

**Millennium Challenge Account – El Salvador**

**Monitoring and Evaluation Plan  
September 2012  
Version 6**

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## **1. PREAMBLE**

This Monitoring and Evaluation (M&E) Plan:

- is part of the action plan set out in the MILLENNIUM CHALLENGE COMPACT (Compact) signed on November 29, 2006 between the United States of America, acting through the Millennium Challenge Corporation, a United States Government corporation (MCC), and El Salvador, acting through its government;
- to support provisions described in the Compact;
- being governed and following principles stipulated in the *Policy for Monitoring and Evaluation of Compacts and Threshold Programs* (MCC M&E Policy).

This M&E Plan is considered a binding document, and failure to comply with its stipulations could result in suspension of disbursements. It may be modified or amended as necessary following the MCC M&E Policy, and if it is consistent with the requirements of the Compact and any other relevant supplemental legal documents.

## 2. LIST OF ACRONYMS

<b>BMI</b>	<i>Multisectorial Investment Bank (name in Spanish)</i>
<b>DIGESTYC</b>	<i>General Directorate of Statistics and Census (name in Spanish)</i>
<b>EHPM</b>	<i>Multipurpose Household survey (name in Spanish)</i>
<b>FIDENORTE</b>	<i>Investment Fund for the Northern Zone (name in Spanish)</i>
<b>FISDL</b>	<i>Social Investment Fund for Local Development (name in Spanish)</i>
<b>FOMILENIO</b>	<i>Millennium Challenge Account Fund- MCA name for El Salvador Compact Program.</i>
<b>FOSEP</b>	<i>Pre-Investment Studies Fund</i>
<b>INSAFORP</b>	<i>Salvadoran Institute for Professional Training (Instituto Salvadoreño de Formación Profesional))</i>
<b>M&amp;E PLAN</b>	<i>Monitoring and Evaluation Plan.</i>
<b>MCC</b>	<i>Millennium Challenge Corporation</i>
<b>MINEC</b>	<i>Ministry of Economy</i>
<b>MINED</b>	<i>Ministry of Education</i>
<b>MOP</b>	<i>Ministry of Public Works (Ministerio de Obras Publicas)</i>
<b>NCR</b>	<i>Network of connecting roads.</i>
<b>NTH</b>	<i>Northern Transnational Highway</i>
<b>PROGARA</b>	<i>Agriculture Guarantees Program (Programa de Garantías - Agropecuario)</i>
<b>RAP</b>	<i>Resettlement Action Plan.</i>
<b>SGR</b>	<i>Reciprocal Guarantees Society</i>

### **3. COMPACT AND OBJECTIVE OVERVIEW**

#### **3.1 Introduction**

MCC and the Government of El Salvador shall formulate, agree to and the Government shall implement this M&E Plan that specifies: i) how progress toward the Compact Goal, Objectives, and the intermediate results of each Project and Project Activity will be monitored; ii) a methodology, process and timeline for the evaluation of planned, ongoing, or completed Projects and Project Activities to determine their efficiency, effectiveness, impact and sustainability; and iii) other components of the M&E Plan described below.

The M&E Plan serves the following functions:

- Explains in detail how MCC and FOMILENIO will monitor the various Projects to determine whether they are achieving their intended results and measure their larger impacts over time through evaluations.
- Outlines any M&E requirements that FOMILENIO must meet in order to receive disbursements.
- Serves as a guide for program implementation and management, so that FOMILENIO staff, Board of Directors members, Advisory Council members, Implementing Entities staff, beneficiaries, and other stakeholders understand the objectives and targets they are responsible for achieving, and are aware of their progress towards those objectives and targets during implementation.
- Establishes a process to alert implementers, stakeholders and MCC to any problems in program implementation and provides the basis for making any needed program adjustments.

#### **3.2 Program Logic**

The El Salvador Compact Program focuses on the Northern Zone of El Salvador, a region that includes one-half of El Salvador's poorest municipalities, that has suffered most from the internal conflict during the 1980s, and whose sustainable development potential is underutilized.

The primary goal of the Compact is to advance economic growth and poverty reduction in the Northern Zone of El Salvador. More specifically, the three project-level objectives are to:

1. Increase human and physical capital of residents to take advantage of employment and business opportunities, for the Human Development Project
2. Increase production and employment in the Northern Zone, for the Productive Development Project
3. Reduce travel cost and time within the Northern Zone, with the rest of the country, and within the region, for the Connectivity Project.

**The Human Development Project** is designed to increase knowledge, skills and access to basic services and community infrastructure. The main activities and sub-activities of this project are:

- Education and training: To increase education and skill levels of the poor in the Northern Zone by expanding the quality and access to vocational and technical education; development informal skills in businesses areas through internships, on-the-job training and mentoring; and technical assistance to institutions and organizations involved in policy, planning and administration of education and training in the Northern Zone; and
- Community Development: To increase the access to water and sanitation infrastructure to poorest inhabitants that will save money and time, and reduce health diseases; extend electricity to rural households that will have financial savings and is expected to increase their productive; and finance feasibility studies, technical assistance and construction of small strategic project such as feeder roads and drainage systems, that will reduce physical barriers to access to markets, employment, education and health care facilities, and will protect natural resources.

**The Productive Development Project** will assist with the development of profitable and sustainable productive business ventures, with a primary focus on poor individuals and organizations that benefit poor people. The main activities and sub-activities of this project are:

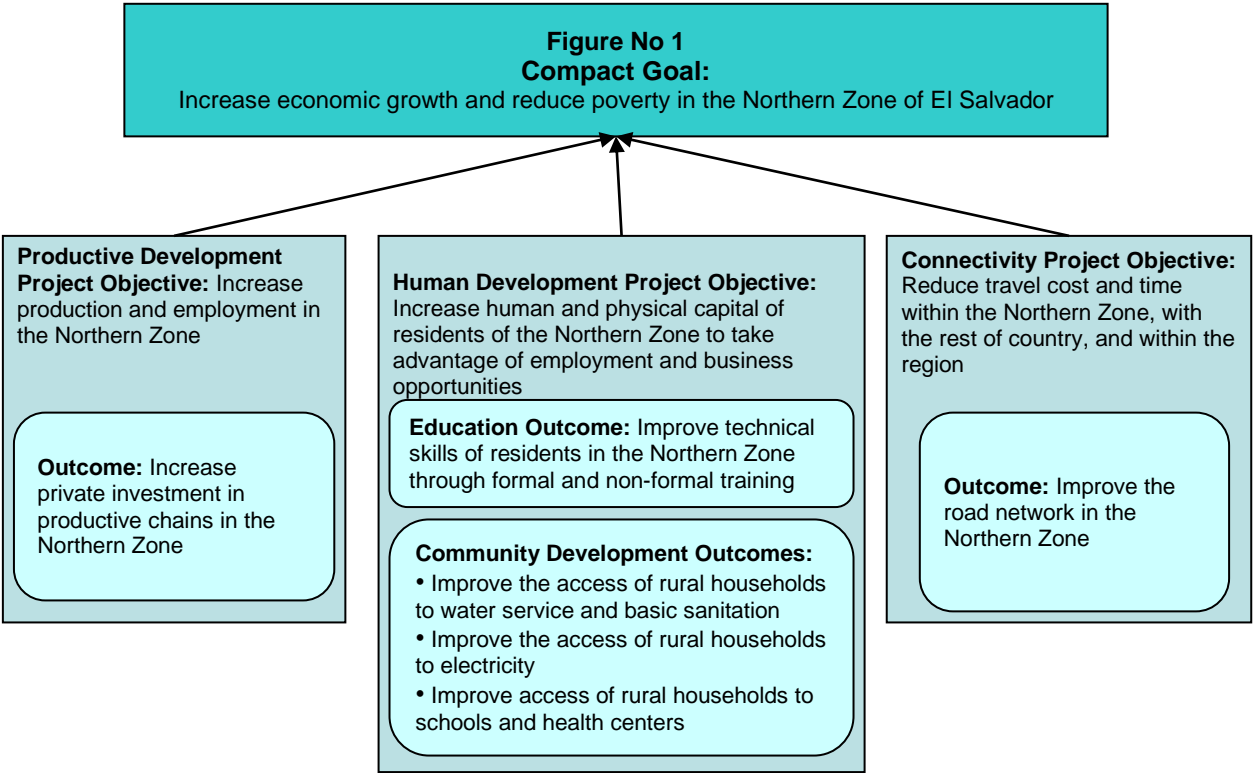
- The Service Providers will provide i) Production and Business Services: pre-investment studies, technical assistance and training for the development and implementation of business plans of beneficiaries; ii) Investment support: to provide investment capital to competitively selected individuals or organizations who are hindered by a lack of liquid assets and insufficient collateral; and iii) Financial Services: to provide financial enhancements to support increased lending activity by financial institutions in the Northern Zone such as guarantee funds (PROGARA-Programa de Garantía Agropecuaria and SGR-Sociedad de Garantías Recíprocas) and agricultural insurance for vegetable farmers; and iv) financial intermediary technical assistance, to provide specialized short-training workshops to bank, non-bank and non-governmental financial intermediaries in the Northern Zone that are working to expand rural finance and improve credit analysis, introduce new technologies for service delivery, or develop specialized products that increase beneficiary access to financial services.

**The Connectivity Project** comprises construction of the following project:

- The Northern Transnational Highway (NTH), a two lane paved road which will serve as a transport artery within the Northern Zone and will augment international connectivity through Honduras in the east; will connect with roads to southern El Salvador, to the new Pacific Ocean port at La Union in the eastern El Salvador, to the Caribbean ports of Puerto Barrios in Guatemala and Puerto Cortez in Honduras.

Originally in the Compact, there was another Activity included: Network of Connecting Roads (NCR), but since March 2009, the Connectivity Project was restructured and the Network of Connecting Roads was determined not feasible, and therefore is no longer part of the Program.

The Compact Goal, Objectives, and Outcomes of the Program can be summarized as follows in Figure 1:



### 3.3 Projected Economic Benefits

The lags in development of the Northern Zone of El Salvador may be explained by the absence of basic infrastructure (primarily roads, water, sanitation and electrification in some areas), the legacy of the civil war, and insufficient knowledge on the part of rural farmers about farming techniques and market opportunities.

The remoteness of the region will be significantly reduced with the construction of the Northern Transnational Highway and a network of connecting roads. This is likely to bring income earning opportunities that are difficult to predict in advance. The water, sanitation and electricity components, while unlikely to stimulate income growth by themselves, are necessary conditions for income growth and greater participation of the poor in economic activity.

Summaries of economic rates of return (ERRs) of the three Projects of the El Salvador Compact and the number of years considered in the cash-flow analysis are shown in Table 1.

<b>Table 1. Project Economic Rate of Return (ERR) <sup>1 2</sup></b>					
	<b>MCC Web Site <sup>3</sup></b>		<b>Mid Term Review March 2010</b>		<b>Close-out ERRs July 2012<sup>4</sup></b>
<b>Project/ Sub-Activity</b>	<b>ERR</b>	<b>Years</b>	<b>ERR</b>	<b>Years</b>	<b>ERR</b>
<b>Human Development Project</b>	16.0%				10.8%
Formal Technical Education	6.5%	20	11.5% <sub>5</sub>	40	13.4%
Non Formal Skills Development	35.7%	20	18.3%	20	12.1%
Water and Sanitation	13.0%	20	5.7% <sup>6</sup>	20	4.4%
Rural Electrification	23.6%	20	18.4%	20	17.7%
Community Infrastructure	9.0%	20	15.2%	20	-8.1%
<b>Productive Development Project <sup>7</sup></b>	13.0%	20	13.0%	20	24.7%
Production and Business Services					27.1%
Investment Support					8%
<b>Connectivity Project</b>	23.9%	20	15.9%	20	23.9%
<b>Program</b>	19.9%		N/A		21.1%

## Formal Technical Education

The updated mid-term review ERR for the formal technical education sub-activity is 11.5 percent over 40 years with Compact administration included. The benefits included are

<sup>1/</sup> The detailed assumptions to estimate the ERR are shown in Annex No 1 and more detailed explanation of the ERR may be found on the MCC website at <http://www.mcc.gov/programs/err/err-elsalvador.php>

<sup>2/</sup> All of these ERRs include Compact Administration costs.

<sup>3/</sup> The original ERR were estimated for an investment horizon of 25 years. See <http://www.mcc.gov/pages/countries/err/el-salvador-compact> The investment horizon of ERRs shown in this table is 20 years.

<sup>4</sup> All economic rates of return were reviewed in July 2012 before close-out. Some information was not available at that time for Community Infrastructure, FIDENORTE and Connectivity, so those numbers should not be considered close out ERR.

<sup>5/</sup> The ERR estimate for Formal Education includes the scholarship program and infrastructure strengthening after reviewed by MCC economists. It does not separated each ERR, it will be shown as one ERR for Formal Education.

<sup>6/</sup> MCC economics has estimated the ERR as 5.7% using MCC's most up-to-date methodology which does not consider consumer surplus as a benefit. The MCC guidance on consumer surplus was developed and issued subsequent to approving the compact in El Salvador (April 2009, vs. Nov. 2006 compact signature). If full consumer surplus is added, the ERR for water and sanitation is calculated at 11.4%.

<sup>7/</sup> Weighted average of fruit, vegetables, dairy, and forestry. These original ERRs include 30% of Technical Assistance Overhead. The project final ERR for PDP is 13%, inclusive of administrative costs. Without administrative costs the ERR for PDP is 14%; it was this latter ERR that was set out as a compact end target for PDP.



increased future incomes of new graduates who have obtained additional education (two years of study in higher technical education – ITCHA – and three years of study in a middle technical school). The Ministry of Education and MCC education consultants estimated the amount of the scholarships required and the expected increase in enrollment. It is projected that there will be 830 new graduates of technological education in 2012 and 4,944 graduates of 20 middle technical schools at 2012, as a result of the MCC program. Of the students of higher technical education, 73 percent are expected to complete their studies and 70 percent are expected to find employment one year after graduation. For the middle technical schools the outcomes for graduation are for the three-year middle-tech education and for middle general education is 71 percent; the employment rate for middle education is 66 percent. The scholarship program will benefit 4,377 students (932 in ITCHA, ITCA-FEPADE & ENA; and 3,445 in middle technical schools).

Based on information in the Northern Zone household survey of 2008 (EHPM ZN-2008), monthly income of persons with 15 years of study was around USD 535; for 12 years of study was USD 332 and USD 247 for those with 9 years of study and employment rate of 54%. The main benefit not quantified is increased quality of education through instructor training.

### **Non-Formal Skills Development**

The updated mid-term review ERR of the informal skill development sub-activity agreed with MCC is 18.3 percent over 20 years including Compact administration costs. The benefits included are increased future incomes of graduates of informal and training activities through formal jobs or self-employment.

It is projected that there will be 8,400 inhabitants of the Northern Zone enrolled in non formal and training activities, of which 82% will graduate. Around 19.3 percent of the graduates will be employed and their incomes will increase from US\$ 88 a month to US\$ 219 for self-employed and US\$ 285 for those who obtain a formal job. The data on salaries are from the 2007 Northern Zone Household Multi-purpose survey (EHPM ZN-2007) and from INSAFORP's Impact Evaluation Study.

### **Water and Sanitation**

The updated mid-term review ERR of the water and sanitation sub-activity is 5.7 percent over 20 years, including Compact administration costs. Benefits include saved expenditures (purchasing water from a cistern truck and health care costs), time saved in carrying water from rivers or public faucets, reduced incidences of water-borne disease (diarrhea) and reduction in lost income due to absenteeism to work or school. The sub-activity will provide piped water for households that previously bought water from trucks or who carry water from a stream or a natural (and possibly contaminated) water source.

Data from rural households in the 2007 Northern Zone multi-purpose household survey (EPMH ZN-2007), were used to obtain expenditures per month on water by type of water service. This was combined with information on prices to estimate consumption by source. It was estimated for example that rural households who buy and carried water consume an average of 9.2 cubic meters per month at an average price of USD 1.7/m<sup>3</sup>. The cost for service from piped water to the household is on average USD 0.43/m<sup>3</sup> (excluding the public subsidy), implying a large saving on expenditure for households that make this

transition. Although precise demand curve estimates are not available, quantity demanded was assumed to rise with the price reduction, to approximately 23 cubic meters per month. Since substantial economic benefits emanate from the reduction in the price, it is an important variable to monitor as the project is implemented. The 5.7% ERR does not include consumer surplus as a benefit, which follows MCC's most up-to-date methodology for ERRs. The MCC guidance on consumer surplus was developed and issued subsequent to approving the compact in El Salvador (April 2009, vs. Nov. 2006 compact signature). Other multilateral development banks consider consumer surplus a relevant benefit to be included within economic analysis (World Bank, ADB, and IDB). FOMILENIO originally proposed adding 50% of estimated consumer surplus, as a compromise position between MCC's recently issued guidelines, and the guidelines of these other international financial institutions. If full consumer surplus is added, the ERR for water and sanitation is calculated at 11.4%.

Other benefits include saved time for households that would not have to carry water from a public source and reduced incidences of water borne diseases. The saved time was estimated from survey questions on the average time spent carrying water and average wages in Northern Zone. The value of reduced water borne diseases was estimated by the reasoning that reducing the number of households without water would reduce water borne diseases (assumed to be proportional) and reduce costs associated with visits to clinics, hospital and medicines.

There are additional benefits and costs that are not quantified. Possibly the most important benefits are the long-term gains in labor productivity from improved health. Improved health can serve to increase and facilitate human capital investments and reduce absenteeism due to sickness. Additionally, the losses in income from businesses that currently supply water at higher costs to poorer residents are not quantified. These businesses would clearly lose income with an improved water supply.

The model currently assumes cost reductions based on price trends revealed during first 10 small works procurement processes. If this assumption is removed and original cost estimates are applied (a more conservative assumption), the ERR is calculated to be 6% including half of consumer surplus, or 3.3% without.

