534
<b>INDICATOR DESCRIPTION:</b> Number of wrongful imprisonment cases heard and settled by the Supreme Court	1997	560	537
<b>COMMENTS:</b> One focus of democracy SO is on how the justice system serves people – both the accused and the victims of crime. El Salvador has historically held a large proportion of El Salvador’s prisoners in jail without due process. This new indicator shows how well the justice sector serves accused persons by bringing wrongful imprisonment cases to the Supreme Court, which hears all <i>habeas corpus</i> cases.	1998	587	602
	1999	614	
	2000	640	
	2001	666	
	2002	694	

<b>INDICATOR No. 4: Votes Cast Per Election</b>			
<b>UNIT OF MEASURE:</b> Number			
<b>SOURCE:</b> Supreme Electoral Tribunal	<b>ELECTION</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<p><b>INDICATOR DESCRIPTION:</b> Although municipal and legislative elections are held simultaneously, legislative elections are not monitored for this indicator since the program focus is local government. Presidential elections are monitored for comparison between interest in local and presidential elections.</p> <p><b>COMMENTS:</b> Voter turnout for the 1994 municipal elections mirrors the vote count for the 1994 presidential election. It is assumed that presidential elections draw more interest than local elections; when the two occur simultaneously, the presidential election naturally increases municipal voting.</p>	Municipal	1997: 1,300,000 2000: 1,300,000	1991: 1,138,581 1994: 1,450,434 1997: 1,169,376
	Presidential	1999: 1,500,000	1989: 1,003,153 1994: 1,431,035 1999: 1,266,225

**INTERMEDIATE RESULTS:**

<b>RESULT NAME:</b> Strengthened Local Government			
<b>INDICATOR No. 4:</b> Municipal Funds Allocated for Investment in Services and Infrastructure in Target Municipalities			
<b>UNIT OF MEASURE:</b> Amount, in dollars	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Municipal budgets	1996		GOES: 1,198,847 Local: 54,496
<b>INDICATOR DESCRIPTION:</b> This indicator monitors funds derived from two sources: GOES funds transferred to municipalities and funds generated by the municipalities.  <b>COMMENTS:</b> Targets have been established only through 1999, the termination date for USAID's municipal development activity. Targets for 2000-2002 will be established through design of USAID's follow-on democratic decentralization activity.	1997	GOES: 3,600,000 Local: 64,305	GOES: 1,198,847 Local: 389,045
	1998	GOES: 3,600,000 Local: 75,880	GOES: 6,893,961 Local: 496,083
	1999	GOES: 6,800,000 Local: 89,538	
	2000		
	2001		
	2002		

**RESULT NAME:** Increased Use of Administration Of Justice

**INDICATOR No. 1:** Cases Filed in Family, Juvenile and Criminal Courts in Targeted Geographic Areas

UNIT OF MEASURE: Number	YEAR	PLANNED	ACTUAL
<p><b>SOURCE:</b> Supreme Court, Administrative Systems Unit yearly report, <i>Informe Annual de Causas Ingresadas</i></p>	1996		Criminal: 7,208 Family: 1,850 Juvenile: 597
<p><b>INDICATOR DESCRIPTION:</b> The geographic areas targeted by USAID assistance are the departments of Cuscatlan, Sonsonate and Usulután, and the populous San Salvador suburb of Soyapango.</p>	1997	Criminal: 7,928 Family: 2,035 Juvenile: 656	Criminal: 8,221 Family: 3,438 Juvenile: 1,122
<p><b>COMMENTS:</b> The 1998 total for criminal cases is estimated by multiplying the average daily filing total from April through October by the total number of court days in the year. This calculation is used because the data for criminal-case filings for 1998 were only recorded for those months.</p> <p>Targets for criminal cases filed have been adjusted for 1999-2000 based on 1998 "actual" data. Revisions to the targets for family case filings also are being considered based on "actual" 1997 and 1998 performance data.</p>	1998	Criminal: 5,300 Family: 2,220 Juvenile: 716	Criminal: 5,980 Family: 2,930 Juvenile: 605
	1999	Criminal: 6,279 Family: 2,405 Juvenile: 776	
	2000	Criminal: 6,578 Family: 2,590 Juvenile: 835	
	2001	Criminal: 6,877 Family: 2,775 Juvenile: 895	
	2002	Criminal: 7,176 Family: 2,775 Juvenile: 895	

## **Sustainable Improvements in the Health of Women and Children Achieved**

### **Summary**

USAID's health strategic objective supports directly the MPP goals of reducing population growth and the spread of disease. It implements various health programs that are having an important, positive impact on decreasing fertility rates and improving the health status of the Salvadoran people, especially women and children living in rural areas. In addition, the health SO focuses on improving the policy context for health reform as well as the organization and delivery of health services in the public sector.

The 1998 National Family Health Survey (FESAL) shows that the health status of the population, including the Mission's primary customers - women and children residing in rural areas - has improved considerably since the last survey was conducted in 1993. Maternal mortality declined from 158 per 100,000 to 120; infant mortality from 41 per 1,000 to 35; and child mortality from 12 per 1,000 to eight. The total fertility rate declined since 1993 from 3.85 percent to 3.54 percent, and contraceptive use increased from 53% to 60%. Vitamin A deficiency dropped dramatically. Unfortunately, the rate of chronic malnutrition and anemia among children under five (23% and 30%) has not improved. FESAL reported a modest decline from 24% to 20% in incidences of diarrhea, and a significant drop in the proportion of children with respiratory illnesses (from 59% to 33%) – the two most important causes of childhood mortality and morbidity. FESAL confirms that the Ministry of Health (MOH) was key to providing basic health services in El Salvador, especially in the rural areas where its facilities and personnel are the source of health care for the overwhelming majority of the population.

### **Key Results**

USAID is working to achieve three key intermediate results to realize sustainable improvements in the health of women and children: 1) increased use of appropriate child survival practices and services; 2) increased use of appropriate reproductive health practices and services; and 3) enhanced policy environment to support sustainability of child survival and reproductive health programs.

### **Performance and Prospects**

In 1998, the health strategic objective exceeded expectations. The Mission departed from its longstanding policy of financing several Salvadoran health NGOs directly and reached an agreement with the MOH for a new rural health care coverage plan that is more economical and sustainable. Under the new plan, the Ministry will expand its core of 1,500 health promoters by 240 and contract five local NGOs to provide health services directly to under-served rural populations. Many of USAID's former NGO clients are continuing their rural health programs with alternative financing. USAID also entered into a new partnership with the MOH to undertake a modernization program, the first step of which is to transform the hospitals and health units in five geographic areas into autonomous health districts. Once established, the districts will look to the MOH to establish norms and monitor performance contracts.

Also in 1998, USAID undertook new health reform initiatives with the National Assembly's Environment and Public Health Committee and the presidential appointed National Commission on Health Reform. With USAID technical assistance, the Assembly formulated a preliminary legislative agenda for health reform, and the Commission submitted a report with national health care reform recommendations to the president. In addition, the Mission finished designing several new activities that will provide the direction and resources over the next several years needed to achieve the health strategic objective. These include a new \$37 million umbrella population, child survival and health policy activity; a new \$9.7 million water and sanitation activity; and a new \$2 million infectious diseases activity.

Child Survival: El Salvador is the designated Pan American Health Organization (PAHO) regional center for the Integrated Management of Childhood Illnesses (IMCI) program, and is in the forefront in developing new IMCI new standards, protocols and materials. USAID has been instrumental in this effort. During 1998, four MOH health facilities began to operate under the new MOH-adopted IMCI protocols.

El Salvador has made impressive progress in expanding access to rural water and sanitation systems. The 1998 National Family Health Survey reported more than a doubling of rural households with piped water since 1993 (30% up from 14%). These results are partially attributable to USAID-funded partners, who successfully leveraged the resources of the GOES and various donors such as the European Community, UNICEF and Rotary International. In 1998, the Mission initiated a new water and sanitation activity that builds upon the successful community-based approach of the past and expands work in child survival and environmental protection and community participation. So far it has completed one new rural water system; has eight others in the construction or design stages; constructed nearly 700 latrines (150% of the target); formed dozens of local water, health and environment committees; and planted thousands of trees to safeguard watershed sources.

In 1998, USAID ended its special four-year street children project. The activity, through which NGOs provided health and social services to urban street children, had mixed results. While it improved health and social conditions for some of the most vulnerable children, the overall problem in the country is so large that its solution would require much broader efforts, entailing commitments from major public sector institutions (e.g., in health, education and justice).

Reproductive Health: The Mission saw an impressive payoff to its extensive revisions to ongoing grants to the Salvadoran Demographic Association and the MOH in 1997 (who together deliver over 75% of reproductive health services to the rural population). The Salvadoran Demographic Association increased its number of new family planning acceptors significantly, and increased its total couple years of protection provided by 35%. Similarly, the MOH recorded large gains in family planning use, aided considerably by new reproductive health training programs supported by a related USAID project for nearly all of its 1,500 rural health promoters and departmental supervisory personnel. Other important policy gains included MOH development and adoption of new national norms for family planning services, as well as new guidelines that facilitate contraceptive distribution by health workers in rural areas.

El Salvador's number of HIV/AIDS cases continues to increase. The regional AIDS Action Project for Central America and the MOH led a multi-agency effort that culminated in the adoption of the National Strategic Plan for the Prevention of HIV/AIDS. The Mission also continued modest bilateral AIDS program assistance to the MOH, primarily in training and technical assistance for strategic planning.

Policy: The MOH, drawing upon intensive USAID technical assistance, formulated and adopted new policies and procedures that are transforming the public sector health services delivery system fundamentally. Beyond the MOH, intensive technical support to key organizations such as the National Assembly, and the Presidential Commission on Health Reform has produced preliminary health reform plans that will be refined further and implemented beginning in 1999. Key reforms being actively considered include: creating a nationwide system of universal compulsory health insurance; creating a national "solidarity fund" to provide sustainable financing for health services; creating a competitive market of public and private health providers to control costs and improve quality of care; and transforming the role of the MOH from health care provider to health care regulator. Completing this policy agenda successfully is key to increasing, consolidating and sustaining the gains in women's and children's health.

Prospects: FESAL results confirm that the health SO team is on track for achieving its objective. The FESAL reported major gains in health indicators that reflect USAID's areas of emphasis, i.e., child survival and reproductive health. Additional multi-year plans and programs designed in 1998 such as focusing on IMCI, expanding rural water and sanitation and intensifying family planning efforts will continue to support that positive.

Moreover, USAID's 1998 success in assisting the MOH initiate reforms to improve the delivery of rural health services and to promote a national dialogue on health reform with the GOES and the National Assembly greatly enhanced the prospects for achieving the SO. Partly as a result of these efforts, health reform is high on the agenda of the incoming national government as well as the National Assembly: both are actively considering proposals developed by USAID that would radically transform how El Salvador organizes and finances health. This would provide a sustainable underpinning for reproductive and child health programs leading to improved health of the rural poor. The Mission has already made the internal programmatic and managerial adjustments necessary to take full advantage of the more positive GOES policy environment for health sector reform over the next several years.

### **Other Donor Programs**

USAID remains the largest health sector donor, supported by other donors. The GTZ provides modest technical assistance for a health reform pilot in San Miguel, as does PAHO in four other departments; UNICEF, the World Food Program, PAHO and GTZ have active nutrition and child survival programs, and collaborated with USAID-funded NGOs in 1998 to distribute food and medicines to rural poor. USAID also participates on an inter-agency Reproductive Health Committee (with the United Nations Fund for Population Activities - UNFPA, GTZ, UNICEF and the European Community) that helped to develop educational materials and complete a UNFPA-led design of a National Reproductive Health Plan in 1998. The IDB's expected

prominent role in health reform has not yet materialized: while the IDB has approved a proposed \$20 million loan, the National Assembly has not yet ratified it.

### **Major Contractors and Grantees**

Basic Support for Institutionalizing Child Survival (BASICS) was the major contractor and the MOH the major grantee in Health Policy and Reform, with Informed Decisions providing the MOH technical assistance in information systems development. In Child Survival, major contractors were BASICS, Medical Services Corporation International (MSCI) and Opportunities for Micronutrient Interventions, and the MOH was the principal grantee along with 11 Salvadoran NGOs that received grants from MSCI. In Reproductive Health, Primary Providers' Education and Training in Reproductive Health (PRIME) was the major contractor, with Family Health International providing valuable assistance. Major grantees were the MOH and Salvadoran Demographic Association.

**PERFORMANCE DATA TABLES  
SUSTAINABLE IMPROVEMENTS IN HEALTH OF WOMEN  
AND CHILDREN ACHIEVED  
SO APPROVED ON JUNE 7, 1996**

**SO-LEVEL RESULTS:**

<b>INDICATOR No. 1: Maternal Mortality Ratio and Percent of Deliveries Attended by Ministry of Health-Trained Personnel</b>					
<b>UNITS OF MEASURE:</b> A. Number of women; B. Percent of deliveries	<b>A. Maternal Mortality</b>			<b>B. Deliveries Attended by Ministry of Health Personnel</b>	
	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCES:</b> A. National Family Health Survey conducted every five years; B. Annual statistical data provided by the Ministry of Health	<b>1993</b>		158		54
	1994				59
<b>INDICATOR DESCRIPTION:</b> A. Maternal Mortality Ratio: Number of women of fertile age who died from pregnancy and delivery; complications per 100,000 live births per year; B. Percent of deliveries attended by Ministry of Health-trained personnel: includes deliveries attended in Ministry of Health hospitals and health units and at households by trained midwives.	1995				62
	1996				65
<b>COMMENTS:</b> A recent USAID study of 14 country health assessments shows that current measurement techniques do not permit "meaningful" monitoring of maternal mortality over time. The study urges the monitoring of proxy indicators that reflect whether the maternity care assures a safe delivery, i.e. as whether deliveries were attended by trained midwives.  (* ) The Ministry of Health provided this percentage, but the 1998 National Family Health Survey data shows a higher figure of 75.7%. This may be because the Survey includes deliveries by midwives that the Ministry has not registered as "trained."	1997			66	67
	<b>1998</b>	120	120	69	66.55(*)
	1999			72	
	2000			75	
	2001			78	
	2002			82	
	<b>2003</b>	90			85

<b>INDICATOR No. 2: Total Fertility Rate</b>			
<b>UNIT OF MEASURE:</b> Number of children	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> National Family Health Survey conducted every five years	1993		3.85
	1998	3.5	3.54
	2003	3.1	
<b>INDICATOR DESCRIPTION:</b> The Total Fertility Rate measures the number of children a woman could expect to deliver during her reproductive life.			

<b>INDICATOR No. 3: Infant Mortality Rate</b>			
<b>UNIT OF MEASURE:</b> Number of children	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> National Family Health Survey conducted every five years	1993		41
	1998	30	35
	2003	19	
<b>INDICATOR DESCRIPTION:</b> Number of children under one year who die per 1,000 live births			
<b>COMMENTS:</b> The Ministry of Health established the official goal of reducing the Infant Mortality Rate to 20 by the year 2000. Ministry data on the number on the children under one year old who died in Ministry facilities confirm the downward national trend in infant mortality. UNICEF estimates that the Infant Mortality Rate in El Salvador in 1997 was 34 per 1,000 live births.			

<b>INDICATOR No. 4: A. Child Mortality Rate; B. Percent of Municipalities Reporting Over 90% Coverage with DPT3</b>					
<b>UNITS OF MEASURE:</b> A. Number of children; B. Percent of municipalities	<b>A. Child Mortality Rate</b>			<b>B. DPT3 Vaccination Coverage</b>	
	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<p><b>SOURCES:</b> A. National Family Health Survey conducted every five years; B. Annual statistical data provided by the Ministry of Health in 262 municipalities</p> <p><b>INDICATOR DESCRIPTION:</b> A. The Child Mortality Rate is the number of children 1-5 who die per 1,000 children under five who have survived the first year of life. B. Percent of the total number of municipalities reporting over 90% of children under one with complete DPT series (three doses of the diphtheria, polio and tetanus vaccinations)</p> <p><b>COMMENTS:</b> The 1993 National Family Health Survey recorded a sharp decline in the Child Mortality Rate from 16% to 12% compared to the Survey of five years earlier. Similarly, the 1998 Survey recorded a further sharp decline of 33% from the 1993 Rate. No doubt, this success has much to do with the Ministry of Health's increased coverage of vulnerable populations with vaccination programs and other basic health services.</p> <p>DPT3 coverage has an important inverse relationship with child mortality and is used as an annual proxy to gauge progress between National Family Health Surveys. The number of municipalities reported by the Ministry of Health as having over 90% DPT3 vaccination coverage is large and growing. Vaccination coverage for other diseases is also high, for example, 62% of municipalities reported over 90% coverage with the measles vaccine during 1998.</p> <p>(*) The MOH officially revised the data based on new population estimates by municipality obtained after the 1997 Central American meeting of the Technical Advisory Group for the Expanded Immunization Program.</p>	<b>1993</b>		12		N/A
	1994				N/A
	1995				63*
	1996				55*
	1997				57*
	1998	9	8	82	70*
	1999			86	
	2000			90	
	2001			94	
	2002			97	
	2003	6		98	

## **Increased Access by Rural Households to Clean Water**

### **Summary**

USAID's water strategic objective supports directly the MPP goals to increase access to clean water in rural areas, and collaterally through protecting watersheds, reducing greenhouse gas emissions, and preserving tropical forests. The water SO builds GOES and public awareness about factors affecting water quality in the country and their effects on health and environment.

In 1998, the water SO made solid progress on the strategy that it began in late 1997. Public awareness about water issues increased dramatically, 91% of persons in the target areas now know a cause and consequence of polluted water, up from 16% a year ago. 34,000 additional persons gained access to clean water. National awareness about water increased 75% over the previous year, as measured by the number of newspaper articles on the subject. The water SO achieved these results both independently and in collaboration with the Mission's other strategic objectives. The water SO planned the new environmentally-friendly agriculture activity with the economic growth SO; included water projects under the participative planning agenda of the democracy SO's municipal development program; and supported a multi-party water project with the health SO.

In El Salvador, virtually all natural surface water is contaminated with sewage, agricultural runoff, industrial waste and sediment - with consequent impacts on human health and environmental stability. Women and children are the most vulnerable to water-borne diseases and bear the brunt of time spent fetching and carrying water. This reduces their economic productivity and diminishes their quality of life. Hence, a diagnostic of gender and the environment in El Salvador, produced for the Ministry of Environment and Natural Resources' (MARN's) Women in Development Office, will help the water SO to reach its primary customers.

### **Key Results**

USAID is working to achieve four key intermediate results to increase access by rural households to clean water: 1) improved quality of water sources; 2) improved performance of water distribution systems; 3) more effective citizen actions to address water issues; and 4) improved municipal management of water resources.

### **Performance and Prospects**

The water SO exceeded expectations, surpassing targets for three out of four key indicators. This achievement reflects creative work with other SOs and access to centrally funded programs such as the Joint Activity Incentive Fund. National policy advanced when the National Assembly passed the General Framework Environmental Law in March 1998, and, despite intense debate on fines and jail terms for polluters, maintained those articles in the final version. The water SO assisted the MARN to draft the Law's implementing regulations.

The water SO designed a new activity, AGUA (the Spanish acronym for Access, Management and Rational Use of Water) to increase access by rural residents to clean water in an

environmentally sustainable way. AGUA will intervene at the national, municipal and community levels to address the full range of institutional and regulatory problems in the water sector. It will direct the bulk of its field efforts toward three of the most critical watersheds in the country that contain the 18 target municipalities.

In response to Hurricane Mitch, the water activity reacted immediately in the 18 municipalities, providing 3,637 families that live in the areas hit hardest by the hurricane with clean water, information, supplies and/or training to chlorinate their own supplies during the emergency period. The damage that Hurricane Mitch wrought, and the subsequent swell in national concern for watershed protection, reaffirmed both the need for the water SO and its geographic focus.

Water Quality: Access to clean water is increasing. Thirty-eight percent of households in the target municipalities now have clean water, an increase of nine percentage points over the baseline when male and female-headed households are combined. The targeted educational program increased access to water by female-headed households by 12%. Now, nearly 6,000 hectares of land are being conserved by improved agricultural and land management practices. Two tanneries have converted their facilities to less-polluting discharges after in-depth diagnostic pollution prevention assessments were performed for coffee mills and tanneries. A regional solid waste district and recycling facility was developed on land purchased by the municipality of Usulután with design help from the U.S. Environmental Protection Agency. This regional activity was supported by the democracy and water SOs, along with four municipalities in southern Usulután Department. Observing the model's success, four mayors from northern Usulután have proposed a similar solid waste disposal district for their area.

