

## Data Sheet

<b>USAID Mission:</b>	El Salvador
<b>Program Title:</b>	Economic Growth, Agriculture and Education
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	519-001
<b>Proposed FY 2004 Obligation:</b>	\$5,410,000 DA
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2005 Obligation:</b>	\$0
<b>Year of Initial Obligation:</b>	FY 1997
<b>Year of Final Obligation:</b>	FY 2004

**Summary:** USAID's Economic Growth and Education Strategic Objective (SO) to expand access and economic opportunities for rural poor families seeks to stimulate growth by strengthening the regulatory environment for energy investments and promoting small-scale rural infrastructure, expand financial services for micro- and small-sized enterprises, increase trade and economic opportunities for small- and medium-sized enterprises, support small farmers to increase agricultural sales and production, and improve pre-school and basic education for rural residents.

### Inputs, Outputs, Activities:

#### FY 2004 Program:

Address economic policies that will stimulate rural growth and poverty reduction (\$671,000 DA). USAID will provide technical assistance and training to improve the capacity of its key energy sector regulator and support efforts to attract new investment, to reduce energy costs, and to facilitate trade capacity building. Prime implementer is PA Consulting.

Develop sustainable microfinance institutions (MFIs) to expand financial services to rural communities (\$1,300,000 DA). USAID will provide technical assistance and training to at least six MFIs to expand credit and saving services to poor rural entrepreneurs. This action will lead to a stronger and more effective rural financial system and increased access to financial services. Prime implementer is Development Alternatives Inc.

Promote environmentally sound agricultural practices and exports (\$966,000 DA). USAID will work with 500 small farmers to increase both product sales and rural incomes by improving quality crop production, marketing, and processing of fruits and vegetables. USAID assistance will help the Ministry of Agriculture and the private sector to understand and comply with the imported food standards and regulations of the United States and facilitate Salvadoran exports under the opportunities to be created by the Central America Free Trade Agreement (CAFTA). Prime Implementers: FINTRAC, Cooperative League of the USA (CLUSA) of El Salvador, and a contractor to be determined for the sanitary and phytosanitary activity.

Improve the quality of basic education for rural poor families (\$2,473,000 DA). USAID will assist pre-school children and children up to the sixth grade improve learning skills. USAID will assist the Salvadoran Institute for Integrated Development of Children and Youth (ISNA), the Ministry of Education (MINED), and the Ministry of Health (MOH) to continue implementation of the early childhood care and education (ECCE) activity. The activity will improve rural caregivers' and educators' knowledge and skills for effective parenting and child development; introduce a new curriculum for children below six years of age; carry out an awareness campaign in rural areas to promote ECCE; and promote strategic partnerships with the Salvadoran Government, municipalities, private sector, and nongovernmental organizations to expand ECCE coverage in rural areas. To foster excellence in the classroom, USAID advisors will work with the MINED to improve academic performance of 43,500 students in 250 rural primary schools. The program will also enhance MINED policy implementation capacity, modernize

school-monitoring systems, and improve management and education skills of primary school principals. Prime implementers are: Academy for Educational Development, American Institutes for Research, CARE, Development Associates, Education Development Center, ISNA, UNICEF, Save the Children-U.S, and the Sesame Workshop.

**FY 2005 Program:**

Activities implemented under this SO will be completed by June 2005. A new strategic objective titled "Economic Freedom: Open, Diversified, Expanding Economies" (519-022) will be the follow-on for activities completed under this SO.

**Performance and Results:** With USAID support, the Government of El Salvador has generated more revenue by increasing tax collections by \$135 million (more than 12%). A USAID assessment will help the General Superintendent of Electricity and Telecommunications (SIGET) overcome constraints to implementation of new energy laws and regulations. The Salvadoran Government has increased access to education, resulting in over 97% of rural children aged seven to 10 years old now attending school. Nearly 19,000 children are receiving better childcare due to USAID-supported training to over 8,400 non-formal promoters and educators. The microfinance program expanded financial services to the rural poor, including women—who represent 63% of total borrowers. Rural loans to clients increased by over 12,400 while over 1,800 rural clients opened savings accounts. Additionally, MFIs continued to service the very poor by providing more than 2,348 new loans under \$400. USAID-assisted 1,752 individual farmers (1,531 men and 221 women) and rural organizations to increase sales by over \$1,800,000 in high-value food crops such as, sesame, tomato, sweet pepper, squash, watermelon, cucumber, and loroco (a local herb). Through decentralized grants with local communities, 12 rural infrastructure projects, benefiting over 19,000 people, are presently under construction.

By June 2005, USAID expects rural electricity access nationwide to have increased to 64%; voluntary tax compliance and additional tax revenues will have increased by .5-1.0% of GDP; at least 45,000 new rural clients will have access to financial services; a clear and practical regulatory system that facilitates the transition of Non-Bank Financial Institutions into regulated financial service entities will have been established; at least \$4.3 million in exports and local sales will have been generated and 2,475 micro-, small- and medium enterprises will have improved export capacity; assisted farmers will have increased sales by \$5 million; international and domestic sales of Salvadoran quality coffee will have increased by 10%; 250,000 rural children under age six will be receiving better ECCE services; and the academic performance of 43,500 children in 250 rural schools will have improved.

## US Financing in Thousands of Dollars

El Salvador

519-001 Economic Growth, Agriculture and Education	CSH	DA	ESF
<b>Through September 30, 2002</b>			
Obligations	10,702	54,772	39,162
Expenditures	7,975	43,470	39,162
Unliquidated	2,727	11,302	0
<b>Fiscal Year 2003</b>			
Obligations	0	17,747	1,000
Expenditures	1,259	6,232	6
<b>Through September 30, 2003</b>			
Obligations	10,702	72,519	40,162
Expenditures	9,234	49,702	39,168
Unliquidated	1,468	22,817	994
<b>Prior Year Unobligated Funds</b>			
Obligations	0	0	0
<b>Planned Fiscal Year 2004 NOA</b>			
Obligations	0	5,730	0
<b>Total Planned Fiscal Year 2004</b>			
Obligations	0	5,730	0
<b>Proposed Fiscal Year 2005 NOA</b>			
Obligations	0	0	0
Future Obligations	0	0	0
Est. Total Cost	10,702	78,249	40,162