## **Rural Electrification**

The updated mid-term review economic return of the rural electrification sub-activity agreed with MCC is 18.4 percent over 20 years, including Compact administration costs.

In the without-project scenario, a household uses some combination of candles, gas or kerosene lamps and car batteries for its electricity and energy needs. Information from the 2007 Northern Zone household and multi-purpose survey (EHPM ZN-2007) indicates that the average household without electricity spent USD 10.22 and consumed 2.11 Kilowatt-hours (kWh) per month. The latter calculation used conversion factors to convert consumption of candles, gas and batteries to Kilowatt-hour equivalents. These figures imply that the average price was USD 4.84 per kWh.

In the with-project scenario, prices are estimated to decline to USD 0.16 per kWh. Electricity expenditures saved, given the decline in price from the without to with-project scenario, are the main driving force behind the economic returns. Others sources of ERRs

are the increased income from new productive activities based on electricity realized by the households and also the increase in productivity per household. These are both measured by 50 percent of the net economic benefit of the increase of electricity consumption from without to the with-project scenario.

### **Community Infrastructure**

The updated mid-term review economic return of the community infrastructure sub-activity agreed with MCC is 15.2 percent over 20 years, including Compact administration costs. The benefit includes saved time on access to schools and health centers as measured by using an annual average opportunity cost of USD 1052.

### **Productive Development**

The original ERR of the productive development project is 13 percent over 19 years, including Compact administration costs. The updated mid-term review ERR estimation was elaborated by an independent reviewer, but never approved by MCC.

The purpose of the economic analysis of the productive development project is to determine whether investments in agriculture and micro/small/medium businesses in the Northern Zone could yield high returns. Four illustrative product lines were selected for simulations: Fruits, Horticulture, Dairy and Forestry. Specific investments were selected for these product lines. Recurrent costs, increases in productivity and incomes from sales of agricultural products less annual opportunity cost of farmers (USD 720) are direct results of these investments.

The economic rate of returns in the simulations (Table 2) are driven by the conclusion that there are substantially more valuable uses of the land than the currently practiced cultivation of basic grains. FOMILENIO used during MTR exercise the original ERR changing the investment horizon from 25 to 20 years for fruit, dairy, forestry and horticulture sectors.

<b>Table 2. Economic Rate of Return of Productive Development Project</b>		
<b>Product Line</b>	<b>Budget Weights</b>	<b>ERRs 20 years</b>
Fruits	25.4%	13.7%
Dairy	25.0%	18.0%
Forestry	24.0%	16.7%
Horticulture	25.6%	9.4%
Weighted Average	100%	14.4%

### **Connectivity**

The updated mid-term review ERR of the connectivity project is 16 percent over 20 years, including Compact administration costs. The project includes only the Northern Transnational Highway (NTH).

The Highway Development Model (HDM-4) was used for the economic analysis. Benefits quantified in the HDM-4 model include: savings in vehicle operating costs for travel on NTH (fuel, lubricants, tires, depreciation, maintenance and repair) due to smoother roads

and saved travel time due to higher velocities on improved roads. The vehicle operation cost on the NTH for pickup will decrease from US\$ 0.49 per km in 2007 to \$0.37 per km in 2012. Average annual daily traffic (AADT) was estimate for Consulta-Parsons Traffic Study. The traffic will increase from 270 vehicles per day in 2007 to 962 vehicles per day in 2012. The average International Roughness Index (IRI) of NTH will decrease from 11.5 m/km in 2007 to 2.8 m/km in 2012.

### 3.4 Program Beneficiaries

The combined impact of the projects in the El Salvador Compact will indirectly benefit all inhabitants of the Northern Zone (approximately 845,000).

The Northern Zone has worse economic and social indicators than the national average, as shown in Table 3. Forty five percent of the households (434,000 people) in the Northern Zone are poor and 17 percent of households (173,200 people) experience extreme poverty. Human capital development is also lower: the average level of schooling in El Salvador is 5.9 years, but the Northern Zone average is only 4.3 years. Additionally, the illiteracy rate of the Northern Zone is 1.6 times the national average (18.3 versus 11.1, respectively).

<b>Table 3. Main Economic and Social Indicators of the Northern Zone</b>		
	<b>Northern Zone</b>	<b>El Salvador</b>
<b>VI Population Census and V Housing Census – 2007</b>		
# of Municipalities	94	262
# of Inhabitants	845,621	5,774,113
% of Women	52.6	52.7
# of Economically Active Persons	193,456	1,909,256
% of Women	31.7	40.1
# of Households	192,080	1,406,485
% of Women Headed Households	36.9	34.9
% of Households without drinking water	12.4	8.0
% of Households without private sanitation	23.2	14.2
% of Households without own electricity connection <sup>8</sup>	24.5	19.4
% of Occupied in Agriculture Sector	39.2	16.6
% of Occupied in Manufacture Sector	8.8	15.8
% of Occupied in Services Sector	52.0	67.6
% of Unemployed	11.8	9.5
<b>Multi-Purpose Household Survey – 2007</b>		
% of Households in Extreme Poverty <sup>9</sup>	17.2	10.8
% of Households in Relative Poverty <sup>10</sup>	27.6	23.8
% of Households Non Poor <sup>11</sup>	55.3	65.4
Per-capita Monthly Income (USD)	87.7	120.3
Average Level of Schooling (# Years)	4.3	5.9

<sup>8</sup> It does not consider direct electricity connection and solar panel.

<sup>9</sup> Households with income below food basic basket for urban or rural areas.

<sup>10</sup> Households with income greater than food basic basket, but below widen basic basket (equal 2 food basic basket) for urban or rural areas.

<sup>11</sup> Households with income greater than widen basic basket for urban or rural areas

% of Illiteracy Rate (10 years old and more)	18.3	11.1
Average Monthly Earning in Agriculture	111.1	119.6
% of Households that receive Remittances	41.3	26.7

The Northern Zone also fares worse than the rest of the country in terms of access to basic services. In 2007, 12 percent of households in the Northern Zone did not have access to drinking water, 23 percent did not have private sanitation and about 24.5 percent had no direct electricity connection or solar panel.

The per capita monthly income in the Northern Zone is 73 percent of the national average. Of the economically active persons in the Northern zone about 39.2 percent are employed in agriculture. The national average occupation rate for agriculture is 16.6 percent. Most of those employed in agriculture in the Northern Zone are involved in very low productivity activities. The average monthly earning of those occupied in agriculture in the Northern Zone is US\$111.1 compared to the national average of US\$ 119.6. A larger proportion of households in the Northern Zone receive remittances, an indication that the region is a significant source of emigration flows.

The Formal Technical Education Sub-Activity is expected to impact approximately 12,500 students of technical schools (3,600 scholarship granted and 8,900 students from 20 middle technical schools and ITCHA infrastructure strengthening), and 500 instructors of middle technical schools (teachers, administrative staff and parents of students).

The flexible and short-term training provided under the Non-formal Skills Development Sub-Activity is expected to benefit 8,400 persons. Priority groups will include the poor, women, youth at risk (migration or gang participation), unemployed persons (irrespective of age) and secondary school age youth.

The investments made under the Water and Sanitation Sub-Activity are expected to benefit 30,600 or more rural residents (over 6,900 households) in the Northern Zone. Projects will be located in municipalities classified by poverty level.

The Government estimates that over 26,376 rural households in the Northern Zone (roughly 14.36% of the 2007 population) could receive electricity service through the Rural Electrification Sub-Activity: 15,000 households will be connected to new distribution networks, 9,426 will be connected to new extended distribution networks (1,415 km of new lines), and 1,950 households in isolated communities or located near protected areas will receive solar power systems. To the extent that FOMILENIO is unable to reach the final target because there are too few households to connect, the Government of El Salvador and executing entities as a responsibility of the country will contribute to achieving the target by 2012.

The Community Infrastructure Sub-Activity will benefit over 113,581 residents (over 18,200 households).

The principal beneficiaries of the Productive Development Project are expected to be 47,628 poor people employed in agriculture, non-farm activities, and micro, small and medium-sized enterprises (over 13,500 households).

The direct and immediate beneficiaries of the Connectivity Project will be the inhabitants of the Northern Zone, which covers an area of 7,500 square kilometers, over one-third of

the national territory. After restructuring the Project, it is estimated that the 644,190 people living within 5 kilometers of the Northern Transnational Highway will be the primary beneficiaries of this activity.

In addition, Salvadorans beyond the Northern Zone's boundaries will benefit from the integration of the Northern Zone and its people into a sustainable development process for El Salvador and the Central American region. The improvements to the road network in the Northern Zone will contribute to improving life in six departments of the country.

There is an obvious overlap of project beneficiaries including those from the connectivity and human development projects. This is intentional since the Compact includes multiple beneficiaries across sub-activities, such as those receiving water and sanitation and non formal development skills. Additionally, the productive development project links beneficiaries of formal technical education with those from the electricity component. The design of the impact evaluation will attempt to disaggregate the measured effects of the Compact's programs on these beneficiaries, taking into account the inherent constraints, to demonstrate individual attributable project impacts.

FOMILENIO will develop a beneficiary register with the purpose of counting and characterizing (age, gender, income, geographical location, etc.) the beneficiaries of each of the three projects of the Program. In addition, it will be used to identify if the same people or household received benefits from more than one sub-activity (overlap).

The estimations of beneficiaries of each Compact Project are included in Table 4 below. In September 2012, the table was updated to include the close-out participant and beneficiary numbers; however, the text above was not adjusted.

<b>Table 4. Compact Beneficiaries<sup>12</sup></b>				
<b>Project/Sub-Activity</b>	<b>Number of Participants after the Mid-Term Review<sup>13</sup></b>	<b>Number of Beneficiaries after the Mid-Term Review<sup>14</sup></b>	<b>Number of Participants at Close-out</b>	<b>Number of Beneficiaries at Close-out</b>
<b>1. Human Development Project</b>		243,395		280,059
Formal Technical Education	12,500 students 500 instructors	17,600	13,264 students	25,052
Non-Formal Skills Development	8,400	5,771	11,856	23,267

<sup>12/</sup> Not all of the beneficiaries for each project will receive the increases in income included in the Indicator Tables 7, 8, and 9. For example, the increase in income of graduates of the Technological Institute of Chalatenango and the middle technical schools applies to the sub-set of beneficiaries who graduate – not all 10,000 students.

<sup>13/</sup> It is assumed that there are 4.41 people per household, for Rural Electrification sub-Activity there has been considered 4.6 people per rural household.

<sup>14</sup> MCC's definition of a beneficiary is: "those individuals who realize improved standards of living, primarily through higher incomes, as a result of economic gains generated by the MCC-funded project." <http://www.mcc.gov/mcc/panda/activities/beneficiary/index.shtml> . The beneficiary estimates include population growth and exclude accounts for all double counting (within Human Development Project and between three Projects).

Water Sanitation and	30,600	30,600	33,516	33,516
Rural Electrification	121,421	121,421	160,770	160,770
Community Infrastructure	80,400	113,581 <sup>15</sup>	81,696	92,923
<b>2. Productive Development Project</b>	13,500	47,628	17,497	61,729
<b>3. Connectivity Project</b>	456,000 within 5 km	644,190 <sup>16</sup> within 5 km	456,000 within 5 km	533,667 within 5 km
Total Compact Beneficiaries Estimated		794,811		706,335

## 4. MONITORING COMPONENT

### 4.1 Summary of Monitoring Strategy

The Monitoring Component will guide FOMILENIO in the process of monitoring and periodically evaluating its achievement of the Compact's Goal and Objectives. The overall performance of the Program will be monitored systematically, regularly, and on an on-going basis through the indicator tracking system. This will permit managers of FOMILENIO to make programmatic adjustments as necessary with the view toward improving the overall impact of the program.

The M&E Plan will measure the results of the Program using quantitative and qualitative data and performance indicators. The indicators will measure and report at four levels: Goal, Outcome, Output and Process. The indicators for the Compact Goal will measure the overall impact of the Program and each Project. The Outcome indicators will measure the intermediate results achieved under each of the Project Activities to provide an early measure of the likely impact of the Project Activities. The Output indicators measure the direct outputs of the Project Activities and Sub-Activities. The Process indicators measure process milestones of the Project Activities and Sub-Activities during the first two years.

All indicators with their definitions, data sources, and required disaggregation are listed in Annex 1. Baselines and targets for those indicators are included in Annex 2.

### 4.2 Data Quality Reviews

The objective of a Data Quality Review (DQR) is to verify the quality and consistency of performance data over time, across different implementing entities, reporting institutions and other data sources such as the General Directorate for Statistics and Census (DIGESTYC). DQRs will analyze the accuracy, reliability, timeliness, and objectivity of performance data, and will identify cases in which the highest degree of data quality is not possible, given the realities of the data collection circumstances.

<sup>15</sup> This number includes population growth.

<sup>16</sup> This number includes population growth.

The particular objectives for the DQRs will be identification of the following parameters: i) what proportion of the data has quality problems (completeness, conformity, consistency, accuracy, duplication, and integrity); ii) which of the records in the dataset are of unacceptably low quality; and iii) what are the most predominant data quality problems within each field.

In addition to the external DQRs, the Monitoring and Evaluation Direction staff will regularly examine the quality of data across all Projects.

### **4.3 Standard Reporting Requirements**

#### **Progress Reports**

Progress reporting refers to tracking the on-going “actual” progress of Project and Activity indicators against “targeted” progress. Progress reports serve as a vehicle by which the FOMILENIO Management informs MCC of implementation progress, impediments, lessons learned, best practices and on-going field revisions to Project work plans. Progress Reports will include data on the indicators described in the Monitoring Component and analysis of those data. The analysis will compare the actual results to the indicator targets and determine the reason for deviations from projections. The Progress Reports referred to in this M&E Plan are part of a package of reports that FOMILENIO will be submitting to MCC on a regular basis. MCC’s Reporting Guidelines describe the necessary content of these periodic reports and their due dates. The guidelines can be found on MCC’s web site under Country Tools.

In addition to the reports required by MCC’s Reporting Guidelines, FOMILENIO will submit a Compact Completion Report (CCR). The CCR shall be prepared taking into consideration:

- The normal progress report content;
- A concise description of the Program from proposal to completion;
- A preliminary assessment of the Program’s outcomes and financial performance;
- Identification of beneficiaries including relevant characteristics such as gender, age, and income level;
- A preliminary assessment of the Program’s sustainability of reaching future monitoring targets established as a measure of the project’s sustainability;
- Lessons learned, including changes that might have been made in policies, procedures and practices related to the program;
- An assessment of significant environmental and social issues related to the Program;
- Recommendations regarding future Program implementation and operations for improving FOMILENIO and MCC operations, policies, procedures and practices related to the program;



- Any other requirements of MCC.

Reports on implementation progress should be posted on the FOMILENIO website.

### **Linking Disbursements to Performance**

The Disbursement Agreement includes a condition that there is satisfactory progress on the performance indicators in the M&E Plan for the Program, relevant Projects or Project Activities. Whether or not there has been satisfactory progress on the performance indicators will be analyzed in depth during the Mid-Term Review (see Section 5.1.2). Further funding of each Project Activity will be conditional on the outcome of the Mid-Term Review.

In addition, whenever feasible, FOMILENIO should include performance targets as deliverables against which payments will be made in implementation contracts.

## **5. EVALUATION COMPONENT**

### **5.1 Summary of Evaluation Strategy**

Evaluation is an essential element of the El Salvador Program. One of the key features of the MCC's approach to development assistance is its strong commitment to conducting rigorous impact evaluations of its programs, which employ, whenever possible, methodologies that determine whether results can be reliably attributed to MCC interventions. In addition, evaluation indicators can improve program management and provide lessons for future program implementation.

MCC will evaluate the impact of the Compact Program through three assessment exercises: i) ad hoc evaluations and special studies, executed over the life of the Compact, to address specific concerns raised during implementation and designed to increase the ability of FOMILENIO to interpret monitoring and evaluation findings; ii) a Mid-Term Evaluation, to provide impact findings permitting mid-course program corrections where necessary; and iii.) Final Impact and Performance Evaluations designed to identify the overall impacts of the program beyond measuring project and goal level indicator achievement to a broader evaluation of the economic impact and poverty reduction achieved by the program.

#### **5.1.1 Special Studies**

The special studies will include:

1. Qualitative information gathering
2. Traffic survey (annual average daily traffic, origin and destination, and speed)

Originally it was planned that there would be a special study on the GDP of the Northern Zone; however it will not be done because it was agreed that the gathering of the data to report on this indicator would be too costly. In addition, it was determined that there is no need of aerial photography of NTH and no need to conduct the originally planned land price study because information on land prices is being collected in the Connectivity baseline survey. The study of road roughness will no longer be needed, because the NTH

builders are performing the IRI test for each Section contracted, therefore, it has been agreed that there will be a weighted average to determine the final IRI for the NTH.

To provide a more complete assessment of the true impacts of the Compact's projects, qualitative data on beneficiaries will be collected and analyzed. This will further complement the quantitative findings. Objective data collection efforts will include focus groups, individual and household interviews and surveys with a sample of project beneficiaries. These qualitative methods will be used to further verify or refute the findings from the quantitative data analysis and for possibly recommending further analysis that should be conducted.

The traffic survey will be completed by MCC after the Compact is over.

### **5.1.2 Mid-Term Review (MTR)**

The Mid Term Review was a self-evaluation done by FOMILENIO, from January to February 2010 (second quarter of third year of implementation). MTR main results were presented to FOMILENIO's Board of Directors on February 10. Four roundtables were established in order to review with the BOD the implementation strategies and constraints, projects achievements, success factors, implementing entities and contractors performance, performance indicator's targets adjustments and impact on ERR. On March 3, the agreements on these roundtables, corrective actions suggested by FOMILENIO administration, funds reallocation and consequently update M&E Plan were presented to BOD in order to request their approval, before it is sent to MCC for final approval.

