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ABSTRACT

El Salvador, with a population of 5.9 million people, is the most densely populated country in the Americas (284 inhabitants per square kilometre). The long civil war from 1979 to 1992 caused 70,000 deaths and the displacement of over one million people, as well as massive destruction of infrastructure. Since 1992, with the ratification of Peace Agreements, the country has experienced a period of reconstruction and economic growth. While the incidence of poverty decreased from 59 to 47 percent of the population between 1991 and 1995, (as a result of a drop in urban poverty levels), over 18 percent of the total number of households in the country still live in extreme poverty, without access to a minimum diet. The infant mortality rate is 46 per 1,000 births; malnutrition levels have reached 50 percent for children under five, and 66 percent for children under three. Poverty and food insecurity affect particularly rural populations and women.

The basic objectives of the Government Plan for 1994-99 focus on increased investment in the development of human resources, improved productivity and increasing the income levels of the population. A national food security strategy is now under preparation by the Ministry of Agriculture and will be finished before the start of the WFP Rolling Programme, 1998-2002. The United Nations system Country Strategy Note (CSN) has not yet been prepared. A process of decentralization is under way which seeks to empower the local governments and municipalities. The reform of the education system, modernization of institutions, and expanding and strengthening of services are the most important objectives of the education policy. The Government is committed to reforming the health system, increasing access to the poorest communities and improving the quality of the services. WFP-assisted projects are designed in the context of these policies and to support achievement of their specific development objectives.

WFP has invested 170 million dollars in a total of 22 projects since 1973 (benefiting an average of 400,000 persons a year). Emphasis was placed on emergency operations during the 1981-89 war period; from 1990 support became more important for social compensation and reconstruction. Vulnerable groups have received 45 percent of resources; 31 percent has gone to agricultural development and food-for-work; and 24 percent to emergencies. Dynamic programming comprised of well designed projects allowed El Salvador to benefit from a high proportion of WFP resources.

In the 1998-2002 period, WFP's support to El Salvador will seek to achieve a significant reduction in the poverty and food insecurity levels faced by the poorest people in the most food-deficit areas of the country. Community participation, self-management and decentralization will be used. WFP will forge strategic alliances for activities in three priority areas: sustainable human development, health and nutrition, and education. Further key elements of the strategic approach include measures for effective coordination, incorporation of communities in the planning and implementation of activities, and closer collaboration with local governments, NGOs and other local organizations.

A total food aid requirement of 29.4 million dollars has been estimated for the planning period 1998-2002. Of this amount, 14.3 million dollars is available as core funds from commitments to ongoing projects. Additional resources in the amount of 15.1 million dollars may be programmed, but this may have to be adjusted depending on the availability of WFP resources and in view of El Salvador's new status as a middle-income country, in accordance with the recommendations of the Executive Board for giving priority in allocation of resources to least developed (LDCs) and low-income, food-deficit countries (LIFDCs).

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NOTE TO THE EXECUTIVE BOARD

This document is submitted for consideration to the Executive Board.

Pursuant to the decisions taken on the methods of work by the Executive Board at its First Regular Session of 1996, the documentation prepared by the Secretariat for the Board has been kept brief and decision-oriented. The meetings of the Executive Board are to be conducted in a business-like manner, with increased dialogue and exchanges between delegations and the Secretariat. Efforts to promote these guiding principles will continue to be pursued by the Secretariat.

The Secretariat therefore invites members of the Board who may have questions of a technical nature with regard to this document, to contact the WFP staff member(s) listed below, preferably well in advance of the Board's meeting. This procedure is designed to facilitate the Board's consideration of the document in the plenary.

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INTRODUCTION

1. El Salvador, the most densely populated country in Central America, is emerging from a severe social and economic crisis caused by the civil war (1979-92), the short-term effects of structural and economic reforms, and the damage caused by major natural disasters such as the earthquake of 1986, floods in the east and northern regions of the country and drought. In particular, these factors affected rural areas and the poorest families in terms of loss of life, deterioration in living conditions, and destruction of infrastructure and basic services. Per capita gross domestic product (GDP) fell by 25 percent from 1979 to 1989; purchasing power was reduced by more than 50 percent; and the proportion of poor households rose by 10 percent.
2. In 1990, a period of recovery began with peace negotiations and a programme for economic reform. This process and efforts to start rebuilding the country were consolidated in 1993. In recent years, sustained economic growth has improved main macroeconomic indicators. However, in spite of this progress, poverty and food insecurity levels remain high. In 1995, 47 percent (555,841) of households were poverty-stricken with problems of access to a nutritious diet, 38 percent of these (213,191), or 18 percent of national households, were in a situation of extreme poverty. For these families food aid plays an important role, as it is often their only resource. During periods when income is low or non-existent, food aid ensures their access to a minimum diet.