Water Distribution Systems: The challenge to improve water distribution system performance is daunting. Due to Hurricane Mitch damaging the electrical systems and water pipe distribution network of four water systems, fewer water systems in the target municipalities now meet flow standards than a year ago. On the positive side, the water and health SOs are bringing piped water to the town of Cara Sucia, utilizing a comprehensive plan to conserve the water source and provide water connections to 1,200 families. USAID's health SO spearheaded the model program by combining the efforts of the AGUA activity with those of the community itself, the mayor's office, the Ministry of Health, the national water and sewer administration (ANDA), the European Union, the Agricultural Extension Service and a conservation NGO.

Citizen Actions: Citizens are beginning to take charge of their water resources. Paradoxically, Hurricane Mitch has made people in the affected area more conscious of the need to protect and/or chlorinate their limited water sources. This is largely because the Environmental Protection Project and its MARN counterparts worked with rural health promoters to chlorinate drinking water after the hurricane, and to provide Mission customers information on how to help prevent future natural disasters through watershed protection. These water education efforts reached approximately 42,000 persons, resulting in support for water-related changes in their communities, and new municipal ordinances to protect water resources. In 1998, citizen action groups stimulated 82 new water-related changes in their communities.

Municipal Management: Lack of access to potable water, identified as a key constraint to development, has advanced to the forefront of municipal attention and action. In 1998, two

municipal ordinances were passed; ten ordinances drafted; and five municipal agreements regulating water resources put in force. Further, 27 new water-based organizations were formed in the target municipalities to lobby for access to clean water.

Prospects: The theme of decentralizing water has become so important in El Salvador that all the presidential candidates campaigned on the need to change the way water services are managed. This has effectively set the agenda on water for the new administration. The Mission is poised to implement the water strategy through the AGUA activity. Nevertheless, full achievement of the water SO by the year 2002 is unlikely given the relatively short timeframe of the water strategy. ANDA's continued opposition to decentralization presents another set of challenges.

### **Other Donor Programs**

Two water sector IDB loans await approval by the National Assembly. They would help to reorganize the water sector and make ANDA more entrepreneurial and decentralized, and to decontaminate three municipalities in eastern El Salvador through proper solid waste management. In 1998, the IDB's El Salvador Environmental Program began implementation in 17 sub-watersheds in the upper Lempa river basin. The water SO collaborates with the European Union and GTZ on several of their water supply and latrine programs, and UNICEF holds environmental educational programs nationwide. PAHO finances water chlorination projects in rural areas through the Ministry of Health. PAHO has designated El Salvador as the pilot site for a new Central American water decentralization activity, thanks to a successful series of activities and seminars in San Salvador, San Miguel and Sonsonate that emphasized decentralizing the control of water resources and water systems. The water SO hosted these activities and seminars using funds from a Global Bureau Water Team grant.

### **Major Contractors and Grantees**

Abt Associates and Winrock International implemented the Policy and Demonstration Area components. The Academy for Educational Development implements the Environmental Education component, coordinating with the MARN, to concentrate on water issues in the priority municipalities. The Environmental Pollution Prevention Program performed pollution prevention diagnostics on coffee mills and tanneries. The Center for Protection Against Disasters completed water resource diagnostics in the target areas. The Central American Regional Environmental Project's Local Environmental Policy Planning initiative helped organize and design the Usulután multi-municipal solid waste facility. The Salvadoran Enterprise for the Americas Initiative Debt Reduction Fund funded six reforestation and soil conservation projects in the target municipalities.

**PERFORMANCE DATA TABLES**  
**INCREASED ACCESS BY RURAL HOUSEHOLDS TO CLEAN WATER**  
**SO APPROVED OCTOBER 7, 1997**

**SO-LEVEL RESULTS:**

<b>INDICATOR No. 1: Rural Households in Target Areas with Water that Meets Quality and Time Standards</b>			
<b>UNIT OF MEASURE:</b> Percent of households that meet both quality and time standards, cumulative, per year, by male-and female-headed households (M/F)	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCES:</b> Questions number 6, 10, 11.1, 15, 17 and 25 from the Academy for Educational Development's annual survey, <u>Municipal Characterization</u>  Sample size: 2,125 households out of approximately 67,000 total households	1997 (B)		M:30  F:26
<b>INDICATOR DESCRIPTION:</b> Households in all the municipalities in the target areas are considered to be rural. Households must meet both quality and time standards to count as progress against this indicator. Piped water is defined as household taps and public taps. Households with piped water are defined as automatically meeting quality standards, and meeting time standards if they receive water every day of the week. Households with non-piped water are defined as meeting the quality standard if the household treats water with chlorine. Households with non-piped water meet the time standard if water source is available every day. Non-piped water includes wells, springs and rivers and other surface water.  Gender disaggregation is determined by question No. 6 of the Academy for Educational Development's annual survey, <u>Municipal Characterization</u> : "Who sustains (financially) the family in your home: father, mother, father/mother, son/daughter, everyone, other?" The data at right represent two categories derived from this list: 1. sustained by father, father and mother, or father and son (M) 2. sustained by mother, son/daughter, everyone, or other (F)	1998	M:34  F:31	M:38.0  F:38.6
	1999	M:39  F:37	
	2000	M:46  F:45	
	2001	M:55  F:55	
	2002	M:65  F:65	
<b>COMMENTS:</b> This indicator is measured for the 18 target municipalities.			

**INTERMEDIATE RESULTS:**

<b>RESULT No. 4.1:</b> Improved Quality of Water Sources			
<b>INDICATOR No. 1:</b> Area Covered by Improved Practices			
<b>UNIT OF MEASURE:</b> Hectares, cumulative, per year	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Academy for Educational Development contractor reports	1997 (B)		1. 4,055 2. 815 3. 811
<b>INDICATOR DESCRIPTION:</b> Practices include: 1. Soil conservation/reforestation 2. Organic cropping 3. Integrated pest management	1998	1. 4,100 2. 900 3. 900	1. 4,423 2. 931 3. 1,047
<b>COMMENTS:</b> This indicator is measured for the 18 target municipalities.	1999	1. 4,250 2. 1,000 3. 1,000	
	2000	1. 4,500 2. 1,100 3. 1,100	
	2001	1. 4,800 2. 1,200 3. 1,200	
	2002	1. 5,000 2. 1,300 3. 1,300	

<b>RESULT No. 4.3:</b> More Effective Citizen Actions to Address Water Issues			
<b>INDICATOR No. 1:</b> Water-Related Changes Resulting From Citizen-Group Actions			
<b>UNIT OF MEASURE:</b> Number of changes, cumulative, per year	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCES:</b> Reports for the 11 municipalities under the municipal-development activity; and question numbers 25 and 42 of the Academy for Educational Development's annual survey, <u>Municipal Characterization</u> , for the remaining seven municipalities	1997(B)		43
<b>INDICATOR DESCRIPTION:</b> Changes made as a direct result of citizen group efforts to resolve water issues include, but are not limited to: formation of pro-water non-governmental groups; technical and/or financial support obtained by water groups; creation, expansion and/or rehabilitation of delivery systems; pollution prevention; conflict resolution; and other pro-clean water actions.	1998	60	127
<b>COMMENTS:</b> This indicator is measured for the 18 target municipalities.	1999	120	
	2000	180	
	2001	240	
	2002	300	

# **III: RESOURCES REQUEST**

USAID/El Salvador FY 2001 R4

## Narrative

For FY 2001, the USAID/El Salvador program remains at the operating year budget (OYB) and Congressional Presentation levels for program funds established for the FY 2000 Results Review and Resources Request. In FY 1998, all of the Mission SOs met or exceeded their expectations overall. Hence, as the Mission moves into fiscal years 1999, 2000 and 2001, it will continue to implement the program that it has in place for the remainder of the Strategic Plan period. Per guidance from the Bureau for Latin America and the Caribbean (LAC), the tables in this R4 show straightlined appropriations from FY 2000 to FY 2001.

Operating Expense (OE) funds available to support the program in El Salvador are being reduced from a level of \$6.1 million in FY 1998 to a planned level of \$4.7 million in FY 2001. As described in the Workforce and OE narrative, USAID/El Salvador has taken appropriate actions to respond to this roughly one-third reduction in its OE budget over a three-year period, commencing in FY 1999. It has streamlined internal processes and procedures and adopted program design and implementation methods that reflect a more results-oriented and less management-intensive approach. It has also developed and implemented a plan to reduce staff (the largest portion of the mission's fixed costs) by approximately one-third from a level of 158 employees last year to a new total of 108 by the beginning of FY 2001. As a result, the Mission is on track with the OE reductions.

The Mission's overall pipeline level will fall precipitously between the ends of FYs 1998 and FY 2001. While pipelines by SO at the end of September 30, 1998 ranged from 11 to 46 months, the range will drop sharply to seven to 28 months one year later. The large pipeline size at the end of FY 1998 was due primarily to seven new activities that were either just starting or in the process of being contracted, with significant expenditures to begin under them in FY 1999. As a percentage of the total pipeline, these accounted for 41% as of September 30, 1998; and are expected to account for 68% by the end of FY 1999. While these new-starts account for ever-higher percentages of the pipeline, the rest of the portfolio is reducing its pipeline both by amount and by percentage of the total.

If USAID/El Salvador were to receive program levels less than those requested to support projected expenditures, it would need to examine scaling back or dropping one or more activities or results. This would depend upon the account(s) to be reduced and the severity of the reduction(s).

## FY 1999 Budget Request by Program/Country

05-May-99  
12:25 PM

USAID/EI Salvador  
DA  
Scenario

S.O. # , Title		FY 1999 Request														Est. S.O. Pipeline End of FY 99		
		Bilateral/Field Spt	Total	Micro-Enterprise	Agriculture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G		Est. S.O. Expenditures	
SO 1: Expanded access and economic opportunity for rural families in poverty																		
DA	Bilateral	12,963	2,890	2,396	1,841	3,300	1,136							1,400		13,880	18,255	
	Field Spt	627	100	0	527	0	0							0		327	300	
		13,590	2,990	2,396	2,368	3,300	1,136	0	0	0	0	0	0	1,400	0	14,207	18,555	
SO 2: More inclusive and effective democratic processes																		
DA	Bilateral	4,188												4,188		1,764	9,413	
	Field Spt	27												27		27	5	
		4,215	0	0	0	0	0	0	0	0	0	0	0	4,215	0	1,791	9,418	
SO 3: Sustainable improvements in health of women and children achieved																		
DA	Bilateral	7,996						1,400	5,629	0	150	817				15,785	8,775	
	Field Spt	2,120						900	620	500	100	0				2,595	1,847	
		10,116	0	0	0	0	0	2,300	6,249	500	250	817	0	0	18,380	10,622		
SO 4: Increased access by rural households to clean water																		
DA	Bilateral	3,149												3,149		2,580	5,388	
	Field Spt	96												96		96	0	
		3,245	0	0	0	0	0	0	0	0	0	0	0	3,245	0	2,676	5,388	
Sp.O. 1: Reduced vulnerability of the rural poor to natural disasters in targeted areas																		
DA	Bilateral	500							500							100	400	
	Field Spt	0							0							0	0	
		500	0	0	0	0	0	0	500	0	0	0	0	0	0	100	400	
SO :																		
	Bilateral	0														0	0	
	Field Spt	0		0												0	0	
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SO :																		
	Bilateral	0														0	0	
	Field Spt	0														0	0	
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SO :																		
	Bilateral	0														0	0	
	Field Spt	0														0	0	
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Bilateral		28,796	2,890	2,396	1,841	3,300	1,136	1,400	6,129	0	150	817	4,549	4,188	34,109	42,231		
Total Field Support		2,870	100	0	527	0	0	900	620	500	100	0	96	27	3,045	2,152		
<b>TOTAL PROGRAM</b>		<b>31,666</b>	<b>2,990</b>	<b>2,396</b>	<b>2,368</b>	<b>3,300</b>	<b>1,136</b>	<b>2,300</b>	<b>6,749</b>	<b>500</b>	<b>250</b>	<b>817</b>	<b>4,645</b>	<b>4,215</b>	<b>37,154</b>	<b>44,383</b>		
<b>FY 99 Request Agency Goal Totals</b>			<b>FY 99 Account Distribution (DA only)</b>															
Econ Growth			5,358		Dev. Assist Program												31,666	
Democracy			4,215		Dev. Assist ICASS													
HCD			4,436		Dev. Assist Total:												31,666	
PHN			15,052		CSD Program												1,120	
Environment			4,645		CSD ICASS													
Program ICASS			0		CSD Total:												1,120	
GCC (from all Goals)			0															

**FY 2000 Budget Request by Program/Country**

05-May-99  
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USAID/EI Salvador  
DA  
Scenario

S.O. #, Title		FY 2000 Request													Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 00	
	Bilateral/Field Spt	Total	Micro-Enterprise	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G			
SO 1: Expanded access and economic opportunity for rural families in poverty															Year of Final Oblig: 2002		
DA	Bilateral	13,473	3,400	2,305	1,368	3,500	1,300							1,600		16,640	15,088
	Field Spt	127	100	0	27	0	0							0		427	0
		13,600	3,500	2,305	1,395	3,500	1,300	0	0	0	0	0	0	1,600	0	17,067	15,088
SO 2: More inclusive and effective democratic processes															Year of Final Oblig: 2002		
DA	Bilateral	4,773												4,773		6,679	7,507
	Field Spt	27												27		27	5
		4,800	0	0	0	0	0	0	0	0	0	0	0	4,800	0	6,706	7,512
SO 3: Sustainable improvements in health of women and children achieved															Year of Final Oblig: 2002		
DA	Bilateral	9,965						3,640	5,675	0	150	500				11,075	7,665
	Field Spt	1,180						360	220	500	100	0				2,590	437
		11,145	0	0	0	0	0	4,000	5,895	500	250	500	0	0	0	13,665	8,102
SO 4: Increased access by rural households to clean water															Year of Final Oblig: 2002		
DA	Bilateral	4,374												4,374		3,240	6,522
	Field Spt	26												26		26	0
		4,400	0	0	0	0	0	0	0	0	0	0	0	4,400	0	3,266	6,522
Sp. O. 1 Reduced vulnerability of the rural poor to natural disasters in targeted areas															Year of Final Oblig: 2000		
DA	Bilateral	0														300	100
	Field Spt	0														0	0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	300	100
SO :																	
	Bilateral	0														0	0
	Field Spt	0				0										0	0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO :																	
	Bilateral	0														0	0
	Field Spt	0													0	0	0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO :																	
	Bilateral	0														0	0
	Field Spt	0														0	0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral		32,585	3,400	2,305	1,368	3,500	1,300	3,640	5,675	0	150	500		5,974	4,773	37,934	36,882
Total Field Support		1,360	100	0	27	0	0	360	220	500	100	0		26	27	3,070	442
<b>TOTAL PROGRAM</b>		<b>33,945</b>	<b>3,500</b>	<b>2,305</b>	<b>1,395</b>	<b>3,500</b>	<b>1,300</b>	<b>4,000</b>	<b>5,895</b>	<b>500</b>	<b>250</b>	<b>500</b>		<b>6,000</b>	<b>4,800</b>	<b>41,004</b>	<b>37,324</b>

FY 00 Request Agency Goal Totals	
Econ Growth	4,895
Democracy	4,800
HCD	4,800
PHN	15,945
Environment	6,000
Program ICASS	0
GCC (from all Goals)	0

FY 00 Account Distribution (DA only)	
Dev. Assist Program	33,945
Dev. Assist ICASS	
Dev. Assist Total:	33,945
CSD Program	720
CSD ICASS	
CSD Total:	720

## FY 2001 Budget Request by Program/Country

USAID/EI Salvador  
DA  
Scenario

S.O. # , Title		FY 20001 Request													Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 01	Future Cost (POST-2001)	
		Bilateral/Field Spt	Total	Micro-Enterprise	Agriculture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ				D/G
SO 1: Expanded access and economic opportunity for rural families in poverty		Year of Final Oblig: 2002																
DA	Bilateral	13,573	3,500	2,305	1,368	3,500	1,300							1,600		14,000	14,661	15,000
	Field Spt	27			27											27	5	0
		13,600	3,500	2,305	1,395	3,500	1,300	0	0	0	0	0	0	1,600	0	14,027	14,661	15,000
SO 2: More inclusive and effective democratic processes		Year of Final Oblig: 2002																
DA	Bilateral	4,773												4,773		5,200	7,080	5,000
	Field Spt	27												27		27	5	0
		4,800	0	0	0	0	0	0	0	0	0	0	0	4,800	5,227	7,085	5,000	
SO 3: Sustainable improvements in health of women and children achieved		Year of Final Oblig: 2002																
DA	Bilateral	10,425						3,600	5,675		150	1,000				10,075	8,015	11,145
	Field Spt	720						400	220		100					1,157	0	0
		11,145	0	0	0	0	0	4,000	5,895	0	250	1,000	0	0	11,232	8,015	11,145	
SO 4: Increased access by rural households to clean water		Year of Final Oblig: 2002																
DA	Bilateral	4,374												4,374		4,240	6,656	4,400
	Field Spt	26												26		26	0	0
		4,400	0	0	0	0	0	0	0	0	0	0	0	4,400	4,266	6,656	4,400	
Sp. O. Reduced vulnerability of the rural poor to natural disasters in targeted areas		Year of Final Oblig: 2000																
DA	Bilateral	0														100	0	0
	Field Spt	0														0	0	0
		0	0	0	0	0	0	0	0	0	0	0	0	0	100	0	0	
SO :																		
	Bilateral	0																0
	Field Spt	0																0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SO :																		
	Bilateral	0														0	0	0
	Field Spt	0														0	0	0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SO:																		
	Bilateral	0														0	0	0
	Field Spt	0														0	0	0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Total Bilateral</b>		<b>33,145</b>	<b>3,500</b>	<b>2,305</b>	<b>1,368</b>	<b>3,500</b>	<b>1,300</b>	<b>3,600</b>	<b>5,675</b>	<b>0</b>	<b>150</b>	<b>1,000</b>	<b>5,974</b>	<b>4,773</b>	<b>33,615</b>	<b>36,412</b>	<b>35,545</b>	
<b>Total Field Support</b>		<b>800</b>	<b>0</b>	<b>0</b>	<b>27</b>	<b>0</b>	<b>0</b>	<b>400</b>	<b>220</b>	<b>0</b>	<b>100</b>	<b>0</b>	<b>26</b>	<b>27</b>	<b>1,237</b>	<b>5</b>	<b>0</b>	
<b>TOTAL PROGRAM</b>		<b>33,945</b>	<b>3,500</b>	<b>2,305</b>	<b>1,395</b>	<b>3,500</b>	<b>1,300</b>	<b>4,000</b>	<b>5,895</b>	<b>0</b>	<b>250</b>	<b>1,000</b>	<b>6,000</b>	<b>4,800</b>	<b>34,852</b>	<b>36,417</b>	<b>35,545</b>	

FY 01 Request Agency Goal Totals	
Econ Growth	4,895
Democracy	4,800
HCD	4,800
PHN	15,945
Environment	6,000
Program ICASS	0
GCC (from all Goals)	0

FY 01 Account Distribution (DA only)	
Dev. Assist Program	33,945
Dev. Assist ICASS	
<b>Dev. Assist Total:</b>	<b>33,945</b>
CSD Program	220
CSD ICASS	
<b>CSD Total:</b>	<b>220</b>

## FY 1999 Budget Request by Program/Country

05-May-99  
12:25 PM

USAID/EI Salvador  
ESF  
Scenario

S.O. # , Title		FY 1999 Request													Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 99
Bilateral/Field Spt	Total	Micro-Enterprise	Agriculture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G			
SO 1: Expanded access and economic opportunity for rural families in poverty																
ESF	Bilateral	2,000		2,000											2,939	2,061
	Field Spt	0		0	0	0	0	0	0	0	0	0	0	0	0	0
		2,000	0	2,000	0	0	0	0	0	0	0	0	0	0	2,939	2,061
SO 2: More inclusive and effective democratic processes																
ESF	Bilateral	0													2,531	702
	Field Spt	0		0	0	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0	0	0	2,531	702
SO :																
	Bilateral	0														
	Field Spt	0		0	0	0	0	0	0	0	0	0	0	0	0	0
SO :																
	Bilateral	0														
	Field Spt	0		0	0	0	0	0	0	0	0	0	0	0	0	0
SO :																
	Bilateral	0														
	Field Spt	0		0	0	0	0	0	0	0	0	0	0	0	0	0
SO :																
	Bilateral	0														
	Field Spt	0		0	0	0	0	0	0	0	0	0	0	0	0	0
SO :																
	Bilateral	0														
	Field Spt	0		0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral		2,000	0	2,000	0	0	0	0	0	0	0	0	0	0	5,470	2,763
Total Field Support		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL PROGRAM</b>		<b>2,000</b>	<b>0</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,470</b>	<b>2,763</b>