The MTR objectives were: i) Analyze progress in the first 2.5 years of the Compact; ii) Identify reallocation of resources between projects and activities to achieve the highest impact given available information; and iii) Realign the M&E Plan end of Compact targets with existing work plans.

One of the primary purposes of analyzing the progress of Compact implementation was identify by the project managers the necessary mid-course corrections that may be needed. Given the innovative nature of the Program, it is important to track its performance and capture outcomes on an on-going basis in order to get feedback for program management, quickly benefit from implementation experience, and reinforce positive impacts and mitigate adverse ones through modifications to design and implementation if needed. The MTR recommended corrective actions to address the concerns raised about the program, particularly operation and management issues, and also it was proposed how to implement those corrective actions.

The MTR included the following types of assessments:

- Assessment, per activity, of progress and efficiency in delivery of inputs and outputs (updated economic rates of return);
- Assessment of initial program outcomes and benefits. Assessment of the impacts on the beneficiaries for each activity and the potential for sustaining the results achieved after the program ends;
- Assessment of the Program's organization and management, including FOMILENIO and its implementing entities, with respect to their size and

- composition, organizational structure, personnel management and policies, qualifications of local staff and consultants, and reporting capabilities;
- Analysis of factors and constraints that have influenced Program implementation, including technical, managerial, organizational, institutional and socio-economic policy issues, in addition to other external factors unforeseen during design;
- Identification of areas where Program design may require adjustments to increase performance and better reach target beneficiaries, including re-allocation of resources amongst Project Activities; and

Project Managers' role on the MTR was: i) review work plans, financial plans and determine adjustments over accomplishment of output indicator targets of each project; ii) deliver information to FOMILENIO Administration on the performance of each project activity in order to give a general evaluation; iii) deliver information to M&E Direction in order to update ERR of each activity.

M&E Direction's role on the MTR was: i) with the assistance from M&E-MCC to develop a format to present project and activity performance to date; ii) collaborate with project managers to fill out the information on MTR format; iii) updating the project/activities ERRs (an independent consultant was contracted to estimate PDP's ERR and the Ministry of Public Works' staff updated Connectivity's ERR); iv) update the M&E Plan and Indicator Tracking Table with new targets of all performance indicators; v) request to FOMILENIO's BOD approval of updated M&E Plan before sending it to MCC for Non-Objection Letter request.

### **5.1.3 Final Evaluation**

A final impact or performance evaluation is required of each project to: accurately measure attributable program results from MCC's interventions; assure the validity of reported program results and outcomes; provide applicable lessons learned for similar future programs; and promote country accountability.

The final evaluations must address at least the following: i) why goals, objectives and targets were or were not achieved; ii) positive and negative unintended results of the program; iii) effectiveness of program activities and whether results can be attributed to MCC interventions; iv) lessons learned and best practices in project implementation; and v) comparative analysis of projected versus final economic rates of return on selected Projects.

MCC will contract independent evaluators to help design the methodology and data collection instruments for the impact evaluation. The evaluators will be engaged before and during implementation to ensure that the process of beneficiary selection and data collection efforts will proceed as planned. The evaluators will conduct periodic analysis of available data and the final evaluation. The design and planning work of the final impact evaluation will be completed before initial project activities are implemented.

## **5.2 Specific Evaluation Plans**

## **Education and Training:**

*Scholarships* – The purpose of the evaluation will be to determine whether or not scholarship recipients are better off than they would have been without receiving the scholarships. The main outcomes are: enrollment, completion, employment and wages/income. When there is oversubscription for the scholarships, a random assignment will be used to select scholarship recipients from the pool of eligible applicants, after they meet the selection criteria. Given the oversubscription, a lottery would be the fairest way to distribute the scholarships. A higher probability of selection will be provided to certain groups. Those that don't receive the scholarships would be the control group for those that do receive the scholarships. Given the nature of the pilot scholarship program, it will not be included in the impact evaluation. The key data sources will be the application form and a follow-up survey of both the beneficiary and control groups.

*Middle Technical Schools* – The middle technical school activity is designed to increase the quality and capacity of approximately 20 secondary technical schools to absorb and train a greater numbers of students and to expand access to more at-risk youth and young adults. A comparison group will be developed by matching similar schools not included in the project to those that are included. Based on the results from administrative and survey data, the evaluators will measure the impact of school improvements on student enrollment, persistence, graduation, employment and wages.

Data for the impact evaluation will come from both administrative records kept by the Ministry of Education (MINED) and from an independent survey. MINED will provide annual data on enrollment and persistence. FOMILENIO has contracted an international consulting firm to collect the baseline data for variables that MINED does not track, such as graduation, employment, wages, and post-secondary education. The survey will sample approximately 600 students from beneficiary and non-beneficiary schools. These students will be interviewed one year after the final year of schooling to establish the baseline for labor outcomes such as employment and wages. The baseline is scheduled for Fall 2009 and a follow-up survey is scheduled for Fall 2013.

*ITCHA/MEGATEC* – A case study will be conducted of this activity since identifying a valid comparison group is quite difficult.

*Non-Formal Education* – This activity will be subject to a performance evaluation by MCC's contractor. FOMILENIO will track beneficiaries of this activity to see if are able to find jobs and increase their wages after completing the training.

## **Productive Development:**

### *Activity 1: Production and Business Services (PBS)*

The purpose of the evaluation is to determine the impact of training, technical assistance and in-kind goods on producers in three value chains: dairy, handicrafts, and horticulture. The other value chains including fruit, forestry, and tourism are not included in this evaluation because of the longer-term nature of their benefits. Furthermore, services to the forestry value chain may be discontinued. The main outcomes for all three value chains are: beneficiary income, employment generation and investment.

Although assessing the impact on beneficiaries' income and generated employment represents the main goal of the evaluation, the evaluation will also address impacts on intermediate outcomes, such as business practices and plans, technology adoption, product diversification, and value chain integration. Additionally, the evaluation was designed to examine the differential impact of offering PBS for two years instead of one year on employment and income, as well as on the intermediate outcomes listed above.

Because all of the PDP beneficiaries cannot be served in one year, but will be served over the course of four years, MCC, FOMILENIO and the PBS implementer agreed to a randomized rollout design. Under this design, all eligible beneficiaries identified by the PBS implementer will be offered the PBS intervention; however, the timing of service delivery will be randomized. Groups of producers will be randomized since efficient implementation requires providing technical assistance at the group level.

The key data source will be the PDP surveys designed by Mathematica; these surveys are tailored to the characteristics of each of the three productive chains. There will be a baseline and two follow-up surveys for each chain.

After receiving more information about implementation delays and lack of coordination between the evaluation and implementation, MCC and FOMILENIO decided to cancel the final surveys for the horticulture and dairy value chains and instead have MCC's evaluation contractor conduct a final performance evaluation for those chains.

#### *Activity 2: Investment Support*

The evaluation design for Investment Support (FIDENORTE) is a before–after analysis that compares key indicators in the approved business plans before and after beneficiaries received a loan from FIDENORTE.

#### *Activity 3: Financial Services*

The evaluation of the third activity, Financial Services, will be combined to the extent possible with the evaluation of the second activity.

### **Community Development:**

*Water and Sanitation* – The water and sanitation services are designed to reduce poverty and increase household income by a) decreasing the cost and time to collect water, and b) reducing the incidence of water-borne diseases which reduces the costs of health services and the number of hours of work lost by water borne diseases. The impact evaluation of the activity will estimate the impact of water and sanitation improvements on beneficiary household income and other measures of welfare. Water and sanitation projects are being selected through a demand driven process. A call for proposals was issued in March 2008 and criteria were used to select the proposals to move on to the feasibility stage. Only a small number of proposals were rejected. The evaluation methodology relies on matching the selected project communities with similar communities in the Northern Zone using data from the population census conducted in 2007.

To estimate impact, the average change in income of those receiving the services will be compared to the average change in income of those who were not programmed to receive the services. The evaluation will use a household survey of approximately 3,168 households as well as tests of the quality of the water at the household level and at the source point. The current data collection plan anticipates that each household will be surveyed three times, 1) baseline in April 2011, 2) follow up in April 2012 and 3) final in April 2013.

*Rural Electrification-* The impact evaluation seeks to determine the impact of electrification on the cost of energy, energy consumption, time allocation, and household income. Because the new electric lines will come from the existing power grid, an experimental design is not feasible for the overall impact evaluation. Therefore, the evaluators will use a non-experimental design taking advantage of the timeline of the rollout of the project combined with propensity score matching to identify treatment (households that receive the new electrical service) and control groups (households that do not receive new service). Using specialized household surveys for both the household head and his/her spouse with an intra-household time allocation module, the evaluators will estimate the differences in energy consumption, household income, and time use between the treatment and control groups. A difference-in-difference estimation method will control for changes in non-observable variables, and instrumental variables estimation will control for any remaining potential sources of selection bias.

For a subsample of towns and households from the full sample being evaluated we will select an additional control and treatment group. The treatment group will be randomly assigned vouchers of varying amounts that would help cover costs for the installation of the internal connection that the households will need to pay in order to access the electricity once the cable reaches their household. Vouchers will be assigned randomly to between 10 and 50 percent of eligible survey respondents. The vouchers would not only encourage a sufficient level of demand for electricity access in the early stages of intervention, but would also provide for this subsample of households a basis for experimental evaluation of accessibility to electricity by serving as an instrumental variable for electricity access. The randomized selected control towns and households will serve as an appropriate control group given they will receive no vouchers.

The impact evaluation will be based on a survey of approximately 1,532 total households in the departments of Chalatenango and San Miguel. These departments are proposed because, according to program plans, they include the largest numbers of cantons that will benefit from the electrification program. In addition, these districts include a number of cantons that will benefit from both the road improvement and the electrification projects, so data collection could be done at the same time for both evaluations.

The questionnaire includes two sections – one that will be answered by a male in the household (including household income and agricultural productivity) and will be interviewed by a male survey taker, and the second which will be answered by a female in the household (including household demographics and expenses) and interviewed by a female survey taker. The separate interviews are intended to get more accurate data on topics that are more familiar to certain people in the household. The current data collection plan anticipates that each household will be surveyed multiple times, 1) baseline in November 2008, 2) follow ups in November 2010, 2011 and 2012, and 3) final in November 2013.

*Community Infrastructure* – The evaluation of this activity is not included in the scope of work of the MCC-contracted evaluators. However, depending on which projects are selected for investment through this activity, some of the data collection for other evaluations may be used to evaluate this activity.

### **Connectivity:**

The impact evaluation will combine propensity score matching (PSM), difference in differences (as it allows controlling for the change in non-observable variables), instrumental variables and regression discontinuity (to control for the remaining potential sources of selection bias) to measure the change in household incomes within the “area of influence” defined as the area within 30 minutes of access through existing means of communication to the NTH. Additional outcomes that will be evaluated include the reduction of transportation costs and transportation time, an expected increase in land values, access to public services and their impacts on health and education outcomes, changes in labor allocation between farm and non-farm activities, and differentiated gender effects of road improvements.

The evaluation will use household surveys and community surveys. The household survey will interview approximately 5,388 households that are located within 30 minutes of access to the NTH. The questionnaire includes two sections – one that will be answered by a male in the household (including household income and agricultural productivity) and will be interviewed by a male survey taker, and the second which will be answered by a female in the household (including household demographics and expenses) and interviewed by a female survey taker. The separate interviews are intended to get more accurate data on topics that are more familiar to certain people in the household. The community survey includes questions on community infrastructure and access key markets and social services. The current data collection plan anticipates that each household will be surveyed multiple times, 1) baseline in November 2008, 2) follow ups in November 2010, 2011 and 2012, and 3) final in November 2013.

## **6. IMPLEMENTATION AND MANAGEMENT OF M&E**

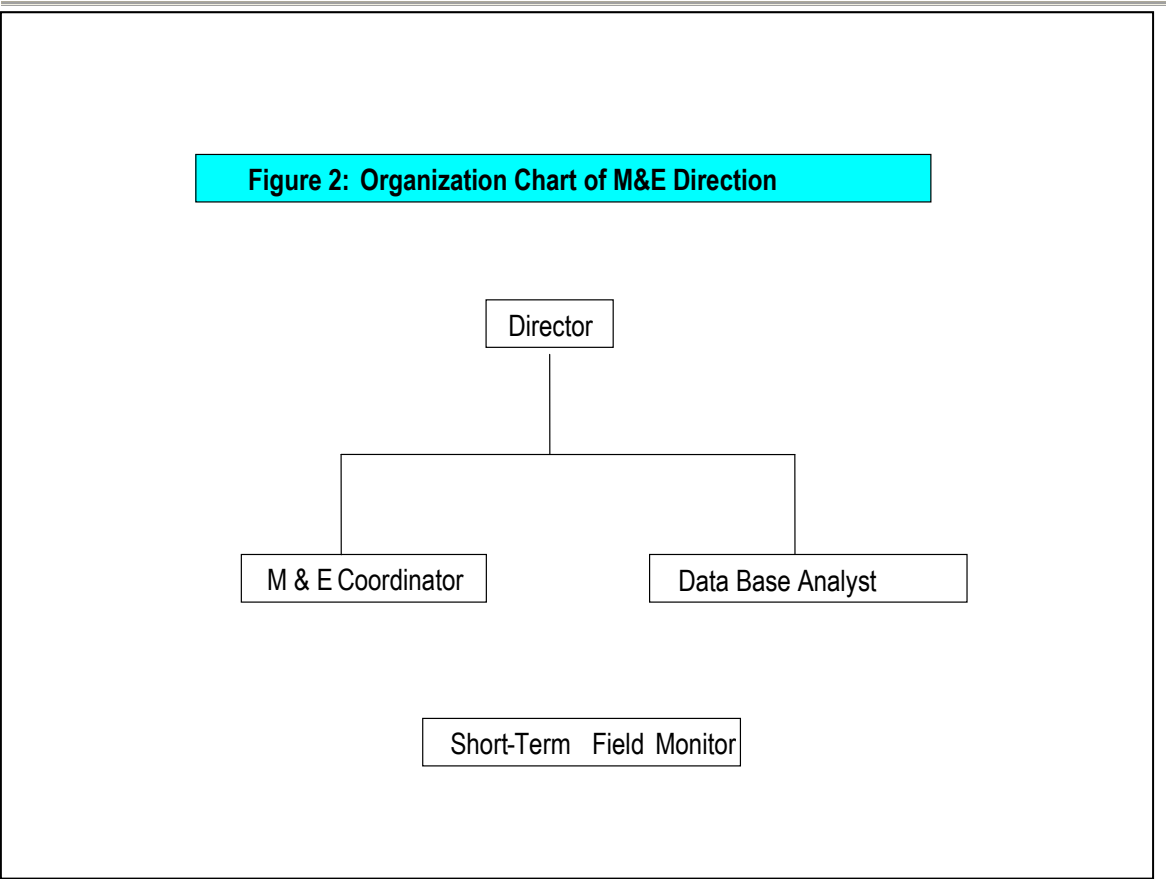
### **6.1 Responsibilities**

Before beginning the implementation of Projects or Project Activities, FOMILENIO will orient the staff of Implementing Entities on how performance will be measured, and will provide any necessary training to comply with the M&E Plan. MCC, through its M&E Division, will assist FOMILENIO as needed and requested.

The Monitoring and Evaluation Direction (M&ED) within FOMILENIO will be responsible for overall monitoring and evaluation of the program. The M&ED will be primarily responsible for coordinating and ensuring quality in data gathering and reporting by the Implementing Entities (IEs). A second function will be the data management and overall program reporting. The M&ED will contract consultants to manage the Data Quality Reviews, Special Studies, and Ad-hoc Evaluations. MCC will directly contract the

consultants for the Final Impact Evaluations and will provide input on both the selection of the FOMILENIO staff and potential consultants.

The M&ED will be headed by the M&E Director, who will coordinate the work of two other permanent staff: the Monitoring and Evaluation Coordinator (M&EC) and the Data Base Analyst (DBA) . The M&ED may also contract a Short-Term Field Monitor (STFM) to gather specific information. Figure 2 provides an organizational chart of the M&ED, while Figure 3 presents the relationships between FOMILENIO, MCC M&E and the various contractors and implementing agencies.



