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El Salvador



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1. Summary

Because of their success in silencing the guns and introducing other methods of conflict management, the Peace Accords of 1992 have generally been viewed as extremely successful. However, the implicit goal of the Peace Accords, of achieving more constructive and conciliatory societal processes, is far from becoming a reality. Also, it is more evident than ever that visions of the peace process as a whole differ dramatically from one actor to another. Today, the peace process as such seems to have lost its status as a reference for Salvadoran society.

In the political sphere, two electoral campaigns have dominated: the parliamentary and local elections in March, and the premature start of the campaign before the 2004 Presidentials. The main candidates were Tony Saca of Arena and Schafik Hándal of FMLN. (After a very polarized campaign, Tony Saca won a landslide victory over Hándal).

UNDP launched its biannual Human Development Report in November, hoping to influence the electoral debate. The main topics of the HDR were the possibility of achieving the Millennium Development Goals (MDG) and the need for thorough fiscal reform in order to finance the social expenditure which would lead to MDG fulfilment. The vulnerability of the actual socio-economic model was targeted, and the report established that the main achievements in poverty reduction had in fact resulted from remittances from the country's poor and mainly illegal émigrés. These remittances represent as much as 14% of GDP.

Swedish development cooperation has followed the guidelines stated in the current Regional Strategy for the period 2001–2005. In 2003, several activities were finalized as planned, parallel with preparations for the 2004 launching of a major package of Contract-financed Technical Cooperation. A Swedish contribution to the reconstruction of low-income housing destroyed by the earthquakes was redirected to two local organisations which began work towards the end of the year.

Several Swedish NGOs continue their work in the country. Diakonia has broadened the scope of its work, anticipating the continuous reduction of official Sida contributions to El Salvador. 2 Strategic Country Development Trends.

2. Strategic Country Development Trends

2.1. The Peace Accords revisited

In 2003, 11 years had passed since the signing of the Peace Accords. But what is the actual situation in relationship to a pact that has been the guiding-star for a major part of the Salvadoran people and important sectors of the international community? And what is the current value the different actors place upon the Peace Accords?

On the one hand, the Peace Accords have been extremely successful in uprooting the symptoms of the armed conflict – not a single shot has been fired between the warring parties – since the end of the war. But at the same time, none of the conditions that have been indicated as the root causes of the conflict have been properly addressed.

It is interesting to establish that the signatory parties to the Peace Agreement still differ on how they consider the Accords. The ex-combatants of FMLN, who during the civil war dreamt about the victorious leftist revolution and the military defeat of the army, regarded the Accords as a minimalist platform from which to start building another kind of society, this time by peaceful means.

To the conservative establishment of the country, the Accords were seen as a serious concession; consequently their implementation should be reduced to its minimal possible expression.

To important parts of the Salvadoran civil society, as well as to central actors within the international community, ideally the Accords were to lead to a different way of working together within the society, using dialogue, compromise and consensus. To these actors, it was perhaps less important *who* would be in charge in the political sphere – the important point was *how* power was exercised.

In the discussion about the conflict, a key unsolved issue is the “forcibly forgotten past” with its practice of systematic violations of Human Rights. How can this be combined with an authentic reconciliation? As the Catholic Church often puts it, *“We want to forgive, but nobody has confessed and asked for forgiveness. So there is no one to be forgiven.”* This ought to be a serious task for society, however the establishment in El Salvador has so far worked hard to evade it.

The Truth Commission’s report, which so far shows the most honest intention of describing the recent past, has been shunned by the power-

ful circles mentioned in it. The result is a desire to forget history and try to hide it away, not even mentioning it.

However history cannot be undone and in political campaigns, the dead seem to define the agenda, turning every electoral event into a bitter dispute resulting in the awakening of old grievances.

Consequently consensus building has become incredibly complicated in El Salvador. Moreover, in a series of elections, voters have given the two main parties (Arena and FMLN) the lion's share of the ballot, building an ever-stronger bipartisan system, with the two main political parties ideologically distant from each other.

In this way the implicit ideal of the Peace Accords, a more consensus-building society, is far from becoming a reality. Given that the socio-economic conditions of inequality that triggered the armed conflict have not changed, if there are no mechanisms for conflict management that provide long-term solutions to these basic problems – then conflicts could return once more to the path of violence, in a future not so distant.

2.2. Poverty Reduction

According to official numbers, 43% of the population is poor, with 20% in absolute poverty. However, the real figures are probably higher than officially acknowledged. It is important to bear in mind that the official poverty definition has been seriously questioned, and has not been revised since 1991. Significant discrepancies between different authorities also contribute to confusion.¹

In its Human Development report for El Salvador 2003, UNDP reminds us that 1.1% of GDP annually in focussed transfers would be enough to completely eradicate absolute poverty in El Salvador. Then again, with a rather toothless public sector as in the Salvadoran case, where tax collection amounts to only 11% of GDP, this would equal one tenth of regular public revenues.

The Salvadoran economy is basically informal, with a minority engaged in formal employment. And in Latin America, informality spells poverty and vulnerability. The informal economy is also a female economy: 56% of the participants are women and 44% are men in the informal sector. One consequence of the informality is that only about 15% of the population is included in the Social Security system. A formal employment situation is the exception, not the rule. In addition, a significant part of formal employment is of a quite volatile nature. Most *maquilas* offer jobs that are easily lost to competing countries if conditions and wages improve, shifting costs upward.

Even if the proportion of poor people is diminishing, inequality is on the rise on several fronts: between rich and poor households, between rural and urban sectors, between men and women and between formal and informal sectors.

¹ While the Ministry of Finance reports a considerable inflation rate of about 70% in the consumer price index for food items during the last 10 years, the statistics department (DIGESTYC) of the same Ministry, maintains that the cost of the basic consumer goods had only increased by about 20%. Also, the way that *canasta básica* is differentiated between rural and urban environments, contributes to the sub-estimation of rural poverty. Yet another factor of distortion is the assumption since 1991 by DIGESTYC that the price of the *canasta básica ampliada* is simply the double of the *canasta básica alimentaria* which, due to the dynamics of relative commodity prices, might not be the correct assumption after 12 years. The consequence of this is an underestimation of the proportion of the population living in poverty.

Differences between rural and urban, between centre and periphery, are reflected in all the three aspects that form UNDP's Human Development Index: income, life expectancy and educational level. Life expectancy is generally six years less for rural dwellers and in rural areas the educational level is about half of the level in urban areas.

There is no explicit Poverty Reduction Strategy in El Salvador. The policies applied by three consecutive Arena governments have basically consisted of:

- promotion of exports and foreign investment (especially in the form of export process zones, known as *maquilas*) to achieve more formal employment opportunities;
- a steady increase of public social expenditure (from 5% of GDP in 1994, to 8% in 2002); and
- special social investment funds (basically to counteract the harsh financial adjustment programmes).

The poverty reduction strategy of the poorer groups themselves has been successful: sending their young people north, leaving behind grandparents and grandchildren to receive the remittances that mean survival – and even, in some cases, advancement.