FY 99 Request Agency Goal Totals	
Econ Growth	0
Democracy	0
HCD	0
PHN	0
Environment	0
Program ICASS	0
GCC (from all Goals)	0

FY 99 Account Distribution (DA only)	
Dev. Assist Program	0
Dev. Assist ICASS	0
Dev. Assist Total:	0
CSD Program	0
CSD ICASS	0
CSD Total:	0



## FY 2001 Budget Request by Program/Country

USAID/EI Salvador  
ESF  
Scenario

S.O. # , Title		FY 2001 Request												Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 01	Future Cost (POST-2001)		
Bilateral/Field Spt	Total	Micro-Enterprise	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G					
SO 1: Expanded access and economic opportunity for rural families in poverty		Year of Final Oblig: 2002																
ESF	Bilateral	3,000	2,000		1,000											1,600	3,361	3,000
	Field Spt	0																0
		3,000	2,000	0	1,000	0	0	0	0	0	0	0	0	0	0	1,600	3,361	3,000
SO 2: More inclusive and effective democratic processes		Year of Final Oblig: 2002																
ESF	Bilateral	2,000												2,000		2,000	2,009	2,000
	Field Spt	0																0
		2,000	0	0	0	0	0	0	0	0	0	0	0	2,000	2,000	2,009	2,000	
SO :																		0
	Bilateral	0																0
	Field Spt	0																0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO :																		0
	Bilateral	0																0
	Field Spt	0																0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO :																		0
	Bilateral	0																0
	Field Spt	0																0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO :																		0
	Bilateral	0																0
	Field Spt	0																0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO :																		0
	Bilateral	0																0
	Field Spt	0																0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO :																		0
	Bilateral	0																0
	Field Spt	0																0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO :																		0
	Bilateral	0																0
	Field Spt	0																0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO :																		0
	Bilateral	0																0
	Field Spt	0																0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO :																		0
	Bilateral	0																0
	Field Spt	0																0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO :																		0
	Bilateral	0																0
	Field Spt	0																0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO :																		0
	Bilateral	0																0
	Field Spt	0																0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO :																		0
	Bilateral	0																0
	Field Spt	0																0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO :																		0
	Bilateral	0																0
	Field Spt	0																0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO :																		0
	Bilateral	0																0
	Field Spt	0																0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO :																		0
	Bilateral	0																0
	Field Spt	0																0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO :																		0
	Bilateral	0																0
	Field Spt	0																0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO :																		0
	Bilateral	0																0
	Field Spt	0																0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO :																		0
	Bilateral	0																0
	Field Spt	0																0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO :																		0
	Bilateral	0																0
	Field Spt	0																0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO :																		0
	Bilateral	0																0
	Field Spt	0																0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO :																		0
	Bilateral	0																0
	Field Spt	0																0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO :																		0
	Bilateral	0																0
	Field Spt	0																0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO :																		0
	Bilateral	0																0
	Field Spt	0																0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO :																		0
	Bilateral	0																0
	Field Spt	0																0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO :																		

## Accessing Global Bureau Services Through Field Support and Buy-Ins

Objective Name	Field Support and Buy-Ins: Activity Title & Number	Priority *	Duration	Estimated Funding (\$000)			
				FY 2000		FY 2001	
				Obligated by:		Obligated by:	
Operating Unit	Global Bureau	Operating Unit	Global Bureau				
SO 1	Peace Corps 936-1421	High	c		27		27
	BASIS 936-4213	High	2001		100		
SO 2	Peace Corps 936-1421	High	c		27		27
SO 3	Peace Corps 936-1421	High	c		20		20
	Family Planning Logistic Management 936-3038.01	High	2002		10		200
	Central Contraceptive Procurement 936-3057	High	2002		200		200
	PRIME 936-3072	High	2001		150		0
	Linkages 936-3082	High	2002		50		50
	MOST 936-3094	High	2002		50		50
	Flagship 936-3096.01	High	2002		100		100
	To Be Determined	High	2001		500		0
	Maternal & Child Health Tech. Assist. & Support 936-3096.02*	High	2002	600		400	
	AIDS Impact 936-3090	High	2002		100		100
SO 4	Peace Corps 936-1421	High	c		26		26
<b>GRAND TOTAL.....</b>				<b>600</b>	<b>1,360</b>	<b>400</b>	<b>800</b>

\* IQC Contract

# **IV: WORKFORCE AND OE**

**USAID/El Salvador FY 2001 R4**

## Narrative

### Summary

Per decisions flowing from last year's R4 review, the Mission was advised that its OE budget would be reduced by approximately one-third over a three year period in roughly equal increments beginning in FY 1999. Therefore, the OE funds available to support the program in El Salvador are being reduced from a level of \$6.1 million in FY 1998 to a planned level of \$4.7 million in FY 2001.

As a first step, the Mission's OE funding level was reduced in FY 1999 by approximately ten percent. In response, to assure that the Mission's management resources are sufficient to monitor present and future activities, its management worked closely with the SO teams to streamline internal processes and procedures and adopt program design and implementation methods that reflect a more results-oriented and less management-intensive approach.

Since employee salaries and benefits constitute the largest part of the Mission's fixed costs, and because the Mission must reduce staffing to levels comparable to other regional missions of similar size in the LAC Bureau, USAID/El Salvador has developed a plan to reduce staffing at a rate commensurate with its OE budget reductions. It will reduce overall staffing by approximately one-third, from a level of 158 employees last year to a new total of 108 by the beginning of FY 2001.

El Salvador's trust funds are being depleted rapidly, and will be gone in early FY 2000. As was true last year, in FY 1999 trust funds constitute approximately \$3.3 million (60%) of the Mission's operating budget. When these funds are exhausted, additional OE funds must be made available to allow the post to maintain its development program in El Salvador and to continue to provide administrative support services to client USAID missions in the region.

### Operating Expense and Trust Funds

The Mission has made a concerted effort to conserve resources and to reduce costs to accommodate reductions in OE funds. Its primary concern, however, is the anticipated exhaustion of trust funds in early FY 2000. If additional, replacement OE funds are not made available, the Mission's ability to manage the current program could be impaired. This would imply a commensurate reduction in the scope of the program. Moreover, an operating expense budget with levels significantly lower than those described in the current Management Contract would dictate a restructuring of the development assistance program in El Salvador.

USAID/El Salvador is a regional accounting station, and is charged with providing administrative support services to USAID/Mexico and USAID/Panama in the areas of financial management, acquisition and assistance, legal, administrative and program operations. In addition, the Regional Legal Advisor also supplies legal services to USAID/Honduras. The Mission is committed to providing high quality support services to client missions in a customer-oriented and collegial manner. Maintaining these regional services must be factored into El Salvador's requirements for both staff and operating expense funding.

The Mission has continued to make every effort to reduce services and to eliminate non-essential expenditures. It has scaled back its procurement plans for the past several fiscal years, and reduced the non-expendable property inventory steadily to further conserve resources. However, new household furniture, furnishings and appliances must be acquired to upgrade the remaining inventory. Older residential furniture sets are being re-issued long after their useful life-span have been exceeded. Essential computer hardware and software has been procured both to keep

pace with developments in information technology (IT) and to deal with the Year 2000 (Y2K) data logic problem (this issue is discussed in more detail below). However, the Mission has deferred the majority of its property replacement program for several years, and plans to defer again several planned procurements due to the operating budget cuts that were imposed last year.

The construction of a joint USAID/State warehouse facility on the Embassy compound is expected to receive final approval by the Department of State's Foreign Buildings Office (FBO) this year. When the Ambassador met with FBO during a recent trip to Washington, she was assured that the project had Washington's full support. A memorandum of agreement has been drafted at post to govern the use of the facility, and a contract for the technical design of the facility is nearing completion. When the post receives the design, it is expected that the complete project proposal will be submitted to FBO for final approval and funding. USAID will amortize its share of the construction costs in less than four years. As cited in last year's R4, the construction of this central storage facility will allow USAID to terminate two leases for commercial warehouse space to realize a continuing cost savings of more than \$60,000 per year.

### **Work Force**

A staffing reduction plan is in effect under the terms of the current Management Contract, which will reduce staffing by 50 positions in all categories by FY 2001. This reduction is almost a full third of the number of staff working in the Mission in FY 1998, when the Mission employed 158 employees. The Mission will reduce its staff incrementally until it reaches a staffing level of 108 employees at the beginning of FY 2001. The Mission has reduced to the current level of 137 employees, which includes the deletion of four U.S. Direct Hire (USDH) positions. Three of the affected USDH already have departed post, while another will depart post this summer and will not be replaced. In addition, the Mission has made other difficult staffing decisions such as deleting its two established International Development Intern (IDI) positions.

Mission management has established staffing levels for the next two fiscal for each SO team and support office. The next round of staffing cuts will begin in FY 2000, when the positions of 17 additional employees will be eliminated, thereby lowering the level to 120. In FY 2001, the Mission will eliminate another 12 positions to meet the final overall staffing target of 108 employees.

The Mission acquires commercial services through institutional support services contracts, under which it receives residential maintenance, warehousing, custodial, and certain clerical services. It has realized significant savings by reducing the services acquired under them. Also, the Mission had utilized the services of 41 individuals at the beginning of FY 1998; reduced that number to 29 later in that fiscal year; has since reduced it to 15; and continues to seek further savings.

### **Hurricane Mitch Reconstruction Supplemental**

USAID/El Salvador has requested supplemental program funding in the amount of \$25 million for reconstruction activities related to the damage caused by Hurricane Mitch in November 1998, as described elsewhere in this document.

If additional program resources are provided, their effective management will require an adjustment of both operating expenses and staffing levels within the Mission over the next two fiscal years. One additional OE-funded and three additional program-funded employees will be required to manage the increase in the program. The Mission will also require funds for computer equipment and a vehicle for field support. It is estimated that an additional \$180,000

in OE funds will be required over the two-year implementation period. Staffing requirements are:

OE-funded Personnel:

Financial Analyst/Accountant. Supplemental program resources will increase demands on the Controller's Office, and a financial analyst/accountant position that now is scheduled for deletion, per the current Mission staffing reduction plan, will be retained for two additional years.

Program-Funded Personnel:

Engineer/Activity Manager. Most of the resources requested will likely be programmed for infrastructure;

Team Leader. The infrastructure rehabilitation effort will require a dedicated activity manager to ensure the proper and efficient use of these resources;

Program Management Assistant. A program management assistant is required to handle the significant additional administrative work generated by hurricane-related activities.

These additional staffing and operating expense requirements are not reflected in the accompanying R4 tables. The Mission's resource requirements would need to be adjusted appropriately if the program is increased, as requested.

**International Cooperative Support Services**

USAID/El Salvador has worked closely with the post International Cooperative Support Services (ICASS) Council during the past year and has carefully reviewed the FY 1999 ICASS invoice. The Mission has agreed to increase its participation in ICASS this year to realize significant savings. Office utility, non-residential security services and janitorial costs that the Mission has paid directly in previous years have been moved into ICASS. The ICASS software's distribution of costs has proven to be less expensive for USAID, and although the Mission's FY 1999 ICASS invoice, at \$872,275, is approximately \$150,000 higher than last year's, its overall operating costs have been reduced.

The Mission has approved and signed the FY 1999 ICASS invoice and the post has submitted it to the ICASS Service Center in Washington. The Mission notes that USAID's increased participation implies a higher ICASS budget to reflect more activity, and the final ICASS budget exceeds the target established for the post.

USAID/El Salvador has continued to be an ICASS service provider and supports all the agencies at post in transportation services. There appears to be a high level of appreciation for the services provided, as evidenced by the customer satisfaction survey completed earlier this year. Overall, post ICASS is functioning very well, and the Mission is pleased both with the ICASS system and the quality of the services provided. ICASS is a participatory and transparent system for providing support services, and it represents a significant improvement over the processes the foreign affairs agencies utilized previously.

**Year 2000 Compliance**

The Year 2000 data logic problem has required El Salvador to act in 1998 to both assess and address related program issues, and to assure that key Mission support operations will not be

disrupted. The Mission's information technology systems have been reconfigured as necessary, and all the required hardware and software have been acquired to assure Y2K compliance. In taking the actions necessary, the Mission has incurred significant costs in FY 1998 and FY 1999 to modify existing information systems.

In consultation with the FBO Facilities Maintenance Officer and the Information Systems Officer in the Embassy, the Mission has reviewed all internal systems, including its ability to maintain communication with Washington, should a failure of the local power-generation and telecommunications systems occur. In January 1999, a USAID/Washington Information Resources Management team conducted a Y2K assessment in El Salvador. Briefly, it concluded that the Mission was well prepared and had taken the steps necessary to address known Y2K problems.

The Mission has acquired and installed all the hardware and software necessary for Y2K compliance. All local area network servers are being replaced, and seventeen new personal computers have been purchased. One hundred Pentium personal computers are being Basic Input-Output System-upgraded by the Mission's IT systems manager. The desktop software necessary to conform to the Agency Standard has been procured, and a training program has been implemented to help Mission employees adapt to Microsoft Word and Microsoft Excel.

USAID/EL Salvador, however, is one of the few missions that have critical systems linked to Mission Accounting and Control System (MACS). The Mission has a payroll application for Foreign Service National (FSN) and U.S. Personal Services Contractor (USPSC) employees, which has an automated update feature linked to the MACSTRAX system; this system must be modified when the MACS Y2K coding is completed. Obviously, this process cannot start before a revised MACS Y2K file description is available. In addition, the Mission has several other small Controller's Office systems that are linked to MACS and must be revised in the same way.

The U.S. Embassy has designated a coordinator for Y2K issues. Overall, it is not expected that the operations of USAID/El Salvador will be seriously affected by Y2K failures. Appropriate measures have been taken to assure the continuation of routine Agency administrative and program operations.

Workforce

MISSION : **USAID/EL SALVADOR**

**USDH STAFFING REQUIREMENTS BY SKILL CODE**

<b>BACKSTOP (BS)</b>	<b>NO. OF USDH EMPLOYEES IN BACKSTOP FY 1999</b>	<b>NO. OF USDH EMPLOYEES IN BACKSTOP FY 2000</b>	<b>NO. OF USDH EMPLOYEES IN BACKSTOP FY 2001</b>	<b>NO. OF USDH EMPLOYEES IN BACKSTOP FY 2002</b>
01 SMG	2	2	2	2
02 Program Officer	0	0	0	0
03 EXO	1	1	1	1
04 Controller	2	2	2	2
05/06/07 Secretary	0	0	0	0
10 Agriculture	0	0	0	0
11 Economics	1	0	0	0
12 GDO	1	2	2	2
12 Democracy	2	2	2	2
14 Rural Development	0	0	0	0
15 Food for Peace	0	0	0	0
21 Private Enterprise	0	0	0	0
25 Engineering	0	0	0	0
40 Environment	1	1	1	1
50 Health/Pop.	1	2	2	2
60 Education	1	0	0	0
75 Physical Sciences	0	0	0	0
85 Legal	1	1	1	1
92 Commodity Mgt	0	0	0	0
93 Contract Mgt	1	1	1	1
94 PDO	2	1	1	1
95 IDI	1	0	0	0
<b>TOTAL</b>	<b>17</b>	<b>15</b>	<b>15</b>	<b>15</b>

USAID/El Salvador End of Year On-Board FY 1999 Estimate	Workforce Tables							Total SO/SpO	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
	SO 1	SO 2	SO 3	SO 4	SO 5	SpO1	SpO2									
<b>OE Funded: 1/</b>																
U.S. Direct Hire	2	2	2	1				7	2	2	1	1	1	2	9	16
Other U.S. Citizens	0	0	0	0				0	0	1	0	0	0	0	1	1
FSN/TCN Direct Hire	3	1	1	0				5	1	9	4	1	0	2	17	22
Other FSN/TCN	5	1	2	2				10	1	19	31	8	0	6	65	75
Subtotal	10	4	5	3	0	0	0	22	4	31	36	10	1	10	92	114
<b>Program Funded 1/</b>																
U.S. Citizens	1	2	0	0				3	0	0	0	0	0	0	0	3
FSNs/TCNs	10	4	4	1				19	0	1	0	0	0	0	1	20
Subtotal	11	6	4	1	0	0	0	22	0	1	0	0	0	0	1	23
Total Direct Workforce	21	10	9	4	0	0	0	44	4	32	36	10	1	10	93	137
TAACS								0							0	0
Fellows								0							0	0
IDIs	0	1	0	0				1	0	0	0	0	0	0	0	1
Subtotal	0	1	0	0				1	0	0	0	0	0	0	0	1
<b>TOTAL WORKFORCE</b>	21	11	9	4	0	0	0	45	4	32	36	10	1	10	93	138

1/ Excludes TAACS, Fellows, and IDIs

Workforce Tables

USAID/El Salvador End of Year On-Board  FY 2000 Target								Total SO/SpO	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff	
	SO 1	SO 2	SO 3	SO 4	SO 5	SpO1	SpO2										
<b>OE Funded: 1/</b>																	
U.S. Direct Hire	2	2	2	1				7	2	2	1	1	1	1	8	15	
Other U.S. Citizens	0	0	0	0				0	0	1	0	0	0	0	1	1	
FSN/TCN Direct Hire	1	1	1	0				3	1	9	4	1	0	2	17	20	
Other FSN/TCN	5	0	2	2				9	1	14	27	8	0	5	55	64	
Subtotal	8	3	5	3	0	0	0	19	4	26	32	10	1	8	81	100	
<b>Program Funded 1/</b>																	
U.S. Citizens	1	2	0	1				4	0	0	0	0	0	0	0	4	
FSNs/TCNs	9	3	3	1				16	0	0	0	0	0	0	0	16	
Subtotal	10	5	3	2	0	0	0	20	0	0	0	0	0	0	0	20	
Total Direct Workforce	18	8	8	5	0	0	0	39	4	26	32	10	1	8	81	120	
TAACS								0							0	0	
Fellows								0							0	0	
IDIs								0							0	0	
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>TOTAL WORKFORCE</b>	18	8	8	5	0	0	0	39	4	26	32	10	1	8	81	120	

FY 2000 Request																	
OE Funded: 1/								Total	Org.	Fin.	Admin.	Con-	Legal	All	Total	Total	
	SO 1	SO 2	SO 3	SO 4	SO 5	SpO1	SpO2										SO/SpO
<b>OE Funded: 1/</b>																	
U.S. Direct Hire	2	2	2	1				7	2	2	1	1	1	1	8	15	
Other U.S. Citizens	0	0	0	0				0	0	1	0	0	0	0	1	1	
FSN/TCN Direct Hire	1	1	1	0				3	1	9	4	1	0	2	17	20	
Other FSN/TCN	5	0	2	2				9	1	14	27	8	0	5	55	64	
Subtotal	8	3	5	3	0	0	0	19	4	26	32	10	1	8	81	100	
<b>Program Funded 1/</b>																	
U.S. Citizens	1	2	0	1				4	0	0	0	0	0	0	0	4	
FSNs/TCNs	9	3	3	1				16	0	0	0	0	0	0	0	16	
Subtotal	11	5	3	2	0	0	0	20	0	0	0	0	0	0	0	20	
Total Direct Workforce	18	8	8	5	0	0	0	39	4	26	32	10	1	8	81	120	
TAACS								0							0	0	
Fellows								0							0	0	
IDIs								0							0	0	
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>TOTAL WORKFORCE</b>	18	8	8	5	0	0	0	39	4	26	32	10	1	8	81	120	

1/ Excludes TAACS, Fellows, and IDIs

USAID/EI Salvador End of Year On-Board  FY 2001 Target	Workforce Tables								Total SO/SpO	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
	SO 1	SO 2	SO 3	SO 4	SO 5	SpO1	SpO2										
<b>OE Funded: 1/</b>																	
U.S. Direct Hire	2	2	2	1				7	2	2	1	1	1	1	8	15	
Other U.S. Citizens	0	0	0	0				0	0	1	0	0	0	0	1	1	
FSN/TCN Direct Hire	1	1	1	0				3	1	9	4	1	0	2	17	20	
Other FSN/TCN	4	0	2	1				7	1	10	23	7	0	4	45	52	
Subtotal	7	3	5	2	0	0	0	17	4	22	28	9	1	7	71	88	
<b>Program Funded 1/</b>																	
U.S. Citizens	1	2	0	1				4	0	0	0	0	0	0	0	4	
FSNs/TCNs	9	3	3	1	0	0	0	16	0	0	0	0	0	0	0	16	
Subtotal	10	5	3	2	0	0	0	20	0	0	0	0	0	0	0	20	
Total Direct Workforce	17	8	8	4	0	0	0	37	4	22	28	9	1	7	71	108	
TAACS								0							0	0	
Fellows								0							0	0	
IDIs								0							0	0	
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>TOTAL WORKFORCE</b>	17	8	8	4	0	0	0	37	4	22	28	9	1	7	71	108	