**Coordination of M&E Data Gathering**

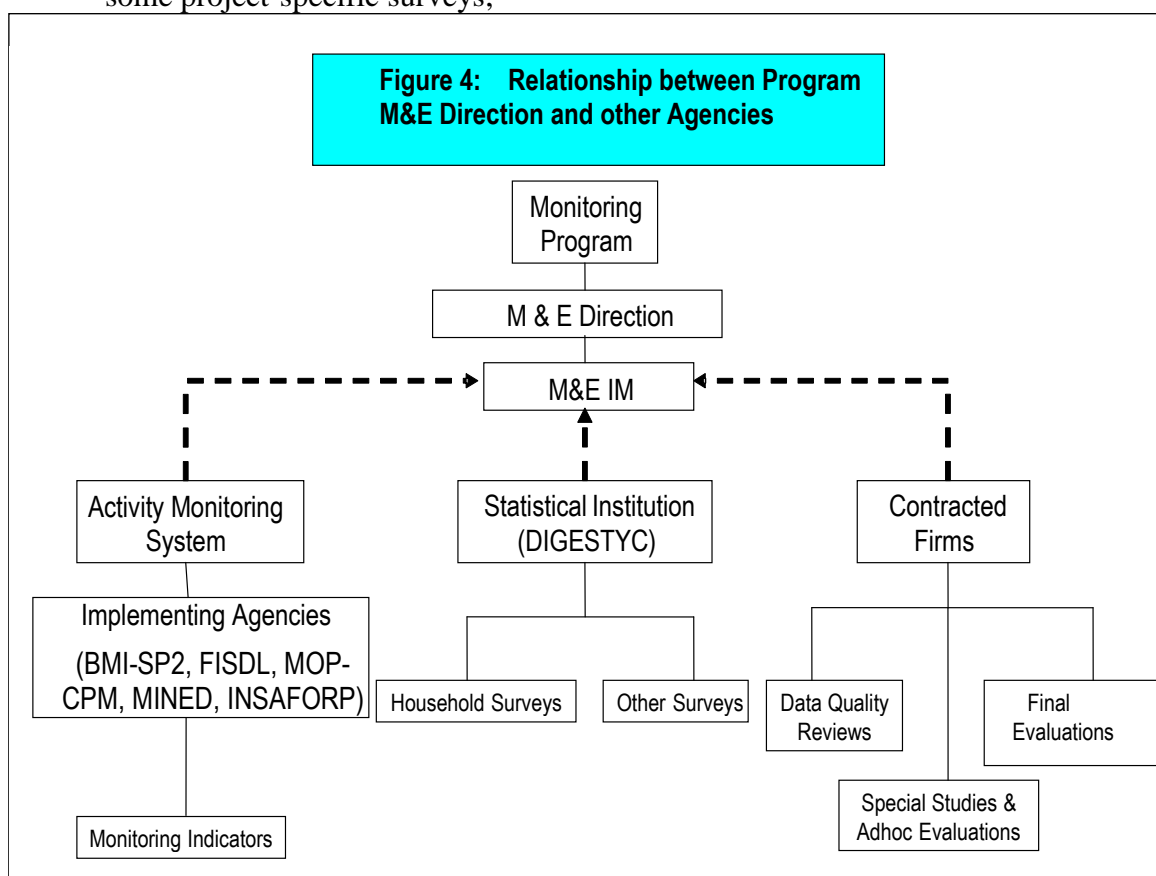
The gathering of all activity level performance indicators – process, output, and some outcome and objective indicators – will be carried out by the Implementing Entities. All data collection instruments and sample designs being funded through the Compact should be approved by MCC.

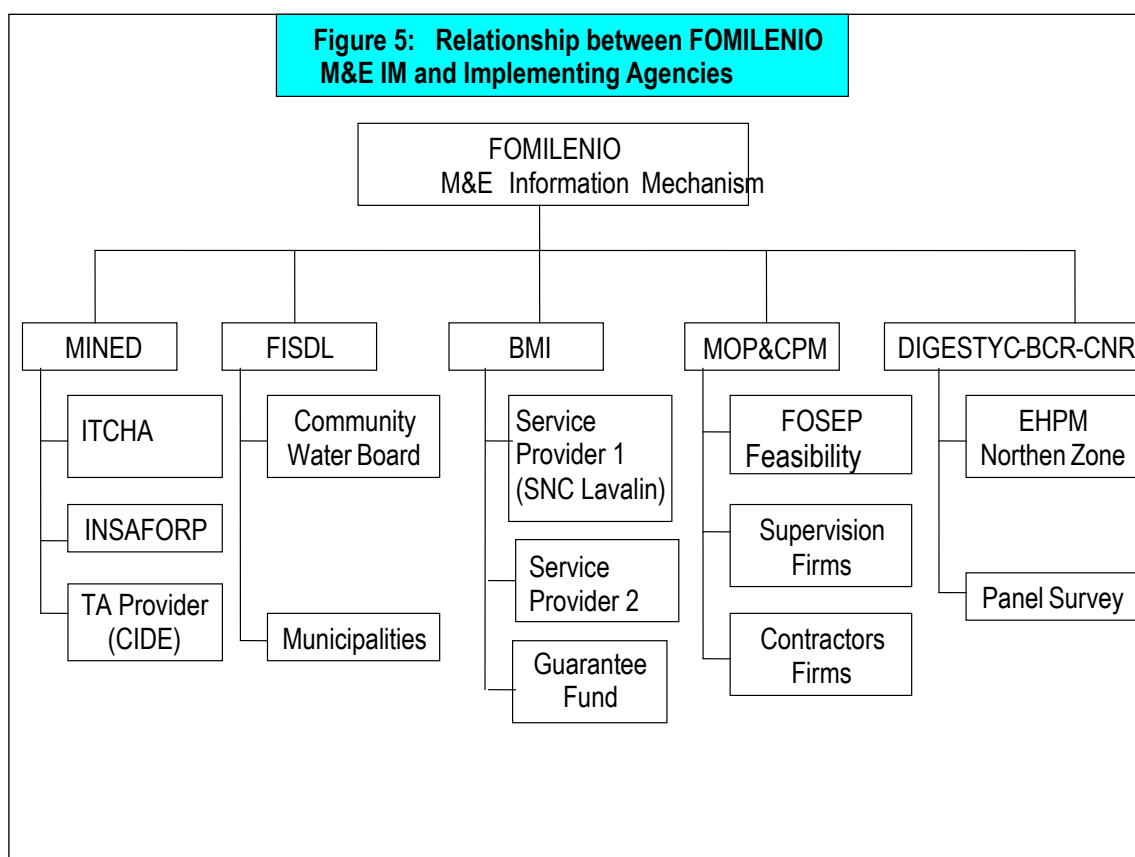
FOMILENIO will create an Implementing Entity Agreement with the General Directorate for Statistics and Census (DIGESTYC) to assist FOMILENIO with monitoring and evaluation of the Program. This document will detail specific responsibilities for gathering information from household beneficiaries of the Compact Program through the expanded Household Survey and additional project-specific surveys (if deemed necessary) for the Northern Zone.

Data collection for the Compact projects will be conducted by multiple in-country Implementing Entities (See Figures 4 and 5), including:



1. Human Development Project: The Ministry of Education, INSAFORP, The Local Development Investment Fund (FISDL)-, through Supervision and Construction firms, the Ministry of Economy (MINEC), and Municipalities.
2. Productive Development Project: The Multi-Sectoral Investment Bank (BMI) through the Service Providers 1 and 2, Guarantee Fund and Financial Institutions.
3. Connectivity Project: The Ministry of Public Works (MOP) will be responsible for data collection through Pre-Investment Studies Fund (FOSEP), Supervision and Constructor Firms;
4. Monitoring and Evaluation: DIGESTYC will be responsible for the Household and some project-specific surveys;





## 6.2 Management Information Mechanism for M&E

Early on in implementation, FOMILENIO established a plan for an M&E information mechanism for continuously monitoring and reporting the progress of the Program and the impact of each of its Projects. That mechanism aimed to cover three areas: i) Project Tracking on Performance Indicators; ii) Socio Demographic Economic Municipal Indicators; and iii) Beneficiaries Register.

The Project tracking on Performance Indicators area was worked on a quarterly basis. In order to agree the accomplishment of the targets, the mechanism consisted in working closely with the implementing units, and therefore, supports the data with diverse types of documents collected. It was determined that the indicator tracking long term mechanism would be done in templates defined by MCC in Excel.

The information on Socio Demographic Economic Municipal Indicators section was obtained from the VI Population Census and V Housing Census 2007, gathered by DIGESTYC.

The area of the Beneficiaries Registry (Beneficiaries Registration Information System – SIREB in Spanish) will include identification of the beneficiaries of the Program, characterized by gender, income level, age and geographical location. Currently the modules inside SIREB filled with information are from Human Development Projects, which include beneficiaries of Education and Training Activity, that includes Formal Education and Non-formal Training beneficiaries; and of Community Development Activity that include beneficiaries from Rural Electrification Sub-activity, from Water and

Sanitation Sub-activity. The beneficiaries from Infrastructure Community were also included but only the direct beneficiaries of the projects (families), not the people in the surrounding areas/communities that would be benefited by the projects and are accounted as estimated beneficiaries. There are also beneficiaries from Productive Development Project and Right of Way from Connectivity Project.

The information on SIREB has been collected by the entities related directly with beneficiaries: in the case of formal education from the technological institutes and FEPADE, in the case of training of non-formal from the training service providers. The solar system installation beneficiaries have been identified by the contractors. In the case of the beneficiaries' information of the 115kms of new electricity lines an external firm was contracted to collect it, the rest of information is being collected by the Electricity Distributors and delivered to the Rural Electricity Management unit.

The water and sanitation beneficiaries and the infrastructure community beneficiaries were identified by the social service providers and from the construction companies.

### **6.3 Review and Revision of the M&E Plan**

The M&E Plan will be revised as needed during the life of the Compact to adjust to changes in the Program's design and to incorporate lessons learned for improved performance monitoring and measurement. Any revision of the M&E Plan will follow MCC's Policy for Monitoring and Evaluation of Compact approved May 2009 and updated in May 2012.

## **7. M&E BUDGET**

The original budget for M&E activities for the five-year term of the Compact was \$9.88 million. In addition approximately \$3 million from MCC funds will be used to collect information and complete the Final Impact Evaluations. The Government of El Salvador will contribute \$164,000 as counterpart funding from years one through six. In sum, the original total budget for M&E activities was estimated at \$13.04 million. The M&E budget does not include the staff of M&E Direction of FOMILENIO, whose salaries and field trips are included in the administrative budget of the Compact.

As a result of Mid Term Review, the savings on M&E budget amounted \$3.6 Million, that have been reallocated to support Human Development Project needs (employment plan and working capital of formal education and non-formal skills development beneficiaries, and to benefit poorest communities with internal electrical installation on year 5). Those savings came from a less expensive Monitoring Information System and Special Studies that did not take place. The Implementing Entity Agreement with DIGESTYC, allowed an efficient use of resources on Northern Zone Multipurpose Household and Impact Evaluation Surveys.

A summary of the M&E Budget as of December 2011 is shown in Table 5.

<b>Table 5. Compact M&amp;E Budget by Year (Millions of US\$)</b>		
<b>Description</b>	<b>Total</b>	<b>%</b>
1. Monitoring System	0.278	4
2. Quantitative Information Gathering	1.496	24
3. Qualitative Information Gathering	0.250	4
4. Data Quality Reviews	0.512	8
5. Special Studies	0.237	4
6. Report and Information Dissemination	0.060	1
7. Mid-Term and Final Evaluations	3.445	55
Total	6.278	100
%	100	

# Annex No 1 Indicator Documentation Table

El Salvador Annex I: Indicator Documentation Table									
Common Indicator Code	Indicator Level	Indicator Name	Definition	Unit of Measure	Dis - aggregation	Primary Data Source	Responsible Party	Frequency of Reporting	Additional Information
<b>Compact Goals</b>									
	Goal	Poverty rate in the Northern Zone	Percentage of households of the Northern Zone whose income falls below the poverty line as calculated by the General Directorate for Statistics and Census ("DIGESTYC")	Percentage		Household survey EHPM NZ	DIGESTYC	Annual	
	Goal	Annual per capita income in the Northern Zone	Average annual per capita income in the Northern Zone as calculated by DIGESTYC	US Dollars		Household survey EHPM NZ	DIGESTYC	Annual	
<b>Project 1: Human Development Project</b>									
<b>Activity 1: Community Development Activity</b>									
	Goal	Increase in income of water and sanitation beneficiaries	Percentage increase in income of households receiving water and sanitation investments	Percentage		Panel Survey	MCC Evaluator	Once	Survey to occur in 2013
	Goal	Increase in income of electrification beneficiaries	Percentage increase in income of households who received connections to the electrical grid	Percentage		Panel Survey	MCC Evaluator	Once	Survey to occur in 2013
	Goal	Increase in income of community infrastructure beneficiaries	Increase in income of households located close to community infrastructure	Percentage		Close-out ERR analysis	MCC	Once	

<b>El Salvador</b> <b>Annex I: Indicator Documentation Table</b>									
<b>Common Indicator Code</b>	<b>Indicator Level</b>	<b>Indicator Name</b>	<b>Definition</b>	<b>Unit of Measure</b>	<b>Dis - aggregation</b>	<b>Primary Data Source</b>	<b>Responsible Party</b>	<b>Frequency of Reporting</b>	<b>Additional Information</b>
	Outcome	Cost of water	Average price of water per cubic meter paid by beneficiaries	US Dollars		Panel Survey	MCC Evaluator	Once	Survey to occur once in 2013
WS-14	Outcome	Residential water consumption	The average water consumption in liters per person per day	Liters	Urban / Rural	Panel Survey	MCC Evaluator	Once	Survey to occur once in 2013
	Outcome	Time collecting water (hours per week per household)	Hours per week per household spent collecting water by Project Activity households	Hours	Gender	Panel Survey	MCC Evaluator	Once	Survey to occur once in 2013
WS-16	Outcome	Incidence of diarrhea	The percentage of individuals reported as having diarrhea in the two weeks preceding the survey.	Percentage	Under age 5/ 5 years and older	Panel Survey	MCC Evaluator	Once	Survey to occur once in 2013
	Outcome	Reduction in days of school or work missed as a result of water-borne diseases (days per year per person)	Reduction of the number of days of school or work missed per year per person as a result of intestinal parasitism, diarrhea or infectious gastroenteritis per beneficiaries	Days	Gender	Panel Survey	MCC Evaluator	Once	Survey to occur once in 2013
	Outcome	Cost of electricity (per kilowatt-hour)	Price of electricity per kilowatt-hour for beneficiaries	US Dollars		Panel Survey	MCC Evaluator	Once	Survey to occur once in 2013
	Outcome	Electricity consumption (kilowatt-hours per month)	Number of kilowatt-hours per month consumed on average by households connected to the electricity network by the Project Activity	Kwh		Panel Survey	MCC Evaluator	Once	Survey to occur once in 2013

El Salvador Annex I: Indicator Documentation Table									
Common Indicator Code	Indicator Level	Indicator Name	Definition	Unit of Measure	Dis - aggregation	Primary Data Source	Responsible Party	Frequency of Reporting	Additional Information
	Outcome	Time saved accessing education and health centers (minutes per working day per beneficiary)	Reduction in minutes per working day dedicated to accessing education and health centers by beneficiaries of Community Infrastructure	Minutes		Qualitative Study	Qualitative Study Consultant	Once	
WS-12	Outcome	Access to improved water supply	The percentage of households in the MCC project area whose main source of drinking water is a private piped connection (into dwelling or yard), public tap/standpipe, tube-well, protected dug well, protected spring or rainwater.	Percentage	Urban / Rural	EHPM (Section 3: Housing, Q. 313 - 01,02,03,04 ,05)	DIGESTYC	Annual	
WS-13	Outcome	Access to improved sanitation	The percentage of households in the MCC project area who get access to and use an improved sanitation facility such as flush toilet to a piped sewer system, flush toilet to a septic tank, flush or pour flush toilet to a pit, composting toilet, ventilated improved pit latrine or pit latrine with slab and cover.	Percentage	Urban / Rural	EHPM (Section 3: Housing, Q. 317 - 1,2,3)	DIGESTYC	Annual	

<b>El Salvador</b> <b>Annex I: Indicator Documentation Table</b>									
Common Indicator Code	Indicator Level	Indicator Name	Definition	Unit of Measure	Dis - aggregation	Primary Data Source	Responsible Party	Frequency of Reporting	Additional Information
	Outcome	Households with electricity in the Northern Zone	Percentage of households with a private electricity connection in the Northern Zone per calendar year.	Percentage		EHPM (Section 3: Housing, Q. 312)	DIGESTYC	Annual	
	Outcome	Population benefiting from community infrastructure	Cumulative number of people who live in the communities where the project was built and the communities nearby affected by the community infrastructure projects (Feeder roads, small bridges, drainage system, etc)	Number		Administrative data / Construction firms	FISDL	Annual	
	Output	Households with access to improved water supply	Number of households whose main source of drinking water is a private piped connection (into dwelling or yard), public tap/standpipe, tube-well / borehole, protected dug well, protected spring, or rainwater as a result of MCC investment(s).	Number		Administrative data / Construction firms	FISDL	Quarterly	



El Salvador Annex I: Indicator Documentation Table									
Common Indicator Code	Indicator Level	Indicator Name	Definition	Unit of Measure	Dis - aggregation	Primary Data Source	Responsible Party	Frequency of Reporting	Additional Information
	Output	Households with access to improved sanitation	Number of households who get access to and use an improved sanitation facility such as flush toilet to a piped sewer system, flush toilet to a septic tank, flush or pour flush toilet to a pit, composting toilet, ventilated improved pit latrine, or pit latrine with slab and cover as a result of MCC investment(s).	Number		Administrative data / Construction firms	FISDL	Quarterly	
WS-6	Output	People trained in hygiene and sanitary best practices	The number of people who have completed training on hygiene and sanitary practices that block the fecal-oral transmission route.	Number	Gender	Administrative data / Construction firms	FISDL	Quarterly	
	Output	Households benefited with the connection to the electricity network	Number of households benefited with the connection to the existing and extended electricity network by FOMILENIO	Number		Administrative data / Contractor	Distribution Company	Quarterly	
	Output	Households benefited with the Installation of isolated solar systems	Number of households benefited with isolated solar systems	Number		Administrative data	Contractor	Quarterly	
	Process	Potable water and basic sanitation systems with construction contracts	Number of water systems that have signed a construction, training and technical assistance contract.	Number		Administrative records	Procurement Agent	Quarterly	

El Salvador Annex I: Indicator Documentation Table									
Common Indicator Code	Indicator Level	Indicator Name	Definition	Unit of Measure	Dis - aggregation	Primary Data Source	Responsible Party	Frequency of Reporting	Additional Information
		signed							
WS-3	Process	Value of signed water and sanitation construction contracts	The value of all signed construction contracts for reconstruction, rehabilitation, or upgrading of water and sanitation works using compact funds.	US Dollars		Contractual Records	FOMILENIO's Fiscal Agent	Quarterly	
	Process	Value of signed water and sanitation construction contracts disbursed	Amount disbursed for all signed construction contracts for water and sanitation works.	US Dollars		Contractual Records	FOMILENIO's Fiscal Agent	Quarterly	
WS-4	Process	Percent disbursed of water and sanitation construction contracts	The total amount of all signed construction contracts for construction, reconstruction, rehabilitation, or upgrading of water and sanitation works disbursed divided by the total value of all signed contracts.	Percentage		Financial records	FOMILENIO's Fiscal Agent	Quarterly	
WS-1	Process	Value of signed water and sanitation feasibility and design contracts	The value of all signed feasibility, design, and environmental contracts, including resettlement action plans, for water and sanitation investments using 609(g) and compact funds.	US Dollars		Contractual Records	FOMILENIO's Fiscal Agent	Quarterly	