Over the last 15 years, poverty rates have fallen considerably, largely due to the ever-growing flow of family remittances from abroad. If remittances were discounted, the Salvadoran economy would plummet and poverty indexes would suffer a sudden and generalised increase. To the 31% of poor households that receive remittances, these represent more than 50% of total income. Remittances explain over 50% of the reduction in rural extreme poverty in the last 10 years.²

However, there are also deeply negative social consequences of this massive migration:

- Citizens lose their faith in El Salvador as a starting point for a better life. Today the vast majority of Salvadorans express in opinion polls that their only hope is going north.
- Another is that families break up: as most migrants are illegal, they tend to stay for many years in the USA before being able to stabilise their situation and visit the family back home. For many people, this is one explanation for the rapid spread of youth gangs (with a more or less criminal focus), the *maras*, who become the real family and provide a strong identity for many young people.
- In the long run, this way of supporting the national economy introduces distorting elements that act as disincentives to local production.

² UNDP: Informe sobre Desarrollo Humano, El Salvador 2003, page 10.

2.3. Poverty, inequality and perspectives for Human Development

El Salvador belongs to the group of countries which show an extremely unequal income distribution: in 2002 the Gini coefficient was 0.54.³

This should be compared with 0.40 at global level, and 0.47 in Latin America, considered the most unequal continent.

El Salvador is in position 105 on UNDP's HDI ranking list. The country has been improving its position lately, but it should be noted that with a more equitable income distribution, the nation would have fared far better. Compared to other countries with similar GDP levels per capita, El Salvador lags behind in the HDI, mainly because of the aforementioned inequalities.

In this regard, the National Human Development Report 2003 (NHDR) makes a highly interesting comparison with Peru. With similar levels of GDP per capita, Peru is less unequal in its income distribution, its Gini coefficient being 0.485. This is an important factor that contributes to Peru's considerably better position vis-à-vis El Salvador in the HDI ranking: Peru 59, El Salvador 105.⁴

Another projection made in NHDR 2003 states that general economic growth does not have a specifically high impact on poverty reduction. If overall income per capita rises by 30% the subsequent reduction in poverty would be only 10%. In comparison, a 30% decrease in the inequality of income distribution, would lower poverty by 23%.⁵

2.4. The Millennium Goals and El Salvador

El Salvador has formally committed itself to the Millennium Development Goals (MDG). What then is required from El Salvador before the year 2015?

- Halve hunger and absolute poverty
- Eliminate the deficit in basic social services (essentially health and education)
- Women's empowerment
- Ensure environmental sustainability

How can these goals be achieved?

One important measure would be to increase (and properly focus) social expenditure but mainly, as NHDR points out, by way of implementing a more equitable taxation system with progressive effects, rather than the existing regressive system.

El Salvador has shown advances in several *health* indicators during the last few years, but progress could have been faster and the country is still lagging behind other nations with similar GDP level. Life expectancy at birth is 67 years for men and 73 for women.

Contrary to the global trend in health, an ever-greater focus on prevention schemes, El Salvador is sticking to basically curative schemes.

³ Ibid, page 64.

⁴ Ibid, page 64

⁵ Ibid, page 64 (Cuadro 2.24)

The commercial interests to whom prevention is a threat which endangers the sales of medicines and medical services, appear to have offered formidable resistance against the reform of the health sector. Basically because of the resistance from these interests, health sector reforms remain on paper only, in spite of several efforts from donor countries and PAHO (the Pan American Health Organisation).

The health sector remains divided into three entirely separated segments: private health care, the social security system (ISSS) and the public sector (MSPAS).

A meagre 3% of the population are covered by the private system, and 17% by ISSS. The rest, approximately 80% of the population, has to depend on the extremely weak and under-financed public system: while MSPAS receives 1.8% of GDP, ISSS counts on a budget representing 1.6% of GDP⁶.

Each segment has its own separate hospital system, almost exclusively focused on curative efforts and not on prevention. Only lately has the MSPAS initiated some reform efforts, including decentralisation, participation and continuous preventive work.

The practice of charging compulsory “voluntary fees” in the public system has constituted a filter preventing poor people from attending MSPAS facilities and enjoying its services.

In the last few years, the weakness of this unreformed health system has been exposed by its inability to fight the feared dengue fever. For a long period of time the government resisted – for political reasons – accepting a contingent of medical personnel from Cuba to help in the fight against the epidemic, even if the recommendation had come from the Pan-American Health Organisation (PAHO).

The Cuban delegation implemented their methods, built on prevention and citizens’ participation and within a few months, dengue fever had been almost eradicated.

Infant mortality is 25 per thousand, which is a better figure than in neighbouring countries (except Costa Rica and Panama). It should be noted that in this respect, according to official figures, differences between rural and urban areas have been almost wiped out during the last 15 years (from 41 per thousand in 1988, rural infant mortality was down to 25 per thousand in 2003).⁷

On the other hand, maternal mortality is particularly high⁸ (the highest in the region), partly because the high percentage of teenage mothers which, in turn, is a result of inadequate sexual information.

According to UNAIDS projections, *HIV/AIDS* cases in El Salvador amount to around 25,000 HIV positive and AIDS cases.⁹ Even if the actual figures are not alarming in proportion, the lack of preventive programmes is worrying.

This will make it difficult for El Salvador to achieve, before 2015, the specific Millennium Development Goals of reversing the spread of HIV/AIDS, and reducing the maternal mortality rate by three-quarters.

⁶ Ibid, page 79

⁷ FESAL 2003

⁸ PAHO Website <paho.org> (statistics from 2001)

⁹ UNAIDS Website <unaids.org>

Access to piped water is a major problem in El Salvador: 40% of the population lacks access.¹⁰ Another problem is the quality of the piped water, since about 80% of the ground water is contaminated. Particularly in the countryside, where purification of water supplies is almost non-existent, “drinking” water is a major source of infectious diseases.

In *education*, literacy has increased continuously and in 2002 adult literacy reached 82%. El Salvador is still lagging behind the majority of Latin American countries, the average being 89%. Differences between rural and urban areas remain, with a 19% difference in favour of urban dwellers. There is also a gender difference, since women represent 62% of the illiterate population.

If the aim is to convert the country into a service-provider (as the official version goes), then literacy rates are not sufficient: general educational levels need to be raised much beyond today’s average schooling level of 5.5 years.

Schooling levels also differ substantially between different regions, from 7.1 years in the capital, to 3.7 years in three peripheral provinces (Ahuachapán, Cabañas and La Unión).¹¹

Again, the size of the state apparatus is a limiting factor: even if social expenditure as a proportion of overall public spending has increased during the last five years, the Ministry of Education only receives 3% of GDP, which is the lowest level in the region (after Guatemala).

2.5. Macro-Economic Development

Total GDP growth during 2003 was 1.8%. This is less than the increase in population, meaning a negative per capita growth. This negative trend has persisted for several consecutive years. At the same time inflation was only 2.5%, thanks to the dollarisation. Fiscal deficit diminished slightly to 3.5% of GDP.