FOOD INSECURITY AND THE HUNGRY POOR

Food insecurity at the national level

3. El Salvador faces structural deficits in local food production. In recent years this has been aggravated by inadequate policies and lack of available land (an average of only 2.2 hectares per rural household), deterioration of natural resources, and little access to appropriate technology and credit. Food price policies, designed to ensure a supply of inexpensive food to urban populations, have provided no incentive to the production of basic grains by the commercial sector, and have led to a concentration on subsistence farming (81.3 percent of farmers have average holdings of 2.2 hectares) which today produces about 80 percent of the maize grown for human consumption and almost 100 percent of beans.
4. Total food availability is gradually increasing, albeit subject to cyclical fluctuations, partly owing to erratic levels of local production, adverse climatic conditions and fluctuating commercial imports. At the same time, there has been a sharp and well defined reduction in food donations.
5. During the 1984-94 period, bean and rice production increased at a modest rate, above that of population growth, while maize remained below the population growth rate. For the 1990-95 period, dependency ratios increased on average by 15 percent for maize (mainly yellow maize for agro-industrial use) and 38 percent for rice, while the dependency level

for milk remained at roughly 20 percent. The production of beans rose in response to increasing demand, reflecting traditional local consumption.

6. The socio-economic situation of smallholders and the severe deterioration of natural resources have weakened the production of basic grains in the country and there is little probability of large increases in food production in the short term. The levels of degradation in natural resources have now become critical; 25 percent of total land in the country has been lost to agriculture. Other contributing factors are the excessive fragmentation of rural property; inadequate access to productive land (more than 50 percent of basic grains are cultivated on slopes with a gradient of over 15 percent); inappropriate agricultural practices (burning, overgrazing, deforestation, etc.); and the high percentage of households who use wood as their only source of fuel. These problems are particularly acute in the northern and eastern areas of the country.
7. Climate changes particularly affect the production of basic grains, which is carried out almost exclusively in rain-fed plots. The level of household food security is therefore very precarious, and is compounded by high post-harvest losses. Smallholders only have sufficient storage for about a quarter of their production.
8. The diet in El Salvador is based on maize, which provides 50 percent of the daily calorie intake in rural areas. Red beans, rice and wheat products are also dietary staples. Bread made from wheat has substituted maize in many urban areas; per capita daily consumption has doubled from 1965 to 1994 to a level of 25 kilograms. In spite of the fact that there was a considerable rise in calorie intake levels (1988 findings estimated the percentage daily intake at 89 percent of the recommended quota of 2,200 calories), consumption in 1995 was found to be lower than levels in the seventies.

Poverty-stricken population with insufficient access to food

9. The incidence of poverty decreased from 59 percent to 47 percent from 1991 to 1995, mainly as a result of a considerable drop in urban poverty levels (from 23 percent to 12 percent). The number of households affected by poverty, however, has increased and food insecurity is now a chronic problem for poor rural households.
10. Employment opportunities provided by recent economic growth have mainly benefited the urban population, making little impact on rural poverty levels. This is mainly due to the concentration of development in the towns and has widened the gap between urban and rural living standards. The major gaps are in illiteracy levels (35 percent in rural areas), and basic schooling (87 percent in urban areas, 70 percent in rural areas); 40 percent of the rural population aged over 14 have had no schooling.
11. Differences in employment opportunities and productivity are reflected in family incomes - rural wage levels are less than half those of the urban sector - and in the steady loss of rural purchasing power (the agricultural/industrial ratio for average wages fell from 56 percent to 46 percent from 1990 to 1995). Differences in income and size of households are reflected in the cost ratio of the basic monthly food basket/wages; in 1995 this was 78 percent for the industrial sector against 119 percent for the agricultural sector. Remittances from abroad averaged 51 percent of the monthly rural family income in 1995, and continue to be a critical element in the survival strategies of rural households.



