

AGENCY FOR INTERNATIONAL DEVELOPMENT
UNITED STATES OF AMERICA A. I. D. MISSION
TO EL SALVADOR
C/O AMERICAN EMBASSY.
SAN SALVADOR, EL SALVADOR, C. A.

July 31, 1991

MEMORANDUM FOR THE ACTING MISSION DIRECTOR

FROM: Sam LaFoy, PRJ

SUBJECT: Project Assistance Completion Report - Earthquake Recovery
Project No. 519-0331

I. SUMMARY OF PROJECT:

On November 20, 1986 the USAID/El Salvador Mission Director originally authorized the Earthquake Recovery Project, with total life of project grant funding of \$50,000,000 and a PACD of November 20, 1987. The Life of Project was further extended to January 20, 1988.

A. Purpose of the Project:

The purpose of the Project was to provide assistance to the Government of El Salvador (GOES) in meeting basic human needs and reviving economic activity in the areas severely affected by an earthquake on October 10, 1986.

B. Project Components:

The Project included four components, as follows:

(1) Employment Generation/Rubble Removal, serving the dual purpose of providing income to individuals in the areas most affected by the earthquake while also hastening the removal of accumulated debris, garbage and waste to eliminate the safety and health hazards they represent;

(2) Credit to Small and Micro Enterprises, to help small and microentrepreneurs to reconstruct and repair their businesses, replace inventories, and reinitiate operations;

(3) Shelter/Home Reconstruction, to provide building materials to renters of low income apartments and families in "tugurios" to construct or rehabilitate shelters, and to extend credit to wage-earners and laborers to enable them to repair their earthquake-damaged homes; and

(4) Public Services Repair, financing high priority repairs to restore essential public services such as medical care and primary education.

C. Analysis of the Present Status of the Project:

All Project elements have been completed.

II. FINANCIAL REPORT

The original and final Project budgets are shown below:

	<u>Original Illustrative Budget</u>	<u>Latest Financial Plan (PIL 62, dated May 30, 1991)</u>
A. Employment Generation/Clean Up	\$ 4,000,000	\$ 2,209,302.55
B. Micro-Small Business Reconstruction	\$10,000,000	\$ 8,878,112.19
C. Housing		
1. Temporary Shelter	\$12,000,000	\$ 3,890,187.56
2. Rehabilitation of Tugurios	\$ 3,000,000	\$ 2,301,359.37
3. Home Repair/ Reconstruction Credit	\$16,000,000	\$20,742,967.50
D. Public Services Repair	\$ 5,000,000	\$11,975,517.29
<hr/>		
T O T A L	\$50,000,000	\$49,997,446.46 <u>1/</u>

This Project met part of the total Earthquake Recovery and Reconstruction needs of the people and Government of El Salvador. With respect to the total recovery and reconstruction effort, other donors have or will have contributed \$255 million. This Project contributed a net amount of \$29 million for permanent reconstruction. The balance of \$21 million was used for initial clean-up, temporary shelter, temporary rehabilitation of "tugurios" (squatter settlements), and demolition and design of public buildings.

The budget changed from time to time to reflect the most urgent needs and most expedient ways to extend aid rapidly.

Attachment II presents the Summary Project Financial Report.

1/ A deobligation in the amount of \$2,553.54 was made under element 20 per PIL 519-0331-58 on April 23, 1990.

III. REVIEW OF PROJECT ACCOMPLISHMENTS

A. Conditions at the Outset:

At 11:49 a.m. on 10 October 1986, San Salvador was struck by a major earthquake. The earthquake aggravated the country's serious social, political and military problems by adding additional requirements to an already overextended government and by competing for a large share of the available financial, human and organizational resources. In strictly financial terms, losses were in excess of one billion dollars. With respect to human suffering, 300,000 people were left homeless, 1,500 perished and over 20,000 persons were injured. The GOES conducted a highly effective rescue and relief program supported by other donors and by \$3.35 million in US emergency relief.