Tax collection has improved somewhat, but overall taxation as % of GDP has increased only slowly during the last 15 years: from 9.1% in 1991 to 11.2% in 2002. Public debt amounts to 47% of GDP. Debt has risen considerably during the last five years and, if still not alarming, is reaching levels where the country’s credit ratings are beginning to deteriorate.

Given this high indebtedness and the existing fiscal deficit, the situation is not sustainable in the long run.¹² Projections show that without a substantial reshaping of public finances, the public debt will reach 60% of GDP as early as 2010.

There are basically two solutions to this situation: make the public sector even leaner or increase taxes. Since the number of public employees has been cut in recent years, it is hard to see how the public sector could diminish further.

The conversion of the pension system decided in 1998 is placing a heavy burden on public finances. It is calculated that during the following years, the cost will represent over 2% of GDP annually.

¹⁰ PAHO/WHO, 2000.

¹¹ All figures from EHPM (Multi-purpose Household Inquiry), 2002, cited in UNDP’s Informe sobre Desarrollo Humano, El Salvador 2003.

¹² Moody’s has adjusted its outlook for El Salvador downwards.

Given the fiscal deficit, the respectably high external debt and the improbability of offering more public servants premature leave, the current model has reached the end of its life span and there is a common opinion that a thorough fiscal reform is needed in El Salvador.

Migrants' remittances amounted to 2.1 billion USD during 2003, according to IDB. This equals 14% of GDP, one of the highest ratios in the world and it continues to grow. Remittances are the factor that makes ends meet, counteracting the commercial deficit of 18% of GDP (2002).

Figures vary, but conservative numbers talk about 20% of households receiving remittances. To these households, the remittances represent between 40 and 60% of total income.

Business climate: subsequent governments have been promoting foreign investment for a long period of time, with several tax and customs incentives that have been particularly exploited by the *maquiladoras*.

However, several negative factors have reduced the success of these efforts: the high level of public insecurity and criminality is a deterrent, along with the deficient Rule of Law (weak judicial sector and checks-and-balances) and the subsequent lack of legal security.

The single most important source of foreign investment has been the purchase by external actors of the privatised telecom sector, which represents a selling-out of existing infrastructure rather than investment in new facilities.

An upward adjustment of minimum wages was decided by the government in 2003, for the first time since 1998. (This was interpreted as a votes regaining tactic after their defeat in elections in March 2003).

The dollarisation of the economy is almost complete. The *colón* is no longer a currency in circulation, and even the poor population who were initially very reluctant to enter the dollar economy, have been obliged to turn to the dollar when the *colón* disappeared. Spanglish terms for the coins, can be heard on the streets: *vale una cora* (it costs a quarter [dollar]).

Interest rates are low in El Salvador, partly because of a low investment level, ("low demand for money") and partly as a reflection of low international interest rates, that prevail in the local credit market thanks to dollarisation. An upper middle-class family, who can offer good mortgages and other securities, can borrow money at an annual interest rate of 6%.

The negotiations on CAFTA (the free-trade agreement between the Central American countries and the US) were finalised in December in accordance with the very ambitious timetable agreed previously. Ratifications are to be obtained from parliaments, however the outlook for negotiations on the matter in the *Asamblea Legislativa* is quite grim, since ratification requires a qualified majority of 2/3, meaning that the leftist FMLN has, *de facto*, a veto. Important sectors of public opinion (including several productive sectors) have shown reluctance or at least scepticism of the official propaganda that tends to highlight the supposed blessings of the treaty only, and FMLN will probably endorse these groups' critical leanings.

In intra-regional integration, Guatemala and El Salvador continue to lead the way and are steadily moving closer to converting Central America into a customs union.

El Salvador's main commercial partners are:

- for exports: US 67%, Central America 25%, European Union 4%
- for imports: US 49%, Central America 16%, Mexico 6%, European Union 6%, Panama 2.7%, Japan 2.5%

2.6. Political Development, Good Governance, Human Rights

Elections and their aftermath

During 2003, electoral events have dominated domestic politics: first the parliamentary and local elections in March, 2003, and then the premature start of the presidential campaign.

The results of the parliamentary and local elections in 2003 were a strengthening of FMLN and PCN, a relative strengthening of the centre-left CDU, stagnation for the Christian Democratic PDC and weakening of the official Arena party.

FMLN not only regained the 31 parliamentary seats they had won in 2000, but also unexpectedly retained the capital City Hall, defeating Arena's candidate, the popular former Education Minister Evelyn Jacir de Lovo by a comfortable margin.

But then, on the very night after election day, the old leader of the Communist Party, Schafik Hándal surprisingly declared himself as a presidential candidate for the 2004 race. A lively internal debate started and several possible alternative candidates were presented. However, the party leadership rallied around Hándal, finally forcing through his election. However, in the internal election, Hándal won only with a narrow margin against Óscar Ortiz, the young Mayor of Santa Tecla.

In *Arena*, a feeling of defeat reigned after the March 2003 elections. The party had lost two seats in parliament and failed to gain the most important city halls, in spite of having launched "strong cards". The criticism against COENA (the party's executive committee) was so widespread that the internal debate reached mass media for the first time in history. The technocratic and distant style of governing, and the Government's unwillingness to modify neo-liberal recipes, were blamed for their failure at the polls.

The "bankers' COENA" stepped down and a new COENA, with a quite different composition was presented. José Antonio Salaverría (Chair) and Mario Acosta Oertel both represented the "old hands" from the very founding generation. Both are also coffee growers and have suffered personally from the Arena government's unwillingness to rescue the crisis-stricken sector from bankruptcy and embargoes.

Towards, the end of the year, both resigned quietly, supposedly as a protest against President Flores' de facto-rule of the party.

Soon enough, the debate turned to whom to select as the presidential candidate. In the end, Antonio Saca, the former President of ANEP, the employers' association, was chosen. The main argument apparently had been to choose somebody "without a past", a fresh face that could not be connected with the country's violent history. Saca's own middleman relationship to El Salvador's media tycoon Boris Ezerski was deemed an extraordinary asset, granting Saca free, partisan coverage in radio and TV.

Although the Christian Democratic *PDC* had joined forces with several small parties in the centre field, the electoral outcome was meagre, as the coalition did not result in any additional seats in Parliament, merely the five that *PDC* had won alone in 2000.

The left-of-centre Centro Democrático Unido (*CDU*) had entered the 2003 elections with a strong ticket for parliament, with both Héctor Silva and Héctor Dada Hirezi as candidates for MPs. They achieved two more seats in parliament, moving up to five.

Late in 2003, Héctor Silva finally decided to run for president, representing the coalition of *PDC* and *CDU*.

Two dissident forces on either side of the ideological spectrum tried their luck in the 2003 elections, but neither fared well. On the right end, former Arena strongwoman Gloria Salguero Gross had formed her own party: *Partido Popular Republicano*, while on the left, Facundo Guardado and other former FMLN militants, had founded *Partido Movimiento Renovador*. Both hoped to exploit the discontent within the big parties and both failed. This seems to confirm once more the thesis that once established, party “trademarks” are most important for the electorate and that dissidents are not rewarded by Salvadoran voters.

