

El Salvador



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1. Strategic Country Development Trends

1. The peace process

The Salvadoran peace process is considered by most analysts to constitute a very positive example of conflict resolution and reconciliation. At a closer look, however, the emerging picture is both more complex and also contradictory. On the one hand, the Peace Accords signed in 1992 were extremely successful in terminating the armed conflict as such – not a single shot has been fired since between the former warring parties. On the other hand, very few of the conditions which were defined as the root causes of the conflict have been properly addressed.

In this context it should therefore come as no surprise that the signatory parties to the Peace Agreement still differ on how they perceive the Accords. For the ex-combatants of FMLN – who during the civil war dreamt about the military defeat of the army and the victory of the leftist revolution – the Accords are perceived as a minimalist platform from which to begin building another kind of society by peaceful means. To the conservative establishment of the country, the Accords continue to be seen as a serious concession that became necessary only in order to terminate the state of war; consequently their implementation should be reduced to its minimal possible expression.

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

In the field of conflict resolution and reconciliation, the approach towards history, towards the common past, is of key importance. In the case of El Salvador, the war period – with its widespread and systematic violations of human rights – still constitutes the “forcibly forgotten past”. As the Salvadoran 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 obviously represents an important obstacle on the road towards reconciliation. However, the dominating circles within the establishment in El Salvador have so far worked hard to evade this theme. The Report from the Truth Commission is there and it represents the most honest effort so far to describe the past – however hitherto it has been shunned by all the people or groups directly or indirectly mentioned therein, groups which together can exercise considerable power and influence.

However, history may be denied but cannot be undone and in all major political campaigns in El Salvador 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. Moreover, in a series of elections, voters have given the two main parties (ARENA and FMLN) the lion's share, resulting in an ever-stronger bipartisan system with an antagonistic relationship between the two parties in the system.

In other words: the implicit ideal of the Peace Accords, the creation of a more consensus-building society, is very far from becoming reality. At the same time, the brutal socio-economic inequalities that once triggered the armed conflict have not changed. Taken together, these three factors – almost untouched inequalities, prevailing political polarization and the lack of mechanisms for consensus-seeking or conflict management – imply a risk for the future resurgence of violence as a means of “conflict resolution”.

2. Poverty reduction

According to official numbers, poverty has been significantly reduced in El Salvador since the peace and currently some 35% of the population is poor. However, the real figures are probably higher than officially acknowledged. The official poverty definition, seriously questioned, has not been revised since 1991 and there are significant discrepancies between data from different national authorities.¹

The Salvadoran economy is basically informal, with only a minority engaged in formal employment. In Latin America, informality spells poverty and vulnerability. The gender dimension is also worth noting in this context: in the informal sector 56% are women while only 44% are men. Having a formal job is thus the exception, not the rule. One consequence of this situation is that only about 15% of the population is covered by the social security system. In addition, a significant part of the formal employment sector is of a quite volatile nature. Most *maquilas* (assembly industries, in El Salvador mainly textile factories) offer jobs that are easily lost to competing countries if conditions and wages improve, shifting costs upward.

Even if there have been some advances in reducing national poverty rates since the signing of the Peace Accords, inequality is still on the rise on several fronts: between rich and poor households, between rural and urban sectors, between women and men and between the participants of the formal and informal sectors.

Differences between rural and urban – between centre and periphery – are reflected in all the three aspects that constitute the defining elements of 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 that of urban areas.

Currently, no official Poverty Reduction Strategy exists in El Salvador. The general development policies applied by four consecutive governments belonging to the ARENA Party have basically consisted of:

¹ While the Ministry of Finance reports an inflation rate of about 70 % in the consumer price index for food items during the last 10 years, the national statistics department (DIGESTYC, belonging to the same Ministry), maintains that the cost of basic consumer goods only increased by about 20% during the same period. The main reason for these discrepancies is the obsolete character of the basis for calculating consumer price index, a problem which may soon be resolved – partially due to Swedish support to DIGESTYC.

- the promotion of exports and foreign investment (especially in the form of export processing or assembly zones, known as *maquilas*) to generate more formal employment opportunities as well as export earnings;
- 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 strategy of the poorer groups themselves has in some ways been more successful: sending their young people north to the USA, leaving (grand)parents and children behind to receive the remittances that mean survival – and even, in some cases, advancement. Remittances are said to be the cause of over 50% of the reduction in rural extreme poverty during the last ten years.² To the one-third of poor households that regularly receive remittances; these represent more than half of their total income.