Thirty countries, in addition to the U.S., contributed rescue teams, emergency supplies or financial donations. These included Mexico, countries in Central America, seven South American countries, the Dominican Republic and Cuba, several Western European countries, Norway, Israel, Japan, Algeria and Malta.

More than 25 Private Voluntary Organizations (PVOs) and other groups from the U.S. and Europe assisted San Salvador with medicines, tents, blankets and other supplies.

Within days following the earthquake, the U.S. Congress appropriated \$50 million in recovery assistance, to be administered by USAID, to provide temporary solutions for emergency reconstruction. The Recovery Project consisted of employment generation and rubble removal, temporary housing and relocation of families left homeless by the quake, infrastructure development, the restoration of public services, credit for housing repairs and reconstruction, and loans for the reestablishment of small businesses. Through this recovery effort nearly 7,000 families received credit for rebuilding their homes; over 3,000 businesses were reestablished; 36,124 families received building materials to erect temporary living quarters and 2,000 families were relocated to more habitable areas; all basic public services were restored to operation; 724 classrooms were constructed; another 240 were repaired; temporary hospital wards, operating rooms, warehouses, offices and clinic were built; temporary markets were constructed, three municipal government buildings were restored; and nearly 50 temporary offices and buildings for critical governmental activities were built in 6 major complexes. Finally, the City of San Salvador was reopened to pedestrian and vehicular traffic through the removal of 115,000 cubic meters of rubble. In the process of clean-up, approximately 900,000 person-days of employment was generated for earthquake victims who were left unemployed by the earthquake.

B. Original versus Actual Outputs:

<u>COMPONENT</u>	<u>ORIGINAL OUTPUTS</u>	<u>ACTUAL OUTPUTS</u>
1. Employment Generation/ Public Removal		
a) employment of affected persons	up to 20,000 persons	900,000 person-days
b) Credit to Micro and Small enterprises loans to micro businesses	5,000 loans	3,306 loans
2. Shelter/Home Reconstruction		
a) Temporary Shelter Shelter packages	20,000 persons	36,104 persons
b) Rehabilitation of Tugurios	10,000 families	27 infras- tructure projects; 2160 families relocated; 5 large infrastru- cture projects
3. Credit for Repair/Rebuilding of Homes	8,000 loans	6,986 loans
4. Public Services Repair High priority repairs, equipment supplies and spare parts for public buildings, utilities and installations.	By mutual agreement during LOP	Completed activities are listed under "Major Outputs" in the attach- ment.

IV. RESOLUTION OF ORIGINAL PROBLEM

The purpose of this Project was to provide assistance to the Government of El Salvador (GOES) in meeting basic human needs and reviving economic activity in the areas severely affected by the October 10, 1986 earthquake. The specific assistance set forth in the Grant Agreement, as modified by expediency and reflected by the final outputs set forth in section III above, has been delivered.

From the outset, it was recognized that this Project was not intended to address all of the unmet recovery and reconstruction needs. The GOES revised estimate of needs was \$1.1 billion. Approximately \$29 million of this Project's resources was for permanent reconstruction. Other donor contributions of approximately \$255 million were also provided, and USAID has since directed an additional \$98 million in assistance for the highest priority needs.

V. CONTINUING AND POST-PROJECT AID MONITORING RESPONSIBILITIES

The GOES and USAID jointly agree on the use of reflows from the credit lines financed by USAID. USAID/IRD will monitor the reflows from the housing credit line, and the USAID Private Sector Office will monitor the reflows from the small business credit line until the end of Project 519-0333.

VI. EVALUATIONS AND AUDITS

A. Review of Data Collection Results:

No additional data is being collected for this Project. The actual accomplishments have been carefully documented and are summarized in Attachment I.

Post Project audits have been completed; there are no outstanding recommendations.

From a technical perspective, much of the data obtained on damaged infrastructure was in the form of engineering damage assessments of specific buildings and public works, which formed the basis for funding decisions under the follow-on Earthquake Reconstruction Project No. 519-0333.

VIII. SUMMARY OF LESSONS LEARNED

A. Establish a balance for immediate needs and long-term recovery (e.g. financing design of high priority facilities) for later financing.