Government actions

As a consequence of the official party’s weak position in Parliament (with 27 of 84 seats), President Flores has continued using his **veto** against parliamentary decrees that do not coincide with the Executive’s policies. From time to time, even unanimous decisions in the *Asamblea Legislativa* have been vetoed by Flores. By late 2003, more than 50 vetoes had been used.

In the field of *foreign policy*, El Salvador remains a firm US ally in the region, contributing troops to the occupation forces in Iraq also assisting in swiftly pushing through the CAFTA negotiations with their extremely tight timetable.

Towards the end of 2003, the Executive launched a campaign against young criminal gangs, the so-called *maras*. For months, the Executive pursued the adoption of a law (*Ley Mano Dura*) with special powers for Police and the judiciary. Basically, the law would criminalise mere membership of a *mara*, and meant that even minors (under age) became punishable under the law. These actions initially received a positive response on behalf of a huge majority of public opinion. On the other hand, prosecutors and judges were sceptical about its legitimacy from a constitutionalist point of view.

The Human Rights community reacted strongly against *Mano Dura*, arguing that both the police campaign and the law are unconstitutional, as they do not seek to punish the commission of a crime, but rather a behaviour pattern. Also, the absence of positive alternatives and more preventive schemes were criticised.

Corruption cases

Long time ANDA (Water Authority) Director Carlos Perla fled the country after the discovery of a series of fraudulent affairs including advanced money laundering abroad.

A case of fraud in the state bank BFA (Banco de Fomento Agropecuario) was discovered, involving the bank's former President Raúl García-Prieto, currently under prosecution and on the run.

The public auditing office (Corte de Cuentas) remains in the hands of the political party generally viewed as the most “corruptible” party, the PCN. The political and electoral use of the Corte is evident, especially so close to elections.

Decentralisation

During the year, some steps have been taken to facilitate a more decentralised management of public affairs, for example the Executive-sponsored “National Plan for Territorial Planning and Development”, PNODT. One of the concrete results of this will be the increased opportunities for small municipalities to form associations of municipalities.

On the other hand, President Flores vetoed a law adopted by Parliament that would have increased the municipalities' share of the state budget from 6 to 8%. The Parliament later overruled the veto, but in the end the Supreme Court declared it improper.

Human Rights Situation

Ever since the signing of the Peace Accords, Human Rights violations have diminished substantially. Public servants violating Human Rights are no longer part of a state-sanctioned scheme but rather individuals who are liable to punishment.

The persistent high level of criminality, in combination with a low level of preventive measures and the absence of a proper criminal policy on behalf of the state, has triggered *repressive proposals* such as the *Ley Mano Dura*. The more progressive Criminal Codes adopted in 1998 have been rolled back during the last years.

Under a new boss, the *Human Rights Ombudsman* (PDDH) has slowly repositioned itself after the turbulent years 1998–2001. Several daring resolutions have been published, regarding current situations as well as paradigmatic cases from the past, like the six Jesuits, or Monseñor Romero.

Impunity is a persistent problem, reflecting the weakness of the judicial sector in resources and training as well as in independence from other powers. The topic of judicial independence and efficacy is being addressed through several initiatives, some of which externally funded, most of them involving the Consejo Nacional de la Judicatura.

2.7. Development Cooperation and Partnership

Donor coordination

In general terms, donor coordination has been quite weak. Apart from some shared concerns such as the weakness of Rule of Law, different donors invest in different spaces and in different sectors and with apparent territoriality. The prevailing political polarisation has also affected donor coordination as open dialogues have been rendered more difficult.

However, since the arrival of a new Representative, the *IDB* has evolved into a very positive, open-minded and active player on the donor coordination scene. Because of the bank's size and importance as a

dialogue partner to the Government of El Salvador, this is a very positive development that will eventually further the creation of national dialogue spaces as well.

Also, a regional assessment on the impact of CAFTA on the rural poor is being prepared.

In contrast, the *European Union* has not played a very active role in coordination efforts in El Salvador.

UNDP maintains its willingness to promote dialogue, but resistance from the Government of El Salvador and from some bilateral diplomatic representations, has worked against this.

From time to time during recent years, Sida and Sweden have tried to open a dialogue on reconstruction cooperation and its orientation with its bilateral counterparts. However, this effort has so far been in vain as other donors have not shown any interest in entering the debate.

Partnership

In 2003, Sweden continued its dialogue with the Government of El Salvador in reference to the proposed creation of a Trust Fund for Post-earthquake Housing Reconstruction. For details of this contribution, see below in the project chapter.

Sida's opportunities of working together with IDB through the IDB-Sida Partnership Fund are being actively pursued. Starting in late 2003, papers and documents for the upcoming Policy Dialogue on social issues with the new government are under preparation.

During the preparation of the CTC contributions, Sida has carried out a thorough dialogue both with the coordinating counterpart, the development cooperation department of the Foreign Ministry, and with interested official institutions.

3. Swedish Development Cooperation

3.1. Strategic Assessment and Considerations

Sweden's development cooperation with Central America and the Caribbean is guided by the regional strategy 2001–2005. In the specific case of El Salvador, the strategy points out two main focuses:

- Local democracy
- Human Rights/Rule of Law

Historically, Swedish support to El Salvador has been closely related to the Peace Accords agenda. The present orientation, expressed above, follows this tradition.

This strategy dictates that the Swedish support is to undergo a major conversion: after 2005, no more programmes will be financed wholly by Swedish grants. Gradually during the strategy period (2001–2005), grant-financed programmes are to be phased out and the specific cooperation instrument Contract-financed Technical Cooperation (CTC) is to be introduced.

During the relevant strategy period, the CTC project will be oriented along the lines defined in the Strategy. This gradual diminishing of grants to El Salvador has been somewhat amended by the special reconstruction support after the earthquakes in 2001.

3.2. Overall Country Programme Review

Development cooperation with El Salvador was guided by the regional strategy and the country plan for 2003. Most activities proposed in the annual plan have been implemented, while others have undergone a reorientation. The Technical Cooperation (CTC) contributions, some of which had originally been planned for disbursement in 2003, have been postponed until 2004.

In 2003, several contributions have been finalised in accordance with the strategy indicating a gradual phase-out of grants. In some cases, thanks to coordination efforts, the Swedish NGO Diakonia has initiated relationships with Salvadoran NGOs who have previously been Sida counterparts. This is the case of Fespad and Idhuca, important Human Rights organisations.

A major reorientation has been effectuated in support to the reconstruction of housing for people who lost their homes in the 2001 earthquakes. Originally the funds were to be channelled through a public-held Trust Fund, however, due to problems in the funding of the subsidy part, a decision was taken in September 2003 to implement a programme through local NGOs.