<b>FY 2001 Request</b>																
<b>OE Funded: 1/</b>																
U.S. Direct Hire	2	2	2	1				7	2	2	1	1	1	1	8	15
Other U.S. Citizens	0	0	0	0				0	0	1	0	0	0	0	1	1
FSN/TCN Direct Hire	1	1	1	0				3	1	9	4	1	0	2	17	20
Other FSN/TCN	4	0	2	1				7	1	10	23	7	0	4	45	52
Subtotal	7	3	5	2	0	0	0	17	4	22	28	9	1	7	71	88
<b>Program Funded 1/</b>																
U.S. Citizens	1	2	0	1				4	0	0	0	0	0	0	0	4
FSNs/TCNs	9	3	3	1	0	0	0	16	0	0	0	0	0	0	0	16
Subtotal	10	5	3	2	0	0	0	20	0	0	0	0	0	0	0	20
Total Direct Workforce	17	8	8	4	0	0	0	37	4	22	28	9	1	7	71	108
TAACS								0							0	0
Fellows								0							0	0
IDIs								0							0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL WORKFORCE</b>	17	8	8	4	0	0	0	37	4	22	28	9	1	7	71	108

1/ Excludes TAACS, Fellows, and IDIs

Organization: USAID/EL SALVADOR

Foreign National Voluntary Separation Account									
Action	FY 1999			FY 2000			FY 2001		
	OE	Program	Total	OE	Program	Total	OE	Program	Total
Deposits	0.1	0.1	0.2	0.1	0.1	0.2	0.0	0.1	0.1
Withdrawals	0.0	0.0	0.0	0.0		0.0	0.0		0.0

Local Currency Trust Funds - Regular			
	FY 1999	FY 2000	FY 2001
Balance Start of Year	4,495.0	2,000.0	0.0
Obligations	3,348.0	2,000.0	0.0
Deposits	853.0	0.0	0.0
Balance End of Year	2,000.0	0.0	0.0

**Exchange Rate**                      8.77                      8.77                      8.77

Local Currency Trust Funds - Real Property			
	FY 1999	FY 2000	FY 2001
Balance Start of Year	345,000.0	345,000.0	345,000.0
Obligations			
Deposits			
Balance End of Year	345,000.0	345,000.0	345,000.0

**Exchange Rate**                      8.0                      8.0                      8.0

Operating Expenses

Org. Title: USAID/EL SALVADOR Org. No: 25519 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1	Personnel compensation, full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1	Base Pay & pymt. for annual leave balances - FNDH	1.1	776.5	777.6		701.9	701.9		701.9	701.9	703.9		703.9	703.9		703.9
	Subtotal OC 11.1	1.1	776.5	777.6	0	701.9	701.9	0	701.9	701.9	703.9	0	703.9	703.9	0	703.9
11.3	Personnel comp. - other than full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3	Base Pay & pymt. for annual leave balances - FNDH			0			0			0			0			0
	Subtotal OC 11.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11.5	Other personnel compensation	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5	USDH			0			0			0			0			0
11.5	FNDH		6.2	6.2		6.2	6.2		6.2	6.2	6.2		6.2	6.2	6.2	6.2
	Subtotal OC 11.5	0	6.2	6.2	0	6.2	6.2	0	6.2	6.2	6.2	0	6.2	6.2	0	6.2
11.8	Special personal services payments	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8	USPSC Salaries	124.8		124.8	108		108	108		108	113.3		113.3	113.3		113.3
11.8	FN PSC Salaries		1405.1	1405.1	1275.8		1275.8	1275.8		1275.8	1056.7		1056.7	1056.7		1056.7
11.8	IPA/Details-In/PASAs/RSSAs Salaries			0			0			0			0			0
	Subtotal OC 11.8	124.8	1405.1	1529.9	1383.8	0	1383.8	1383.8	0	1383.8	1170	0	1170	1170	0	1170
12.1	Personnel benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	USDH benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Educational Allowances	98.4	50.5	148.9	150.9		150.9	150.9		150.9	158.4		158.4	158.4		158.4
12.1	Cost of Living Allowances	6.8		6.8			0			0			0			0
12.1	Home Service Transfer Allowances			0			0			0			0			0
12.1	Quarters Allowances			0			0			0			0			0
12.1	Other Misc. USDH Benefits	2.5		2.5	2.1		2.1	2.1		2.1	3.2		3.2	3.2		3.2
12.1	FNDH Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	** Payments to FSN Voluntary Separation Fund - FNDH	6.3	6.3	12.6	5.6	5.6	11.2	5.6	5.6	11.2	11.2		11.2	11.2		11.2
12.1	Other FNDH Benefits		114.8	114.8		95.2	95.2		95.2	95.2	70.6		70.6	70.6		70.6
12.1	US PSC Benefits			0			0			0			0			0
12.1	FN PSC Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	** Payments to the FSN Voluntary Separation Fund - FN PS	21.6	21.6	43.2	18.4	18.4	36.8	18.4	18.4	36.8	30		30	30		30
12.1	Other FN PSC Benefits		190.4	190.4		158.4	158.4		158.4	158.4	116.8		116.8	116.8		116.8
12.1	IPA/Detail-In/PASA/RSSA Benefits			0			0			0			0			0
	Subtotal OC 12.1	135.6	383.6	519.2	177	277.6	454.6	177	277.6	454.6	390.2	0	390.2	390.2	0	390.2
13.0	Benefits for former personnel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	FNDH	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FNDH			0			0			0			0			0
13.0	Other Benefits for Former Personnel - FNDH			0			0			0			0			0
13.0	FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FN PSCs			0			0			0			0			0
13.0	Other Benefits for Former Personnel - FN PSCs			0			0			0			0			0
	Subtotal OC 13.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21.0	Travel and transportation of persons	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Training Travel	100		100	90		90	90		90	41		41	41		41
21.0	Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		

Operating Expenses

Org. Title: Org. No: OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
21.0	Post Assignment Travel - to field	11.4		11.4	8.4		8.4	8.4		8.4	13.8		13.8	13.8		13.8
21.0	Assignment to Washington Travel			0			0			0			0			0
21.0	Home Leave Travel	32.8		32.8	5.6		5.6	5.6		5.6	27.7		27.7	27.7		27.7
21.0	R & R Travel	12.3		12.3	16.5		16.5	16.5		16.5	4.7		4.7	4.7		4.7
21.0	Education Travel	5		5	1.7		1.7	1.7		1.7	1.7		1.7	1.7		1.7
21.0	Evacuation Travel			0			0			0			0			0
21.0	Retirement Travel			0			0			0			0			0
21.0	Pre-Employment Invitational Travel			0			0			0			0			0
21.0	Other Mandatory/Statutory Travel	5.8		5.8	5		5	5		5	5		5	5		5
21.0	Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Site Visits - Headquarters Personnel	8		8	8		8	8		8	5		5	5		5
21.0	Site Visits - Mission Personnel	13.6	12.2	25.8	6	12.8	18.8	6	12.8	18.8	19		19	19		19
21.0	Conferences/Seminars/Meetings/Retreats	36.8		36.8	27.9		27.9	27.9		27.9	20		20	20		20
21.0	Assessment Travel			0			0			0			0			0
21.0	Impact Evaluation Travel			0			0			0			0			0
21.0	Disaster Travel (to respond to specific disasters)			0			0			0			0			0
21.0	Recruitment Travel			0			0			0			0			0
21.0	Other Operational Travel	6.4		6.4	5		5	5		5	2.5		2.5	2.5		2.5
	Subtotal OC 21.0	232.1	12.2	244.3	174.1	12.8	186.9	174.1	12.8	186.9	140.4	0	140.4	140.4	0	140.4
22.0	Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22.0	Post assignment freight	66		66	49.5		49.5	49.5		49.5	82.5		82.5	82.5		82.5
22.0	Home Leave Freight	23.8		23.8	1.9		1.9	1.9		1.9	20.8		20.8	20.8		20.8
22.0	Retirement Freight			0			0			0			0			0
22.0	Transportation/Freight for Office Furniture/Equip.	1	0.5	1.5	0.9		0.9	0.9		0.9			0			0
22.0	Transportation/Freight for Res. Furniture/Equip.	4		4	4		4	4		4	4		4	4		4
	Subtotal OC 22.0	94.8	0.5	95.3	56.3	0	56.3	56.3	0	56.3	107.3	0	107.3	107.3	0	107.3
23.2	Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2	Rental Payments to Others - Office Space			0			0			0			0			0
23.2	Rental Payments to Others - Warehouse Space	74.4		74.4		63	63		63	63		0				0
23.2	Rental Payments to Others - Residences	373.2		373.2		329	329		329	329	334.1		334.1	334.1		334.1
	Subtotal OC 23.2	447.6	0	447.6	0	392	392	0	392	392	334.1	0	334.1	334.1	0	334.1
23.3	Communications, utilities, and miscellaneous charges	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3	Office Utilities		5.7	5.7			0			0			0			0
23.3	Residential Utilities	3.5	54	57.5	3.3	56.7	60	3.3	56.7	60	63		63	63		63
23.3	Telephone Costs	58.9	38.6	97.5	52.6	30	82.6	52.6	30	82.6	86.1		86.1	86.1		86.1
23.3	ADP Software Leases			0			0			0			0			0
23.3	ADP Hardware Lease			0			0			0			0			0
23.3	Commercial Time Sharing			0			0			0			0			0
23.3	Postal Fees (Other than APO Mail)			0			0			0			0			0
23.3	Other Mail Service Costs			0			0			0			0			0
23.3	Courier Services	6		6	6.3		6.3	6.3		6.3	6.6		6.6	6.6		6.6
	Subtotal OC 23.3	68.4	98.3	166.7	62.2	86.7	148.9	62.2	86.7	148.9	155.7	0	155.7	155.7	0	155.7
24.0	Printing and Reproduction	2.1		2.1	2		2	2		2			0			0
	Subtotal OC 24.0	2.1	0	2.1	2	0	2	2	0	2	0	0	0	0	0	0

Operating Expenses

Org. Title: USAID/EL SALVADOR Org. No: 25519 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total												
25.1	Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1	Studies, Analyses, & Evaluations			0		0			0			0			0	
25.1	Management & Professional Support Services	5.3		5.3		0		0			0		0		0	
25.1	Engineering & Technical Services			0		0			0			0			0	
	Subtotal OC 25.1	5.3	0	5.3	0	0	0	0	0	0	0	0	0	0	0	
25.2	Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2	Office Security Guards			0		0			0			0			0	
25.2	Residential Security Guard Services	42	111	153	167.1	167.1	167.1	167.1	175.4	175.4	175.4	175.4	175.4	175.4	175.4	
25.2	Official Residential Expenses	3.5		3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	
25.2	Representation Allowances	1.1		1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	
25.2	Non-Federal Audits			0		0			0			0			0	
25.2	Grievances/Investigations			0		0			0			0			0	
25.2	Insurance and Vehicle Registration Fees		6.8	6.8		7.2	7.2	7.2	7.5	7.5	7.5	7.5	7.5	7.5	7.5	
25.2	Vehicle Rental			0		0			0			0			0	
25.2	Manpower Contracts		218.6	218.6		235.2	235.2	235.2	258	258	258	258	258	258	258	
25.2	Records Declassification & Other Records Services			0		0			0			0			0	
25.2	Recruiting activities			0		0			0			0			0	
25.2	Penalty Interest Payments			0		0			0			0			0	
25.2	Other Miscellaneous Services		90.8	90.8	23.3	46.5	69.8	69.8	72.2	72.2	72.2	72.2	72.2	72.2	72.2	
25.2	Staff training contracts	1.5		1.5		0		0				0			0	
25.2	ADP related contracts			0		0			0			0			0	
	Subtotal OC 25.2	48.1	427.2	475.3	195	288.9	483.9	483.9	517.7	0	517.7	517.7	0	517.7		
25.3	Purchase of goods and services from Government accounts	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3	ICASS	872.5		872.5	916.1	916.1	916.1	916.1	921.9	921.9	921.9	921.9	921.9	921.9	921.9	
25.3	All Other Services from Other Gov't. accounts			0		0			0			0			0	
	Subtotal OC 25.3	872.5	0	872.5	916.1	0	916.1	916.1	921.9	0	921.9	921.9	0	921.9		
25.4	Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4	Office building Maintenance		3	3		2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	
25.4	Residential Building Maintenance		32.8	32.8		34.4	34.4	34.4	36.2	36.2	36.2	36.2	36.2	36.2	36.2	
	Subtotal OC 25.4	0	35.8	35.8	0	36.9	36.9	36.9	38.7	0	38.7	38.7	0	38.7		
25.7	Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7	ADP and telephone operation and maintenance costs			0		0			0			0			0	
25.7	Storage Services			0		0			0			0			0	
25.7	Office Furniture/Equip. Repair and Maintenance		33	33		27.1	27.1	27.1	22.2	22.2	22.2	22.2	22.2	22.2	22.2	
25.7	Vehicle Repair and Maintenance		6.3	6.3		35	35	35	35	35	35	35	35	35	35	
25.7	Residential Furniture/Equip. Repair and Maintenance		33.3	33.3		34.9	34.9	34.9	36.7	36.7	36.7	36.7	36.7	36.7	36.7	
	Subtotal OC 25.7	0	72.6	72.6	0	97	97	97	93.9	0	93.9	93.9	0	93.9		
25.8	Subsistence & spt. of persons (by contract or Gov't.)			0		0			0			0			0	
	Subtotal OC 25.8	0	0	0	0	0	0	0	0	0	0	0	0	0		
26.0	Supplies and materials	34.6	100	134.6		100	100	100	50	50	50	50	50	50	50	

Operating Expenses

Org. Title: USAID/EL SALVADOR Org. No: 25519 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
Subtotal OC 26.0		34.6	100	134.6	0	100	100	0	100	100	50	0	50	50	0	50
31.0	Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31.0	Purchase of Residential Furniture/Equip.	40		40	40		40	40		40			0			0
31.0	Purchase of Office Furniture/Equip.	10		10	8.5		8.5	8.5		8.5			0			0
31.0	Purchase of Vehicles	35		35			0			0			0			0
31.0	Purchase of Printing/Graphics Equipment	10		10	15		15	15		15	10		10	10		10
31.0	ADP Hardware purchases	45	20	65	42.5		42.5	42.5		42.5	37.5		37.5	37.5		37.5
31.0	ADP Software purchases	30	10	40	12.5		12.5	12.5		12.5	12.5		12.5	12.5		12.5
Subtotal OC 31.0		170	30	200	118.5	0	118.5	118.5	0	118.5	60	0	60	60	0	60
32.0	Lands and structures	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
32.0	Purchase of Land & Buildings (& bldg. construction)			0			0			0			0			0
32.0	Purchase of fixed equipment for buildings			0			0			0			0			0
32.0	Building Renovations/Alterations - Office			0			0			0			0			0
32.0	Building Renovations/Alterations - Residential			0			0			0			0			0
Subtotal OC 32.0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42.0	Claims and indemnities			0			0			0			0			0
Subtotal OC 42.0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL BUDGET</b>		<b>2237</b>	<b>3348</b>	<b>5585</b>	<b>3085</b>	<b>2000</b>	<b>5085</b>	<b>3085</b>	<b>2000</b>	<b>5085</b>	<b>4690</b>	<b>0</b>	<b>4690</b>	<b>4690</b>	<b>0</b>	<b>4690</b>
<b>25.6</b>	<b>MEDICAL CARE</b>	<b>15.0</b>			15.0			15.0			10.0			10.0		
<b>Additional Mandatory Information</b>																
	Dollars Used for Local Currency Purchases	<u>71.1</u>			<u>1311.2</u>			<u>      </u>			<u>2652.5</u>			<u>      </u>		
	Exchange Rate Used in Computations	<u>8.77</u>	<u>8.77</u>		<u>8.77</u>	<u>8.77</u>		<u>      </u>	<u>      </u>		<u>8.77</u>	<u>8.77</u>		<u>      </u>	<u>      </u>	

\*\* If data is shown on either of these lines, you MUST submit the form showing deposits to and withdrawals from the FSN Voluntary Separation Fund.  
On that form, OE funded deposits must equal: 55.8 48 48 41.2 41.2

Controller Operations

Org. Title: USAID/EL SALVADOR Org. No: 25519 OC		Overseas Mission Budgets																
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request				
		Dollars	TF	Total	Dollars	TF	Total											
11.1	Personnel compensation, full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
11.1	Base Pay & pymt. for annual leave balances - FNDH		305.9	305.9		306.4	306.4		306.4	306.4		315.7		315.7		315.7		315.7
	Subtotal OC 11.1	0	305.9	305.9	0	306.4	306.4	0	306.4	306.4	315.7	0	315.7	315.7	0	315.7		
11.3	Personnel comp. - other than full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
11.3	Base Pay & pymt. for annual leave balances - FNDH			0			0			0				0		0		
	Subtotal OC 11.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
11.5	Other personnel compensation	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
11.5	USDH			0			0			0				0		0		
11.5	FNDH		0.5	0.5		0.5	0.5		0.5	0.5		0.5		0.5		0.5		
	Subtotal OC 11.5	0	0.5	0.5	0	0.5	0.5	0	0.5	0.5	0.5	0	0.5	0.5	0	0.5		
11.8	Special personal services payments	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
11.8	USPSC Salaries	83		83	88		88	88		88	93.3		93.3	93.3		93.3		
11.8	FN PSC Salaries		349.6	349.6	305.2		305.2	305.2		305.2	229.8		229.8	229.8		229.8		
11.8	IPA/Details-In/PASAs/RSSAs Salaries			0			0			0			0		0			
	Subtotal OC 11.8	83	349.6	432.6	393.2	0	393.2	393.2	0	393.2	323.1	0	323.1	323.1	0	323.1		
12.1	Personnel benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
12.1	USDH benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
12.1	Educational Allowances	10.9		10.9	10.9		10.9	10.9		10.9	10.9		10.9	10.9		10.9		
12.1	Cost of Living Allowances			0			0			0			0		0			
12.1	Home Service Transfer Allowances			0			0			0			0		0			
12.1	Quarters Allowances			0			0			0			0		0			
12.1	Other Misc. USDH Benefits			0			0			0	0.7		0.7	0.7		0.7		
12.1	FNDH Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
12.1	** Payments to FSN Voluntary Separation Fund - FNDH	2.3	2.3	4.6	2.5	2.5	5	2.5	2.5	5	10		10	10		10		
12.1	Other FNDH Benefits		43.1	43.1		44.4	44.4		44.4	44.4	46.4		46.4	46.4		46.4		
12.1	US PSC Benefits			0			0			0			0		0			
12.1	FN PSC Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
12.1	** Payments to the FSN Voluntary Separation Fund - FN PS	5.4	5.4	10.8	4.1	4.1	8.2	4.1	4.1	8.2	11.4		11.4	11.4		11.4		
12.1	Other FN PSC Benefits		32.6	32.6		38.1	38.1		38.1	38.1	28.6		28.6	28.6		28.6		
12.1	IPA/Detail-In/PASA/RSSA Benefits			0			0			0			0		0			
	Subtotal OC 12.1	18.6	83.4	102	17.5	89.1	106.6	17.5	89.1	106.6	108	0	108	108	0	108		
13.0	Benefits for former personnel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
13.0	FNDH	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
13.0	Severance Payments for FNDH			0			0			0			0		0			
13.0	Other Benefits for Former Personnel - FNDH			0			0			0			0		0			
13.0	FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
13.0	Severance Payments for FN PSCs			0			0			0			0		0			
13.0	Other Benefits for Former Personnel - FN PSCs			0			0			0			0		0			
	Subtotal OC 13.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
21.0	Travel and transportation of persons	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
21.0	Training Travel	23		23	19.8		19.8	19.8		19.8	8.2		8.2	8.2		8.2		
21.0	Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				