B. Isolate/narrow down areas of activity.

C. Review/anticipate design constraints, e.g. the overdesign/poor design of schools (internal columns). Call in design expert early.

MAJOR OUTPUTS

COMPONENT	BUDGET (000)	COMPLETED ACTIVITY
<u>Employment Generation</u>	\$ 2,200	- 900,000 person-days of employment generated - 115,000 cubic meters of rubble removed
<u>Temporary Shelter of</u>	\$ 4,460	- 34,000 families served with packages building materials
<u>Tugurio Rehabilitation</u>	\$ 3,340	
A. Infrastructure		27 Medium-scale Tugurio Rehabilitation Infrastructure Projects
B. Relocation families		2 Projects; 1200 families and 960
-Families relocated with building materials		
-Urbanization and Infrastructure		a) Two domestic water systems b) 2 urban electrification projects c) One sewage collection project
<u>Credit</u>		
A. Housing	\$21,562	6,986 Loans
B. Micro/Small Business	\$10,000	3,306 Loans
<u>Restoration of Public Services</u>		
A. Health	\$ 966	a) Pneumologic Hospital: - Senior Permanent Structures - Design for Permanent Structure b) Rosales Hospital: - Temporary Warehouse - Operating Room Repairs c) Maternity Hospital - Design for Permanent Structure d) Benjamin Bloom Hospital: - Temporary Building Construction

COMPONENT	BUDGET (000)	COMPLETED ACTIVITY
B. ANDA (Water and Sewer)	\$ 1,200	<ul style="list-style-type: none"> - Distribution line repairs - Water connection repairs - Pumping station repairs
C. EDUCATION	\$ 2,700	<p><u>Phase I</u></p> <ul style="list-style-type: none"> - 506 Classrooms - 12,000 desks distributed for elementary schools - 26 Collective sanitary services <p><u>Phase II</u></p> <ul style="list-style-type: none"> - 212 Classrooms - 36 Multiple Unit sanitary services - 46 Schools repaired (240 classrooms) - 3420 desks for middle school distributed - 5 Institutes: Reconstruction design for permanent structures
D. MINISTRY OF PUBLIC structures WORKS	\$ 765	<ul style="list-style-type: none"> a) Repairs of 5 culvert/bridge b) Retaining wall construction c) Bridge repair
E. CEL (ELECTRIC COMPANY)	\$ 720	<ul style="list-style-type: none"> a) Central Office building restoration b) City re-electrification c) Temporary structures
F. MUNICIPALITIES	\$ 100	<ul style="list-style-type: none"> - Temporary structures for markets; municipal mayor's office
G. MINISTRY OF AGRICULTURE	\$ 15	<ul style="list-style-type: none"> - Gabion wall construction
H. MARKETS	\$ 758	<ul style="list-style-type: none"> a) La Tiendona Market: <ul style="list-style-type: none"> - Restoration b) San Miguelito Market: <ul style="list-style-type: none"> - Roof demolition - Temporary structures - Nursery repairs - Market reconstruction design c) Modelo Market: <ul style="list-style-type: none"> - Temporary Structures

COMPONENT	BUDGET (000)	COMPLETED ACTIVITY
		d) Tinetti Market: - Construction of temporary structures
		e) San Jacinto Market: - Restaurant area repairs
		f) No. 5 Market: - Relocation design
		g) No. 4 Market: - Demolition
		h) Tinetti Market: - Demolition of damaged Areas
		i) San Miguelito Market: - Structural demolition - Additional design: water, sewage and drainage svstems

COMPONENT	BUDGET (000)	COMPLETED ACTIVITY
N. SOCIAL WELFARE SERVICE	\$ 180	- Construction of numerous temporary office structures
O. CONTINGENCIES	\$ 234	
TOTAL	\$50,000	