The coordinated effort to systematically introduce the Contract-financed Technical Cooperation (CTC) modality for Swedish support to El Salvador, launched in 2002, has continued during 2003 and resulted in project applications from eight public authorities and/or institutions, all within the framework of Sida's strategy for development cooperation with El Salvador. Five of these applications have now been definitely approved for funding, resulting in total Sida support of some MSEK12 over a period of 24 months. Yet another application was granted preliminary approval and is likely to be approved.

A general study on the history of Swedish support to the peace process in El Salvador was started during late 2003, to be finalised in 2004. The commission for the study has been awarded to the Swedish firm Context.

The special communication effort started up in 2001 has been reoriented towards the aforementioned study, involving several Sida counterparts in El Salvador.

The indicative country allocation for El Salvador for 2003 was initially MSEK 40, including the Director General's provision for over-budgeting at the Regional Department. The country allocation was adjusted to MSEK 33 in the first revision. Final disbursements amounted to MSEK 29 mainly as a result of the reorientation of the post-earthquake housing effort. This reorientation was decided on a later stage which caused a lower disbursement level than originally planned.

3.3. Follow-up of Country Programme Performance

3.3.1 Local Democracy/Local Development

Local democracy and citizen participation (Diakonia)

In El Salvador, the focus of Swedish NGO Diakonia and its national counterparts is on local democracy and local development, strengthening civil society organisations. Diakonia's long-time efforts in this field have been crucial, placing local development efforts in a very central position in the local debate.

With Diakonia's regional coverage, the successful Salvadoran experience of local development has been shared with civil society actors and local governments in other countries in Central and South America.

– Sida support: MSEK 22.5 for 2001–2003.

Modernisation of the judiciary (via UNDP)

During the year, the first batch of judges graduated from a special training programme (*Programa Formación Inicial para Jueces*) organised by the ECJ (the School for Judicial Training). This School belongs to the National Council of the Judiciary, which is the entity in charge of training and selection of personnel within the entire judiciary.

This training programme lasts two years of fulltime studies, and is aimed at lawyers who wish to make a career, particularly as judges. Of more than 600 applicants, 35 were admitted in 2001, and 34 graduated in October 2003.

Within a few months of their graduation, the majority of the new judges had been appointed Judges of Peace.

– Sida support: MSEK 3 for 2002–2004.

Disbursed during 2003: MSEK 1.

UNDP: National Human Development Report, 2003

Every two years, UNDP together with the national counterpart *Consejo para el Desarrollo Humano Sostenible* (the Council for Sustainable Human Development) has produced a national Human Development Report (NHDR).

This year, the main scope of the NHDR was the effect of globalisation on society; trends, dangers, challenges and opportunities. The topic was extremely current as, during the entire year, CAFTA negotiations had been going on between USA and the Central American countries.

The report was released in November 2003, in a bold move to try and influence the political actors who were about to enter the presidential campaign. In this way, the NHDR had an extraordinary impact on the public debate.

One novelty was the fact that the report also was promoted in the regions of the USA where most Salvadoran immigrants live: Washington D.C., Los Angeles and New York.

– Sida support: SEK 500,000 (2003).

FUSAI: Housing Fund

The Housing Fund was created to offer financing solutions for low-income housing, combining micro-credits with subsidies. The scheme was built on the promise of government subsidies and on maintaining market-level interest rates for the credit component.

During this year, Fusai has experienced two major difficulties affecting the turnover of the Fund: firstly the Government has reoriented housing subsidy funds elsewhere, leaving Fusai without the important subsidy financing. Secondly, most donors' response to the massive housing destruction during the earthquakes has been to donate financed housing units. Consequently, poor people have resisted the notion of having to pay market-level interests on their housing credits, creating huge difficulties for entities such as Fusai which maintain the idea of cost-sharing.

– Sida financing: MSEK 41 for the period 1999–2004.

Disbursed during 2003: —

FUSAI: Local Development Fund (Nejapa)

This year, Fusai's work with this Fund has come to an end. After several years, this Fund has not yet created its own legal entity. Funds that were to be co-invested in projects have been transferred to the Soyapango Development Fund instead (see below).

– Sida financing: MSEK 2.9 for the period 1999–2003.

Disbursed during 2003: —

FUSAI: Local Development Fund (Soyapango)

On an early stage, this Fund had become a legal entity. This Fund has shown an outstanding dynamic between its members, and Sida and Fusai have decided to transfer the balance from the Nejapa Local Development Fund, to this Fund. Fusai will continue to provide technical assistance for the Soyapango Fund well into year 2004.

– Sida financing: SEK 870,000 for the period 2000–2004.

Disbursed during 2003: —

OPAMSS: Sewage and storm water disposal

This CTC contribution concerns the elaboration of a master plan for sewerage and storm water disposal within the metropolitan region of San Salvador. The local counterpart is the region's urban planning unit (OPAMSS) with support from the Swedish company Sweco, and the final result (including proposals concerning technical as well as institutional solutions) will hopefully also attract the interest of potential investment institutions such as the IDB or the World Bank.

In this context, however, the traditional animosity between the political parties involved at different levels of authority (ARENA in the Central Government and FMLN at the municipal level) constitutes a serious obstacle to an agreement on the institutional framework, the future financing of the metropolitan water systems and the approval by Parliament of an international loan for the rehabilitation and construction of physical infrastructure.

– Sida financing: MSEK 7.9 for the period 2002–2003.

Disbursed during 2003: MSEK 4.5.

Salvadoran Institute for Municipal Development (Instituto Salvadoreño de Desarrollo Municipal, ISDEM)

A CTC-contribution to methodological development for participative planning in associated municipalities.

– Sida support: MSEK 2.2 for a period of 2 years (starting 2004).

3.3.2 Human Rights, Rule of Law

Attorney General's Office (Fiscalía General de la República, FGR)

A CTC contribution to improvements concerning the internal and external information system.

– Sida support: MSEK 1.8 for a period of 12–18 months, starting 2004.

The Supreme Court of Justice (Corte Suprema de Justicia, CSJ)

A CTC contribution to the strengthening the department of the notary public.

– Sida support: MSEK 1.5 for a period of 12–18 months, starting 2004.

Human Rights Ombudsman (Procuraduría para la Defensa de los Derechos Humanos, PDDH)

A CTC contribution to institutional development and specialised staff training within key areas.

– Sida support: MSEK 4.8 for a period of 2 years, starting 2004.

National Fund for War Victims (Fondo de Lisiados)

A CTC contribution to institutional strengthening for strategic planning and follow-up.

– Sida support: MSEK 1.4 for a period of 12–18 months, starting 2004.

COCÍVICA: Voter education and electoral reform

This coalition of five NGOs has continued its work along the lines of the current Project Document. Activities in 2003 have been particularly intense, with one election in March and the preparations for the next elections (Presidential) in March 2004.

This effort is co-financed together with the Netherlands, Norway and Denmark.

– Sida financing: MSEK 3 for the period 2002–2004.

Disbursed during 2003: MSEK 1.