Controller Operations

Org. Title: USAID/EL SALVADOR Org. No: 25519 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
25.1	Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1	Studies, Analyses, & Evaluations			0		0			0			0			0	
25.1	Management & Professional Support Services	1.2		1.2		0		0			0		0		0	
25.1	Engineering & Technical Services			0		0			0			0			0	
	Subtotal OC 25.1	1.2	0	1.2	0	0	0	0	0	0	0	0	0	0	0	
25.2	Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2	Office Security Guards			0		0			0			0			0	
25.2	Residential Security Guard Services	5.5	14.4	19.9	21.7	21.7	21.7	21.7	35	35	35	35	35	35	35	
25.2	Official Residential Expenses	0.8		0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	
25.2	Representation Allowances	0.3		0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	
25.2	Non-Federal Audits			0		0			0			0			0	
25.2	Grievances/Investigations			0		0			0			0			0	
25.2	Insurance and Vehicle Registration Fees		1.6	1.6		1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	
25.2	Vehicle Rental			0		0			0			0			0	
25.2	Manpower Contracts		50.3	50.3		51.7	51.7	51.7	51.6	51.6	51.6	51.6	51.6	51.6	51.6	
25.2	Records Declassification & Other Records Services			0		0			0			0			0	
25.2	Recruiting activities			0		0			0			0			0	
25.2	Penalty Interest Payments			0		0			0			0			0	
25.2	Other Miscellaneous Services		20.9	20.9	5.1	10.2	15.3	15.3	14.4	14.4	14.4	14.4	14.4	14.4	14.4	
25.2	Staff training contracts			0		0			0			0			0	
25.2	ADP related contracts			0		0			0			0			0	
	Subtotal OC 25.2	6.6	87.2	93.8	27.7	63.4	91.1	91.1	103.4	0	103.4	103.4	0	103.4		
25.3	Purchase of goods and services from Government accounts	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3	ICASS			0		0			0			0			0	
25.3	All Other Services from Other Gov't. accounts			0		0			0			0			0	
	Subtotal OC 25.3	0	0	0	0	0	0	0	0	0	0	0	0	0		
25.4	Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4	Office building Maintenance		0.7	0.7		0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	
25.4	Residential Building Maintenance		4.3	4.3		4.5	4.5	4.5	4.7	4.7	4.7	4.7	4.7	4.7	4.7	
	Subtotal OC 25.4	0	5	5	0	5	5	5	5.2	0	5.2	5.2	0	5.2		
25.7	Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7	ADP and telephone operation and maintenance costs			0		0			0			0			0	
25.7	Storage Services			0		0			0			0			0	
25.7	Office Furniture/Equip. Repair and Maintenance		7.6	7.6		5.9	5.9	5.9	4.4	4.4	4.4	4.4	4.4	4.4	4.4	
25.7	Vehicle Repair and Maintenance		1.5	1.5		7.7	7.7	7.7	7	7	7	7	7	7	7	
25.7	Residential Furniture/Equip. Repair and Maintenance		4.3	4.3		4.5	4.5	4.5	7.3	7.3	7.3	7.3	7.3	7.3	7.3	
	Subtotal OC 25.7	0	13.4	13.4	0	18.1	18.1	18.1	18.7	0	18.7	18.7	0	18.7		
25.8	Subsistence & spt. of persons (by contract or Gov't.)			0		0			0			0			0	
	Subtotal OC 25.8	0	0	0	0	0	0	0	0	0	0	0	0	0		
26.0	Supplies and materials	7.9	23	30.9		22	22	22	10		10	10		10		

Controller Operations

Org. Title: Org. No: OC	Overseas Mission Budgets														
	FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
Subtotal OC 26.0	7.9	23	30.9	0	22	22	0	22	22	10	0	10	10	0	10
31.0 Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31.0 Purchase of Residential Furniture/Equip.	9.2		9.2	8.8		8.8	8.8		8.8			0			0
31.0 Purchase of Office Furniture/Equip.	2.3		2.3	1.9		1.9	1.9		1.9			0			0
31.0 Purchase of Vehicles	8		8			0			0			0			0
31.0 Purchase of Printing/Graphics Equipment	2.3		2.3	3.3		3.3	3.3		3.3	2		2	2		2
31.0 ADP Hardware purchases	10.3	4.6	14.9	9.4		9.4	9.4		9.4	7.5		7.5	7.5		7.5
31.0 ADP Software purchases	6.9	2.3	9.2	2.8		2.8	2.8		2.8	2.5		2.5	2.5		2.5
Subtotal OC 31.0	39	6.9	45.9	26.2	0	26.2	26.2	0	26.2	12	0	12	12	0	12
32.0 Lands and structures	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
32.0 Purchase of Land & Buildings (& bldg. construction)			0			0			0			0			0
32.0 Purchase of fixed equipment for buildings			0			0			0			0			0
32.0 Building Renovations/Alterations - Office			0			0			0			0			0
32.0 Building Renovations/Alterations - Residential			0			0			0			0			0
Subtotal OC 32.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42.0 Claims and indemnities			0			0			0			0			0
Subtotal OC 42.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL BUDGET</b>	<b>281.7</b>	<b>892.1</b>	<b>1173.8</b>	<b>509.7</b>	<b>582.4</b>	<b>1092.1</b>	<b>509.7</b>	<b>582.3</b>	<b>1092</b>	<b>997.1</b>	<b>0</b>	<b>997.1</b>	<b>997.1</b>	<b>0</b>	<b>997.1</b>

**Additional Mandatory Information**

<b>Dollars Used for Local Currency Purchases</b>	<u>0</u>		<u>308.4</u>		<u>308.4</u>		<u>734.9</u>		<u>734.9</u>
<b>Exchange Rate Used in Computations</b>	<u>8.77</u>	<u>8.77</u>	<u>8.77</u>	<u>8.77</u>	<u>8.77</u>	<u>8.77</u>	<u>8.77</u>	<u>8.77</u>	<u>8.77</u>

\*\* If data is shown on either of these lines, you MUST submit the form showing deposits to and withdrawals from the FSN Voluntary Separation Fund.  
 On that form, OE funded deposits must equal: 15.4 13.2 13.2 21.4 21.4

# **V: SUPPLEMENTAL INFORMATION ANNEXES**

**USAID/El Salvador FY 2001 R4**

## **Annex A**

### **Results Framework**

#### **SO1: Expanded Access and Economic Opportunity for Rural Families in Poverty**

##### **SO-Level Indicators**

1. Rural Households With Electricity
2. Rural Children Aged 7-10 Attending School
3. Rural Active Borrowers

##### **Intermediate Results & Indicators**

1. Better Educated/Trained Rural Residents
  - a. Annual achievement test scores in third-grade language
  - b. Annual achievement test scores in third-grade mathematics
2. Improved Use of Land
  - a. Land Parcelization activity clients with land in production
  - b. Clients of land parcelization receiving individual and/or mixed parcels
3. Expanded Equitable Access to Financial Technological and Marketing Services by the Rural Poor
  - a. Depositors
  - b. Number of loans of \$300.00 or less
  - c. Number of male and female customers receiving services (i.e., management, agricultural technical assistance, bulk input supply, processing, or produce marketing) from secondary-level organizations
4. Better Rural Productive Infrastructure
5. Economic Policy Environment Supporting Greater Equity
  - a. GOES Investment Budget Allocated for Poorest Departments: Morazán, Cabañas, La Unión, and Chalatenango (to be re-formulated)

#### **SO2: More Inclusive and Effective Democratic Processes in El Salvador**

##### **SO-Level Indicators**

1. Cases Adjudicated in Family, Juvenile and Criminal Courts in Targeted Geographic Areas
2. *Habeas Corpus* Cases Adjudicated by Supreme Court
3. People Who Believe the Justice System Treated Them Fairly, Nationwide and in Targeted Geographic Areas

4. Cases of Government Corruption Adjudicated
5. Households in Target Municipalities Receiving Selected Municipal Services

### **Intermediate Results & Indicators**

1. More Politically Active Advocacy Organizations
  - a. Significant submissions by civil society organizations or coalitions to legislature and other GOES authorities
  
2. More Effective Electoral Administration
  - a. Voter registration, female/male
  - b. Promptness of election results reporting
  - c. Election timetables met
  
3. Strengthened Local Government
  - a. Local generated funds/revenue in targeted municipalities
  - b. Delinquency rates for taxes and fees in targeted municipalities
  - c. Municipal salaries as percent of total expenditures in target municipalities
  - d. Funds allocated by target municipalities for investment in services and infrastructure
  - e. Funds allocated specifically for projects identified in community development plans in target municipalities
  
4. Increased Use of the Justice System
  - a. Cases filed in family, juvenile and criminal courts in targeted geographic areas
  - b. *Habeas corpus* cases filed with Supreme Court
  
5. Improved Court Case Preparation and Management
  - a. Percent cases in targeted geographic areas in which forensic evidence is used
  - b. Percent cases adjudicated in targeted geographic areas within six months of first court hearing
  - c. Percent court hearings in targeted geographic areas suspended (*audiencias frustradas*)
  - d. Percent of accused persons freed on bail or other pre-trial release
  - e. Percent/number prison population in pre-trial detention
  - f. Average duration (jail time) of pre-trial detention
  - g. Percent robbery cases settled in targeted geographic areas through conciliation
  - h. Percent criminal cases adjudicated through abbreviated trial court procedures

- i. Percent cases heard by jury/judge panels in targeted geographic areas ending with guilty verdicts (conviction rates)
- j. Government corruption cases filed with courts

### **SO 3: Sustainable Improvements In Health Of Women And Children Achieved**

#### **SO-Level Indicators**

- 1. Maternal Mortality Ratio and Percent of Deliveries Attended by MOH-Trained Personnel
- 2. Total Fertility Rate
- 3. Infant Mortality Rate
- 4. a) Child Mortality Rate; b) Percent of Municipalities Reporting Over 90% Coverage with DPT

#### **Intermediate Results & Indicators**

- 1. Increased Use of Appropriate Child Survival Practices and Services
  - a. Percent reduction in prevalence of diarrhea in new water and sanitation project areas
  - b. Number of Ministry of Health units implementing Integrated Management of Childhood Illnesses protocol
- 2. Increased Use of Appropriate Reproductive Health Practices and Services
  - a. Percent of pregnant women receiving prenatal services
  - b. Contraceptive prevalence rate and number of couple-years-of-protection
- 3. Enhanced Policy Environment to Support Sustainability of Child Survival and Reproductive Health Programs
  - a. Percent of townships served by MOH-supported health promoters
  - b. Percent of MOH expenditures allocated to primary care

### **SO 4: Increased Access By Rural Households To Clean Water**

#### **SO-Level Indicators**

- 1. Rural Households in Target Areas with Water that Meets Quality and Time Standards
- 2. Rural Households Nationally with Water that Meets Quality and Time Standards

### **Intermediate Results & Indicators**

1. Improved Quality of Water Sources
  - a. Quantity of primary pollutants diverted from contaminating water
  - b. Area covered by improved practices
2. Improved Performance of Water Delivery Systems
  - a. Water delivery systems that meet flow standards
3. More Effective Citizen Actions Address Water Issues
  - a. Water-related changes resulting from citizen-group actions
4. Greater Municipal Participation in Water Resources Management
  - a. Water-related ordinances passed
  - b. Resources invested in water-related projects

## **Annex B**

### **Measuring Rural Poverty in El Salvador: USAID and Other Contributions**

#### **I. Introduction**

A major issue regarding Latin American countries' recovery from the debt crisis of the 1980s has been the disappointing medium-term impact of economic-policy reforms on both economic growth and poverty reduction in many countries of the region. A complicating factor in analyzing these trends has been, in nearly all countries, the lack of timely and high-quality data on the incidence and composition of poverty. In El Salvador, data limitations present serious problems to analysts of poverty trends and to other users of poverty statistics; but the problems are not so great as to preclude any use at all of these data.

#### **II. Data Sources In El Salvador**

##### **A. Multipurpose Household Surveys (1988-98)**

A major step toward improving poverty statistics in El Salvador was taken in 1988 with the initiation of annual (more or less) multipurpose household surveys, at first in urban areas only, but since 1991-92 in rural areas as well. These surveys have collected data on income from a relatively large sample of the population. In 1997, for example, the stratified nationwide survey covered 10,064 households. USAID has actively supported this effort.

Survey-based calculations of the incidence of poverty between 1988 and 1998 are shown in Panel A of Table 1, and reflect the latest revisions made by the *Dirección General de Estadística y Censos (DIGESTYC)*. The poverty figures from the 1998 EHPM are preliminary results.

The quality of El Salvador's household-survey instrument has improved since its inception, but significant additional improvements are desirable. Among the shortcomings of the data are the following:

- Methodological changes have made the data not entirely comparable over the years. These changes, which have included better reporting of income other than wages and salaries, tend to overstate the overall reduction in poverty since the late 1980s.
- Especially in the early years, the surveys were not always conducted in the same months of the year. Difficulties thus arise because employment, income, consumption, and other variables can have significant seasonal variations, especially in rural areas.

- Income still seems to be underestimated, as survey figures for remittances from abroad remain well below the level of inflows reported by *the Banco Central de Reserva*.<sup>1</sup> Also, imputed income, e.g. for own-consumption of agricultural production, is not adequately taken into account.
- The quality of survey implementation by the Ministry of Economy (and previously by the now-abolished Ministry of Planning) has been uneven. Accordingly, the reliability of the data varies from year to year.
- The establishment of the poverty line each year is sensitive to the prices of basic grains, which carry a heavy weight in the basic food basket for rural areas. If these prices fall significantly, the tendency, other things equal, is for the incidence of poverty to fall among rural and urban consumers and to rise for rural producers marketing a sizable share of their crops. Significant price increases have the opposite effects. Annual changes in the incidence of poverty thus may give misleading impressions of longer-term trends.

These shortcomings do not negate the utility for USAID management purposes of the poverty data derived from the household surveys; but they do require USAID managers to interpret the figures cautiously and to supplement them with other types of poverty indicators. The major advantage of this indicator over alternative indicators of poverty is that it is available on an annual basis.

Bearing in mind the limitations of the data, trends in the incidence of poverty, as shown in Panel A of Table 1, may now be examined. At the national level, the reported reduction in the incidence of poverty is impressive, from 59.7% in the first national survey in 1991-92 to 44.8% in 1998. Although the extent of the reduction may have been somewhat less than reported here, for reasons indicated above, there is little doubt that a significant reduction in the incidence of poverty occurred in the 1990s, mainly because the gross domestic product (GDP) grew at an average annual rate of 5.2% for the eight years 1990-97 (inclusive); per capita GDP grew by 3.6% a year over this period.

Urban poverty in El Salvador has declined more rapidly during the 1990s than rural poverty. The incidence of urban poverty was as high as 60.9% in 1988, but it was down to 53.7% at the time of the first national survey in 1991-92. By 1998 the urban poverty rate had fallen to 37.8%. The decline in absolute (extreme) urban poverty was even greater in percentage terms, from 29.2% in 1988 to 13.7% in 1998.

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<sup>1</sup> The 1997 EHPM, for example, reports total household remittance income of \$274 million, while the balance-of-payments data for that year show remittance inflows of \$1.2 billion.

The incidence of rural poverty was 66.1% in 1991-92, and by 1994 it had declined only to 64.6%. In 1995, however, the rural poverty rate dropped to 58.2%, only to rise again to 64.8% in 1996. In 1997 it fell to 61.6%, and in 1998 to 56.2%. Most of the decline in rural poverty between 1991-92 and 1998 occurred in absolute poverty, the incidence of which fell from 33.6% to 27.2%.

The relatively modest reduction in rural poverty during the 1990s is attributable in large part to the relatively weak performance of the agricultural sector, whose average growth for the years 1990-97 was only 2.2%, although with significant annual variations. This poor performance can be attributed to a number of factors, including an appreciating real exchange rate, relatively low prices for some agricultural exports, uncertainties regarding land tenure and agrarian reform issues, and limited public-sector investment in rural infrastructure.

Year-to-year changes in rural poverty do not always closely follow changes in the overall performance of the economy or even of the agricultural sector. For example, in 1992 real GDP grew by 7.5% and real agricultural production by 8.0%, yet the EHPM shows a reduction in rural poverty only from 66.1% to 65.0% between the 1991-92 and 1992 surveys. In 1995, by contrast, the incidence of rural poverty fell to 58.2%, from its 1994 level of 64.6%, as GDP grew by 6.0% and the agricultural sector by 4.5%. In 1997 the incidence of rural poverty fell by 3.2 percentage points despite very little growth in real agricultural output (0.4%) and only moderate growth (4.0%) in overall GDP.

Several factors help explain this lack of a close relationship between economic performance and rural poverty. First, as indicated above, the quality of the poverty data from the EHPM is not as high as desirable. Second, within the agricultural sector, trends in output and/or prices of specific products can affect poverty in different ways, depending on the labor intensity of production, the importance of small farmers as producers and/or consumers, the extent of backward and forward linkages, and other factors. In 1995 the significant reported reduction in the incidence of rural poverty may be related to relatively low grain prices, with the favorable effects for rural consumers outweighing the negative effects for producers.<sup>2</sup>

Finally, it is important to remember that annual changes in agricultural output are highly sensitive to weather conditions. In any given year, the negative effects of unfavorable weather can easily swamp the positive effects of policy reforms and rural-development activities. Thus, year-to-year changes in income-based

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<sup>2</sup> In 1995 the rural poverty line in *colonos* was only 72.8% of the urban poverty line, compared with 77.0% in 1996. (See the respective annual EHPM publications, p. 31 in both cases.)

measures of rural poverty are not very meaningful. What really counts is the trend in the incidence of poverty over the long run.

Panel B of Table 1 presents data on the incidence of rural poverty in each of El Salvador's 14 departments in 1996. These data, available at the municipal as well as departmental level, were obtained from a report prepared for USAID/El Salvador under the CRECER Project.<sup>3</sup> They differ somewhat from those in the published EHPM results for that year, perhaps because they may be preliminary data. Although the source document did not provide a breakdown between poverty in urban and rural areas, the author did this subsequently by classifying each municipality as urban or rural in accordance with the definition provided in Note b/ of Table 1. The resulting figures for rural poverty at the national level are very close to the EHPM figures for 1996 in Panel A. At the departmental level, rural poverty exceeded 50% in all cases. The departments are clustered into two distinct groups of seven, one with rural poverty rates ranging from 53.6% to 61.1%, and the other with rates between 68.5% and 80.5%.

B. FUSADES's Surveys of Rural Poverty (1996 and 1998; data for 1995 and 1997)

The *Fundación Salvadoreña para el Desarrollo Económico y Social* (FUSADES) conducted a rural-poverty survey in 1996, collecting income data for 1995 from 628 rural households.<sup>4</sup> A follow-up (panel) survey was conducted in 1998, using the same methodology and seeking to interview the same households to the extent possible. Family (household) income was defined to include income derived from family land and household production (net of variable costs); off-farm employment (agricultural and non-agricultural); remittances; and other sources such as rental income, pensions, and interest. The sample was designed to duplicate the 1992 Census distribution of the rural labor force among farmers (32%), landless agricultural workers (43%), and non-agricultural workers (25%). Thus it was not truly a random sample of actual households in 1996, although sampling techniques were used to determine the geographic distribution of the interviews.

The 1996 survey initially targeted 600 rural households in order to achieve a 10% significance level in the findings. The FUSADES team eventually decided to reclassify some households because their income patterns differed from what was

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<sup>3</sup> The citation for this study is provided in Table 1. Although this document has much data that seem highly useful for economic analysis, it has almost no text (explanatory or analytical), no table of contents, a bizarre page-numbering system, and no table numbers. User-friendly it ain't!

<sup>4</sup> An additional 110 farming households (see Notes to Table 2) were interviewed in 1996 so that a large enough sample could be obtained to analyze specific aspects of agricultural production at the 10% level of significance desired for the study. No income data were collected for these families.

expected, and to create a fourth employment category for workers with significant income from more than one source. The final distribution of the 628 households interviewed was: farmers (31%), agricultural workers (26%), non-agricultural workers (34%), and mixed-income workers (9%). These categories are defined in the notes to Table 2.

The overall incidence of poverty in 1995, as shown in Table 2.1, was found to be 63%, of which 31% represented absolute or extreme poverty. Panel B shows that the incidence of poverty and extreme poverty was most acute among agricultural workers (84% and 49%, respectively). Poverty was also very prevalent among mixed-income workers (78%), although the incidence of absolute poverty for the group was below average at 25%. Non-agricultural workers fared best, with total and absolute poverty rates of 44% and 14%, respectively. The incidence of total and absolute poverty among farmers resident on at least a half *manzana* of land was, respectively, 63% and 38%.

In Panel C of Table 2.1, we find that income distribution for farmers was considerably more unequal than for other rural residents. Panel D shows that, except for mixed-income workers, the composition of income sources within a particular category did not vary much according to degree of poverty. When all categories of households are combined, however, it becomes evident that non-poor families in 1995 were much less dependent on agricultural income than poor families.

