

The Challenge

Despite a decade of social, political and economic gains, El Salvador continues to face daunting development challenges. These range from high levels of rural poverty, to vulnerability to natural disasters, to an economy that falls short of providing enough good jobs to keep the population gainfully employed. Poverty rates are close to 44% in the rural areas. There is a broad consensus across Salvadoran society and within the donor community that the critical short-term challenge is one of reducing polarization, stimulating job creation, and promoting broader participation of Salvadorans in the economic benefits of growth. Hopefully, the passage of the Central America and Dominican Republic Free Trade Agreement (CAFTA-DR) will begin to make a significant difference in job creation as trade-led foreign and domestic investment increases.

Objectives, Sectors and Workforce

Mission Director: Mark Silverman

MCA Status: Compact Eligible

PEPFAR Focus Country: No

Provided or Received Services From Other Missions: Provided

Program Budget (Appropriations by Objective)	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07	2005 SO Performance		Direct SO Admin. Cost Ratio
	(\$000)	(\$000)	(\$000)	(\$000)		Score	Score	
519-001 Economic Growth, Agriculture and Education	2,534	0	0	0	N/A	1.22	Exceeded	N/A
519-002 Democratic Consolidation and Governance	4,355	0	0	0	N/A	1.46	Exceeded	N/A
519-003 Health of Women and Children	7,150	0	0	0	N/A	1.03	Met	N/A
519-004 Clean Water Access	3,600	0	0	0	N/A	1.08	Met	N/A
519-021 Ruling Justly	1,000	4,327	3,727	250	-75.0%			0.30
519-022 Economic Freedom	15,666	18,388	14,526	13,773	-12.1%	1.54	Exceeded	0.17
519-023 Investing in People	0	11,515	12,401	10,882	N/A	N/A		0.19
PL 480 Title II	630	617			N/A			
Country Total	34,935	34,847	30,654	24,905	-28.7%			

Program Budget (Appropriations by Account)	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change
	(\$000)	(\$000)	(\$000)	(\$000)	FY 04-07
Child Survival and Health Programs Fund	7,150	7,555	8,144	7,348	2.8%
Development Assistance	27,155	26,675	22,510	7,557	-72.2%
Economic Support Fund	0	0	0	10,000	N/A
PL 480 Title II	630	617	0	0	N/A
Total	34,935	34,847	30,654	24,905	-28.7%

Program Budget by Sector and Account	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change
	(\$000)	(\$000)	(\$000)	(\$000)	FY 04-07
Basic Education DA	1,543	3,960	4,257	3,534	129.0%
Agriculture and Environment DA	7,813	10,088	8,190	2,273	-70.9%
ESF	0	0	0	4,150	N/A
Economic Growth DA	12,444	8,300	6,336	1,500	-87.9%
ESF	0	0	0	5,850	N/A
Democracy and Governance DA	4,355	2,324	3,727	250	-94.3%
Conflict Management / Humanitarian Assistance DA	1,000	2,003	0	0	N/A
Family Planning / Reproductive Health CSH	3,600	3,069	2,970	2,144	-40.4%
HIV / AIDS CSH	500	496	1,089	1,089	117.8%
Child Survival and Maternal Health CSH	2,700	2,970	2,970	3,000	11.1%
Other Infectious Diseases CSH	350	1,020	1,115	1,115	218.6%
PL 480 Title II	630	617			N/A
Total	34,935	34,847	30,654	24,905	-28.7%

Workforce	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change
					FY 04-07
US Direct Hires	17	11	11	9	-47.1%
US Non Direct Hires	2	2	4	4	100.0%
Foreign Nationals	106	97	106	106	0.0%
Total	125	110	121	119	-4.8%

Operating Expense	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
Salaries and benefits	1,919	2,268	2,216	2,217	15.5%
Travel	183	193	171	171	-6.6%
Transportation of things	176	248	139	139	-21.0%
Rent	304	424	435	547	79.9%
Security	19	59	84	92	384.2%
Equipment	504	320	0	155	-69.2%
ICASS - Operating Expense only	805	841	859	986	22.5%
Other Operating Expense	940	892	487	403	-57.1%
Total OE Budget	4,850	5,245	4,391	4,710	-2.9%
US direct hire salary and benefits	2,043	2,297	1,244	1,128	-44.8%
Program Funded Administrative Expenses				2,345	
Country Total Administrative Budget				8,183	
Percent of Bureau OE Total					11.4%

Mission Summary	FY 2004	FY 2005	FY 2006	FY 2007
Program per US Direct Hire (\$000)	2,055	3,168	2,787	2,767
Program per All US (\$000)	1,839	2,681	2,044	1,916
Program per Position (\$000)	279	317	253	209
Operating Expense as % of Program Funding				18.9%
Program Funded Admin Expense as % of Total Admin				28.7%
Total Admin Expense as % of Program Funding				32.9%

Other Major Donors:

Bilateral: Japan, Germany, Luxemburg, Canada, Spain, Korea, Switzerland, and Sweden.

Multilateral: The European Union, KfW Banking Group, United Nations Development Program, United Nations Children's Fund, United Nations Population Fund. Loans and donations programmed by multilateral institutions: the Inter-American Development Bank, World Bank, Central American Bank for Economic Integration, International Fund for Agricultural Development.