However, this massive migration also generates deeply negative social consequences:

- Citizens lose their faith in El Salvador as a viable starting point for a better life. Opinion polls show that the vast majority of Salvadorans today perceive that their only hope for the future is going north.
- Families break up and disintegrate. As most migrants start by being illegal immigrants in the US, they tend to stay there for many years before being able to stabilise their situation and visit the family back home. According to certain observers, this is one explanation for the rapid spread of youth gangs (with a more or less criminal focus), the maras, who replace or even become the real family, providing a strong (negative) 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.

El Salvador occupies position no. 103 on UNDP's ranking list for human development (HDI). 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 much better. Compared to other countries with similar GDP levels per capita, El Salvador lags behind in the HDI, mainly because of a higher degree of inequalities.³ In comparison it can be mentioned that Jamaica with less GDP/capita is in position no. 79 on the HDI or Peru with the same GDP/capita is in position no. 85 on the HDI.

Infant mortality is 25 per thousand, which is a better figure than in neighbouring countries (except Costa Rica and Panama). On the other hand, maternal mortality is high (the highest in the region)⁴, partly due to a high percentage of teenage mothers which, in turn, is a result of inadequate sexual information, poverty and machismo culture.

According to projections by UNAIDS, HIV/AIDS cases in El Salvador currently amount to around 25,000.⁵ Even if the actual figures are not alarming in proportion to population, the lack of preventive pro-

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

³ UNDP, Human Development Report 2004

⁴ PAHO Website <paho.org> (statistics from 2001)

⁵ UNAIDS Website <unaids.org>

grammes is worrying. The present situation is a serious challenge when it comes to the nation's possibilities of achieving the specific Millennium Development Goals of reversing the spread of HIV/AIDS, and reducing maternal mortality rate by three-quarters by year 2015.

Access to piped water is a major problem in El Salvador: 40% of the population still lack access.⁶ Another problem is the quality of the piped water, as about 80% of the surface and ground water is contaminated, particularly in the countryside where purification of water supplies is almost non-existent. This "drinking" water is a major source of infectious diseases.

In *education*, literacy has increased continuously and in 2002 adult literacy reached 82%. 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.

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).⁷

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).

3. Macro-economic development

Total GDP growth during 2004 was 1.8%, which is less than the increase in population, meaning a negative per capita growth. This negative trend has persisted for several consecutive years. During this same period inflation amounted to slightly over 5%.

Tax collection has improved somewhat, but overall taxation as percentage of GDP has increased only slowly during the last 15 years: from 9.1% in 1991 to 11.2% in 2002. Public debt currently 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 the degree of indebtedness and the existing fiscal deficit, the macro-economic situation is not sustainable in the long run.⁸ Projections show that without a substantial reshaping of public finances, the public debt will reach 60% of GDP as early as 2010. Basically there are only two solutions to this situation: either making the public sector even leaner or increasing taxes. However, since the number of public employees has already been substantially reduced in recent years, it is hard to see how the public sector could diminish further without generating problems of severe magnitude.

With the present fiscal deficit, the 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.

In year 2004, migrants' remittances amounted to around 15% of GDP, one of the highest ratios in the world and it continues to grow. Remittances are the factor that makes ends meet. 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.

⁶ PAHO/WHO, 2000.

⁷ All figures from EHPM (Multi-purpose Household Inquiry), 2002, quoted in UNDP's Informe sobre Desarrollo Humano, El Salvador 2003.

⁸ Moody's has adjusted its outlook downwards for El Salvador.

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

The free trade agreement between the Central American countries and the US (CAFTA) was ratified by the Salvadoran Parliament in December 2004.⁹ Concerning regional integration within Central America, Guatemala and El Salvador continue to lead the way and are steadily moving closer concerning the simplification of migratory procedures and customs routines. Also regarding the Central American customs union progress has been made, but in this context the CAFTA agreement with its country specific details on tariff reductions will constitute a definite complication.

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%

4. Political developments, good governance, human rights

In 2004 the political scene was completely dominated by the Presidential elections.¹⁰ The electoral process polarized the country and the fight between the historical rivals ARENA (the governing party) and FMLN (the opposition party) reached levels not seen since the end of the armed conflict.