Going back to Panel A, we find that rural poverty rates in El Salvador in 1995 ranged among the country's 14 departments from 48% in San Salvador to 89% in Cabañas. If we eliminate the two extreme observations at each end, the range narrows to 55%-80%. The incidence of absolute poverty ranges from 16% to 54%, or from 24% to 42% when the two extreme observations are dropped from each end. The bottom line is that these data, like those in Table 1, show that the incidence of rural poverty is high throughout the country. Nevertheless, the department-level figures in Table 2.1 (and Table 2.2) are not likely to have a high degree of reliability, given the overall sample size and the particularly small size for some departments. Moreover, as we shall see below, the rank order of departments sometimes changes significantly when poverty is measured by indices based predominantly or exclusively on non-income indicators.

Table 2.2 presents results from the 1998 survey and provides poverty data for 1997 in the same format as Table 2.1. The survey interviewers located more than 79% of the households interviewed in 1996 and re-interviewed them in 1998; the remaining households are new. The total number interviewed (623) approximates that in the earlier survey (628), as does the distribution of rural families by principal employment.

Panel A of Table 2.2 shows that 68% of rural households were poor in 1997, up from 63% in 1995. This increase is similar to that shown in the EHPMs between these years (from 58.2% to 61.6%). Panel B shows that, as in 1995, the highest rates of poverty were registered by agricultural workers (81%) and mixed-income workers (80%), with the rate for the former actually declining slightly from its 1995 level of 84%. The most significant change was the increase in the poverty rate for non-agricultural workers, from 44% in 1995 to 57% in 1997. The absolute poverty rate rose slightly for farmers and agricultural workers, but increased significantly for non-agricultural workers (from 14% to 24%) and mixed-income workers (from 25% to 39%). These data suggest that non-farm economic activity in rural areas may well have declined between 1995 and 1997, for reasons that go beyond the performance of the agricultural sector.

Income inequality in 1997 was again much higher among farmers than among rural residents in other categories, with the income ratio between the highest and lowest quintiles reaching 31:1, up from 29:1 in 1995 (Panel C). The gap between the highest and lowest quintiles also rose for all other employment categories, especially for agricultural workers (from 6:1 to 16:1). For the lowest quintile in this category, per capita income fell by 27.2% in nominal terms, or by 36.5% in real terms, given a cumulative increase in consumer prices of 14.7% between 1995 and 1997. Nominal per capita income for all rural households rose by just 9.4%, which in real terms meant a decline of 4.6%.

Panel D reveals that the composition of income sources within a particular employment category showed more variation by level of poverty in 1997 than in 1995. Also notable was the greater diversification of income sources for agricultural workers, which may help explain the slight decline in their overall poverty rate between 1995 and 1997.

We may return now to Panel A to examine departmental variations in poverty rates between 1995 and 1997. The range in 1997 is similar to that of 1995, from 48% in San Salvador to 90% in Morazán. San Salvador is still an extreme observation at the low end of the range, but the high-end figure is no longer isolated, as Usulután (88%) and San Vicente (85%) also had very high poverty rates. Only San Salvador maintained its rank order (1) in 1997, while seven departments exhibited shifts of three positions or more. Chalatenango experienced the greatest improvement, moving up seven positions to fourth place, while Morazán suffered the greatest decline, falling five positions to last place. In terms of percentage-point changes in the incidence of poverty, Morazán experienced an increase of 22 points; Usulután, 19 points; and Sonsonate, 13 points. The incidence of poverty fell in only three departments: Chalatenango (eight points), Cabañas (seven points), and Santa Ana (six points); the first two are among El Salvador's poorest departments.

Explaining changes in rural poverty between 1995 and 1997 is a difficult task that would require more research time than is available. To a large degree, the reported trends may simply reflect, at least at the departmental level, the fact that sample sizes are small, compromising their reliability. At the national level, trends in rural poverty between 1995 and 1997 are likely to be related to the poor performance of the agricultural sector, which grew at an annual rate of only 0.8% between the two surveys. Other factors that would need to be considered in interpreting trends include agricultural price trends and possibly a greater underestimate of remittance income in 1997 than in 1995.

Despite the FUSADES survey's shortcomings, at a current cost of approximately US\$80,000 it is a relatively inexpensive undertaking that merits continuation every two years, preferably with a larger sample size. Users of the survey results should focus on the national-level data rather than those at the departmental level.

### C. Adjusted Results of the 1995 Survey of Rural Poverty

Table 3 reports World Bank adjustments to the FUSADES survey results for 1995. The first set of adjustments consists of (1) an upward revision of 21.6% in the income figures, to account for presumed underreporting, and (2) the use of a somewhat lower rural poverty line (US\$360 per capita, compared with US\$426 in the FUSADES study). The combined effect of these adjustments is to lower the incidence of rural poverty from 63.0% to 45.4%; the absolute poverty figure falls from 31.0% to 20.2%. In percentage-point terms, the downward adjustments in total poverty are greater for farmers and non-agricultural workers than for agricultural workers, the poorest group; but for absolute poverty the pattern is reversed.<sup>5</sup>

A second set of adjustments lowers the poverty estimates even more, to 25.3% for total poverty and 10.7% for absolute poverty. These adjustments consist of downward revisions of basic-consumption requirements for children through application of the Rothbarth equivalency scale. According to this measure, consumption requirements are 15% those of an adult for children aged 0-4; 20% for those aged 5-10; and 43% for those aged 11-15. While a good case can be made that children's consumption requirements are significantly lower than those of adults, and that poverty calculations treating all household members equally thus overstate the incidence of poverty, the Rothbarth-scale adjustments appear to be too large.

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<sup>5</sup> An earlier World Bank study (El Salvador: The Challenge of Poverty Alleviation, Report No. 12315-ES [Washington, D.C., June 1994]), had calculated for 1992 a total poverty rate of 55.7% and an absolute poverty rate of 14.3%. The new data thus suggest a decline in total poverty but an increase in absolute poverty between 1992 and 1995. However, the two studies used somewhat different methodologies, making hazardous such comparisons.

#### D. Consumption-Based Poverty Data (1994)

Table 4 presents poverty data as determined by a detailed consumption module administered to a sub-sample of the third quarterly "wave" of the 1994 multipurpose household survey (1994-III). The total number of households interviewed for this wave was 4,229, of which 2,486 were in urban areas and 1,743 in rural areas. The quality of these data is not good, as is evident in the following comments by the World Bank economist who made the poverty calculations shown in Table 4:<sup>6</sup>

These figures should not be taken literally (just as all other attempts to measure poverty in El Salvador are likely to be contentious), because they embody a range of strong (and controversial) assumptions. First, a specific methodology was applied to estimate a robust incidence of poverty for the two sub-samples of the EHPM [*Encuesta de Hogares de Propósitos Múltiples*] for which highly difference [sic.] consumption modules were fielded . . . Second, it was assumed that the rural cost of living was lower than in urban areas, in proportion to the ratio of the MIPLAN [*Ministerio de Planificación*] . . . urban poverty line to rural poverty line. Third, the poverty line that was taken was simply the one published [by] MIPLAN . . . for urban areas without any attempt to establish its validity.

Bearing in mind the limitations of these data, let us see what they tell us. First, they show an overall level of poverty at the national level that is nearly 14 percentage points higher than the income-based poverty figures (see Table 1) from the same survey (66% vs. 52.4%). For absolute poverty, however, the differences are much smaller (27% for the consumption-based data; 23.9% for the income-based data). Second, similar differences are evident for urban and rural poverty. In the case of rural poverty, Table 4 shows a national average of 77%, compared to 64.6% according to the income-based data in Table 1. The absolute rural poverty figures are 35% and 34.8%, respectively. Third, data for the four major regions (department-level data were not reported) show little variation in the incidence of rural poverty across the country, as the figures range only from 75% to 79%, with only a slight increase as one moves from west to east. Finally, it may be noted that the consumption-based data also yield significantly higher poverty rates than the income-based World Bank-FUSADES survey data for 1995, as reported in Table 3.

The high rates of poverty in Table 4 are at first glance puzzling, because consumption figures in El Salvador have tended to be higher than income figures, particularly for lower-income groups, and to be more reliable indicators of resources at the disposal of poor households. It may be observed, however, that the poverty lines used by the World Bank for the calculations shown in Table 4 are relatively

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<sup>6</sup> Peter Lanjouw, "The Rural Non-Agricultural Sector and Poverty," Annex 4 of World Bank, El Salvador: Rural Development Study, Vol. II, p. 3.

high compared to the EHPM rural poverty lines used by FUSADES (Table 2.1), which are US\$213 and US\$426 per person, respectively, for absolute poverty and total poverty. The World Bank's own (total) poverty line for 1995, as noted in Table 3, is US\$360. If we convert the monthly 1994 poverty lines used for the consumption-based calculations of poverty in Table 4 to 1995 (consumer) prices, and express them on an annual basis, the respective figures are US\$505 ( $38.26 \times 1.10 \times 12$ ) and US\$1,008 ( $76.40 \times 1.10 \times 12$ ).

The issue of how much poverty exists in El Salvador thus becomes one of where one draws the line. So long as we can track poverty data over time using a reasonably consistent methodology, where the poverty line is drawn is less interesting than trends in the incidence of poverty. Unfortunately, the only time-series data available to date are the household survey results reported in Table 1, with the partial exceptions of the FUSADES rural poverty data (for two years) and the data on unsatisfied basic needs reported below in Table 7. The data in the other tables are available for one year only. Nevertheless, the data in Tables 2-4 broadly confirm what Table 1 shows regarding urban-rural differences in poverty and the proportion of poverty that can be considered extreme or absolute.

#### E. UNDP Human Development Index

Poverty indicators can be based not only on income or consumption data, but also on a combination of social indicators. Table 5 presents the results of a UNDP study applying that organization's methodology for constructing a national-level Human Development Index (HDI) to El Salvador's 14 departments.

The HDI is a composite of three (actually four) indicators: (1) life expectancy; (2) educational level, a combination of (a) adult literacy (two-thirds weight) and the combined enrolment rate for primary, secondary, and tertiary education (one-third weight); and (3) per capita income in purchasing-power-parity (PPP) dollars. The three indicators are given equal weight. Each indicator, as well as the overall HDI, is scored on a scale that ranges from a low of 0.000 to a maximum of 1.000. The national-level figure for El Salvador is 0.609, which places the country below the average for the Latin American and Caribbean region.

Table 5 presents department-level HDI figures for El Salvador in 1996. The source document provides an urban-rural disaggregation at the department level for all indicators except life expectancy. However, since it does disaggregate life expectancy at the national level by urban-rural location, reasonable estimates can be made of urban and rural life expectancy at the department level, according to the procedures explained in the notes to Table 5.

HDI achievement in El Salvador differs greatly between urban (0.705) and rural areas (0.479). Rural areas lag well behind urban areas for each of the three separate

indicators; per capita income is the most important factor explaining urban-rural differences, and life expectancy the least important. In rural areas, the departmental variation in the HDI is not especially large, ranging from a low of 0.407 in Cabañas to a high of 0.532 in San Salvador. The variation among urban areas is much greater, from 0.564 (Morazán) to 0.777 (La Libertad). Gender differences, interestingly, are less pronounced in the more rural departments than in the more urban departments.

The HDI index, the conceptual nature of which has improved since the UNDP first devised it, is interesting in that it combines income and non-income measures of poverty. Another advantage is that, in principle, it can be computed at the departmental level on an annual basis, probably at costs that are not unreasonable, although perhaps not low. On the other hand, the non-income measures capture only a few dimensions of well-being, and in some cases do so not particularly well. The literacy measure is a weak indicator of educational attainment, and life expectancy conveys only limited information about health status. Moreover, the income data come from the annual household surveys, whose limitations have already been discussed.

F. FISDL's Composite Poverty Index (1992 Census data)

Table 6 presents, for each department, a composite index of poverty based on municipal-level data prepared by the *Fondo de Inversión Social para el Desarrollo Local* (FISDL) from 1992 Census data. The index comprises eight separate indicators of well-being: (1) infant mortality, (2) illiteracy, (3) net enrolment in basic education, (4) overcrowding, and percentage of houses with (5) dirt floors, (6) piped water, (7) sanitary services, and (8) electricity. The original source provides the data only for the 262 municipalities, and without making any kind of distinction between rural and urban areas. The author aggregated municipal indices into departmental averages and distinguished between urban (29) and rural (233) municipalities, according to the criteria explained in the notes to Table 6 (and Table 1). The departmental averages are unweighted, but time considerations precluded the calculation of weighted averages.

The FISDL's index is based on a scaling system that rank-orders municipalities' scores for each indicator. The ranked scores are then divided (scaled) into ten intervals of equal size, spanning the range between the highest and lowest scores. For each indicator, municipalities with scores in the highest interval (those with the greatest degree of poverty) are given a score of 10; those in the lowest interval (with the least poverty) receive a score of 1. Since equal weights are given to the eight indicators, the maximum possible poverty index is 80 (8 x 10) and the minimum is 8 (8 x 1). The actual range is from 69 (Nueva Trinidad in Chalatenango) to 8 (Antiguo Cuscatlán in La Libertad).

This index in many respects is the best measure of poverty currently available in El Salvador. The author is particularly partial to the methodology because it is one that he used in Ecuador several years ago.<sup>7</sup> Its major drawback is that it is not available on an annual basis because it is based on census data, and only a census or a very large sample survey can provide reasonably reliable data for all 262 of El Salvador's municipalities. The lack of an income measure is also a limitation. Still, it remains a good indicator of relative poverty by municipality and department.

G. Unsatisfied Basic Needs Indicators Based on the EHPM (1989-1996)

USAID/El Salvador's former strategic objective of Broad-Based Economic Growth Increased included as an indicator of progress a measure of poverty based on the percentage of households not meeting at least one of four basic needs: 1) overcrowding; 2) access to potable water; 3) access to sanitation services; and;4) children aged 7-10 attending school. Data were calculated from the annual EHPM and are shown in Table 7. For rural areas, data are available only for 1992, 1995, and 1996.

The percentage of rural households with at least one unsatisfied basic need is more than double the percentage for urban households. In 1992, 90.8% of rural families were poor by this criterion; by 1996 the figure had fallen to 83.7%. Even the latter figure is so high as to make unnecessary any kind of geographic targeting of USAID programs to combat rural poverty, which according to this measure would have to be considered pervasive throughout the country.

As an indicator of poverty, the unsatisfied basic needs measure--which apparently is no longer being calculated--has a number of weaknesses. In comparison to the new measure being used by the FISDL, it is less comprehensive and does not distinguish different degrees of poverty. Moreover, it does not include an income component (nor does the FISDL's new measure). On the positive side, it is at least potentially available on an annual basis, although in practice it sometimes has not been (the 1993 EHPM, for example, did not collect the required enrolment data).

H. Comparative Rural Poverty Rankings by Department

Table 8 presents the rank order of El Salvador's 14 departments according to the four alternative measures of rural poverty available at this level, one of which provides data for two different years. Two of these measures are income-based, and the other two are indices comprising mainly or entirely non-income measures of well-being. The respective rank orderings illustrate how difficult it is for USAID to determine

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<sup>7</sup> See Carlos Luzuriaga and Clarence Zuvekas, Jr., Income Distribution and Poverty in Rural Ecuador, 1950-1979 (Tempe: Center for Latin American Studies, Arizona State University, 1983).

geographically where to target resources in support of Strategic Objective No. 1. For only one department do the rank orderings coincide: San Salvador ranks first (i.e., has the least poverty) according to all four measures.

For the four departments identified in USAID's previous R4 document (April 6, 1998) as being the poorest in the country,<sup>8</sup> the rank-orderings differ considerably according to the indicator used to measure poverty, or by year in the case of the two FUSADES rural-poverty surveys. The rankings range from 2 to 12 in La Unión; from 4 to 11 in Chalatenango; from 9 to 14 in Morazán; and from 11 to 14 in Cabañas. San Vicente qualifies as one of the poorest four departments according to three of the four rural-poverty measures, but it is not one of USAID/El Salvador's target departments.

The case of La Unión illustrates how an income-based measure of poverty, one of which provides a ranking of 2 (1997) or 3 (1995) for this department, can differ sharply from measures based mainly or entirely on social (basic-needs) indicators (rankings of 11 and 12). A result that is equally striking in the other direction is the case of Ahuachapán, which has a ranking of 12 (1995) or 10 (1997) according to the same income-based measure but 5 and 6 according to the social indicators. The explanation in both of these cases may well be that the department-level data (from the FUSADES survey) are based on an insufficient number of observations to have much validity. The income-based rankings from the 1996 EHPM survey, on the other hand, are quite close to the two social-indicator rankings for these departments.

The rank orderings of the two social indicators generally are close to each other (within two places for 10 of the 14 departments); but for Cuscatlán the difference is 7 places, and for San Vicente, 6 places. These significant differences seem due in part to the inclusion in the HDI of an income measure. Also, the rank orderings based on the FISDL data may be affected by the author's use of weighted rather than unweighted departmental averages and by the definition of rural he used, although these effects probably are not great. However, since the range of the indices for the departments ranked 5 through 9 is relatively narrow, (44.3-47.1), slight changes in the numbers could alter the rankings by several places.

The two income-based indicators are similarly close to each other for most departments. The greatest differences between the EHPM-CRECER data for 1996 and the 1995 FUSADES survey results are in La Unión (7 places), Ahuachapán (6), and Santa Ana (5). Comparing the EHPM-CRECER data with the 1997 FUSADES survey results, one finds the greatest differences to be in La Unión (8 places) and Chalatenango (7).

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<sup>8</sup> See the Intermediate Result measuring the percentage of the GOES investment budget directed at the four poorest Departments.

I. Nutrition Indicators from the 1998 National Family Health Survey (FESAL-98)

The 1998 *Encuesta Nacional de Salud Familiar* (FESAL-98) provides a number of nutritional indicators that can be considered proxies for poverty, or at least for one dimension of poverty. Four of these indicators--height for age, weight for age, children aged 12-59 months with anemia, and mothers aged 15-49 years (of children aged 3-59 months) with anemia--are presented in Table 9.<sup>9</sup> The published figures provide an urban-rural breakdown at the national level, but not by department. (Presumably this breakdown could be calculated from the raw data; the results would be reasonably reliable given the large number of observations, as indicated in the Notes to Table 9.) Even without the rural-urban breakdown, the results are interesting, especially since the four (or five) departments generally considered the poorest have surprisingly high rank orders for one or more of these indicators.

Some of the most striking differences between the departmental rankings in Table 8 and the nutritional rankings in Table 9 are for Cabañas and Chalatenango. While Cabañas ranks as one of the two poorest departments according to most of the rural poverty indicators in Table 8, it has the fourth highest rank order (i.e. fourth least degree of undernutrition) for two of the nutrition indicators and ranks sixth in average rank order for the nutrition indicators. Chalatenango, which ranks 10 or 11 according to most rural poverty indicators, ranks 2 or 3 for all nutrition indicators except weight for age, and is tied for second in overall rank order for the nutrition indicators.

The other three poorest departments have lower overall nutrition ranks that approximate most of their poverty rankings in Table 8: Morazán (9), San Vicente (10) and La Unión (14). Even in these cases, however, each of these departments ranks as high as fourth or fifth according to one of the nutrition indicators.

Other departments showing significant differences in rank order between Table 8 and Table 9 are La Paz, whose rank according to the poverty indicators ranges from 2 to 7, but which is in 13th place in the overall nutrition rankings; Sonsonate, with poverty rankings of 2 to 8 but an overall nutrition ranking tied for 11th place; and Cuscatlán, with poverty rankings ranging from 2 to 9 and likewise tied for 11th place in the overall nutrition rankings.

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<sup>9</sup> Several other nutritional indicators are available but are not reported in Table 9 because the nationwide incidence of nutritional deficiency was very low: weight-for-height for children aged 3-59 months (1.1%); and Vitamin A deficiency for children aged 12-59 months (3.8%) and for mothers of children aged 3-59 months (0.9%).

The significant differences between the overall poverty indicators and the nutrition indicators are due in part to the fact that nutrition is only one dimension of poverty. Moreover, with respect to the income-based poverty indicators, a number of studies have shown that increases in income are not always immediately translated into better nutrition, especially in male-headed households. Another consideration is that the nutrition data are for 1998, while the poverty indicators refer to various years between 1992 and 1997. Thus, differential economic performance among the departments between the respective earlier time period and 1998 may explain some of the differences in rank order between Table 8 and 9.