FESPAD: Economic, social and cultural rights

As in previous years, Fespac has continued its high profile lobbying in favour of the ECOSOC rights and constitutional topics. The *Ley Mano Dura* has been harshly criticised by Fespac.

Internally, Fespac is moving towards a more flexible organisational structure that allows for a leaner cost profile during slack periods. This is of utmost importance for the future sustainability of the foundation, because its current funding sources require the implementation of specific projects, while core financing is drying up.

Swedish NGO Diakonia has decided to enter into a relationship with Fespac, replacing Sida as a partner.

– Sida financing: MSEK 2.4 for the period 2002–2004.

Disbursed during 2003: SEK 800,000.

IDHUCA: Human Rights as a 21st Century challenge

Idhuca (the Human Rights Institute of the Jesuit UCA University) continues its tireless efforts in favour of a well-functioning judicial system and against the cases of impunity that are continuously produced by the judiciary. Another area for Idhuca is the dramatic question of illegal immigrants.

This year, several paradigmatic judicial cases have been advanced by Idhuca.

On the other hand, the efforts of the entire UCA to advance the cause of the intellectual responsibility in the case of the six Jesuit priests murdered by the Army in 1989 have not been very fruitful, evidencing a deep-rooted resistance from different actors to face the truth and justice.

Close connection with the UCA University have, once again, proven a great strength – particularly due to access to facilities for spreading and broadcasting its message to the general public.

This effort is co-financed together with donors from the Netherlands, Canada and Denmark. Also in this case Swedish NGO Diakonia has decided to enter into a relationship with Idhuca, replacing Sida as a partner.

– Sida financing: MSEK 1.4 for the period 2002–2003.

Disbursed during 2003: SEK 700,000.

TV Debate and investigative journalism

PROGES, a local foundation, is carrying out a journalistic programme, the concrete outcome of which is a daily debate programme on the national network. The debate is generally considered to be the most professional in the country and represents an important space for scrutiny of national as well as regional affairs.

– Sida financing: MSEK 3 for the period 2001–2003.

Sida contribution for 2003: MSEK 1.

3.3.3 Extraordinary support: post-earthquake reconstruction

Post-earthquake Housing Reconstruction

In July 2001, Sida decided to support the creation of a Trust Fund for Post-earthquake Housing Reconstruction, the owner of which was to be the Vice-Ministry of Housing (VMVDU). The condition was that Sida's donation was to be used as rotating credit capital, in combination with a substantial portion of subsidies from the Government of El Salvador.

This Fund has failed to materialise due to the absence of counterpart funds for the subsidy component of the project. In August 2003 Sida took the decision to reorient the funds set aside for this effort.

The decision was to invite organisations in El Salvador currently working in the field of housing for low-income families and with experience in microfinance solutions to apply. The Swedish funds are to be invested in the subsidy project component, in combination with a credit that has to be financed by the implementing agencies.

Finally, Fundasal and Fusai were chosen as implementers. Fundasal will receive MSEK 12 and Fusai MSEK 24 and more than 2,000 housing units will be the end result. The effort is to be finalised before mid-2005.

An amount of 300,000 SEK has been set aside for a final evaluation.

– Total Sida funding: MSEK 36.3

Disbursed during 2003: MSEK 13.5

FUSAI: Reconstruction post-earthquake 2001

The funds for this effort had originally been destined for Fusai's preventive work after Hurricane Mitch in 1998. When the earthquakes struck El Salvador at the beginning of 2001, these funds were rapidly reoriented to habitat-related reconstruction. All the funds were disbursed by 2002, and the project will be finalised, at the latest, by mid-2004.

– Sida financing: MSEK 12.7 for the period 2000–2004.

Disbursed during 2003: —

FUSAI: Disaster Prevention and Mitigation

This contribution was decided as a replacement for the above funds (Mitch-related) that were rapidly redeployed as an emergency project. The efforts have been directed towards local actors, strengthening local capacities for preventing and responding to disasters.

The funds have been totally disbursed and Fusai will close this project in early 2004.

– Sida financing: MSEK 12.7 for the period 2001–2003.

Disbursed during 2003: —

UNDP: Coordination and Concert (Post-earthquake)

With this contribution, UNDP has channelled funds to efforts for “bridge-building”, especially between official authorities and civil society organisations. Given the prevailing political polarisation, the task has been complicated but nevertheless UNDP has succeeded in finding worthwhile efforts.

Activities finalised in the first months of 2003.

– Sida financing: MSEK 2.2 for the period 2001–2003.

Disbursed during 2003: SEK 30,000.

3.3.4 Swedish NGOs in El Salvador

Apart from Diakonia (see above, 3.1) there are two other Swedish NGOs with permanent presence in the country: UBV and the Swedish Co-operative Centre. Both have more than 10 years’ experience of working in El Salvador.

UBV (*Cooperación Técnica Sueca* in Spanish) is a volunteer organisation and recruits professionals in Sweden who offer their knowledge and experience to local organisations in El Salvador.

In the case of the Swedish Co-operative Centre (*Centro Cooperativo Sueco* in Spanish), as their name indicates, they specialise in supporting different kinds of organisations working with cooperatives.

4. Office and Administrative Issues

Development cooperation with Guatemala, El Salvador and some regional programmes are managed by the Embassy of Sweden in Guatemala. The embassy has a total of 23 employees. Of these, seven officers employed by Sida and two assistants on the embassy administrative budget work full time with development cooperation.

In the specific case of El Salvador, one officer works almost full time with El Salvador in general terms. As regards the CTC effort, another officer works part-time with El Salvador. One financial assistant spends a substantial part of her time working with El Salvador.

During the year, a longed-for update of the ICT platform was carried out. The office is now able to use Sida's in-house information and economic planning systems. The Ministry for Foreign Affairs' ICT system is modern and well functioning. Of course this brings much better working conditions for the staff. The office can now assume all responsibilities related to the management and administration of development cooperation and can assume the delegation of the country allocation except for the right to decide on new projects.

Annex 1

El Salvador Human Development Indicators

	1998	1999	2000	2001	2002	2003
General						
Inhabitants (thousands)	6,031	6,154	6,276	6,4	6,517	
Population growth % annually	2	2	2	1.9	1.9	1.9
HDI Index	0,696	0,704	0,706	0,719	0,726	0,719
World ranking	104	95	104	105	104	105
Human Poverty Index		19.2	18.1	17.2	16.5	
Economy						
GDP (million USD)	12,008	12,465	13,134	13,804	14,284	
GDP/capita (USD)	1,991	2,025	2,093	2,158	2,192	
GDP growth, %	3.7	3.4	2.2	1.7	1.9	1.8
BNI growth/capita %						
Gini coefficient			0.55	0.53	0.54	
Inflation (per cent)	4.2	-1	4.3	1.4	2.8	
ODA received as percentage of GDP	N/A	N/A	1.4	1.7	1.63	N/A
ODA received per capita (USD)	N/A	N/A	28,57	37,19	35,84	N/A
Social Development						
% population living in extreme poverty	18.9	16.8	16	16.09	19.2	
Poorest 20% share of income/consumption	3.7				2.4	
Average life expectancy	69.4	69.7	70	70.2	70.4	
Infant Mortality per 1000 live birth	35	30.7			25	
Maternal Mortality per 100000 live birth				120		
Literacy rate	78	80.4	78.7	79.2	81.7	
% of population with access to water			60			
Democratic Development						
Freedom house index (PF=partly free)	2,3F	2,3F	2,3F	2,3F	2,3F	N/A
Corruption perception index (TI)	3,6	3,9	4,1	3,6	3,4	3,7
Transparency International (TI) Ranking	51	49	44	55	63	61
Gender related Development index	0,583	0,699	0,696	0,707	0,720	
Seats in parliament held by women, in %			9.5			10.7
Women in government, ministerial level, %			15.4			9.1