<p style="text-align: center;"><b>El Salvador</b> <b>Annex I: Indicator Documentation Table</b></p>									
Common Indicator Code	Indicator Level	Indicator Name	Definition	Unit of Measure	Dis - aggregation	Primary Data Source	Responsible Party	Frequency of Reporting	Additional Information
	Process	Value of signed water and sanitation feasibility and design contracts disbursed.	Amount disbursed for all signed feasibility, design, and environmental contracts, including resettlement action plans, for water and sanitation investments (cumulative)	US Dollars		Contractual Records	FOMILENIO's Fiscal Agent	Quarterly	
WS-2	Process	Percent disbursed of water and sanitation feasibility and design contracts	The total amount of all signed feasibility, design, and environmental contracts, including resettlement action plans, for water and sanitation investments disbursed divided by the total value of all signed contracts.	Percentage		Financial records	FOMILENIO's Fiscal Agent	Quarterly	
	Process	Community Infrastructure works with construction contracts signed	Number of Community Infrastructure works that have a signed construction contract.	Contracts		Administrative records	Procurement Agent	Quarterly	
	Process	Kilometers of new lines of electrical distribution construction contracts signed	Number of kilometers of new electrical distribution lines that have a construction contract signed.	Kilometers		Administrative records	Procurement Agent	Quarterly	
	Process	Solar PV systems installation and basic training contracts signed	Number of Solar PV systems that have a signed installation and basic training contract.	Number		Administrative records	Procurement Agent	Quarterly	

<b>El Salvador</b> <b>Annex I: Indicator Documentation Table</b>									
Common Indicator Code	Indicator Level	Indicator Name	Definition	Unit of Measure	Dis - aggregation	Primary Data Source	Responsible Party	Frequency of Reporting	Additional Information
<b>Activity 2: Education and Training</b>									
	Goal	Incremental income of graduates of the Chalatenango Center	Percentage of increase in yearly income earned by graduates of the Chalatenango Center	Percentage		Case study and existing surveys	MCC Evaluator	Once	Survey to occur once in 2013
	Goal	Incremental income of graduates of middle technical schools	Percentage of increase in yearly income earned by graduates of middle technical schools	Percentage		Education tracer study	MCC Evaluator	Once	Survey to occur once in 2013
	Goal	Incremental income of non-formal trained beneficiaries	Percentage of increase in yearly income earned by non-formal trained beneficiaries	Percentage		Non-formal training tracer study	MCC Evaluator	Once	Survey to occur in 2013
	Outcome	Employment rate of graduates of the Chalatenango Center	Percentage of graduates of the Chalatenango Center (functioning as a MEGATEC institute) employed one year after graduation	Percentage		Education Tracer Study / School Administrative Records	MCC Evaluator	Once	Survey to occur once in 2013
	Outcome	Employment rate of graduates of middle technical schools	Percentage of graduates of middle technical schools remodeled by the Project Activity, employed one year after graduation	Percentage		Education Tracer Study	MCC Evaluator	Once	Survey to occur once in 2013
	Outcome	Employment of graduates of non-formal training	Change in hours worked by training program graduates one year after graduation	Number		Non-formal training tracer study	MCC Evaluator	Annual	Survey to occur in 2013

<p style="text-align: center;"><b>El Salvador</b> <b>Annex I: Indicator Documentation Table</b></p>									
<b>Common Indicator Code</b>	<b>Indicator Level</b>	<b>Indicator Name</b>	<b>Definition</b>	<b>Unit of Measure</b>	<b>Dis - aggregation</b>	<b>Primary Data Source</b>	<b>Responsible Party</b>	<b>Frequency of Reporting</b>	<b>Additional Information</b>
		programs	converted into full-time equivalent (FTE) jobs using 8 hours per day and 250 days a year as an FTE. This indicator measures employment of graduates from non-formal training.						
	Outcome	Graduation rates of the Chalatenango Center	Percentage of graduates of the Chalatenango Center in relation to total enrollment in the first year	Percentage		School Administrative Records	MINED	Annual	
	Outcome	Graduation rates of middle technical schools	Percentage of graduates of the middle technical schools in relation to total enrollment in the first year	Percentage		School Administrative Records	MINED	Annual	
	Outcome	Non-formal trained students that complete the training	The number of non-formal trained students that completed the training	Number		Non-formal tracer Study	Supervising Team- INSAFORP	Annual	
E-7	Outcome	Graduates from MCC-supported education activities	The number of students graduating from the highest grade (year) for that educational level in MCC-supported educational schooling programs	Number		Administrative Records	MINED	Annual	
	Outcome	Students of the Chalatenango Center	Total number of students enrolled in 2012 in the Chalatenango Center (functioning as a MEGATEC	Number		School Administrative Records	MINED	Annual	

El Salvador Annex I: Indicator Documentation Table									
Common Indicator Code	Indicator Level	Indicator Name	Definition	Unit of Measure	Dis - aggregation	Primary Data Source	Responsible Party	Frequency of Reporting	Additional Information
			institute) (not cumulative)						
	Outcome	Students of middle technical schools	Total number of students enrolled in 2012 in the middle technical schools included in the Project Activity (not cumulative)	Number		School Administrative Records	MINED	Annual	
E-6	Outcome	Students participating in MCC-supported education activities	The number of students enrolled or participating in MCC-supported educational schooling programs.	Number		Administrative Records	MINED, INSAFORP, CIDE	Quarterly	
	Output	Technologic institutes remodeled and equipped	Chalatenango technological institute remodeled and equipped and the construction of MEGATEC in Chalatenango by FOMILENIO Program	Number		Administrative Data	MINED	Annual	
	Output	Middle technical schools remodeled and equipped	Number of middle technical schools remodeled by FOMILENIO Program	Number		Administrative Data	MINED	Quarterly	
E-4	Output	Educational facilities constructed or rehabilitated	The number of educational facilities constructed or rehabilitated according to standards stipulated in MCA contracts signed with implementers.	Number		Administrative Data	MINED	Quarterly	

<b>El Salvador</b> <b>Annex I: Indicator Documentation Table</b>									
Common Indicator Code	Indicator Level	Indicator Name	Definition	Unit of Measure	Dis - aggregation	Primary Data Source	Responsible Party	Frequency of Reporting	Additional Information
E-5	Output	Instructors trained	The number of classroom instructors who complete MCC-supported training focused on instructional quality as defined by the compact training activity	Number	Gender	School Administrative Records	MINED	Quarterly	
	Output	Number of instructors and staff trained or certified through MCC-supported activities	Total number of unique classroom instructors and staff who complete MCC-supported training and/or certification requirements focused on instructional quality as defined by the Compact training activity (e.g. training in improved pedagogical methods, delivering revised curricula, etc.)	Number		School Administrative Records	MINED	Quarterly	
	Output	New scholarships granted to students of technological education	Number of unique students that receive scholarships of first/second/third year of technological education institutes	Number	Gender	School Administrative Records	MINED	Annual	
	Output	New scholarships granted to students of middle technical education	Number of unique students that receive scholarships of first/second/third year of middle technical schools	Number	Gender	School Administrative Records	MINED	Annual	

<b>El Salvador</b> <b>Annex I: Indicator Documentation Table</b>									
<b>Common Indicator Code</b>	<b>Indicator Level</b>	<b>Indicator Name</b>	<b>Definition</b>	<b>Unit of Measure</b>	<b>Dis - aggregation</b>	<b>Primary Data Source</b>	<b>Responsible Party</b>	<b>Frequency of Reporting</b>	<b>Additional Information</b>
	Output	Students of non-formal training	Number of unique students who participate in non-formal training as part of the Project Activity (cumulative)	Number	Gender	Service Provider Administrative Records	INSAFORP	Quarterly	
	Process	Scholarship Program Administrator designated	Date contract or grant agreement signed with the entity or entities competitively selected to administer scholarship program for academic year 2009 and beyond.	Date		Legal Documents	MINED	Once	
	Process	Diagnostic-Based Implementation Plan approved by MCC	Date compact-referenced plan based on the results of the diagnostic is approved. Includes identification of 20 middle technical schools to be strengthened and technical careers. (CIDE Deliverables 4 and 17)	Date		Reports	MINED	Once	
E-1	Process	Value of signed educational facility construction, rehabilitation, and equipping contracts	The value of all signed construction contracts for educational facility construction, rehabilitation, or equipping (e.g. information technology, desks and chairs, electricity and lighting, water systems, latrines) using compact funds	US Dollars		Contractual Records	FOMILENIO's Fiscal Agent	Quarterly	



El Salvador Annex I: Indicator Documentation Table									
Common Indicator Code	Indicator Level	Indicator Name	Definition	Unit of Measure	Dis - aggregation	Primary Data Source	Responsible Party	Frequency of Reporting	Additional Information
	Process	Value of educational facility construction, rehabilitation, and equipping contracts disbursed	The total amount of all signed construction contracts for education facility works or equipping disbursed	US Dollars		Contractual Records	FOMILENIO's Fiscal Agent	Quarterly	
E-2	Process	Percent disbursed of educational facility construction, rehabilitation, and equipping contracts	The total amount of all signed construction contracts for education facility works or equipping divided by the total value of all signed contracts.	Percentage		Financial records	FOMILENIO's Fiscal Agent	Quarterly	
<b>Project 2: Productive Development Project</b>									
	Goal	Increase in income of Productive Development beneficiaries	Average percentage increase in annual income of producers receiving Productive Development services. (Treatment On the Treated)	Percentage		Panel Survey	MCC Evaluator	Once	Survey to occur in 2011 and 2012; Mathematica will report on this indicator directly to MCC upon submission of the final evaluation report (after compact end).

El Salvador Annex I: Indicator Documentation Table									
Common Indicator Code	Indicator Level	Indicator Name	Definition	Unit of Measure	Dis - aggregation	Primary Data Source	Responsible Party	Frequency of Reporting	Additional Information
									Final report is scheduled for submission in January 2013.
	Goal	Increase in income of the target population for Productive Development services	Average percentage increase in annual income of the target population for Productive Development services (Intent to Treat)	Percentage		Panel Survey	MCC Evaluator	Once	Survey to occur in 2011 and 2012; Mathematic will report on this indicator directly to MCC upon submission of the final evaluation report (after compact end). Final report is scheduled for submission in January 2013.

<b>El Salvador</b> <b>Annex I: Indicator Documentation Table</b>									
Common Indicator Code	Indicator Level	Indicator Name	Definition	Unit of Measure	Dis - aggregation	Primary Data Source	Responsible Party	Frequency of Reporting	Additional Information
	Outcome	Economic Rate of Return (ERR)	The definition and methodology for calculating the ERR will be consistent with MCC's Guidelines for Economic Analysis and will be measured in Year 5	Percentage		ERR analysis	MCC Economist	Once	
	Outcome	Employment created (number of jobs)	Number of full-time equivalent jobs created as a result of the Project. This indicator includes the following: under the Production and Business Support Activity employment created by pilot intervention and implementation phase projects and employment created by commercial enterprises created with MCC funds; under the Investment Support Activity employment created by borrowers that signed loans with BMI.	Number		Administrative data	Service Provider 1, Service Provider 2 and BMI	Annual	
	Outcome	Investment in productive chains by selected beneficiaries	This indicator includes the following activities: Production and Business Support Activity: investments of land, equipment and/or working capital; Investment Support Activity: amount of loan	US Dollars		Administrative data	SP1, SP2 and BMI	Annual	

El Salvador Annex I: Indicator Documentation Table									
Common Indicator Code	Indicator Level	Indicator Name	Definition	Unit of Measure	Dis - aggregation	Primary Data Source	Responsible Party	Frequency of Reporting	Additional Information
			disbursed and counterpart investment (physical or financial) to develop the business plan; Financial Services Activity: the total amount of loan guaranteed and counterpart contribution (financial and physical resources to get technical assistance) provided by financial institutions.						
AI-11	Outcome	Farmers who have applied improved practices as a result of training	The number of primary sector producers (farmers, ranchers, fishermen, and other primary sector producers) that are applying new production or managerial techniques introduced or supported by MCC training or technical assistance, such as input use, production techniques, irrigation practices, post-harvest treatment, farm management techniques, or marketing strategies.	Number	Gender	Administrative Data	SP2	Quarterly	
AI-13	Outcome	Enterprises that have applied improved techniques	The number of rural enterprises; producer, processing, and marketing	Number		Administrative Data	SP2	Quarterly	

<p style="text-align: center;"><b>El Salvador</b> <b>Annex I: Indicator Documentation Table</b></p>									
Common Indicator Code	Indicator Level	Indicator Name	Definition	Unit of Measure	Dis - aggregation	Primary Data Source	Responsible Party	Frequency of Reporting	Additional Information
			organizations; water users associations; trade and business associations; and community-based organizations that are applying managerial or processing techniques introduced or supported by MCC.						
	Output	Number of beneficiaries of technical assistance and training	Number of beneficiaries who receive at least one type of assistance from the Production and Business Support Activity (pilots and normal project).	Number	Gender	Administrative Data	SP1 and SP2	Quarterly	
AI-6	Output	Farmers trained	The number of primary sector producers (farmers, ranchers, fishermen, and other primary sector producers) receiving technical assistance or participating in a training session (on improved production techniques and technologies, including post-harvest interventions, developing business, financial, or marketing planning, accessing credit or finance, or accessing input and output markets).	Number	Gender	Administrative Data	SP1 and SP2	Quarterly	

<p style="text-align: center;"><b>El Salvador</b> <b>Annex I: Indicator Documentation Table</b></p>									
<b>Common Indicator Code</b>	<b>Indicator Level</b>	<b>Indicator Name</b>	<b>Definition</b>	<b>Unit of Measure</b>	<b>Dis - aggregation</b>	<b>Primary Data Source</b>	<b>Responsible Party</b>	<b>Frequency of Reporting</b>	<b>Additional Information</b>
	Output	Number of beneficiaries of technical assistance and training – Non-agriculture	Number of beneficiaries who receive at least one type of assistance from the Production and Business Support Activity (pilots and normal project). Non-agriculture includes sectors such as tourism and handicrafts.	Number	Gender	Administrative Data	SP1 and SP2	Quarterly	
	Output	Number of beneficiaries of technical assistance and training – Agribusinesses	Number of agribusinesses who receive at least one type of assistance from the Production and Business Support Activity (pilots and normal project). Agribusinesses must be involved in value-added activities, such as the processing of tomatoes or milk.	Number		Administrative Data	SP1 and SP2	Quarterly	
AI-7	Output	Enterprises assisted	The number of enterprises; producer, processing, and marketing organizations; water users associations; trade and business associations; and community-based organizations receiving assistance.	Number	Gender	Administrative Data	SP2	Quarterly	

<p style="text-align: center;"><b>El Salvador</b> <b>Annex I: Indicator Documentation Table</b></p>									
<b>Common Indicator Code</b>	<b>Indicator Level</b>	<b>Indicator Name</b>	<b>Definition</b>	<b>Unit of Measure</b>	<b>Dis - aggregation</b>	<b>Primary Data Source</b>	<b>Responsible Party</b>	<b>Frequency of Reporting</b>	<b>Additional Information</b>
	Output	Number of hectares under production with support from PDP	Number of hectares under production with support from PDP including technical assistance and material support (pilots and normal project).	Number		Administrative Data	SP1 and SP2	Quarterly	
	Output	Amount of Investment Support fund (FIDENORTE) approved.	Value of the FIDENORTE-funded part of the investment plans approved	US Dollars		Administrative Data	BMI	Quarterly	
	Output	Amount of Investment Support fund (FIDENORTE) approved – Agriculture	Value of the FIDENORTE-funded part of the investment plans approved for activities in agriculture.	US Dollars		Administrative Data	BMI	Quarterly	
	Output	Amount of Investment Support fund (FIDENORTE) approved – Non-agriculture	Value of the FIDENORTE-funded part of the investment plans approved for activities in non-agriculture sectors, such as tourism and handicrafts.	US Dollars		Administrative Data	BMI	Quarterly	
	Output	Number of loans approved by the Investment Support Fund (FIDENORTE)	Number of loans that have been approved by FIDENORTE	Number		Administrative Data (FIDENORTE's beneficiaries register)	BMI	Quarterly	

El Salvador Annex I: Indicator Documentation Table									
Common Indicator Code	Indicator Level	Indicator Name	Definition	Unit of Measure	Dis - aggregation	Primary Data Source	Responsible Party	Frequency of Reporting	Additional Information
	Output	Number of loans approved by the Investment Support Fund (FIDENORTE) – Agriculture Producers	Number of loans that have been approved by FIDENORTE to agriculture producers.	Number		Administrative Data (FIDENORTE's beneficiaries register)	BMI	Quarterly	
	Output	Number of loans approved by the Investment Support Fund (FIDENORTE) – Agribusinesses	Number of loans that have been approved by FIDENORTE's value chain activity (cadenas) to agribusinesses involved in value-added activities.	Number		Administrative Data (FIDENORTE's beneficiaries register)	BMI	Quarterly	
	Output	Number of loans approved by the Investment Support Fund (FIDENORTE) – Non-agriculture	Number of loans that have been approved by FIDENORTE in non-agriculture sectors, such as tourism and handicrafts.	Number		Administrative Data (FIDENORTE's beneficiaries register)	BMI	Quarterly	
	Output	Number of loans executed by the Investment Support Fund (FIDENORTE)	Number of loans that have been executed by FIDENORTE	Number		Administrative Data (FIDENORTE's beneficiaries register)	BMI	Quarterly	
	Output	Number of loans executed by the Investment Support Fund (FIDENORTE) –	Number of loans that have been executed by FIDENORTE to agriculture producers.	Number		Administrative Data (FIDENORTE's	BMI	Quarterly	