The candidate presented by ARENA – Antonio Saca, a rather young former sports commentator now active as a media entrepreneur – contrasted strongly with the FMLN candidate Shafik Handal, an elderly former guerrilla commander and leader of the Communist Party. The weight of the two major political forces and the extremely polarized campaign left almost no space for other candidates; already at an early stage of the battle it became clear, for example, that the broadly popular former Mayor of San Salvador, Héctor Silva (running for CDU/PDC), would have no chance in this contest.

The electoral results were as follows:

ARENA	58%
FMLN	37%
CDU/PDC	3.87%
PCN	2.72%

Most observers were surprised by the wide gap between ARENA and FMLN, with final figures far away from the close race indicated by opinion polls just before Election Day. One reason most likely being that in the end apparently, most undecided voters ended up voting for ARENA. Analysts generally present two main reasons for the high level of support for ARENA:

Firstly, the very subjective electoral campaign with strong messages aimed at inducing fear of “the communists”, and more concretely fear

⁹ El Salvador thereby became the first country to ratify the Agreement.

¹⁰ In El Salvador the Presidential elections are separated from elections to Parliament (which are held together with municipal elections).

that an FMLN Government might provoke negative reactions from the US Government to such extent that they would start sending back the several hundred thousands of Salvadorans living there without proper documentation, and also start making life difficult for legal Salvadoran immigrants.

Secondly, the figure of Shafik Handal is so controversial that he scares off more voters than he attracts.

As these two reasons are closely related, some analysts even suggested that FMLN might have been able to win the Presidential elections, had it presented another candidate. In spite of the results in the Presidential elections, it should be kept in mind that FMLN is still the biggest party in the National Assembly and thus necessary for the Government whenever a vote of qualified majority is necessary.

The ARENA party has been in government for the last 15 years and will now continue for five more years. The new Government faces several political challenges. The economic model in use no longer generates growth and seems to be exhausted, implying there is an urgent need for a new strategy. There is also a clear need to construct dialogue and broader agreements in order to overcome the abyss between right and left wing forces which has been widened by the electoral campaign.

The new Government approached this difficult situation by trying to create a mechanism for broader consultations in certain key areas. Six round tables or mixed commissions were thus established in order to promote concerted policies on the following issues:

- 1) Dialogue and understanding;
- 2) Legal measures against youth gangs;
- 3) Economic issues;
- 4) Local development;
- 5) Political consultations; and
- 6) Job opportunities in the export sector.

The Round Table for Dialogue and Understanding made a positive start and initiated meetings even before the President-elect assumed office. The first major agreement emanating from this dialogue was the approval of the national budget.

During the first few months of the new Government the dialogue efforts continued and the Saca administration even presented a proposal for a tax reform with the intention of reducing tax evasion by the major national enterprises.

Last year's "*Plan Mano Dura*" (Plan Tough Hand) intended to deal with the spreading problem of juvenile delinquent gangs (called "*maras*") was first replaced by a plan for the "super tough hand", but after negotiating with civil society an attachment to the plan was included – an attachment popularly described as a strategy for the "friendly hand".

The elections in 2004 left the country with almost one opposition party only¹¹, the FMLN. A party which probably had had a fair chance but had not succeeded in using it. After the elections two different explanations for the defeat were presented in the internal FMLN debate. Those favouring transformation of traditional FMLN politics identified the selection of Handal as the big mistake, whereas the orthodox group blamed the defeat on the illegal, immoral and unjust election campaign carried out by ARENA.

¹¹ Actually 3 parties ceased to exist according to Salvadoran legislation.

In spite of its resounding defeat, in November 2004 the General Assembly of FMLN elected a very close ally of Handal's, Medardo González as General Secretary for the party, signalling that the dogmatic and traditional line continues. This will probably mean a continued loss of voter support for FMLN and a definite advantage for ARENA in the coming parliamentary and municipal elections in 2006.

The strengthening of ARENA's position in the 2004 elections appears to have closed the door on the Salvadorian society dealing with its past. Not only are crimes committed during the war left without being prosecuted, thereby reinforcing the tradition of impunity, lately a tendency to rewrite history has also emerged.