Annex 2

Report on Implementation of Country Plan El Salvador for 2003

Annex 2: REPORT ON IMPLEMENTATION OF COUNTRY PLAN EL SALVADOR FOR 2003

Delimitation:

Status: A, I, P

Region/Country: El Salvador

Sector: -

Alloc account: All but NGO 15561

Other: agr end > 200112

ALLOCC ACC TITEL	DEVNO OP AREA DEV AGR	AGR. ID Status	AGR. PERIOD	CONTRIBUTION ID AND TITEL	RESP UNIT	PLANNED ACTIVITIES	RESP UNIT SUP	FC 2003	Revised FC 2003	Disburse d 2003	Comment
01 El Salvador	NO DEV 1. HR/DEM	A	A6100253	200012 - 61000472 Diakonia El 200406 Salvad 01-03	RELA	Annual and semiannual meeting	RELA	7 500	3 800	3 800	First disbursement done in 3 800/2002
			A6100349	200203 - 61000598 Mandate cont 200403 supp IDHUCA	RELA	Annual meeting	RELA	700	700	700	
			A6100351	200203 - 61000525 UNDP/Justice 200503 sector	RELA	Annual meeting	RELA	1 000	1 000	1 000	
			A6100356	200201 - 61000529 FESPAD 2002- 200506 2004	RELA	Annual meeting	RELA	800	800	800	
			A Total					10 000	6 300	6 300	
			A6100380	200207 - 61000528 Civ soc elect 200412 partic III	RELA	Annual meeting	RELA	1 000	1 000	1 000	
			A6400008	200310 - 64000033 PROGES TV- 200410 Debate	AMB GTM		AMB GTM	0	900	900	Phase out support
			A6400005	200303 - 61000670 UNDP Human 200407 Development report	AMB GTM		AMB GTM	0	500	500	Phase out support
			P	61000462 HR-ombudsman ELS	DESA		DESA	700	0	0	Project not initiated
			P Total					1 700	2 400	2 400	
			1. HR/DEM Total					11 700	8 700	8 700	
	3. INFRA	A	A7100904	199907 - 71005051 SLV Fusai 200407 Housing Fund	URBA N	Annual meeting	URBA N	1 000	0	0	Disbursement moved to 0 2004
			A6100330	200707 - 61000537 UNDP 200403 coordination reconstruction	AMB GTM	Annual meeting	AMB GTM				
			A7160018	200205 - 71600634 SLV KTS 200312 Wastewat&Stormwat	KTS	Annual meeting	KTS	32	32	32	
			A Total					4 900	4 482	4 482	
			P	71007022 SLV Reconstruction 1RELA	URBA N		URBA N	5 932	4 515	4 515	Change of implementing channel, see 64000041
			P Total					15 500	0	0	
		A	A6400006	200312 - 64000041 Housing post 200603 earthquake	AMB GTM		AMB GTM				Reconstruction program assessed by Embassy; new implementing partners
				61000527 FUSA/Local dev + trainin	AMB GTM		AMB GTM	0	13 500	13 500	Capacity constraint at implementing partner
		I						1 700	0	0	

ALLOCC ACC TITEL	DEV/NO DEV AGR	OP AREA	AGR. ID	AGR PERIOD	CONTRIBUTION ID AND TITEL	RESP UNIT	PLANNED ACTIVITIES	RESP UNIT SUP	FC 2003	Revised FC 2003	Disburse d 2003	Comment
			I Total						1 700	13 500	13 500	0
		3. INFRA Total							23 132	18 015	18 015	0
		9. OTHER	A	200001 - 200301	61000372 Program Officer EI Salvad	RELA		RELA				
		A Total							1 600	1 463	1 463	
		9. OTHER Total							1 600	1 463	1 463	
		99. Oklassif	A	200312- 200412	71001418 translation of project documents	KTS		KTS				Started end of 2003
		A total							0	13	13	
		A6120036			61000689 Evaluation, peace-process related efforts	SEKA/ AMB GTM	ToR and start during 2003	SEKA- HUM	800	686	686	
		A			Evaluation, local development efforts	DESA /AMB GTM	ToR and start during 2003	DESO- DESA	800	0	0	Study postponed until 2004
		P			SLV KTS: Various efforts (71008101, 71300010, 71300011, 71300021-23) Study: 71001331	KTS		KTS				Only a study started 6 projects will start during 2004
		P							8 000	148	148	
		A total							9 600	834	834	
		99. Oklassificerat Total							9 600	847	847	
		NO DEV Total							46 032	29 025	29 025	
01 El Salvador		Total							46 032	29 025	29 025	
08 Human	NO DEV	99. Oklassificerat	P		71007023 SLV Reconstruction 2 SEKA	URBA N		URBA N	14 000	0	0	Change of implementing channel, see 64000042
		A6400010		200403- 200603	64000042 SLV Reconstruction SEKA	AMB		AMB GTM				Reconstruction program assessed by Embassy, new implementing partners. SEKA-HUM funds available from 2004
		A							0	0	0	
		P Total							14 000	0	0	
		99. Oklassificerat Total							14 000	0	0	
		NO DEV Total							14 000	0	0	
08 Humanitarian assistance		Total							14 000	0	0	
Grand Total									60 032	29 025	29 025	

Annex 3

Planning Overview El Salvador per Sector

PLANNING OVERVIEW EI Salvador PER Sector

Delimitation:

Status: A, I, P, C

Region/Country: El Salvador

Sector: -

Alloc acc: All but NGO

Other: Status C with agr end > 200400

SUBAPPR	(All)
DEVCOOPAGR	(All)