J. Other Standard-of-Living Indicators from FESAL-98 AND FESAL-93

Both the 1998 National Family Health Survey (FESAL-98) and the predecessor survey in 1993 also collected data on a number of other poverty-related indicators for households with women aged 15-44 years. The total number of rural households surveyed was 2,388 in 1993 and 6,145 in 1998. Table 10 presents data from the last two FESAL surveys on access to four basic services (water, sanitation, electricity, and telephone), and on the percentage of households with three major durable goods (television set, refrigerator, and personal vehicle). With the exception of sanitary services, rural households' access to basic services increased significantly between 1993 and 1998. The percentage of rural households with piped water in the home more than doubled, from 14% to 30%, and that for electricity increased from 50% to 61%. The percentage of rural households with television sets rose from 38% to 54%, and that for refrigerators increased from 16% to 27%.

These figures clash with the impression of increased rural poverty in recent years that one obtains from the FUSADES income-based rural poverty measures, even after allowing for the fact that the two sets of surveys do not span identical time periods. Recent trends in rural poverty, in other words, still remain something of a mystery.

Given the large size of the sample for the FESAL surveys, it is worth seeking to obtain the indicators reported in Table 10 at the departmental level, so that they can be compared with the FUSADES survey results and the other departmental data reported in Table 8. These basic-services and consumer-durables indicators could be combined with the nutrition data to produce a composite, scaled index of rural poverty similar to that constructed by FISDL.

III. A Poverty Indicator For USAID/El Salvador's Strategic Objective #1?

The issue of whether USAID/El Salvador should adopt a poverty indicator for its Strategic Objective No. 1 (SO1) has long been debated within the Mission and USAID/Washington. The case for having such an indicator rests mainly on the

argument that poverty reduction is really what the Mission is seeking to accomplish with its activities in the SO1 area.

While in principle all SOs should be stated in terms of a measurable improvement in human welfare, practical considerations in El Salvador suggest that the Mission should not adopt a poverty indicator at the SO level. The main considerations are the following:

- The current focus of SO1 is on expanding access and opportunity for the rural poor. Data on the incidence of poverty per se do not directly measure access and opportunity. Revising the entire structure of the SO at this time would seem to be a waste of USAID/El Salvador's scarce human resources.
- It is questionable whether USAID/El Salvador's activities are, in the aggregate, large enough to affect the overall incidence of poverty in El Salvador, especially in the short run.
- Only one data series on the incidence of rural poverty is currently available on an annual basis. A second set of data may become available every two years. The quality of these data is not as high as would be desirable, although it is good enough to use with due caution.
- Annual changes in the rural poverty rate derived from the EHPM can be very misleading, for reasons explained above. No matter what the Mission might say to insist that the focus should be on long-term, not short-term trends in these data, many people in Washington will continue to focus on the year-to-year trends, without taking the time to explore what they might really mean.

Despite the comments above, USAID/El Salvador, for purposes of its own internal management as well as for (appropriately qualified) narrative reporting to USAID/Washington of poverty trends, should continue to monitor the poverty data derived from the annual EHPMs. In addition, the author recommends that the Mission continue to support, every two years, the rural poverty survey that FUSADES initiated in 1996. The cost of this survey is a small fraction of the size of USAID/El Salvador's SO1 portfolio, and consideration should be given to expanding the sample size to improve the statistical significance of the results. Other donors might be approached to determine their interest in helping to finance the survey.

**TABLE 1**  
**INCIDENCE OF POVERTY: MULTIPURPOSE HOUSEHOLD SURVEY DATA,**  
**1988-1997 a/ (percentage of the population)**

**A. NATIONAL-LEVEL DATA**

Year	National Poverty			Urban Poverty			Rural Poverty		
	Total	Rela- tive	Abso- lute	Total	Rela- tive	Abso- lute	Total	Rela- tive	Abso- lute
1988	--	--	--	60.9	31.7	29.2	--	--	--
1988-89	--	--	--	55.2	31.9	23.3	--	--	--
1990	--	--	--	60.2	32.1	28.1	--	--	--
1990-91	--	--	--	56.1	32.9	23.2	--	--	--
1991-92	59.7	31.5	28.2	53.8	30.5	23.3	66.1	32.5	33.6
1992	58.7	31.0	27.7	52.9	31.0	21.9	65.0	31.0	34.0
1992-93	57.5	30.5	27.0	50.4	29.6	20.8	65.3	31.5	33.8
1994	52.4	28.5	23.9	43.8	27.5	16.3	64.6	29.8	34.8
1995	47.5	29.3	18.2	40.0	27.6	12.4	58.2	31.7	26.5
1996	51.7	29.8	21.9	42.3	27.9	14.4	64.8	32.5	32.3
1997	48.1	29.6	18.5	38.7	26.7	12.0	61.6	33.7	27.9
1998p	44.8	26.0	18.8	37.8	24.2	13.7	56.2	29.0	27.2

**B. INCIDENCE OF POVERTY BY DEPARTMENT, 1996**

Department	National Poverty			Urban Poverty b/			Rural Poverty b/		
	Total	Rela- tive	Abso- lute	Total	Rela- tive	Abso- lute	Total	Rela- tive	Abso- lute
Ahuachapán	60.4	32.1	28.3	--	--	--	60.4	32.1	28.3
Santa Ana	54.2	31.8	22.4	49.7	31.4	18.3	57.5	32.0	25.5
Sonsonate	54.1	36.4	17.7	42.9	29.9	13.0	58.2	38.8	19.4
Chalatenango	71.9	32.8	39.1	69.6	39.1	30.4	72.3	31.6	40.7
La Libertad	46.1	26.9	19.3	24.0	16.3	7.7	54.3	30.8	23.6
San Salvador	39.2	27.1	12.1	36.6	26.0	10.6	53.6	33.2	20.4
Cuscatlán	56.9	31.0	25.8	46.6	30.1	16.4	61.1	31.4	29.7
La Paz	56.4	31.9	24.5	50.4	30.4	20.0	58.7	32.5	26.1
Cabañas	78.2	27.0	51.1	--	--	--	78.2	27.0	51.1
San Vicente	74.6	35.6	39.0	62.9	32.6	30.3	80.5	37.1	43.3
Usulután	63.7	35.9	27.9	58.2	38.0	20.3	68.9	33.9	35.1
San Miguel	53.2	28.6	24.6	37.4	25.2	12.1	68.5	31.8	36.7
Morazán	70.9	32.3	38.6	51.4	28.6	22.9	74.0	32.9	41.1
La Unión	67.5	34.7	32.8	44.6	30.4	14.3	71.5	35.4	36.1
TOTAL c/	54.9	30.7	24.2	41.9	27.8	14.1	64.4	32.8	31.5

Source: (A) El Salvador, *Ministerio de Planificación y Coordinación del Desarrollo*

*Económico y Social* (MIPLAN) and, subsequently, *Ministerio de Economía, Dirección General de Estadística y Censos* (DIGESTYC), Encuestas de Hogares de Propósitos Múltiples (EHPM); (B) Reynaldo Chanchán, *Estructura de los ingresos familiares por deciles de ingreso según región, departamentos y área: urbana y rural, a partir de las Encuestas de Propósitos Múltiples de los años: 1992 y 1996* (DIGESTYC), prepared for USAID/El Salvador under the CRECER Project (San Salvador, January 1998), first (unnumbered) table, carrying a printout date of 2 October 1997.

Notes: a/ Households with insufficient income to buy a basic food basket are considered absolutely poor. Those with incomes between one and two times the value of a basic food basket are considered relatively poor. DIGESTYC calculates separate rural and urban poverty lines.

b/ The source document for Panel B did not disaggregate poverty data by urban and rural location, and the definitions of "urban" and "rural" used in this table are not those of DIGESTYC. Urban municipalities are defined for purposes of this table (and for Table 6 below) as those (1) whose total population is more than 50% urban and (2) whose urban population is at least 5,000, based on data in the 1992 Census. The following municipalities were classified as urban:

Ahuachapán (0)	
Cabañas (0)	
Cuscatlán (1):	Cojutepeque
Chalatenango (1):	Chalatenango
La Libertad (3):	Antiguo Cuscatlán; Nueva San Salvador; Nuevo Cuscatlán
Morazán (1):	San Francisco Gotera
La Paz (1):	Zacatecoluca
San Miguel (1):	San Miguel
San Salvador (12):	Aguilares; Apopa; Ayutuxtepeque; Ciudad Delgado; Cuscatancingo; Ilopango; Mejicanos; San Marcos; San Martín; San Salvador; Santo Tomás; Soyapango
San Vicente (1):	San Vicente
Santa Ana (1):	Santa Ana
Sonsonate (2):	Sonsonate; Sonzacate
La Unión (1):	La Unión
Usulután (4):	Jucuapa; Puerto El Triunfo; Santiago de María; Usulután

The remaining 233 municipalities are considered to be rural.

c/ The national totals for poverty in Panel B do not agree with the 1996 figures in Panel A, which come from DIGESTYC. Given the date of the table in the CRECER Project report, these figures would seem to be preliminary.

n.a. Not available.

**TABLE 2.1**  
**RURAL POVERTY IN 1995**  
**(FUSADES Rural Development Survey)**

**A. INCIDENCE OF RURAL POVERTY BY DEPARTMENT, 1995 a/ (%)**

<u>Department</u>	<u>Total</u> <u>Poverty</u>	<u>Relative</u> <u>Poverty</u>	<u>Absolute</u> <u>Poverty</u>
Ahuachapán	73	41	33
Santa Ana	66	28	38
Sonsonate	51	35	16
Chalatenango	70	36	33
La Libertad	58	34	24
San Salvador	48	29	20
Cuscatlán	64	29	36
La Paz	62	30	32
Cabañas	89	36	54
San Vicente	80	30	50
Usulután	69	31	38
San Miguel	64	32	32
Morazán	68	26	42
La Unión	55	30	26
<b>Total</b>	<b>63</b>	<b>32</b>	<b>31</b>

**B. INCIDENCE OF RURAL POVERTY BY PRINCIPAL EMPLOYMENT, 1995 (%)**

<u>Principal Employment <u>b/</u></u>	<u>N =</u>	<u>Total</u> <u>Poverty</u>	<u>Relative</u> <u>Poverty</u>	<u>Absolute</u> <u>Poverty</u>
Farmers	192	63	26	38
Agricultural Workers	166	84	36	49
Non-Agricultural Workers	215	44	30	14
Mixed-Income Workers	55	78	53	25
<b>Total</b>	<b>628</b>	<b>63</b>	<b>32</b>	<b>31</b>

**C. RURAL INCOME BY QUINTILE AND PRINCIPAL EMPLOYMENT, 1995**

<u>Principal Employment</u>	<u>Total</u>	<u>Colones per Capita</u>				
		<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>V</u>
Farmers	4,647	479	1,423	2,830	4,632	13,981
Agricultural Workers	2,255	791	1,314	1,892	2,670	4,620
Non-Agr. Workers	4,963	1,453	2,711	4,101	5,553	10,999
Mixed-Income Workers	2,756	913	2,029	2,676	3,275	4,887
<b>Total</b>	<b>3,954</b>	<b>942</b>	<b>1,887</b>	<b>2,997</b>	<b>4,314</b>	<b>9,649</b>

**D. SOURCES OF RURAL INCOME BY PRINCIPAL  
EMPLOYMENT AND DEGREE OF POVERTY, 1995 (%)**

Principal Employment and Sources of Income	All Families	Relative-Absolute-		Non- Poor Families
		Poor Families	Poor Families	
<b>FARMERS</b>				
Farm/Household	50.7	54.5	45.2	50.7
Agricultural Work	12.6	21.5	9.3	6.0
Non-Agricultural Work	17.9	12.7	20.6	21.2
Remittances	8.4	5.4	12.0	8.9
Other	10.4	6.0	12.9	13.1
<b>AGRICULTURAL WORKERS</b>				
Farm/Household	6.7	9.1	5.2	2.4
Agricultural Work	89.2	89.3	89.8	87.3
Non-Agricultural Work	2.0	0.4	3.1	4.8
Remittances	1.0	0.5	0.9	2.8
Other	1.1	0.7	1.0	2.8
<b>NON-AGRICULTURAL WORKERS</b>				
Farm/Household	7.6	14.9	7.7	5.7
Agricultural Work	3.9	3.3	3.9	4.0
Non-Agricultural Work	79.5	75.3	83.3	78.4
Remittances	3.4	2.3	1.2	4.9
Other	5.7	4.2	3.9	7.0
<b>MIXED-INCOME WORKERS</b>				
Farm/Household	12.5	22.5	12.3	1.5
Agricultural Work	48.3	53.1	47.2	45.3
Non-Agricultural Work	30.2	18.1	30.6	43.3
Remittances	3.0	2.0	3.4	3.3
Other	5.9	4.4	6.4	6.5
<b>TOTAL</b>				
Farm/Household	21.0	27.5	16.8	19.0
Agricultural Work	33.0	48.8	36.7	16.2
Non-Agricultural Work	35.8	17.5	36.9	50.6
Remittances	4.3	2.7	4.1	5.8
Other	5.9	3.4	5.6	8.4

Source: FUSADES, *Departamento de Estudios Económicos y Sociales*, Encuesta "Desarrollo Rural" (San Salvador, July 1996)

**TABLE 2.2**  
**RURAL POVERTY IN 1997**  
**(FUSADES Rural Development Survey)**

**A. INCIDENCE OF RURAL POVERTY BY DEPARTMENT, 1997 <sup>a/</sup> (%)**

<u>Department</u>	<u>Total Poverty</u>	<u>Relative Poverty</u>	<u>Absolute Poverty</u>
Ahuachapán	80	35	25
Sonsonate	64	20	24
Chalatenango	62	38	25
La Libertad	64	37	27
San Salvador	48	21	27
Cuscatlán	74	41	33
La Paz	65	30	35
Cabañas	82	15	68
San Vicente	85	35	50
Usulután	88	17	71
San Miguel	70	29	41
Morazán	90	32	58
La Unión	59	28	30
<b>Total</b>	<b>68</b>	<b>31</b>	<b>38</b>

**B. INCIDENCE OF RURAL POVERTY BY PRINCIPAL EMPLOYMENT, 1997 (%)**

<u>Principal Employment <sup>b/</sup></u>	<u>N =</u>	<u>Total Poverty</u>	<u>Relative Poverty</u>	<u>Absolute Poverty</u>
Farmers	192	67	26	41
Agricultural Workers	165	81	30	51
Non-Agricultural Workers	212	57	34	24
Mixed-Income Workers	54	80	41	39
<b>Total</b>	<b>623</b>	<b>68</b>	<b>31</b>	<b>38</b>

**C. RURAL INCOME BY QUINTILE AND PRINCIPAL EMPLOYMENT, 1997**

<u>Principal Employment</u>	<u>Total</u>	<u>Colones per Capita</u>				
		<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>V</u>
Farmers	5,035	507	1,294	2,706	4,613	15,831
Agricultural Workers	2,468	357	1,275	1,884	2,924	5,820
Non-Agr. Workers	5,252	1,447	2,844	4,293	6,140	11,536
Mixed-Income Workers	3,704	948	1,973	2,729	3,530	9,002
<b>Total</b>	<b>4,325</b>	<b>686</b>	<b>1,740</b>	<b>2,928</b>	<b>4,627</b>	<b>11,626</b>

**SOURCES OF RURAL INCOME BY PRINCIPAL EMPLOYMENT  
AND DEGREE OF POVERTY (5)**

Principal Employment and Sources of Income	All Families	Relative- Poor Families	Absolute- Poor Families	Non- Poor Families
<b>FARMERS</b>				
Farm/Household	51.2	41.5	38.1	56.2
Agricultural Work	9.3	16.0	32.7	3.4
Non-Agricultural Work	25.0	30.6	10.8	25.5
Remittances	12.7	11.2	17.0	12.5
Other	1.9	0.8	1.3	2.3
<b>AGRICULTURAL WORKERS</b>				
Farm/Household	17.0	16.7	16.3	17.7
Agricultural Work	54.8	61.6	66.3	41.6
Non-Agricultural Work	22.7	12.1	13.7	37.3
Remittances	3.8	7.8	3.2	1.0
Other	1.7	1.7	0.6	2.4
<b>NON-AGRICULTURAL WORKERS</b>				
Farm/Household	18.4	17.9	26.1	17.8
Agricultural Work	6.6	10.6	23.7	3.3
Non-Agricultural Work	68.2	65.5	43.2	71.8
Remittances	6.0	5.4	6.2	6.1
Other	0.9	0.6	0.8	0.9
<b>MIXED-INCOME WORKERS</b>				
Farm/Household	17.1	15.0	10.6	22.2
Agricultural Work	29.0	30.1	52.8	15.6
Non-Agricultural Work	46.7	47.6	33.0	53.2
Remittances	5.5	6.9	2.2	6.1
Other	1.7	0.4	1.4	2.9
<b>TOTAL</b>				
Farm/Household	28.8	23.5	23.7	32.1
Agricultural Work	18.0	26.2	45.5	8.6
Non-Agricultural Work	44.0	41.7	22.4	49.7
Remittances	7.8	7.7	7.5	7.9
Other	1.4	0.9	1.0	1.7

Source: FUSADES, *Departamento de Estudios Económicos y Sociales*, unpublished data

## NOTES TO TABLES 2.1 AND 2.2

a/ **1995:** Based on per capita family (household) incomes derived from a survey of 628 rural families (households). Family income was defined to include income derived from family land and household production (net of variable costs); off-farm employment (agricultural and non-agricultural); remittances; and other sources such as rental income, pensions, and interest. Absolute (extreme) poverty was defined as annual per capita income insufficient to cover the cost of a basic food basket in rural areas, calculated by the then Ministry of Planning to be C/ 1,861.65. The relative-poverty line was established at twice this figure, or C/ 3,723.30.

**1997:** The 1997 data were obtained by a panel survey initiated in February 1998, the same time of year as the previous survey. The survey provides data for 623 families, only five fewer than in the previous survey. More than 79% of the families interviewed in 1998 were the same ones that had been interviewed in 1996.

b/ Farmers: Families with at least a half *manzana* of land and who reside in rural areas.  
Agricultural Workers: Families with more than 66% of income from off-farm agricultural work.  
Non-Agricultural Workers: Families with more than 66% of income from off-farm non-agricultural work.  
Mixed-Income Workers: Families deriving 33%-66% of their income from off-farm agricultural work.

**TABLE 3**  
**ADJUSTED INCIDENCE OF RURAL POVERTY IN 1995**  
**(World Bank Adjustments to the FUSADES Survey Data)**  
 (percentage of the rural population)

	Total Poverty	Relative Poverty	Absolute Poverty
(1) FUSADES Survey Results			
All Families	63.0	32.0	31.0
(2) World Bank Adjustments (a/)			
All Families	45.4	25.2	20.2
Farmers	46.7	19.5	27.2
Agricultural Workers	71.1	41.6	29.5
Non-Agricultural Workers	27.9	20.9	7.0
(3) World Bank Household- Composition Adjustments (b/)			
All Families	25.3	14.6	10.7

Sources: (1) Table 2.1; (2)-(3) World Bank and FUSADES, El Salvador: estudio de desarrollo rural, Report No.16253-ES ([San Salvador], August 1997), Vol. II, Annex 3, Table 5.

Notes: a/ The World Bank's poverty line was calculated at an annual per capita income of US\$360, compared with FUSADES's figure of US\$426 (C/ 3,723.30 / 8.75); the absolute (extreme) poverty line is US\$213 (C/ 1,861.65 / 8.75). The World Bank made a 21.6% upward adjustment in the per capita income figures obtained in FUSADES's 1995 rural survey to account for underreporting of income.

The poverty figures in the text (p. 5) and those in Table 5 in Vol. II of the World Bank-FUSADES study do not always match. The figures reported here are those in Table 5. Also, the poverty figures on pp. i and 27 in Vol. I differ slightly from each other as well as from the figures in Table 5 of Vol. II.

b/ These figures reflect adjustments to reflect the age composition of families according to the Rothbarth equivalency scale. This scale assumes that consumption requirements for children aged 0-4 are equal to 15% of those for an adult; for children aged 5-10, 20%; and for children aged 11-15, 43%.

**TABLE 4**  
**CONSUMPTION-BASED POVERTY ESTIMATES, 1994 a/**  
**(percentage of the population)**

	<u>National or Regional</u>			Total	<u>Urban Poverty</u>			<u>Rural Poverty</u>	
	Total	Rela- tive	Abso- lute		Rela- tive	Abso- lute	Total	Rela- tive	Abso- lute
El Salvador	66	39	27	56	36	20	77	42	35
Regions <u>b/</u>									
West	72	39	33	68	40	28	75	37	38
Central 1	75	43	32	74	43	31	76	43	33
Central 2	76	42	34	70	34	36	79	47	32
East	74	39	35	67	37	30	79	41	38
Metro San Salvador	40	32	8						

Source: Based on World Bank, El Salvador: Rural Development Study, Report No. 16253-ES, Vol. II, Annex 4. The original source refers to "high" and "low" poverty lines. These definitions correspond to "total poverty" and "absolute (extreme) poverty" as used elsewhere in this paper. The data come from the third of the four "waves" of the multipurpose household survey in 1994, which included a consumption module for a sub-sample of the 4,229 households surveyed (2,486 urban, 1,743 rural).