The founder of the ARENA party, who used to be best known for his alleged responsibility in the killing of Archbishop Romero (the saint of the Salvadoran people), is now presented as one of the country's strong democrats and the victim of fraud in the presidential elections of 1984. Increasingly, war criminals are being presented as the victims and the victims of the human rights abuses during the seventies and eighties are being presented as criminals.

Towards the end of the year the round tables for dialogue established during the first months of 2004 were seriously in question by many actors in society. Results were very meagre and consensus was generally only built around governmental proposals. As a consequence, the FMLN decided to not continue participation. Thus, whereas the year had a difficult start due to the impact of severe polarization created during the electoral campaign – it ended even worse, with a failure of the mechanisms supposedly intended for bridge-building.

5. Development cooperation and partnership

Donor coordination

In 2004 the Embassy's degree of presence in El Salvador has diminished as planned, and Sida no longer participates actively in the initiatives for coordination among (the nowadays rather few remaining) donors.

Partnership

However, during the preparation process of the new CTC contributions, Sida has carried out a thorough dialogue both with the coordinating counterpart, the development cooperation division at the Foreign Ministry, and with interested official institutions. Sida's more limited presence in the country has affected the opportunities of working together with the IDB utilizing the IDB-Sida Partnership Fund. There have been no new commitments from this facility during 2004.

2. Swedish Development Cooperation

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 defines two main themes:

- 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, represents a continuation of this tradition.

The present strategy also establishes that Swedish support is to undergo a major conversion. In principle, after 2005 no more programmes, except to Swedish NGOs, will be financed entirely by Swedish grants. During the strategy period (2001–2005), traditional grant-financed projects are to be phased out gradually and the specific cooperation modality called *Contract-financed Technical Cooperation (CTC)* is to be introduced.

2. Overall country programme review

Development cooperation with El Salvador has been guided by the regional strategy and the country plan for 2004. Overall, activities defined in the annual plan have been implemented as intended.

The new CTC modality has been successfully introduced while already existing projects of a different character have been finalised in accordance with the strategy. In this context, the Swedish NGO Diakonia has initiated relationships with some Salvadoran NGOs who were previously Sida counterparts. This is the case with Fespad and Idhuca, both important human rights organisations.

A special study has been carried out concerning the importance of Swedish cooperation ties with El Salvador during the twenty-one year period from 1979 to 2001. The study, in Spanish titled “*Una relación un poco más allá*”, presents a lively and multidimensional relationship which will certainly survive the ongoing changes in development cooperation patterns. The study was presented at the end of the year. Public seminars and workshops were held in Sweden and in El Salvador.

The indicative country allocation for El Salvador for 2004 was initially MSEK 25, including the Director General's provision for over-

budgeting at the Regional Department and an additional MSEK 15 emergency support for the reconstruction activities. The country allocation was adjusted to MSEK 30 in the first revision. Final disbursements amounted to MSEK 28 and an additional MSEK 15 was disbursed of the emergency support.

3. Follow-up of country programme performance

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-term efforts in this field have been crucial, placing local development in a very central position in the local debate. With Diakonia's regional coverage, this 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.

FUSAI: Housing Fund

The housing fund was created to offer financing solutions for low-income housing, through a combination of micro-credits and subsidies. In 2004 the subsidies promised by the government, which had been redirected in 2003, were recovered. The project was prolonged for another year pending a decision on the final legal figure of the fund. Sida support: MSEK 41 for 1999–2005.

Basic training program for Judges (UNDP)

The objective of this project is to increase the independence and raise the professional level of Salvadoran judges through the establishment of a two-year fulltime course directed at a group of carefully selected lawyers who have not formerly worked as judges. The course is the responsibility of the *Escuela de Capacitación Nacional* under the supervision of the National Courts Administration.

34 lawyers graduated in October 2003, of whom 27 have been appointed Judges of Peace. In 2004 a second batch of 35 selected lawyers began their training.

Sida support: MSEK 3 for 2002–2005.

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 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 system and the approval by Parliament of an international loan for the renovation and reconstruction of physical infrastructure. The project was terminated during 2004.

Sida support: MSEK 7.9 for the period 2002–2004.

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

A CTC contribution to methodological development for participative planning aimed at micro-regional development. The purpose is to develop and validate this kind of tool for defining strategic priorities in geographical zones where several municipalities join forces to establish some form of inter-municipal organization.