ALLOC FRAME	ITEM	SECTOR	AGREEMENT ID AND TITLE	AGR PERIOD	CONTRIBUTION ID AND TITLE	STATUS	Data		DISB UP TO DISB 2004 2003-12-31	FC 2004	FC 2005	FC 2006		
							DAA TOTAL							
INSIDE COUNTRYALLO	El Salvador	1 HR & Demo		-	61000652 IDHUCA 2004-2005	I		800 000	0	0	500 000	300 000	0	
			A6100253 Diakonia LA 01-03	200012-200406	61000472 Diakonia El Salvad 01-03	A		22 500 000	22 500 000	0	0	0	0	
			A6100069 TV-debattprogram	199810-200112	61000071 TV Debate	A		2 480 000	2 469 808	0	0	0	0	
			A6100118 NEJAPA Loc Dev Fund SLV	199903-200212	61000247 SLV Fusai Nejapa Dev Fund	A		2 775 000	2 775 000	0	0	0	0	
			A6100255 Bridging support PDDH	200012-200202	61000489 Bridging support PDDH ELS	A		622 300	484 072	0	0	0	0	
			A6100256 PROGES	200012-200403	61000488 TV-debate, PROGES	A		3 000 000	3 000 000	0	0	0	0	
			A6100299 Add. Support Diakonia ELS	200109-200306	61000530 Diakonia coord/reconstruc	A		6 050 000	6 050 000	0	0	0	0	
			A6100349 IDHUCA 2001-2003	200203-200404	61000598 Continued support IDHUCA	A		1 400 000	1 400 000	0	0	0	0	
			A6100351 UNDP/Justice Sector	200203-200503	61000525 UNDP/Justice sector	A		3 000 000	2 000 000	441 028	1 000 000	0	0	
			A6100356 FESPAD 2002-2004	200201-200506	61000529 FESPAD 2002-2004	A		2 400 000	1 600 000	250 000	800 000	0	0	
			A6100380 Consorcio ONG civ soc ele	200207-200412	61000528 Civ soc elect partic III	A		3 000 000	2 000 000	1 000 000	1 000 000	0	0	
			A6101021 IDHUCA	199911-200205	61003905 IDHUCA	A		1 200 000	1 200 000	0	0	0	0	
			A6400008 Agreem with PROGES, SLV	200310-200410	64000033 TV Debate, PROGES II	A		900 000	900 000	0	0	0	0	
			A7101253 SLVUpphandlingsstöd	200305-200412	71001303 SLV Support Procurement	A		251 220	150 724	100 496	100 496	0	0	
			A7101360 Översättning	200312-200412	71001418 SLV Translation proj docs	A		50 000	12 941	20 625	37 059	0	0	
			A7130028 Aklagarmynd. ELS	200305-200405	71300011 Prosec. Office ELS	P		1 800 000	0	0	1 000 000	800 000	0	0
			A8100001	200306-200406	71001331 SLV PIM Alcaldia	A		182 000	147 957	0	34 043	0	0	
			A8160000 Notarius Publicus ELS	200305-200408	71300010 Notarius Publicus ELS	P		1 500 000	0	0	750 000	750 000	0	0
			A6100399 Diakonia LA 04-06	200403-200706	61000711 Diakonia El Salvador04-06	A		21 000 000	0	3 500 000	7 000 000	7 000 000	7 000 000	7 000 000
			1 HR & Demo Total					74 910 520	46 690 502	5 312 149	12 221 598	8 850 000	7 000 000	7 000 000

ALLOC FRAME	ITEM	SECTOR	AGREEMENT ID AND TITLE	AGR PERIOD	CONTRIBUTION ID AND TITLE	STATUS	DAA TOTAL	DISB UP TO DISB 2004	FC 2004	FC 2005	FC 2006
INSIDE COUNTRYALLOC	El Salvador	2 SOCIAL	A7200280 Regional Health CA	199812-200405	61000053 HSR El Salvador II Health	A	28 180 854	28 180 854	0	0	0
			A7250916 Libraries SLV	200005-200406	72000351 National Library SLV	A	1 258 000	1 258 000	0	0	0
		2 SOCIAL	Total				29 438 854	29 438 854	0	0	0
		3 Infra, trade etc		-	61000527 FUSA/local dev + trainin	I	3 400 000	0	0	1 700 000	0
					64000043 Strengthen FONAPIPO-SAL	P	2 000 000	0	0	2 000 000	0
				200107-200403	A6100330 UNDP Coordination reconst	A	2 200 000	2 199 999	0	0	0
				200312-200603	A6400006 Housing post-earthq. SAL	A	21 300 000	13 500 000	0	7 500 000	300 000
				199907-200407	A7100904 Local Dev El Salvador	A	41 000 000	40 000 000	0	1 000 000	0
				200004-200212	A7102602 Local dev. Soyapango	A	870 000	870 000	0	0	0
				200012-200406	A7104800 FUSAI - Mitch	A	12 700 000	12 700 000	0	0	0
				200012-200306	A7108001 FUSAI Disaster Prevention	A	12 700 000	12 700 000	0	0	0
				200205-200403	A7160018 SLV KTS Wastewat&stormwat	A	7 900 000	7 110 002	0	789 998	0
				200007-200406	A7300450 UNICEF-WES CA 2000-2002	A	11 000 000	11 000 000	0	0	0
		3 Infra, trade etc Total					115 070 000	100 080 001	0	12 989 998	2 000 000
		9 OTHER		200001-200501	61000372 Program Officer El Salvad	A	7 743 795	5 350 884	518 831	1 800 000	0
				200304-200312	A6100386 Progr Off. Short-term ELS	A	300 000	242 892	0	0	0
				200309-200407	A6120036 Context ELSa studie	A	1 400 000	686 000	402 000	714 000	0
				200303-200407	A6400005 UNDP HDR 2003 El Salvador	A	500 000	500 000	0	0	0
		9 OTHER	Total				9 943 795	6 779 776	920 831	2 514 000	0
		(blank)		-	61003941 II Study. Swe supp SLV	I	900 000	0	0	900 000	0
					71008101 SLV Municipality San Salv	I	3 000 000	0	0	500 000	1 500 000
					71300021 SLV capacity dev PIDH	P	4 500 000	0	0	1 500 000	2 500 000
					71300022 SLV capacity dev ISDEM	P	250 000	0	0	1 500 000	1 000 000
					71300023 SLV Fondo de Lisiados	P	1 400 000	0	0	1 000 000	400 000
					71300024 SLV statistics Digestyc	I	500 000	0	0	0	0
		(blank) Total					10 550 000	0	0	5 400 000	5 400 000
	El Salvador Sum						239 913 169	182 989 134	6 232 980	33 125 596	16 250 000
	INSIDE COUNTRYALLOC Total						239 913 169	182 989 134	6 232 980	33 125 596	16 250 000
OUTSIDE COUNTRYALLOC	Humanitarian assistance	2 SOCIAL	A7400975 Sw Church-Hum Frame 2001	200101-200401	74001354 Sw Church-Hum frame 2001	A	505 000	505 000	0	0	0
		2 SOCIAL	Total				505 000	505 000	0	0	0
		3 Infra, trade etc		200102-200202	74001609 Appeal E S UNICEF	A	4 000 000	4 000 000	0	0	0
				200403-200603	64000042 Earthq housing SLV,SEKA	A	15 000 000	0	0	15 000 000	0
		3 Infra, trade etc Total					19 000 000	4 000 000	0	15 000 000	0

Halving poverty by 2015 is one of the greatest challenges of our time, requiring cooperation and sustainability. The partner countries are responsible for their own development. Sida provides resources and develops knowledge and expertise, making the world a richer place.



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