12. Malnutrition among children under five is 50 percent, and 66 percent among children under three. Iodine, iron and vitamin A deficiencies have been reported. Inequalities in the coverage of basic services compound the problems of rural poverty. Thus, in 1993, *inter alia*: 60 percent of the rural population had no access to health services (against 20 percent urban); only 32 percent of expectant mothers and 29 percent of children under two had access to health services; and infectious diseases were the main cause of infant mortality in rural areas. In these conditions, direct distribution of fortified food is the best way to combat specific nutritional deficiencies, as other alternatives do not guarantee reaching the vulnerable groups or ensure consumption of unfamiliar commodities.
13. Women continue to suffer from discrimination based on traditional legal structure and social practices which limit their access to land, credit and other resources. Women working in the informal sector (65 percent) earn incomes and wages amounting to less than 75 percent of those earned by men; illiteracy among women was 60 percent in 1993 while for men it was 33 percent, i.e., of the 892,538 illiterate adults estimated in 1993, 60 percent were women; 43 percent of expectant mothers suffer from some form of anaemia; and the chronic malnutrition of mothers is reflected in the percentage of infants with low birth weights (11 percent). Women's mortality rates from respiratory diseases, malnutrition and lack of immunization are significantly higher than those of men; for instance, in 1993 mortality from nutritional causes among women was 21.1 per 100,000, while the corresponding rate for men was 18.2 per 100,000. The number of women heads of household (28 percent) has risen considerably owing to the war. However, the number of rural plots registered to women has not increased, being only 10.7 percent of the total. Targeted food aid programmes addressing these inequalities have been more effective in obtaining nutritional benefits for women and children than cash subsidies, as food rations controlled by women are used to benefit the households.

Focusing poverty and the target population

14. Extreme poverty is basically a rural condition. Rural households living in extreme poverty (147,000 in 1995) have limited access to land and farm inputs, and low levels of education, making it difficult to obtain work, given the scarce employment opportunities in the rural sector. This is particularly true for women.
15. Although rural households in a situation of extreme poverty are distributed throughout the country, the highest concentrations of poverty are found in the departments worst hit by the war, i.e., Morazán, Cabañas and Chalatenango, where extreme poverty levels are above 40 percent. In these departments, between 76 and 85 percent of the population have no access to basic health services or proper sanitation, and illiteracy rates are high. Other departments with a high proportion of households in extreme poverty, above 30 percent, include Ahuachapán, Usulután, Cuscatlán, San Vicente and La Unión.
16. The highest levels of poverty and food insecurity are found in smallholder families, who account for the majority of farmers in the country. An estimated 87 percent of rural holdings, which account for only 25 percent of the land under cultivation, consist of farms having less than three hectares of land, whereas the three percent of rural holdings with over 30 hectares of land control 44 percent of the area under cultivation. The small size of the farms and scarce opportunities for employment result in high levels of under-employment among the labour force in rural areas. Rural women who are heads of households (26.3 percent in 1995) are at a special disadvantage because they have less

access to agricultural work, earn lower wages than men and are affected by generally widespread social discrimination.