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

Study on Swedish Cooperation with El Salvador 1979–2001

A general study on the history of Swedish support to the peace process in El Salvador was published and presentations of the book took place in Stockholm and in San Salvador during November 2004.

Sida support: MSEK 2.15 for 2003–2005.

3.2 Human Rights, Rule of Law

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

A CTC contribution to improvements concerning their in-house and external information system. The objectives are to increase and streamline the internal flow of information, guaranteeing the required level of security and confidentiality when it comes to cases under investigation. The new system should also facilitate citizens' access to information related to cases already resolved and other kinds of public information stemming from this institution.

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 strengthening the department of the Notary Public, improving storage conditions and accessibility for the public to a whole series of important legal documents. In the Latin legal tradition, the Notary Public occupies a key role for citizens in matters related to the civil sphere – such as the legalization of weddings, wills, property rights etc.

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

Human Rights Ombuds Office

(*Procuraduría para la Defensa de los Derechos Humanos, PDDH*)

A CTC contribution to institutional development and specialised staff training within different key areas, as well as for the purpose of elaborating a new strategic plan for the institution.

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, with the purpose of providing the users/clients with improved services and defining institutional priorities for the coming period (3–5 years).

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

COCÍVICA

COCIVICA, a coalition of five NGOs working with electoral reform and voter education, received core support. COCÍVICA supports the activities of citizen groups (*mesas ciudadanas*) organised at municipal, regional and national level. Activities include social audits, lobbying and training in democratic governance. COCÍVICA also published reports

monitoring the first 100 and 180 days respectively of the new government of Saca and presented proposals for electoral reform.
Sida support: SEK 600 000 during 2004.

FESPAD

A core support to the non-governmental foundation FESPAD was provided. The organisation works for the rule of law and respect for human rights, especially economic, social and cultural rights. Activities carried out during 2004 include lobbying, production of studies and training related to the above-mentioned issues, as well as the development of income-generating activities for FESPAD.
Sida support: MSEK 2.4 for 2002–2004.

IDHUCA: Human Rights as a 21st Century Challenge

The project provides support for the main activities of the human rights institute IDHUCA, whose objective is to improve the human rights situation in El Salvador through reforming the judicial system and combating impunity. In 2004 the 1765 judicial cases were dealt with, and training of civil society organisations and officials of the justice system was carried out, as well as activities for the building of public opinion.
Sida support: MSEK 1.4 for 2001–2004.

PROGES: TV DEBATE

Support is provided to the investigative journalism behind the production of daily TV debate and news programs broadcast in the privately owned Canal 12 network in El Salvador. The overall aim is to contribute to democratization through a public and critical debate, based on solid research and professional journalism. Viewer surveys have shown that the programs have maintained high popularity, and the topics and themes discussed there have set the agenda for the public debate in El Salvador. It is clear that the projects have contributed to an independent and critical public debate and to public scrutiny of the state and decision-makers in society.
Sida support: SEK 900 000 for 2003–2004

3.3 Extraordinary support: post-earthquake reconstruction

Post-Earthquake Housing Reconstruction (FUSAI and FUNDASAL)

Support is provided to subsidise the construction of low-income housing after the earthquake in El Salvador in 2001. The funds are channelled through the organisations FUSAI (MSEK 24) and FUNDASAL (MSEK 12), which supply micro-credits (on the housing or on the lot). The main objective of the project is to construct housing for approximately 2200 low-income families affected by the earthquake.
Sida support: MSEK 36 for 2004–2005

3.4 Swedish NGOs in El Salvador

In addition to Diakonia (see above, 3.1) there are two other Swedish NGOs with a permanent presence in the country: UBV and the Swedish Cooperative 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.

3. 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, during 2004 one officer worked 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 matters pertaining to El Salvador.

Annex 1

El Salvador Human Development Indicators

	1998	1999	2000	2001	2002	2003	2004
General							
Inhabitants (thousands)	6,031	6,154	6,276	6,4	6,517	6,5	
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	14,400	
GDP/capita (USD)	1,991	2,025	2,093	2,158	2,192	2,200	
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	2.5	5.4
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	70	
Infant mortality per 1000 live births	35	30.7			25	33	
Maternal mortality per 100000 live births				120			
Literacy rate	78	80.4	78.7	79.2	81.7	79,7	88,9
% 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	

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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