Drafted by: ^{acm}ACMejia, PRJ
 Cleared by: SLaFoy, PRJ SL Date: 20 Feb 91
 CBrady, IRD/ERD [Signature] Date: 4/11/91
 DSKitson, IRD [Signature] Date: 4/4/91
 FBreen, A/CONT [Signature] Date: 7/2/91
 TMcKee, DPP [Signature] Date: 4/5/91
 JHeard, A/DDIR [Signature] Date: 5/28/91
 JLovaas, A/DIR [Signature] Date: 7/31/91

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Office of the Controller
REVIEWED
SS 7/8/91
DATE

USAID / EL SALVADOR
SUMMARY PROJECT FINANCIAL REPORT BY PROJECT ELEMENT
AS OF 07/23/91

DATE : 07/23/91
REPORT PAGE NO.: 1
MISSION PAGE NO.: 1

MISSION NO.: 6

COUNTRY CODE: 519

OFFICE CODE: 930

OFFICE NAME : EARTHQUAKE RECONSTR OFF (ERO)

PROJECT NO./ ELEMENT NO.	PROJECT TITLE/ ELEMENT DESCRIPTION	FUND TYPE	START DT/ PACD	LIFE OF PROJ FUND	OBLIGATIONS TO DATE	EARMARKS TO DATE	COMMITMENTS TO DATE	EXPENDITURES TO DATE	PIPELINE
00331.00	EL SALV. EARTHQUAKE RECOV.PRM.	G	11/21/86	50,000,000	49,997,446	49,997,446	49,997,446	49,997,446	0
01	EMPLOYMENT GENERATION/CLEAN UP		01/20/88		2,209,303	2,209,303	2,209,303	2,209,303	0
02	MICRO-SMALL BUSINESS RECONSTR.				8,878,112	8,878,112	8,878,112	8,878,112	0
03	HOUSING/TEMP. SHELTER				3,890,188	3,890,188	3,890,188	3,890,188	0
04	HOUSING/REHAB.OF TUGURIOS				2,301,359	2,301,359	2,301,359	2,301,359	0
05	HOUSING/HOME REP.-REC. CREDIT				20,742,968	20,742,968	20,742,968	20,742,968	0
06	PUBLIC SRVCS/HEALTH				875,233	875,233	875,233	875,233	0
07	PUBLIC SRVCS/ANDA				2,435,809	2,435,809	2,435,809	2,435,809	0
08	PUBLIC SRVCS/EDUCATION				2,835,895	2,835,895	2,835,895	2,835,895	0
09	PUBLIC SRVCS/MOP				773,652	773,652	773,652	773,652	0
10	PUBLIC SRVCS/CEL				719,782	719,782	719,782	719,782	0
11	PUBLIC SRVCS/MUNICIPALITIES				96,820	96,820	96,820	96,820	0
12	PUBLIC SRVCS/ISSS				634,612	634,612	634,612	634,612	0
13	PUBLIC SRVCS/MAG				15,000	15,000	15,000	15,000	0
14	PUBLIC SRVCS/MARKETS				606,614	606,614	606,614	606,614	0
15	PUBLIC SRVCS/JUSTICE				119,311	119,311	119,311	119,311	0
16	PUBLIC SRVCS/LEG. ASSEMBLY				60,000	60,000	60,000	60,000	0
17	PUBLIC SRVCS/POSTAL SYSTEM				56,500	56,500	56,500	56,500	0
18	PUBLIC SRVCS/MIN.FINANCE				119,997	119,997	119,997	119,997	0
19	PUBLIC SRVCS/SOC. WELFARE				170,326	170,326	170,326	170,326	0
20	OTHER PUBLIC SERVICES				102,285	102,285	102,285	102,285	0
21	CEREBRAL PALSY INST.				34,679	34,679	34,679	34,679	0
22	EMERGENCY FUND				1,561,767	1,561,767	1,561,767	1,561,767	0
23	CONTINGENCIES				0	0	0	0	0
24	CAESS				81,590	81,590	81,590	81,590	0
25	ANTEL				675,644	675,644	675,644	675,644	0
	PROJECT TOTALS	>	>	>	49,997,446	49,997,446	49,997,446	49,997,446	0

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