GOVERNMENT PRIORITIES AND POLICIES ADDRESSING POVERTY AND FOOD INSECURITY

Development and food security policies

17. The basic development objectives indicated in the Government Plan for 1994-99 aim to increase investment in the development of human capital, improve productivity and incomes, and strengthen and promote local development. The Plan also calls for additional measures for the growth of the economy which will allow for rapid changes in socio-economic development, improving the quality and increasing the coverage of social services.
18. The food security policy aims to improve food availability and nutritional status by an integrated approach consisting primarily of measures to increase total availability of food by increasing productivity and controlling the deterioration of natural resources. These objectives are to be achieved by investing in improved technology, farming practices, and productive infrastructure, facilitating farmers' access to extension services and financial resources. In view of the food deficit which has not been solved by market deregulation, the Government intends to establish procedures and allocate financial resources to assure basic food supply through imports by the private sector.
19. Reform of the education system, modernization of institutions, and expanding and strengthening services are the most important objectives of the education policy. This policy gives priority to increasing and focusing resources in basic education, increasing the coverage and quality of services, with emphasis on rural areas, and to decentralizing and encouraging community and private participation in the administration of education. The quality and efficiency of the educational system are to be improved by changes in the curriculum and by investing in the development of human resources; this includes training in the fields of food, nutrition and health. Important progress has been achieved, especially with regard to decentralization and community participation. Nevertheless, the problem of a low allocation of resources to the sector still remains. Although public expenditure on education in 1993 was in fact 24 percent higher than in 1990, the total allocation, two percent of GDP in 1994, is one of the lowest in Central America. Coverage of pre-school education remains low at 40 percent and is practically non-existent in rural areas. The school drop-out level has reached 13 percent, while 22 percent of the children attend classes well below their age group. The system has a low efficiency rating, as it takes 9.4 years of schooling to reach the sixth grade.
20. The main objective of the health policy is to reform and improve the efficiency and performance of health services which were seriously affected by the civil war. Improvements are sought in: a) quality, access and equality of health services, especially in primary health care; b) basic sanitation conditions; and c) infant nutrition through measures to increase weight at birth, promote breast-feeding, and reduce anaemia and micronutrient deficiencies by providing fortified foods. Expenditure on health has risen rapidly and in



1994 it was 186 percent of the level of 1989. However, important problems must still be solved: the Ministry of Health appears overstuffed at the central level; the sector's legal framework is out of date and the regulations are anything but complete. On the whole, attention to beneficiaries is insufficient, and the most vulnerable groups have only limited access to health services.

21. The status and role of women have come under increased scrutiny, particularly since 1990, with changes in the legal and institutional framework (approval of the Family Code, and the Law for Setting up the Institute for the Development of Women - ISDEMU). The Family Code grants equal legal status to men and women. ISDEMU, an institution jointly managed by the Government and NGOs, coordinates national policies in support of women. As a follow up to the conclusions of the Beijing Conference, ISDEMU has drawn up a Plan of Action 1997-99, and established participation mechanisms for its implementation. The Institute will also facilitate coordination on gender issues between United Nations agencies, representatives of donor countries and funding institutions, and the Government.
22. The strengthening and decentralization of the municipalities are essential for increasing community participation in decision-making and advancing local development. Generally speaking, the impact of the civil war on the most affected zones led to serious deficiencies in the administration of local governments. In spite of government efforts and financial contributions to specialized units such as the Secretariat for Reconstruction, the municipalities are still not in a position to assume the functions assigned to them in the process of decentralizing the role of the State.

Programmes and projects

Food security and rural smallholders

23. The main activities to improve the food security of rural smallholders include the following: a) The Agricultural Development Programme for Smallholders of the Paracentral Region (PRODAP), implemented by the Ministry of Agriculture (MAG), and financed by IFAD, the Central American Bank and WFP. This project benefits 5,400 small farmers, giving special priority to women and young people, with the objective of improving incomes and nutrition, natural resource conservation and management, and strengthening inter-relations among the beneficiaries. b) A project for the Development of Chalatenango (PROCHALATE), implemented by MAG with funds from IFAD, supports local development with extensive NGO participation. c) The Agricultural Extension by Objectives Programme (EDO), executed by MAG with World Bank funds, provides technical assistance and training to smallholders producing basic grains and benefits 90,000 small farmers. d) The Post-Harvest Programme of MAG, financed by the Swiss Development Cooperation (COSUDE), supports training for artisans and smallholders in order to reduce post-harvest losses. e) FOMENTA, promoting agricultural production, is a similar project, jointly executed by MAG and COSUDE, which supports animal traction to increase yields and productivity in small and medium-size farms. f) The Environmental Programme of MAG, with funds from the International Development Bank (IDB), is an investment programme for the protection and conservation of the upper Lempa river valley. g) The National Programme for Irrigation and Drainage (12 small irrigation works) targets the rehabilitation and management of natural resources in strategic watersheds.