<b>El Salvador</b> <b>Annex I: Indicator Documentation Table</b>									
Common Indicator Code	Indicator Level	Indicator Name	Definition	Unit of Measure	Dis - aggregation	Primary Data Source	Responsible Party	Frequency of Reporting	Additional Information
		Agriculture Producers				beneficiaries register)			
	Output	Number of loans executed by the Investment Support Fund (FIDENORTE) – Agribusinesses	Number of loans that have been executed by FIDENORTE's value chain activity (cadenas) to agribusinesses involved in value-added activities.	Number		Administrative Data (FIDENORTE's beneficiaries register)	BMI	Quarterly	
	Output	Number of loans executed by the Investment Support Fund (FIDENORTE) – Non-agriculture	Number of loans that have been executed by FIDENORTE in non-agriculture sectors, such as tourism and handicrafts.	Number		Administrative Data (FIDENORTE's beneficiaries register)	BMI	Quarterly	
AI-9	Output	Loan borrowers	The number of borrowers (primary sector producers, rural entrepreneurs, and associations) who access loans for on-farm, off-farm, and rural investment through MCC financial assistance.	Number	Gender	Administrative Data (FIDENORTE's beneficiaries register)	BMI	Quarterly	

El Salvador Annex I: Indicator Documentation Table									
Common Indicator Code	Indicator Level	Indicator Name	Definition	Unit of Measure	Dis - aggregation	Primary Data Source	Responsible Party	Frequency of Reporting	Additional Information
	Output	Value of agricultural loans provided and guaranteed	Total value of agricultural loan funds for on-farm investments. This indicator combines: the amount disbursed of investment support fund (FIDENORTE) - Agriculture plus "Value of loans guaranteed-Agriculture"	US Dollars		Administrative Data (FIDENORTE's beneficiaries register)	BMI	Quarterly	
AI-10	Output	Value of agricultural and rural loans	The value of agricultural and rural loans disbursed for on-farm, off-farm, and rural investments.	US Dollars		Administrative Data (FIDENORTE's beneficiaries register)	BMI	Quarterly	This indicator only includes FIDENORTE
	Output	Number of guarantees granted	Number of guarantees granted with FOMILENIO funding, including PROGARA and SGR.	Number		PROGARA and SGR, Administrative Data	BMI	Quarterly	
	Output	Value of loans guaranteed	Value of loans guaranteed with FOMILENIO funding, including PROGARA and SGR.	US Dollars		PROGARA and SGR, Administrative Data	BMI	Quarterly	
	Output	Value of loans guaranteed – Agriculture	Value of loans guaranteed with FOMILENIO funding, including PROGARA and SGR for agriculture-related activities.	US Dollars		PROGARA and SGR, Administrative Data	BMI	Quarterly	

El Salvador Annex I: Indicator Documentation Table									
Common Indicator Code	Indicator Level	Indicator Name	Definition	Unit of Measure	Dis - aggregation	Primary Data Source	Responsible Party	Frequency of Reporting	Additional Information
	Output	Value of loans guaranteed – Non-agriculture	Value of loans guaranteed with FOMILENIO funding, including PROGARA and SGR for non-agriculture-related activities.	US Dollars		PROGARA and SGR, Administrative Data	BMI	Quarterly	
	Process	Service Provider 2 Contracted	Date Service Provider 2 is contracted by bidding process	Date		Administrative Data (FOMILENIO)	FOMILENIO	Once	
	Process	FIDENORTE constituted	Date constitution document legalized and initial amount registered.	Date		Administrative Data of FIDENORTE	BMI	Once	
	Process	PROGARA NORTE constituted and capitalized with FOMILENIO's funds.	Date of creation of special program to attend beneficiaries of PDP within PROGARA.	Date		Administrative Data of PROGARA	BMI	Once	
<b>Project 3: Connectivity Project</b>									
	Goal	Increase in income of households near the Northern Transnational Highway	Increase in income of households within 2km of the Northern Transnational Highway	Percentage		Panel Survey	MCC Evaluator	Once	Survey to occur in 2012 & 2013
	Goal	Land prices along the Northern Transnational Highway (per m2)	Average price of land 2km on either side of the Northern Transnational Highway (weighted average of all road sections to be opened or	US Dollars		Panel Survey	MCC Evaluator	Once	Survey to occur in 2012 & 2013

El Salvador Annex I: Indicator Documentation Table									
Common Indicator Code	Indicator Level	Indicator Name	Definition	Unit of Measure	Dis - aggregation	Primary Data Source	Responsible Party	Frequency of Reporting	Additional Information
			improved), per m2						
	Outcome	Travel time from Guatemala to Honduras through the Northern Zone	Number of hours required to travel from Guatemala to Honduras through the Northern Zone; accounting for project re-scoping, this indicator only includes passage over the borders using existing roads.	Hours		Report	MOP	Once	Once before and after the project; Baseline estimated by MOP.
	Outcome	Vehicle operating costs on the Northern Transnational Highway	Cost per vehicle (pick-up truck) per km of combustibles, lubricants, tires, depreciation, maintenance and repair for travel on the Northern Transnational Highway	US Dollars		HDM-4 analysis performed by MOP and confirmed by feasibility study. Baseline estimated by MOP	MOP	Once	Once before and after the project; Baseline estimated by MOP.
R-10	Outcome	Average annual daily traffic	The average number and type of vehicles per day, averaged over different times (day and night) and over different seasons to arrive at an	Number	Primary/ Secondary/ Tertiary	Traffic study (baseline confirmed by	MCC Contractor	Once	Study to occur in 2013 or 2014

El Salvador Annex I: Indicator Documentation Table									
Common Indicator Code	Indicator Level	Indicator Name	Definition	Unit of Measure	Dis - aggregation	Primary Data Source	Responsible Party	Frequency of Reporting	Additional Information
			annualized daily average.			feasibility study)			
R-9	Outcome	Roughness	The measure of the roughness of the road surface, in meters of height per kilometer of distance traveled.	M/Km	Primary/ Secondary/ Tertiary	Report	MOP	Once	Once before and after each road section is improved; Weighted Average combining all the NTH Section Road roughness index.
R-8	Output	Kilometers of roads completed	The length of roads in kilometers on which construction of new roads or reconstruction, rehabilitation, resurfacing or upgrading of existing roads is complete (certificates handed over and approved).	Kilometers	Primary/ Secondary/ Tertiary	Administrative data	MOP	Quarterly	
	Process	Kilometer of Northern Transnational Highway with final design finished	Kilometers of NTH with the final design of road opening, existing paved road rehab and upgrading of dust roads,	Kilometers		Administrative data	UIPC/VMOP	Quarterly	

<b>El Salvador</b> <b>Annex I: Indicator Documentation Table</b>									
Common Indicator Code	Indicator Level	Indicator Name	Definition	Unit of Measure	Dis - aggregation	Primary Data Source	Responsible Party	Frequency of Reporting	Additional Information
			finished (including GOES funded designs).						
R-3	Process	Kilometer of roads under design	The length of roads in kilometers under design contracts. This includes designs for building new roads and reconstructing, rehabilitating, resurfacing or upgrading existing roads.	Kilometers	Primary/ Secondary/ Tertiary	Administrative data	UIPC/VMOP	Quarterly	
R-6	Process	Kilometer of roads under works contracts	The length of roads in kilometers under works contracts for construction of new roads or reconstruction, rehabilitation, resurfacing or upgrading of existing roads.	Kilometers	Primary/ Secondary/ Tertiary	Administrative data	UIPC/VMOP	Quarterly	
R-4	Process	Value of signed road construction contracts	The value of all signed construction contracts for new roads or reconstruction, rehabilitation, resurfacing or upgrading of existing roads using compact funds.	US Dollars	Primary/ Secondary/ Tertiary	Administrative records	Procurement Agent	Quarterly	
	Process	Value of signed road construction contracts disbursed	The total amount of all signed construction contracts for new roads or reconstruction, rehabilitation, resurfacing or upgrading existing roads disbursed	US Dollars	Primary/ Secondary/ Tertiary	Administrative records	Fiscal Agent	Quarterly	

<b>El Salvador</b> <b>Annex I: Indicator Documentation Table</b>									
Common Indicator Code	Indicator Level	Indicator Name	Definition	Unit of Measure	Dis - aggregation	Primary Data Source	Responsible Party	Frequency of Reporting	Additional Information
R-5	Process	Percent disbursed of road construction contracts	The total amount of all signed construction contracts for new roads or reconstruction, rehabilitation, resurfacing or upgrading or existing roads disbursed divided by the total value of all signed contracts.	Percentage	Primary/ Secondary/ Tertiary	Administrative records	Fiscal Agent	Quarterly	
	Process	Value of signed contracts for feasibility, design, supervision and program management road contracts.	The value of all contracts that MCAs have signed with contractors to develop feasibility and/or design studies for systems of roads.	US Dollars		Administrative records	Procurement Agent	Quarterly	
	Process	Value disbursed for road contracted studies and supervision	Amount disbursed for all signed contracts to develop feasibility and/or design studies for systems of roads.	US Dollars		Administrative records	Fiscal Agent	Quarterly	
	Process	Percent disbursed for road contracted studies and supervision	The aggregate amount disbursed divided by all signed contracts to develop feasibility and/or design studies for systems of roads	Percentage		Administrative records	Fiscal Agent	Quarterly	

# Annex No 2 Indicator Baselines and Targets

El Salvador									
Annex II: Table of Indicator Baselines and Targets									
Indicator Level	Indicator Name	Unit of Measure	Indicator Classification	Baseline (year)	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Compact Goals</b>									
Goal	Poverty rate in the Northern Zone	Percentage	level	53 (2004)					46
Goal	Annual per capita income in the Northern Zone	US Dollars	level	720 (2004)					808
<b>Project 1: Human Development Project</b>									
<b>Activity 1: Community Development Activity</b>									
Goal	Increase in income of water and sanitation beneficiaries	Percentage	level	0 (2004)					15
Goal	Increase in income of electrification beneficiaries	Percentage	level	0 (2004)					13
Goal	Increase in income of community infrastructure beneficiaries	Percentage	level	0 (2004)					4



<b>El Salvador</b> <b>Annex II: Table of Indicator Baselines and Targets</b>									
Indicator Level	Indicator Name	Unit of Measure	Indicator Classification	Baseline (year)	Year 1	Year 2	Year 3	Year 4	Year 5
Outcome	Cost of water	US Dollars	level	1.68 (2007)					0.43
Outcome	Residential water consumption	Liters	level	69.42 (2007)					177.1
Outcome	Time collecting water (hours per week per household)	Hours	level	4.58 (2007)					0
Outcome	Incidence of diarrhea	Percentage	level	8.5 (2007)					0
Outcome	Reduction in days of school or work missed as a result of water-borne diseases (days per year per person)	Days	level	0 (2007)					-39
Outcome	Cost of electricity (per kilowatt-hour)	US Dollars	level	4.84 (2007)					0.16
Outcome	Electricity consumption (kilowatt-hours per month)	Kwh	level	2 (2007)					82
Outcome	Time saved accessing education and health centers (minutes per working day per	Minutes	level	0 (2007)					20

<b>El Salvador</b> <b>Annex II: Table of Indicator Baselines and Targets</b>									
Indicator Level	Indicator Name	Unit of Measure	Indicator Classification	Baseline (year)	Year 1	Year 2	Year 3	Year 4	Year 5
	beneficiary)								
Outcome	Access to improved water supply	Percentage	level	79 (2007)	79	79	79	82	83
Outcome	Access to improved sanitation	Percentage	level	82 (2007)	82	82	82	83	83
Outcome	Households with electricity in the Northern Zone	Percentage	level	78 (2007)	78	79	81	86	90
Outcome	Population benefiting from community infrastructure	Number	cumulative	0	0	0	0	42,540	80,437
Output	Households with access to improved water supply	Number	cumulative	0	0	0	0	3,164	6,935
Output	Households with access to improved sanitation	Number	cumulative	0	0	0	0	850	1,967
Output	People trained in hygiene and sanitary best practices	Number	cumulative	0	0	0	0	850	1,967

<b>El Salvador</b> <b>Annex II: Table of Indicator Baselines and Targets</b>									
Indicator Level	Indicator Name	Unit of Measure	Indicator Classification	Baseline (year)	Year 1	Year 2	Year 3	Year 4	Year 5
Output	Households benefited with the connection to the electricity network	Number	cumulative	0	0	1,308	5,308	15,908	24,426
Output	Households benefited with the Installation of isolated solar systems	Number	cumulative	0	0	450	950	1,350	1,950
Process	Potable water and basic sanitation systems with construction contracts signed	Number	cumulative	0	0	0	25	40	51
Process	Value of signed water and sanitation construction contracts	US Dollars	cumulative	0					
Process	Value of signed water and sanitation construction contracts disbursed	US Dollars	cumulative	0			460,985	8519,885	16632,190
Process	Percent disbursed of water and sanitation construction contracts	Percentage	level	0	0	0	19	81	100
Process	Value of signed water and sanitation feasibility and design contracts	US Dollars	cumulative	0					

<b>El Salvador</b> <b>Annex II: Table of Indicator Baselines and Targets</b>									
Indicator Level	Indicator Name	Unit of Measure	Indicator Classification	Baseline (year)	Year 1	Year 2	Year 3	Year 4	Year 5
Process	Value of signed water and sanitation feasibility and design contracts disbursed	US Dollars	cumulative	0					
Process	Percent disbursed of water and sanitation feasibility and design contracts	Percentage	level	0					100
Process	Community Infrastructure works with construction contracts signed	Contracts	cumulative	0	0	0	34	78	78
Process	Kilometers of new lines of electrical distribution construction contracts signed	Kilometers	cumulative	0	0	1,415	1,415	1,415	1,415
Process	Solar PV systems installation and basic training contracts signed	Number	cumulative	0	0	450	950	1,950	1,950
<b>Activity 2: Education and Training</b>									
Goal	Incremental income of graduates of the Chalatenango Center	Percentage	level	0 (2007)					40

<b>El Salvador</b> <b>Annex II: Table of Indicator Baselines and Targets</b>									
<b>Indicator Level</b>	<b>Indicator Name</b>	<b>Unit of Measure</b>	<b>Indicator Classification</b>	<b>Baseline (year)</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Goal	Incremental income of graduates of middle technical schools	Percentage	level	0 (2007)					64
Goal	Incremental income of non-formal trained beneficiaries	Percentage	level	0 (2007)					35
Outcome	Employment rate of graduates of the Chalatenango Center	Percentage	level	70 (2007)					70
Outcome	Employment rate of graduates of middle technical schools	Percentage	level	66 (2007)					66
Outcome	Employment of graduates of training programs	Number	cumulative	0 (2007)		0	248	910	1,875
Outcome	Graduation rates of the Chalatenango Center	Percentage	level	73 (2007)					73
Outcome	Graduation rates of middle technical schools	Percentage	level	71 (2007)					71
Outcome	Non-formal trained students that complete the training	Number	cumulative	0 (2007)					6,888

<b>El Salvador</b> <b>Annex II: Table of Indicator Baselines and Targets</b>									
<b>Indicator Level</b>	<b>Indicator Name</b>	<b>Unit of Measure</b>	<b>Indicator Classification</b>	<b>Baseline (year)</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Outcome	Graduates from MCC-supported education activities	Number	cumulative	0 (2007)				2,777	6,795
Outcome	Students of the Chalatenango Center	Number	level	264 (2007)				600	540
Outcome	Students of middle technical schools	Number	level	7,600 (2007)			8,190	8,810	9,413
Outcome	Students participating in MCC-supported education activities	Number	cumulative	0	110	1,314	12,781	21,796	26,927
Output	Technologic institutes remodeled and equipped	Number	cumulative	0	0	0	0	1	1
Output	Middle technical schools remodeled and equipped	Number	cumulative	0	0	0	20	20	20
Output	Educational facilities constructed or rehabilitated	Number	cumulative	0	0	0	21	22	22
Output	Instructors trained	Number	cumulative	0					

<b>El Salvador</b> <b>Annex II: Table of Indicator Baselines and Targets</b>									
Indicator Level	Indicator Name	Unit of Measure	Indicator Classification	Baseline (year)	Year 1	Year 2	Year 3	Year 4	Year 5
Output	Number of instructors and staff trained or certified through MCC-supported activities	Number	cumulative	0	0	0	500	500	500
Output	New scholarships granted to students of technological education	Number	cumulative	0	110	194	504	932	932
Output	New scholarships granted to students of middle technical education	Number	cumulative	0	0	150	1,071	2,521	3,445
Output	Students of non-formal training	Number	cumulative	0	0	970	3,903	8,116	8,400
Process	Scholarship Program Administrator designated	Date	Date			Nov/15/ 08			
Process	Diagnostic-Based Implementation Plan approved by MCC	Date	Date			Apr/30/ 09			
Process	Value of signed educational facility construction, rehabilitation, and equipping contracts	US Dollars	cumulative	0					

<b>El Salvador</b> <b>Annex II: Table of Indicator Baselines and Targets</b>									
Indicator Level	Indicator Name	Unit of Measure	Indicator Classification	Baseline (year)	Year 1	Year 2	Year 3	Year 4	Year 5
Process	Value of educational facility construction, rehabilitation, and equipping contracts disbursed	US Dollars	cumulative	0		726,317	6030,000	12580,000	12580,000
Process	Percent disbursed of educational facility construction, rehabilitation, and equipping contracts	Percentage	level	0	0	15.5	67.6	100.0	100
<b>Project 2: Productive Development Project</b>									
Goal	Increase in income of Productive Development beneficiaries	Percentage	level	0 (2004)					15
Goal	Increase in income of the target population for Productive Development services	Percentage	level	0					
Outcome	Economic Rate of Return (ERR)	Percentage	level	14 (2004)		14	14	14	14
Outcome	Employment created	Number	cumulative		0	2,813	5,994	8,365	11,000