Notes: a/ The "low" poverty line is set at a monthly per capita expenditure figure of C/ 334 (\$38.26), and is equivalent to the cost of the basic food basket. The "high" poverty line is C/ 667 (\$76.40), or twice the low poverty line, and includes the estimated costs of a minimum level of other basic expenditures.

b/ The departments included in the various regions are as follows:  
 West: Ahuachapán; Santa Ana; Sonsonate  
 Central 1: Cuscatlán; Chalatenango; La Libertad; San Salvador  
 Central 2: Cabañas; La Paz; San Vicente  
 East: Morazán; San Miguel; La Unión; Usulután

**TABLE 5**  
**UNDP HUMAN DEVELOPMENT INDEX (HDI), 1996**  
**A. BY DEPARTMENT AND COMPONENT**

Department	Indicator Values			Per Capita Income (PPP\$)	HDI Indices			Overall Index
	Life Expectancy (years)	Adult Literacy (%)	Combined Enrollment Rate (%)		a/ Life Expectancy	Educational Level	Per Capita Income	
San Salvador	70.4	90.1	72.7	4,028	0.757	0.843	0.564	0.721
La Libertad	69.1	79.5	62.9	3,193	0.735	0.739	0.444	0.639
Santa Ana	69.9	76.5	53.5	2,285	0.748	0.688	0.314	0.583
San Miguel	68.8	73.5	65.0	2,265	0.730	0.707	0.311	0.582
Cuscatlán	68.0	79.5	61.9	1,986	0.717	0.736	0.271	0.575
Sonsonate	68.8	76.5	55.7	2,171	0.730	0.696	0.297	0.574
La Paz	67.1	76.8	62.0	1,895	0.702	0.719	0.258	0.559
Ahuachapán	67.1	73.9	59.4	1,951	0.702	0.691	0.266	0.553
Usulután	68.5	68.5	63.8	1,819	0.725	0.669	0.247	0.547
San Vicente	65.6	70.3	64.8	1,583	0.677	0.684	0.213	0.524
Chalatenango	64.8	71.0	62.2	1,361	0.663	0.681	0.181	0.508
La Unión	67.2	59.1	54.5	1,096	0.703	0.576	0.143	0.474
Cabañas	64.1	63.2	52.3	1,262	0.652	0.596	0.167	0.471
Morazán	64.8	55.4	56.0	1,176	0.663	0.556	0.155	0.458

**B. BY GENDER AND RURAL-URBAN LOCATION**

(overall HDI indices) b/

Department	Gender		Geographic Area	
	Male	Female	Urban	Rural
San Salvador	0.786	0.667	0.756	0.532
La Libertad	0.685	0.599	0.777	0.512
Santa Ana	0.630	0.543	0.681	0.489
San Miguel	0.614	0.559	0.673	0.476
Cuscatlán	0.600	0.558	0.671	0.516
Sonsonate	0.612	0.544	0.679	0.502
La Paz	0.585	0.539	0.634	0.515
Ahuachapán	0.599	0.513	0.675	0.507
Usulután	0.562	0.535	0.636	0.474
San Vicente	0.537	0.516	0.620	0.452
Chalatenango	0.523	0.494	0.585	0.471
La Unión	0.476	0.476	0.611	0.435
Cabañas	0.482	0.463	0.592	0.407
Morazán	0.470	0.451	0.564	0.416
<b>EL SALVADOR</b>	<b>0.649</b>	<b>0.576</b>	<b>0.705</b>	<b>0.479</b>

Source: *Gobierno de El Salvador y Programa de las Naciones Unidas para el Desarrollo (PNUD), Informe sobre Indices de desarrollo humano en El Salvador* ([San Salvador], 1997). The original sources of the data are *Ministerio de Economía, Dirección General de Estadística* (life expectancy) and the 1996 *Encuesta de Hogares de Propósitos Múltiples* (EHPM) (all other indicators).

Notes: a/ The Educational Level index is a combination of the Adult Literacy Rate (two-thirds weight) and the Combined Enrolment Rate for all levels of education (one-third weight).

b/ Separate urban and rural indicators for Life Expectancy were provided in the original source only at the national level. The departmental indices presented above were constructed by assuming that the national urban-rural difference in life expectancy (6.7 years) prevailed in all departments, and by applying to the Departmental Life Expectancy rates the departmental urban-rural population percentage weights from the 1992 census.

**TABLE 6**  
**FISDL: COMPOSITE POVERTY INDEX BY DEPARTMENT, 1992 a/**

Department	Number of Municipalities		Unweighted Average Poverty Indices <u>b/</u>	
	Total	Rural <u>c/</u>	All Municipalities	Rural Municipalities
San Salvador	19	7	27.8	40.3
La Libertad	22	19	39.8	43.4
La Paz	22	21	40.5	40.8
Santa Ana	13	12	40.8	42.5
San Vicente	13	12	43.4	44.3
Usulután	23	19	43.9	46.5
Sonsonate	16	14	44.6	46.9
Ahuachapán	12	12	45.3	45.3
Cuscatlán	16	15	45.6	47.1
Chalatenango	33	32	47.2	47.8
La Unión	18	17	47.3	48.3
San Miguel	20	19	47.6	48.8
Cabañas	9	9	51.6	51.6
Morazán	26	25	54.7	55.4
Total	262	233	44.4	46.9

Source: Mirna Liévano de Marques, *Focalización, asignación de recursos y criterios: Fondo de Inversión Social para el Desarrollo Local--Informe final* ([San Salvador], 1997).

Notes: a/ The composite poverty index ranking municipalities by degree of poverty is based on data for eight indicators obtained from the 1992 Census: (1) infant mortality rate; (2) illiteracy rate of persons 10 years of age and older; (3) net enrolment rate in basic education; (4) overcrowded housing (percentage of houses with more than three persons per room); (5) percentage of houses with dirt floors; (6) percentage of houses without piped water; (7) percentage of houses without sanitary services; and (8) percentage of houses without electricity. All municipalities are rank-ordered for each indicator. The ranked scores are then divided (scaled) into ten intervals of equal size, spanning the range between the highest and lowest scores. For each indicator, the 10% of municipalities with the greatest degree of poverty are given a score of 10; those with the least poverty receive a score of 1. Since equal weights are given to the eight indicators, the maximum possible poverty index is 80 (8 x 10) and the minimum is 8 (8 x 1). The actual range is from 69 (Nueva Trinidad in Chalatenango) to 8 (Antiguo Cuscatlán in La Libertad).

**TABLE 6 (continued)**

b/ The original source provides data only for the 262 municipalities. Because of time limitations, the average departmental indices prepared for this table are unweighted rather than weighted averages of the indices for the municipalities in the respective departments.

c/ The source document did not make a distinction between rural and urban municipalities. The "rural" municipalities in this table were determined after defining "urban" municipalities as being those (1) whose total population is more than 50% urban and (2) whose urban population is at least 5,000, based on data in the 1992 Census. The following municipalities were classified as urban:

Ahuachapán (0)	
Cabañas (0)	
Cuscatlán (1):	Cojutepeque
Chalatenango (1):	Chalatenango
La Libertad (3):	Antiguo Cuscatlán; Nueva San Salvador; Nuevo Cuscatlán
Morazán (1):	San Francisco Gotera
La Paz (1):	Zacatecoluca
San Miguel (1):	San Miguel
San Salvador (12):	Aguilares; Apopa; Ayutuxtepeque; Ciudad Delgado; Cuscatancingo; Ilopango; Mejicanos; San Marcos; San Martín; San Salvador; Santo Tomás; Soyapango
San Vicente (1):	San Vicente
Santa Ana (1):	Santa Ana
Sonsonate (2):	Sonsonate; Sonzacate
La Unión (1):	La Unión
Usulután (4):	Jucuapa; Puerto El Triunfo; Santiago de María; Usulután

**TABLE 7**  
**UNSATISFIED BASIC NEEDS OF URBAN AND RURAL HOUSEHOLDS, 1989-1996**  
 (percent of households with at least one of four  
 basic needs unsatisfied) a/

	Urban Households	Rural Households
1989	43.5	n.a.
1990	n.a.	n.a.
1991	42.5	n.a.
1992	41.4	90.8
1993	n.a.	n.a.
1994	40.6	n.a.
1995	33.9	86.1
1996	31.9	83.7

Source: USAID/El Salvador, Documentation for former Strategic Objective No. 2 (Broad-Based Economic Growth Increased), based on information from *the Encuesta de Hogares de Propósitos Múltiples* (EHPM).

Notes: a/ The four basic needs monitored for this indicator were:  
 overcrowding (fewer than 3 persons per bedroom)  
 access to potable water  
 access to sanitation services  
 children aged 7-10 attending school

n.a. Not available.

**TABLE 8**  
**RANK ORDER OF DEPARTMENTS ACCORDING TO**  
**ALTERNATIVE MEASURES OF RURAL POVERTY**

(1 = least poor; 14 = most poor)

Department	(1) EHPM- (2A) CRECER-CZ (1996)	(3) (2B) FUSADES (1995)	(4) UNDP- FUSADES (1997)	FISDL- CZ (1996)	CZ (1992)
San Salvador	1	1	1	1	1
La Libertad	2	4	6	4	4
Santa Ana	3	8	3	7	3
Sonsonate	4	2	5	6	8
La Paz	5	5	7	3	2
Ahuachapán	6	12	10	5	6
Cuscatlán	7	6T	9	2	9
San Miguel	8	6T	8	8	12
Usulután	9	10	13	9	7
La Unión	10	3	2	12	11
Chalatenango	11	11	4	10	10
Morazán	12	9	14	13	14
Cabañas	13	14	11	14	13
San Vicente	14	13	12	11	5

Sources: (1) Table 1.  
(2A) Table 2.1.  
(2B) Table 2.2.  
(3) Table 5.  
(4) Table 6.

Note: CZ refers to the author of the present study and reflects his adjustments to the data as explained in the notes to Tables 1, 5, and 6.

**TABLE 9**  
**INDICATORS OF NUTRITION, 1998**

	(1)	(2)	(3)	(4)	(5)
	Height for Age Under- nutrition-	Weight for Age Under- nutrition	Children 12-59 mos. with anemia	15-49 yrs. with anemia	Mothers Average Rank
<b>A. Percent [except for column (5)]</b>					
National	23.3	11.1	30.5	16.3	
Urban	14.8	8.7	28.7	17.4	
Rural	29.6	14.0	31.8	15.5	
Department					
Ahuachapán	33.1	16.2	29.8	10.7	8.25
Santa Ana	25.6	14.2	24.1	10.9	4.50
Sonsonate	30.1	15.0	34.3	14.6	9.75
Chalatenango	21.5	15.3	25.1	13.0	4.50
La Libertad	22.9	9.6	28.0	14.5	4.50
San Salvador	16.1	7.7	28.7	17.6	3.50
Cuscatlán	35.3	12.8	31.6	18.1	9.75
La Paz	28.3	12.6	39.9	19.3	10.25
Cabañas	26.8	10.9	32.5	13.3	6.50
San Vicente	27.1	15.6	35.2	14.4	9.50
Usulután	22.3	13.4	30.7	18.4	7.75
San Miguel	19.5	9.2	30.0	21.6	6.25
Morazán	27.8	15.3	29.5	17.8	8.50
La Unión	22.1	16.3	39.9	21.4	11.00
<b>B. Rank Order</b>					
(1 = least undernutrition; 14 = most undernutrition)					
Department					
Ahuachapán	13	13	6	1	8
Santa Ana	7	8	1	2	2T
Sonsonate	12	9	11	7	11T
Chalatenango	3	10T	2	3	2T
La Libertad	6	3	3	6	2T
San Salvador	1	1	4	8	1
Cuscatlán	14	6	9	10	11T
La Paz	11	5	13T	12	13
Cabañas	8	4	10	4	6
San Vicente	9	12	12	5	10
Usulután	5	7	8	11	7
San Miguel	2	2	7	14	5
Morazán	10	10T	5	9	9
La Unión	4	14	13T	13	14

**TABLE 9 (continued)**  
**SOURCE AND NOTES**

Source: República de El Salvador, C.A., *Encuesta Nacional de Salud Familiar: 1998 (FESAL-98)--Informe Preliminar* (San Salvador, March 1999), Tables 7.4, 7.6, 7.7 and 7.9.

Notes: Col. (1): Percentage of children aged 3-59 months with height-for-age more than two standard deviations below the international-reference (NCHS/CDC/OMS) median (N = 6,522).

Col. (2): Percentage of children aged 3-59 months with weight-for-age more than two standard deviations below the international-reference (NCHS/CDC/OMS) median (N = 6,522).

Col. (3): N = 5,078.

Col. (4): N = 4,562.

Col. (5): Panel A shows the unweighted average rank order of the scores in Panel B, Columns (1)-(4); Panel B shows the rank order of the average-rank-order scores in Panel A.

**TABLE 10**  
**LEVEL-OF-LIVING INDICATORS FROM THE 1993 AND 1998**  
**NATIONAL FAMILY HEALTH SURVEYS**  
 (percent of households) a/

	<u>Total</u>		<u>AMSS b/</u>		<u>Other Urban</u>		<u>Rural</u>	
	1993	1998	1993	1998	1993	1998	1993	1998
<b>ACCESS TO BASIC SERVICES</b>								
Piped Water in House	43.9	56.8	73.2	89.4	53.3	69.1	14.1	30.3
Modern Toilet	37.6	40.1	72.9	85.5	42.2	51.9	6.7	6.8
Electricity	75.8	80.3	96.7	98.8	89.5	93.9	49.5	61.0
Telephone	11.5	23.4	26.6	59.2	10.2	24.6	0.8	2.5
<b>DURABLE GOODS</b>								
Television Set	64.5	74.6	89.2	95.8	74.0	87.1	38.4	54.4
Refrigerator	39.8	50.5	66.9	79.6	43.2	61.2	16.3	27.2
Own Vehicle	12.4	18.3	24.8	34.4	11.7	21.6	3.3	7.2
N =	5,752	11,687	1,667	1,683	1,697	3,859	2,388	6,145

Source: *República de El Salvador, C.A., Encuesta Nacional de Salud Familiar: 1998 (FESAL-98)--Informe Preliminar* (San Salvador, March 1999), Tables 1.2 and 1.3.

Notes: a/ Households with women aged 15-44 years

b/ San Salvador Metropolitan Area

**Annex C  
Environmental Impact**

**Plans for New or Amended Initial Environmental Examinations**

The Initial Environmental Examination (IEE) required under the Hurricane Mitch Reconstruction Activity designed for funding under the special Supplemental Request to Congress was submitted to USAID/Washington for approval on April 12, 1999.

**Compliance With Initial Environmental Examinations and Environmental Assessments**

The Mission reviewed all strategic objectives and determined that all current activities are operating under approved IEEs and Environmental Assessments. Activity managers have reviewed the activities that they supervise, and determined that required mitigations and conditions of IEEs and Environmental Assessments are being followed.

<b>Economic Growth SO</b>		
<b>Number and Title</b>	<b>PACD/AACD</b>	<b>IEE Number</b>
519-0349 Technical Support, Policy Analysis and Training	June 1999	LAC-96-03
519-0357 Strengthening Achievement in Basic Education	August 1999	LAC-90-39
519-0397 Rural Economic Growth	May 2000	LAC-97-04-05
519-0401 Social Sector Reform	June 2000	LAC-97-03
519-0432 Human Capacity Development	Sept. 2002	LAC-97-03
519-0433 Early Childhood and Family Education	Sept. 2002	LAC-98-09
519-0434 Microenterprise 2000	Sept. 2000	LAC-97-04
519-0435 Rural Financial Markets	Sept. 2002	LAC-98-11
519-0438 Rural Organizations & Environmental Conservation	Sept. 2002	LAC-98-07 **
519-0442 Decentralization and Rural Poverty Reduction	Sept. 2002	LAC-98-10
519-0444 Land Parcelization Program	Sept. 2001	LAC-98-12
519-0094 Small Infrastructure Activity	Sept. 2002	LAC-98-08 **
940-0406 Microenterprise Innovation	Feb. 1999	LAC-97-04

\*\* linked to an existing Environmental Assessment

**Status of Environmental Assessment mitigations to date:** The Rural Organizations and Environment Conservation activity is not yet initiated. Appropriate mitigation measures will be included in the contract when it is signed. Small Infrastructure Activity mitigations by type are included in all new agreements with donation recipients.

<b>Democracy SO</b>		
<b>Number and Title</b>	<b>PACD/AACD</b>	<b>IEE Number</b>
519-0388 Municipal Development	Dec. 1999	LAC-98-22
519-0391 Democratic Processes	Sept. 1999	LAC-98-16
519-0436 Democratic Consolidation	Sept. 2002	LAC-98-15

**Status of Environmental Assessment mitigations to date:** Municipal Development is covered by the IEE number for the third Results Package of the democracy SO.

<b>Health SO</b>		
<b>Number and Title</b>	<b>PACD/AACD</b>	<b>IEE Number</b>
519-0308 Health Systems Support	August 1999	LAC-91-36 *
519-0320 Public Services Improvement	August 2002	LAC-97-08 **
519-0363 Family Health Services	June. 1999	LAC-90-08 *
519-0430 Health Salvadorans	Sept. 2002	LAC-98-14

\* has an active Environmental Assessment

\*\* linked to an existing Environmental Assessment

**Status of Environmental Assessment mitigations to date:** The Health Systems Support activity no longer is engaged in spraying for malaria, for which the Environmental Assessment was issued. The Public Service Improvement activity cooperative agreement grantee is using appropriate recommendations from its original Environmental Assessment.

<b>Water SO</b>		
<b>Number and Title</b>	<b>PACD/AACD</b>	<b>IEE Number</b>
519-0385 Environmental Protection	June 1999	LAC-92-05 *
519-0443 Rural Water Protection	Sept. 2002	LAC-98-29 **
596-0180 Central American Regional Environmental Project	March 1999	LAC-95-24

\* has an active Environmental Assessment

\*\* linked to an existing Environmental Assessment

**Status of Environmental Assessment mitigations to date:** The activities in the demonstration area of the Environmental Protection project that were subject to the Environmental Assessment terminated June 1998.

**Annex D**  
**Global Climate Change Initiative**

The Central American Regional Environmental Project (PROARCA) has undertaken all the Global Climate Change-related activities in El Salvador, including supporting the creation of the Clean Development Mechanism Office in El Salvador, which is located at the Ministry of Environment and Natural Resources. PROARCA also coordinated the development of a joint Central American negotiation position at the Conference of Parties. USAID/El Salvador understands that the regional office in Guatemala will report the Global Climate Change indicators since Central America has been declared a priority Global Climate Change Region.

## Annex E Select Acronyms

AGUA	Access, Management and Rational Use of Water activity
ANDA	national water and sewer administration
CARE	Cooperative for Assistance and Relief Everywhere, Inc.
DPT	series of three doses of diphtheria, polio and tetanus vaccinations
FBO	Department of State's Foreign Buildings Office
FESAL	National Family Health Survey
FSN	Foreign Service National
FUSADES	<i>Fundación Salvadoreña para el Desarrollo Económico y Social</i>
FY	fiscal year
GDP	gross domestic product
GOES	Government of the Republic of El Salvador
GTZ	German technical assistance agency
ICASS	International Cooperative Support Services
IDB	InterAmerican Development Bank
IDI	International Development Intern
IEE	Initial Environmental Examination
IMCI	Integrated Management of Childhood Illnesses program
IT	information technology
LAC	Bureau for Latin America and the Caribbean
MACS	Mission Accounting and Control System
MARN	Ministry of Environment and Natural Resources
MOH	Ministry of Health
MPP	Mission Performance Plan
NGO	non-governmental organization
OE	operating expenses
OYB	operating year budget
PAHO	Pan-American Health Organization
R4	Results Review and Resources Request
SO	strategic objective
UNDP	United Nations Development Program
UNICEF	United Nations Children's Fund
USAID	U.S. Agency for International Development
USAID/W	U.S. Agency for International Development/Washington, D.C.
USDH	U.S. Direct Hire
USPSC	U.S. Personal Services Contractor
Y2K	Year 2000