Education

24. The main programmes seeking to strengthen and expand the quality and scope of education services are as follows. a) The EDUCO Programme, executed by the Ministry of Education (MINED) with funds from the World Bank and WFP, among others. The project aims at reducing school drop-out rates, and strengthening community and NGO participation in the direct management and administration of primary schools in rural areas. b) The "Alternative Classrooms" programme, which seeks to expand access to the upper grades for schoolchildren, boys and girls. c) The Fund for Innovations in Education, which supports new methods of extending coverage. d) The "Healthy School" Programme run by MINED, the Ministry of Health (MOH) and the Family Secretariat (SNF). The project's main purpose is to improve the quality of teaching and to provide preventive health care. e) The School Feeding Programme, whose main objective is to provide dietary support for primary schoolchildren in priority areas, in order to improve attendance and performance.
25. The main donors to basic education are WFP which contributes 45 percent of all international cooperation, Japan which contributes 44 percent, USAID 10 percent and UNICEF 0.5 percent. Most of the cooperation from other donors goes towards developing infrastructure, strengthening the training of teaching staff, and supporting development and supply of educational material.

The Health Sector

26. Over the last five years the amount spent on external cooperation projects for the health sector has risen to 43.3 million dollars, of which 30.5 percent is contributed by the European Union and 30.3 percent by the WFP. GTZ contributes four percent, WHO and UNICEF 1.5 percent and other sources such as Canada, Danish Cooperation (DANIDA), Central American Institute for Food and Nutrition (INCAP), The Netherlands, Norway, the Organization of American States (OAS), Sweden and the World Bank contribute the remaining 28.3 percent. These funds mainly support the modernization of the sector, the provision of equipment, the rehabilitation of school buildings, the supply of drinking water, environmental conservation, immunization, pre-natal care, community organization, and food and nutrition interventions.

ASSESSMENT OF WFP'S PERFORMANCE TO DATE

Background

27. WFP's activities in El Salvador began in 1973. By 1995 a total of 22 projects had been implemented at a total cost to WFP of 170 million dollars. From 1973 to 1980 WFP supported the production of basic grains and human resource development (eight percent of total 1973-95 resources). With the onset of the civil war, emphasis was placed on emergency operations, particularly during 1981 to 1989 (51 percent of resources). Between 1990 and 1994, support for social compensation and reconstruction became more prominent (26 percent of resources). Since 1995, the emphasis has been on development projects targeting vulnerable groups (15 percent of resources).



Projects in execution

28. "Development of community-based primary education and preventive health care with community support " (No. 3886 (Exp.1)). The project, with a total WFP cost of 18.9 million dollars and a government contribution valued at 4.7 million dollars, aims to increase pre-school and primary school attendance, reduce drop-out rates, and provide training in health, food and nutrition for teachers and parents. The project is being carried out in 144 municipalities, selected on the basis of educational and poverty indicators, and is implemented by the Ministry of Education through the School Feeding Unit (UAE).
29. Project implementation is satisfactory and UAE has managed efficiently project activities. The basic education component has benefited 201,000 schoolchildren (99 percent of the target); similarly, 31,080 pre-school children (87 percent of the target) have benefited from the project. An estimated 5,100 parents have participated in training in nutrition and food preparation.
30. "School compensation programme for pre-school children" (No. 4508). The project, at a total cost to WFP of 5.4 million dollars and with a government contribution of 5.9 million dollars, seeks to increase preventive health coverage for expectant and nursing mothers, and children under five who are at risk of, or suffer from, malnutrition. This project also aims to reduce malnutrition in infants at weaning age, promote locally available nutritional food blends, and train women in nutrition and basic health care. The Technical Unit of Food Management (UTAA) of the Ministry of Health is responsible for implementing the project through 161 health centres (42 percent of the total) in 147 priority municipalities.
31. The project started with a very slow rate of execution and only 35 percent of prorated targets were achieved. The low coverage by MOH (it is estimated that only 40 percent of the eligible population have access to health centres), and the lack of resources to expand and improve the quality of health services are the main reasons for the slow progress of the project.
32. "Settlement and resettlement of displaced persons" (No. 2806 (Exp.1)). The project, with a total cost to WFP of 7.4 million dollars and a government contribution of 9.6 million dollars, continues previous efforts to assist populations displaced by the war. The project, which ended in October 1996, assisted displaced persons under the National Reconstruction Plan and aimed to settle approximately 14,500 families; allocated funds for basic infrastructure in resettlement areas and credit assistance to establish microenterprises (3,000 families); and provided training for approximately 14,000 demobilized servicemen. The National Reconstruction Secretariat was responsible for the project's implementation during the first three years, and the SNF for the final year of implementation. Other participants were the Ministry of the Interior, MAG and about 16 NGOs. This was the first time the NGOs were involved directly in implementing WFP-assisted projects in El Salvador. The project targeted 114 municipalities which had either sustained damage from the civil war or were reception areas for displaced persons, and which were included in national reconstruction programmes.
33. The number of beneficiaries was higher than the goals envisaged by the programme, while the food and financial resources of the revolving credit fund were not fully used. Project outputs were generally positive, but the very nature of the project made it difficult to assess impact although in general terms implementation was well suited to post-war consolidation and national reconstruction objectives.