<b>El Salvador</b> <b>Annex II: Table of Indicator Baselines and Targets</b>									
Indicator Level	Indicator Name	Unit of Measure	Indicator Classification	Baseline (year)	Year 1	Year 2	Year 3	Year 4	Year 5
	(number of jobs)			0 (2004)					
Outcome	Investment in productive chains by selected beneficiaries	US Dollars	cumulative	0 (2004)	0	3658,883	18500,000	48500,000	65500,000
Outcome	Farmers who have applied improved practices as a result of training	Number	cumulative	0	0	1,551	3,000	5,800	7,000
Outcome	Enterprises that have applied improved techniques	Number	cumulative	0	0	14	44	94	114
Output	Number of beneficiaries of technical assistance and training	Number	cumulative	0	992	5,732	8,632	11,480	13,500
Output	Farmers trained	Number	cumulative	0	992	4,812	6,807	9,135	10,465
Output	Number of beneficiaries of technical assistance and training – Non-agriculture	Number	cumulative	0	0	920	1,825	2,345	3,035
Output	Number of beneficiaries of technical assistance	Number	cumulative	0	0	54	84	209	284

<b>El Salvador</b> <b>Annex II: Table of Indicator Baselines and Targets</b>									
Indicator Level	Indicator Name	Unit of Measure	Indicator Classification	Baseline (year)	Year 1	Year 2	Year 3	Year 4	Year 5
	and training – Agribusinesses								
Output	Enterprises assisted	Number	cumulative	0	0	55	92	217	292
Output	Number of hectares under production with support from PDP	Number	cumulative	0	0	7,643	11,788	14,489	15,000
Output	Amount of Investment Support fund (FIDENORTE) approved	US Dollars	cumulative	0	0	794,000	7500,000	8500,000	8500,000
Output	Amount of Investment Support fund (FIDENORTE) approved – Agriculture	US Dollars	cumulative	0					
Output	Amount of Investment Support fund (FIDENORTE) approved – Non-agriculture	US Dollars	cumulative	0					
Output	Number of loans approved by the Investment Support Fund (FIDENORTE)	Number	cumulative	0	0	3	30	35	35
Output	Number of loans approved by the Investment Support Fund (FIDENORTE) –	Number	cumulative	0	0	2	14	16	16

<b>El Salvador</b> <b>Annex II: Table of Indicator Baselines and Targets</b>									
Indicator Level	Indicator Name	Unit of Measure	Indicator Classification	Baseline (year)	Year 1	Year 2	Year 3	Year 4	Year 5
	Agriculture Producers								
Output	Number of loans approved by the Investment Support Fund (FIDENORTE) – Agribusinesses	Number	cumulative	0	0	1	8	8	8
Output	Number of loans approved by the Investment Support Fund (FIDENORTE) – Non-agriculture	Number	cumulative	0	0	0	8	11	11
Output	Number of loans executed by the Investment Support Fund (FIDENORTE)	Number	cumulative	0					
Output	Number of loans executed by the Investment Support Fund (FIDENORTE) – Agriculture Producers	Number	cumulative	0					
Output	Number of loans executed by the Investment Support Fund (FIDENORTE) –	Number	cumulative	0					

<p style="text-align: center;"><b>El Salvador</b> <b>Annex II: Table of Indicator Baselines and Targets</b></p>									
Indicator Level	Indicator Name	Unit of Measure	Indicator Classification	Baseline (year)	Year 1	Year 2	Year 3	Year 4	Year 5
	Agribusinesses								
Output	Number of loans executed by the Investment Support Fund (FIDENORTE) – Non-agriculture	Number	cumulative	0					
Output	Loan borrowers	Number	cumulative	0					
Output	Value of agricultural loans provided and guaranteed	US Dollars	cumulative	0					
Output	Value of agricultural and rural loans	US Dollars	cumulative						
Output	Number of guarantees granted	Number	cumulative	0	0	419	1,109	4,109	5,109
Output	Value of loans guaranteed	US Dollars	cumulative	0	0	1016,124	3888,788	8180,000	9680,000
Output	Value of loans guaranteed – Agriculture	US Dollars	cumulative	0					
Output	Value of loans guaranteed – Non-agriculture	US Dollars	cumulative	0					
Process	Service Provider 2 Contracted	Date	Date		Sept/30/08				

<b>El Salvador</b> <b>Annex II: Table of Indicator Baselines and Targets</b>									
Indicator Level	Indicator Name	Unit of Measure	Indicator Classification	Baseline (year)	Year 1	Year 2	Year 3	Year 4	Year 5
Process	FIDENORTE constituted	Date	Date		Aug/31/08				
Process	PROGARA NORTE constituted and capitalized with FOMILENIO's funds	Date	Date		Jul/31/08				
<b>Project 3: Connectivity Project</b>									
Goal	Increase in income of households near the Northern Transnational Highway	Percentage	level	0 (2006)					6
Goal	Land prices along the Northern Transnational Highway	US Dollars	level	3.22 (2006)					3.40
Outcome	Travel time from Guatemala to Honduras through the Northern Zone	Hours	level	11.72 (2006)					5.7
Outcome	Vehicle operating costs on the Northern Transnational Highway	US Dollars	level	0.49 (202006)					0.37
Outcome	Average annual daily traffic	Number	level	270 (202006)					962

<p style="text-align: center;"><b>El Salvador</b> <b>Annex II: Table of Indicator Baselines and Targets</b></p>									
Indicator Level	Indicator Name	Unit of Measure	Indicator Classification	Baseline (year)	Year 1	Year 2	Year 3	Year 4	Year 5
Outcome	Roughness	M/Km	level	11.5 (202006)					2.8
Output	Kilometers of roads completed	Kilometers	cumulative	0	0	0	13.4	53.2	195.67
Process	Kilometers of Northern Transnational Highway with final design finished	Kilometers	cumulative	0	0	44.6	154.8	178	195.67
Process	Kilometers of roads under design	Kilometers	cumulative	0					
Process	Kilometers of roads under works contracts	Kilometers	cumulative	0	0	44.6	178.1	195.67	195.67
Process	Value of signed road construction contracts	US Dollars	cumulative	0					
Process	Value of signed road construction contracts disbursed	US Dollars	cumulative	0	0	9,970,626	68,769,634	155,145,056	202,538,846
Process	Percent disbursed of road construction contracts	Percentage	level	0	0	20	36	77	100
Process	Value of signed contracts for feasibility, design, supervision and	US Dollars	cumulative	0					

<b>El Salvador</b> <b>Annex II: Table of Indicator Baselines and Targets</b>									
Indicator Level	Indicator Name	Unit of Measure	Indicator Classification	Baseline (year)	Year 1	Year 2	Year 3	Year 4	Year 5
	program management road contracts.								
Process	Value disbursed for road contracted studies and supervision	US Dollars	cumulative	0	0	2,258,594	6,490,001	12,299,216	15,077,961
Process	Percent disbursed for road contracted studies and supervision	Percentage	level	0	0	21	45	82	100

### **M&E Plan Revision #1 – June 2008**

The first revision to the M&E Plan included two revisions:

- (1) Process milestone indicators were included for the first time.
- (2) Goal indicator targets were modified.

### **M&E Plan Revision #2 – March 2009**

The second revision to the M&E Plan included the following revisions:

- (1) Define additional indicators for PDP in order to respond to agriculture and non-agriculture beneficiaries, as well as agribusiness.
- (2) Elimination of indicators related to Network Connecting Roads
- (3) Define more indicator targets for next years.
- (4) Explain the impact evaluations preparation process.
- (5) Update the Main Economic and Social Indicators of NZ.

### **M&E Plan Revision #3 – February 2011**

The third revision to the M&E Plan included the following revisions:

- (1) MTR Methodology
- (2) After MTR the adjustments (targets, indicators, ERR) were performed to every Project. PDP ERR is pending.
- (3) Targets Indicator establishment
- (4) Common Indicators incorporation.
- (5) Update on evaluation process of PDP.

### **M&E Plan Revision #4 – December 2011**

The fourth revision to the M&E Plan included the following revisions:

- (1) Correction of non-formal training indicator on annex 3.
- (2) Modification of definitions for some PDP Indicators.
- (3) Adjustment on targets for PDP indicator on investment
- (4) Modification of definition for a Connectivity indicator.
- (5) Inclusion of annual income baselines for: PDP, ITCHA, Middle Technical Schools, Non-Formal Training, Water & Sanitation, Electrification, Community Infrastructure, and Connectivity Projects/Activities.
- (6) Inclusion of Annex 8. PDP Techniques.



## M&E Plan Revision #5 – September 2012

The fifth revision to the M&E Plan included the following revisions:

- (1) Compliance with the new MCC M&E Policy approved May 2012
- (2) Incorporation of the relevant common indicators from MCC's official Guidance on Common Indicators approved May 2012; in order to ensure that related indicators are in accordance with common indicator definition, where necessary indicators were retired and added using standard language of common indicators.
- (3) Incorporation of close-out ERR and beneficiary numbers.

El Salvador Annex III: Modifications to the M&E Plan							
Indicator Level	Indicator Name	Annex III Change Required	Change Requester	Date	Justification	Justification Description	Change Description
<b>Project 1: Human Development Project</b>							
		<b>Activity 1: Community Development Activity</b>					
Outcome	Domestic water consumption (m3)	Yes	MCC	ago-12	Retire Indicator	MCC requests that this indicator be retired and replaced with common indicator WS-14	This indicator will be retired
Outcome	Residential water consumption	Yes	MCC	ago-12	New Indicator	MCC requests that this common indicator be added (WS-14)	This indicator will replace "Domestic water consumption (m3)" indicator. And the baseline and end compact targets will be changed to accommodate change from m3 to liters.
Outcome	Incidence of water borne diseases (times per year per person)	Yes	MCC	Sep-12	Retire Indicator	MCC requests that this indicator be retired and replaced with common indicator WS-16	This indicator will be retired because the common indicator has changed.
Outcome	Incidence of diarrhea	Yes	MCC	Sep-12	New Indicator	MCC requests that this common indicator be added (WS-16)	This indicator will replace "Incidence of water borne diseases (times per year per person)". The baseline and target have been maintained using the mid-term review ERR model using 2007 data.

<p style="text-align: center;"><b>El Salvador</b> <b>Annex III: Modifications to the M&amp;E Plan</b></p>							
<b>Indicator Level</b>	<b>Indicator Name</b>	<b>Annex III Change Required</b>	<b>Change Requester</b>	<b>Date</b>	<b>Justification</b>	<b>Justification Description</b>	<b>Change Description</b>
Outcome	Percentage of households with water in the Northern Zone (%)	Yes	MCC	ago-12	Retire Indicator	MCC requests that this indicator be retired and replaced with common indicator WS-12	This indicator will be retired
Outcome	Access to improved water supply	Yes	MCC	ago-12	New Indicator	MCC request that this common indicator be added (WS-12)	This indicator will replace "Percentage of households with water in the Northern Zone (%)" indicator
Outcome	Percentage of households with basic sanitation in the Northern Zone (%)	Yes	MCC	ago-12	Retire Indicator	MCC requests that this indicator be retired and replaced with common indicator WS-13	This indicator will be retired
Outcome	Access to improved sanitation	Yes	MCC	ago-12	New Indicator	MCC request that this common indicator be added (WS-13)	This indicator will replace "Percentage of households with basic sanitation in the Northern Zone (%)" indicator
Output	Households benefited with the connection to the electricity network - GOES	Yes	MCC	Sept-12	Retire Indicator	MCC requests that this indicator be retired	This indicator will be retired because FOMILENIO did not find it useful to continue reporting on such that it was reported only once.
Process	Value of signed water and sanitation feasibility and design contracts	Yes	MCC	ago-12	New Indicator	MCC requests reporting of this indicator according to the common indicator definition WS-1	This indicator will be reported according to common definition WS-1.
Process	Value of signed water and sanitation feasibility and design contracts disbursed	Yes	MCC	ago-12	Target Change	MCC requests reporting of this indicator to be consistent with common indicator definition WS-1	This indicator will be reported according to common definition for WS-1. Targets will not be set
Process	Percent disbursed of water and sanitation feasibility and design contracts	Yes	MCC	ago-12	Target Change	MCC requests reporting of this indicator to be consistent with common indicator definition WS-2	This indicator will be reported according to common definition for WS-2. Targets will not be

El Salvador Annex III: Modifications to the M&E Plan							
Indicator Level	Indicator Name	Annex III Change Required	Change Requester	Date	Justification	Justification Description	Change Description
							set
		<b>Activity 2: Education and Training</b>					
Objective	Employment rate of non-formal trained beneficiaries	Yes	MCC	Ago-12	Retire Indicator	MCC requests that this indicator be retired due to difficulty in calculating and interpreting, additionally it is noted that this information is captured in the following indicator: Employment of graduates of non-formal training programs.	This indicator will be retired
Outcome	Tertiary and secondary school graduates in MCC-supported educational activities	Yes	MCC	ago-12	Retire Indicator	MCC requests that this indicator be retired and replaced with common indicator E-7	This indicator will be retired
Outcome	Graduates from MCC-supported education activities	Yes	MCC	ago-12	New Indicator	MCC requests that this common indicator be added (E-7)	This indicator will replace "Tertiary and secondary school graduates in MCC-supported educational activities" indicator.
Output	Instructors trained	Yes	MCC	ago-12	New Indicator	MCC requests that this common indicator be added (E-5)	This indicator will be reported according to the common indicator. Given change in definition to be in accordance with common indicator, target will not be set.

<b>El Salvador</b> <b>Annex III: Modifications to the M&amp;E Plan</b>							
Indicator Level	Indicator Name	Annex III Change Required	Change Requester	Date	Justification	Justification Description	Change Description
Output	Additional female students enrolled in MCC-supported educational facilities – technological education	Yes	MCC	Sep- 12	Retire Indicator	MCC requests that this indicator be retired	This indicator is not required by MCC anymore, because the information is repeated by another indicator.
Output	Additional female students enrolled in MCC-supported educational facilities – middle technical schools	Yes	MCC	Sep- 12	Retire Indicator	MCC requests that this indicator be retired	This indicator is not required by MCC anymore, because the information is repeated by another indicator.
<b>Project 2: Productive Development Project</b>							
Output	Loan borrowers	Yes	MCC	ago-12	New Indicator	MCC requests that this common indicator be added (AI-9)	This indicator will be included
Output	Value of agricultural loans provided and guaranteed	Yes	MCC	ago-12		MCC requests to change the name of the indicator to differentiate it from common indicator AI-10	The name of the indicator has changed from "Value of agricultural and rural loans" to "Value of agricultural loans provided and guaranteed", because it is not measuring the same information as common indicator (AI-10), it includes the value of the guarantee.
Output	Value of agricultural and rural loans	Yes	MCC	ago-12	New Indicator	MCC requests that this common indicator be added (AI-10)	This indicator will be reported according to the common indicator (AI-10). Target will not be set.

El Salvador Annex III: Modifications to the M&E Plan							
Indicator Level	Indicator Name	Annex III Change Required	Change Requester	Date	Justification	Justification Description	Change Description
<b>Project 3: Connectivity Project</b>							
Outcome	Average annual daily traffic	Yes	MCC	ago-12	New Indicator	MCC requests that this common indicator be added (R-10)	The name and definition will be change according to the level and common indicator. The measurement is the same
Outcome	Roughness	Yes	MCC	ago-12	New Indicator	MCC requests that this common indicator be added (R-9)	The name and definition will be change according to the level and common indicator. The measurement is the same

### Explanation for Beneficiary Number Changes

Based on updated information on the achievements of each activity, the beneficiary numbers were updated. For most activities beneficiary numbers went up as they achieved more than expected. We also updated the population growth assumption and this reduced the beneficiaries for Community Infrastructure and Connectivity.

### Assumptions of the Original Compact Economic Analysis

The logical framework of El Salvador Compact is based on specific assumptions about the linkages between Project Activities and the goal of increasing economic growth and poverty reduction. The economic rates of return are based on these assumptions.

The success of the Program is fully related to achievements of each Project Activity, and projected outcomes are based on assumptions. These assumptions for each Project Activity are presented following.