Achievements and impact of WFP assistance

34. The implementation and degree of development impact of WFP-assisted projects in El Salvador reflect the problems the country has had to deal with such as civil war, insecurity, institutional weaknesses, low development budgets and radical changes in government priorities. Consequently serious problems have emerged such as lack of timely and reliable information on project achievements, difficulties in targeting activities and beneficiaries, and scarce managerial and technical capacity, all of which have contributed to a relatively low rate of target achievement and low sustainability of the activities completed. Additional constraints stemmed from setting over ambitious targets, and overestimating implementation capacity which led to delays and inability to assure a continuous flow in project activities and support. The lack of an appropriate M&E system was a generalized problem, making the decision-making process cumbersome and not facilitating the application of corrective measures.
35. From 1995 major improvements and important corrective action have taken place. The general management of the projects has improved as a result of training counterpart project staff and providing technical assistance in targeting and project management. The revision of the targeting criteria and application had the support of the highest levels of Government and has resulted in focusing activities in municipalities with the highest poverty and food insecurity.
36. M&E systems have been reformulated to take into account local executing units' capabilities and the flow of information from local to central level. As a result management and assessment of activities have substantially improved, 85 percent of the required information was available one month after the end of the reporting period, and this rose to 98 percent the following month. For 1995 and 1996 there is a complete monthly record of the data from schools and health centres, broken down by number of beneficiaries and gender.
37. Gender analysis has also been incorporated in the training material on health, food and nutrition. This aims to facilitate changes in the attitude and behaviour of both the executive personnel of MINED and MINSAL and beneficiaries (parents, men and women teachers and both boys and girls).
38. In spite of this progress there are some constraints which have not yet been addressed adequately: a) the communities have had limited participation in the design and planning of activities as their participation has been mostly confined to the areas of transport, storage, the distribution of commodities and food preparation; b) there is still reluctance on the part of the Government to include other agents, such as NGOs, in the management of project activities; c) in many cases projects face serious difficulties in reaching high-risk households with no access to health centres and schools in view of the poor coverage of public services.
39. This is particularly true for project No. 4508 in support of basic health care. The limited coverage of the public sector results in considerable cost and low efficiency as beneficiaries have to travel long distances incurring expenses which they can hardly afford. The cost of pre-natal medical check-ups also increases, and as this is a pre-requisite for incorporation into the Mother and Child programme, the poorest beneficiaries are often excluded. In addition there is a need to improve the use of information and to strengthen the M&E system as a management tool, in particular to enable the evaluation of project impact by



gender. This acquires particular importance in the health project where 63 percent of beneficiaries are women.