<b>Compact Goals Program</b>
<ul style="list-style-type: none"> <li>▪ The increase in annual per capita income of residents in the Northern Zone in year 5 without Compact Program is 2.2% (compound 2.0% of economic growth less 1.7% of population growth); and with Compact Program is 19.1% (6.0% of connectivity project plus 13.1% on average of remaining projects). For year 10, the increase with and without Compact Program are 3.7% and 27.3% respectively.</li> <li>▪ The income elasticity used to calculate the poverty rate with and without Compact Program was 1.07, which corresponds to the national level GDP elasticity to poverty rate during 1991-2004.</li> <li>▪ The average annual per capita income of residents in the Northern Zone for baseline is US\$720 according with the Households Survey of 2004.</li> </ul>
<b>Human Development Project</b>
<b>Outcome 1. Improved Technical Skills of Salvadorans</b>
<ul style="list-style-type: none"> <li>▪ The promotion rate of the technological institute of Chalatenango is 78% and 72% for 20 middle technical schools.</li> <li>▪ 70% of graduates of Chalatenango MEGATEC (ITCHA 2005) and 50% of 20 middle technical schools (Household Survey 2004) obtain employment in the field of study one year after graduation.</li> <li>▪ The increase of yearly income for the graduates of Chalatenango MEGATEC is 37% compared to income of the graduates of 12<sup>th</sup> grade according to Mincer Equation; and 42% for the graduates of middle technical schools compared to income of graduates of 9<sup>th</sup> grade.</li> <li>▪ 8% of new enrolled to non-formal education drop out before finishing their studies.</li> <li>▪ 19.6% of graduates of non-formal education obtain a formal job and 8% will be self-employment after training.</li> <li>▪ The increase in yearly income for those who obtain a formal job after labor training is 225% and for self-employment is 150%</li> <li>▪ The monthly income before labor training is US\$ 60.0, for 10 to 12 years of study is US\$267.9, and for 13 or more years of study is US\$506.9.</li> </ul>
<b>Outcome 2. Improved Access to Water and Basic Sanitation</b>
<ul style="list-style-type: none"> <li>▪ The annual incidence rate of water-borne diseases is 148.6% of inhabitants without piped water at the national level. 38% of people that receive a medical consultation will go to the hospital for 4.6 days.</li> <li>▪ The cost of a consultation for morbidity is US\$ 6.14 for primary attention health centers and US\$15.11 for departmental hospitals.</li> <li>▪ 59.1% of the sick are of working age (15 to 64 years old) and 23.7% are of student age (5 to 14 years old). According to the Household Survey of 2004 their daily average income is US\$ 2.73.</li> </ul>

<ul style="list-style-type: none"> <li>▪ 68.7% of households without piped water collect water from rivers and 31.3% buy it from a truck.</li> <li>▪ Households spend 30 hours per week (equivalent to 13.6% of productive time according to the BASIS survey elaborated by FUSADES) carrying water from rivers or they spend US\$3.3 a month to buy 3.3 m3 of water from trucks.</li> <li>▪ The annual opportunity cost of time is US\$720.0, assuming a 44 hours work week.</li> <li>▪ This project will provide residential water connections to 100% of households that buy water from trucks and 87.5% to households that carry water from rivers; the remaining 12.5% will obtain water from a public faucet.</li> <li>▪ The average consumption of water paid for by a household will increase from 3 m3 per month to 18 m3 per month after the introduction of the residential connection.</li> <li>▪ The price of water will decline from 3.3 US\$/m3 before the project to 0.43 US\$/m3 at 2005 constant prices.</li> </ul>
<b>Outcome 3. Improved Access to Electricity</b>
<ul style="list-style-type: none"> <li>▪ Households without electricity spend money on candles, batteries for lamps, and kerosene to obtain alternative energy to light houses.</li> <li>▪ This project will provide residential electricity connections to 46,336 households and insulated solar systems to 952 households.</li> <li>▪ The average consumption of electricity by household will increase from 3.1 equivalent kwh per month to 10.9 after installation of insulated solar systems or 48 after the introduction of residential electricity connections.</li> <li>▪ The price of electrical energy will decline from 2.57 US\$/equivalent kwh before the project to 0.69 US\$/kwh for insulated solar systems or 0.20 US\$/kwh for residential electricity connections, both at 2005 constant prices.</li> </ul>
<b>Outcome 4. Improved Access to Schools and Health Centers</b>
<ul style="list-style-type: none"> <li>▪ The opportunity cost of time for beneficiaries of community infrastructure is US\$720 per year or US\$ 0.19 per hour.</li> <li>▪ The project will reduce the time of access to schools and health centers by 18 minutes or 30%.</li> </ul>
<b>Productive Development Project</b>
<b>Outcome 5. Increased Private Investment in Productive Chains</b>
<ul style="list-style-type: none"> <li>▪ Small and poor farmers of the Northern Zone are engaged in low-productivity and low-quality production.</li> <li>▪ MCC funds will support pre-investment studies, technical assistance for the development of and implementation of business plans, partial investment capital (to finance physical infrastructure, equipment, seeds and plants, irrigation systems, etc.), guarantees, and agricultural insurance to increase the incomes of small and poor farmers of the Northern Zone.</li> <li>▪ The project is intended to help the region jump-start investment, in productive chains with competitive advantage like forestry, fruits, vegetables, dairy products and meat, artisan products, and geo-tourism.</li> <li>▪ The opportunity cost for small farmers of the Northern Zone is annual income of US\$720.</li> <li>▪ The information sources of prices, yields, costs and technology of production of wood, fruits, vegetables, dairy products and meat are MAG, FRUTALES, CAMAGRO, FIAGRO, FINTRAC and BMI.</li> <li>▪ The products and services provided by this project will use a demand driven approach.</li> </ul>

<b>Connectivity Project</b>	
<b>Outcome 6. Improved the Road Network</b>	
<ul style="list-style-type: none"> <li>▪</li> <li>▪</li> <li>▪</li> <li>▪</li> </ul>	<p>The project will intervene 290 kilometers to secondary road standard on the Northern Transnational Highway, and 240 kilometers to modified tertiary road standard on Network of Connecting Roads.</p> <p>The annual average daily traffic (AADT) will increase from 379 to 436 vehicles per day on the Northern Transnational Highway; and from 204 to 226 vehicles per day on Network of Connecting Roads.</p> <p>The source of the 2005 baseline of AADT is the SIGESVIES (Sistema de Gestion Vial de El Salvador) of the Ministry of Public Works. The projected annual rate of growth is 1.69% for paved roads and 1.41% for non paved roads during 2006-2010; and 1.45% and 0.94% for the same roads during 2011-2029.</p> <p>The program interventions will reduce the average international road roughness index (IRI) of the Northern Transnational Highway from 10.2 to 2.7; and the IRI of the Network of Connecting Road from 12.1 to 2.7.</p>



**AGENDA OF CURRICULA DEVELOPED BY PRODUCTIVE CHAIN AT CENTERS OF DEMONSTRATIVE ENTERPRISE DEVELOPMENT -CDED<sup>17</sup>**

**Curricula for Horticulture and Fruits**

**PRODUCTION**

1. Planting plan
  - a. *Staggered planting*
  - b. *Intercropping*
  - c. *Crop rotation*
  - d. *Associated crops*
2. Good Agricultural Practices -GAP
  - a. *GAP objectives*
  - b. *GAP benefits*
  - c. *Demonstration elements*
  - d. *Crop protection and safety*
  - e. *Worker's health*
  - f. *Environment Protection*
  - g. *Types of pollution*
3. Soil preparation
  - a. *Main procedures*
  - b. *Soil conservation*
  - c. *Wind control*
  - d. *Virus Control*
4. Protected crops
  - a. *Basic concepts*
  - b. *Types of cover crops under*
  - c. *Use of protected crops considerations*
5. Pressurized irrigation management
  - a. *Irrigation system components*
  - b. *Efficient management*
  - c. *Maintenance*
6. Preparation of Seedlings
  - a. *Basic concepts*
  - b. *Disinfection of trays*
  - c. *Application of substrate*
  - d. *Trays filled*
  - e. *Seeding and capping*
  - f. *Germination chamber*
  - g. *Fertilization*
  - h. *Irrigation*
  - i. *Transplantation*
7. Fertilization
  - a. *Basic concepts*
  - b. *Half demanding crops*
  - c. *Fertilization with microelements*
  - d. *Low-demand crops*
  - e. *Fertilization of seedlings*
  - f. *Crop fertilization*
8. Cultural tasks
  - a. *Transplantation*
  - b. *Tutoring*
  - c. *Tied*
  - d. *Pruning*

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<sup>17</sup> This information was taken from PDP M&E- Manual; Annex 3. FOMILENIO. The techniques listed here are included but not limited.

- e. *Soil coverage*
- f. *Removal of weeds and crops residues*
- g. *Weed control methods*

#### **COMERCIALIZATION**

- 9. Commercialization and marketing
  - a. *Supply*
  - b. *Demand*
  - c. *Rapid market survey*
  - d. *Controlled / Non-controlled variables*

#### **ORGANIZATION**

- 10. Organizational and administrative strengthening
  - e. *Plots administration (Accounting, records)*
  - f. *Basic economic analysis*

#### **CROSSCUTTING ISSUES**

- 11. Crosscutting issues
  - g. *Environment*
  - h. *Social*
  - i. *Gender*

### **Curricula for Dairy**

#### **I. PRODUCTIVITY**

- 1. *Hygienic production of milk*
  - a. *Good agricultural practices for milk production*
  - b. *Hygienic milking*
- 2. *Animal food and nutrition*
  - a. *Feeding of calves and heifers*
  - b. *Nutrition and feeding of dairy cows*
  - c. *Feeding and care of the dry cow*
- 3. *Forage management*
  - a. *Grazing*
  - b. *Use of urea*
  - c. *Use of sugar cane*
  - d. *Forage conservation*
- 4. *Herd health*
  - a. *Zoonotic diseases*
  - b. *Deficiency diseases*
  - c. *Reproductive diseases*
- 5. *Animal reproduction*
  - a. *Management of reproduction*
  - b. *Genetic improvement*

#### **II. ORGANIZATION**

- 6. *Administration and management of the farm*
  - a. *Reproductive and productive records*
  - b. *Farm management*

#### **III. MARKET**

- 7. *Organization for market access.*
- 8. *Marketing strategy and commercialization*
- 9. *Marketing research.*
- 10. *Sales management.*

#### **IV. CROSSCUTTING ISSUES**

- 11. Crosscutting issues
  - a. *Gender*
  - b. *Social*
  - c. *Environment*

### **Curricula for Aquaculture**

#### **PRODUCTION (Increased productivity)**

##### **Introduction to Aquaculture planning: BPA/BPH/BPM**

- 1. Overview and application of:

- a. *Good aquaculture practices.*
- b. *Good hygienic practices.*
- c. *Good manufacturing practices.*
- 2. Operations and production management
  - d. *Selection and planting of fry.*
  - e. *Water Exchange management*
  - f. *Feed management.*
  - g. *Harvest management.*
  - h. *Postharvest handling.*
  - i. *Production systems.*
  - j. *Physicochemical parameters handling.*
  - k. *Genetic.*
- 3. Management of water quality
- 4. Disease management
- 5. Processing and packaging.

#### **ORGANIZATION**

- 6. *CDED-Manual*
- 7. *Importance of partnering.*
- 8. *Organization for the production.*
- 9. *Market linkages*
- 10. *Management committee.*
- 11. *Basic financial analysis.*

#### **MARKET**

- 12. *Organization for market access.*
- 13. *Market strategy and commercialization.*
- 14. *Marketing research.*
- 15. *Sales management.*

#### **CROSSCUTTING ISSUES**

- 16. *Environment*
- 17. *Social*
- 18. *Gender*

### **Curricula for Beekeeping**

#### **PRODUCTION**

- 1. *Hygienic harvest of honey.*
- 2. *Pest control at harvest time.*
- 3. *Apiary management after harvest.*
- 4. *Factors promoting swarming.*
- 5. *Apiculture health.*
- 6. *Good beekeeping practices for the production of honey quality and safety.*
- 7. *Practical techniques for introduction of queen bees.*
- 8. *Reproduction of hives.*
- 9. *Processing and use of beeswax.*
- 10. *Artificial feeding of bees.*
- 11. *Diversification of beekeeping.*
- 12. *Beekeeping bussiness administration.*
- 13. *Beekeeping industrialization.*
- 14. *Capture and use of swarms.*
- 15. *Beekeeping in harmony with the environment.*
- 16. *The nest of stingless bees.*
- 17. *Artificial feeding of stingless bees.*
- 18. *The movement of hives of stingless bees traditional to modern.*
- 19. *The division of stingless bee hives.*
- 20. *Pests and diseases of stingless bees.*
- 21. *Hygienic harvest of honey from stingless bees.*

#### **ORGANIZATION (Administrative and organizational strengthening)**

- 22. *CDED Manual (Ruling, functions, scope, commitments, etc).*
- 23. *Importance of partnering.*
- 24. *Organization for the production.*
- 25. *Market linkages (Organization CDED/CAS/CNMS).*

## **MARKET**

26. *Organization for market access.*
27. *Market strategy and commercialization.*
28. *Marketing research.*
29. *Sales management.*

## **CROSSCUTTING ISSUES**

30. *Environment*
31. *Social*
32. *Gender*

## **Curricula for Special Coffee**

### **PRODUCTION (Increased productivity)**

1. *Harvest quality*
2. *Building of african beds*
3. *Drying quality*
4. *Parchment packaging*
5. *Cupping techniques*
6. *Use of refractometer and coffee moisture meters*
7. *Proper use and maintenance of equipment and facilities for the production of special coffee.*

### **ORGANIZATION (Administrative and organizational strengthening)**

8. *CDED-Manual (Ruling, functions, scope, commitments, etc)*
9. *Importance of partnering*
10. *Organization for the production*
11. *Market linkages (Organization CDED /Regional Boards/CAS/El SalvadorProduce*
12. *Management committee (Objectives, ruling, meeting management and agenda)*

### **MANAGERIAL SKILLS**

13. *Fundamental principles in the administration of a company*
14. *Stages of the administrative process and fundamental aspects*
15. *Design, use and management of administrative tools.*
16. *Basic financial analysis*

### **MARKET ACCESS**

17. *Organization for market access*
18. *Marketing strategy and commercialization.*
19. *Marketing research*
20. *BPA/BPH/BPM*

## **Curricula for Conventional Coffee**

### **PRODUCTION (Increased productivity)**

1. *Soil sampling*
2. *Implementation of nurseries*
3. *Appreciative coffee tree pruning*
4. *Pruning shade*
5. *Replanting of coffee*
6. *Weed control*
7. *Fertilization*
8. *Pest and disease control*
9. *Harvest*

### **ORGANIZATION (Administrative and organizational strengthening)**

10. *CDED-Manual (Ruling, functions, scope, commitments, etc)*
11. *Importance of partnering*
12. *Organization for the production*
13. *Market linkages (Organization CDED /Regional Boards/CAS/El SalvadorProduce*
14. *Plots administration (Accounting, records)*
15. *Basic financial analysis*

### **MARKET ACCESS**

16. *Organization for market access*
17. *Commercialization strategy*
18. *Pricing information*
19. *BPA/BPM*

## Risks for Project Activities of the Compact

The success of the Compact is fully related to achievements of each Project Activity, and projected outcomes are based on external risks, that are presented in the following table.

<b>Risks for Project Activities of the Compact</b>	
<b>Compact Goals Program</b>	
<ul style="list-style-type: none"> <li>▪ A reduction in the poverty rate of the Northern Zone will be less sensitive to economic growth if the residents of Northern Zone do not take advantage of employment and business opportunities generated by the Productive Development and Connectivity Projects.</li> <li>▪ An increase on input costs would difficult to get the level of achievement of the original targets of the Program.</li> <li>▪ The requirements of counterpart fund for Municipalities and Communities could delay the execution of the projects.</li> </ul>	
<b>Human Development Project</b>	
<b>Outcome 1. Improved Technical Skills of Salvadorans</b>	
<ul style="list-style-type: none"> <li>▪ A potential mismatch between areas of demand in labor markets and career training provided by higher technical education, middle technical institutes and providers of informal training. This training may increase the human capital of residents of Northern Zone but will not ensure employment.</li> <li>▪ Lags in the execution of the formal technical education and non formal skills development sub-activities will not provide sufficient and timely workers demanded by Productive Development Project.</li> </ul>	
<b>Outcome 2. Improved the Access to Water and Basic Sanitation</b>	
<ul style="list-style-type: none"> <li>▪ Lack of education in appropriate health and sanitation practices will not reduce the incidence rate of waterborne diseases.</li> <li>▪ Lack of technical assistance for community capacity building will not ensure maintenance and sustainability of water and sanitation system.</li> <li>▪ Willingness to pay a tariff by the beneficiaries of water program will diminish if their incomes do not increase.</li> <li>▪ Lack of human capital of beneficiaries from the water and sanitation projects and/or lack of employment opportunities will not permit a productive use of time gained by no longer having to fetch water.</li> </ul>	
<b>Outcome 3. Improved Access to Electricity</b>	
<ul style="list-style-type: none"> <li>▪ Lags on increase in electricity generation will reduce the quality of the service and quantitative of electricity consumed by rationing or higher prices.</li> <li>▪ Low density of users connected to distribution lines will increase the cost of expansion of the electrical network.</li> <li>▪ Poor maintenance will reduce the useful life of insulated solar systems and the electricity consumption of the beneficiaries of the rural electrification project.</li> </ul>	
<b>Outcome 4. Improved Access to Schools and Health Centers</b>	
<ul style="list-style-type: none"> <li>▪ If the community infrastructure is not a permanent solution in rainy and dry</li> </ul>	

seasons, the beneficiaries will not reduce the time to access schools and health centers over the entire year.
<b>Productive Development Project</b>
<b>Outcome 5. Increased Private Investment in Productive Chains</b>
<ul style="list-style-type: none"> <li>▪ Reduction of international prices will not promote private investment in the productive chains selected.</li> <li>▪ Higher financial costs (fees, lending interest rates, guarantees, premium of agricultural insurance) will not switch the low productivity production of small and poor farmers to productive chains selected with competitive advantages.</li> <li>▪ Higher transaction costs create barriers to private financial institutions in financing small and poor farmers of the Northern Zone.</li> <li>▪ Residents of the Northern Zone could find employment in other zones of the country (like Port of La Union) instead of working the land.</li> <li>▪ Lags in the beginning of the Program will postpone the agriculture activities to the next rainy season.</li> </ul>
<b>Connectivity Project</b>
<b>Outcome 6. Improved the Road Network</b>
<ul style="list-style-type: none"> <li>▪ International traffic over the Northern Transnational Highway will not increase, because the roads that connect the borders of El Salvador with Guatemala and Honduras will not be built simultaneously.</li> <li>▪ The paved rural roads will not increase the traffic between farms and rural villages or municipalities because the productive development program will not be implemented in parallel.</li> <li>▪ The migration from the Northern Zone to the rest of the country will reduce the demand of passenger transport within Northern Zone.</li> <li>▪ The high fuel prices will reduce the demand of transport at the national level.</li> </ul>