40. During the eighties WFP also supported projects for basic grains promotion, soil conservation and credit schemes for small-scale farmers in priority areas in the northern and eastern regions of the country. These food-for-work projects were executed by MAG, in coordination with the Bank of Agricultural Development (BFA) and the National Agricultural Extension Centre (CENTA). The impact of the projects on production and household food security has not been fully documented, although internal evaluations indicate that work completed and food production levels did not reach the targets set. In addition, the credit schemes administered by BFA applied heavily subsidized interest rates and the solidarity groups which received the loans were not always the poorest farmers. These projects had been discontinued by 1990, as Government, in particular the Ministry of Agriculture, opposed support to food-for-work activities. Funds from the credit scheme were transferred to ongoing projects and are now being utilized to fund pilot schemes in food production, watershed management and protection of natural resources implemented by NGOs.
41. Rates of commodity distribution have been low, at times reaching only 10 percent of expected targets, and reflect programming and logistic problems. This has forced project authorities to delay arrival of shipments in order to reduce the average storage period. Post-c.i.f. losses have not been significant, except when commodities arrived in bad condition, or when pilferage and theft occurred on arrival and, to a lesser degree, in project warehouses. These losses have been considerably reduced by arranging for transport in containers which now occurs for 80 percent of shipments. Storage, transport and conservation costs are reasonable fluctuating between 17 and 45 dollars a ton.
42. Delays in project implementation and problems in stock management have resulted in a high cost in terms of reduced efficiency. It was initially estimated that the cost of transferring one dollar to beneficiaries would be around 32 cents, however, implementation and logistic constraints have increased these costs to an average of 75 cents per dollar received by beneficiaries.
43. Most of these constraints were corrected by the creation of the General Directorate of Food Logistics (DGLA) in 1990 which was replaced in 1994 by the Department of Food Aid (DAA), within the Secretariat for the Family. A recent assessment (Report on visits to three Latin American countries, September 1996) indicates that food losses in El Salvador (less than one percent) are now the lowest in the Region. Even so, the report considers that improvements need to be made at the technical level and that human resources at these institutions should be strengthened.
44. Part of the commodities supplied by WFP, less than 10 percent, have been monetized for a variety of purposes, such as the purchase of local commodities, establishing M&E systems, financing revolving credit funds, training and the purchase of inputs (seeds). Until 1995 the Technical Secretariat for External Financing (SETEFE) of the Ministry of Planning was responsible for the monetization of WFP foods. This has now been taken over by the SNF and wheat flour, wheat and yellow maize have been monetized. Wheat is not produced locally and yellow maize is usually utilized for industrial purposes. The monetization process has been affected by uncertainties on the arrival period of the commodities, which at times coincide with the harvest of similar local commodities, the fact that the market for these commodities is controlled by a few importers and the limited size of the market. A

total of 5.1 million dollars was generated from monetization over the 1988-1995 period. The prices obtained were slightly lower than the reference c.i.f. prices, indicating that monetization was not always cost efficient.

45. Sales of WFP commodities have had no effect on local production or local producer prices. This is mainly due to the relatively small amounts monetized. On the other hand, the local purchases effected by WFP have had a positive impact on local food production.
46. WFP interventions are closely coordinated with UNHCR, UNDP and the European Union (for support to displaced persons and returnees); FAO (agriculture and natural resources); and WHO and UNICEF (health, food and nutrition). The coordination schemes improved implementation, however, they require revision and coordination should be implemented at the planning stage to improve allocation of resources and avoid duplication of activities.

FUTURE ORIENTATION OF WFP ASSISTANCE

Strategy proposal

47. WFP will continue to support government efforts to consolidate the peace and reconstruction process within the framework of the priorities defined in the Government Plan (1994-1999), the National Education Plan and the National Health Plan. Investment in the development of human capital and activities for sustainable human development are the basic priorities of the Government Plan and these priorities are reflected in the strategy and planning of WFP's future interventions. The main elements of the strategy proposal include:
 - a) targeting the poorest and most food-insecure populations and the food-deficit areas most affected by poverty;
 - b) including gender analysis in project planning;
 - c) ensuring community participation, self-management and decentralization; and
 - d) strategic alliances with other agents and programmes.
48. Interventions will continue to be targeted on the most vulnerable groups in the most food-insecure areas. The direct beneficiaries are rural smallholders (less than 2.5 hectares of land) and their families, and rural women who are heads of household and their children. Within the household those identified as especially vulnerable are expectant and nursing mothers, children under five, and children in first and second grade of primary education.
49. In 1995 the priority geographical areas were identified by using health and education indicators in a joint exercise conducted by WFP and the Ministries of Health and Education. Health indicators, apart from nutrition and morbidity data, also included reported cases of epidemics in the various municipalities; the education indicators utilized information on enrolment, attendance and drop-out rates. By these means global risk indices have been developed and priority given to the most affected municipalities, which number 145 out of the 262 in the country. In view of the high degree of environmental deterioration in El Salvador (the highest in Latin America) targeting methods will be supplemented with indicators on deterioration of natural resources for each municipality.



50. WFP interventions will continue to emphasize the role of women, applying a gender analysis in all its interventions. The aim is to strengthen the role of women in the family; widen their participation in decision-making at community level; and ensure a more equitable distribution of opportunities and benefits for men and women in the implementation of projects. On the basis of the WFP gender policy, specific measures will be taken to include gender analysis in all ongoing and planned projects, and progress will be monitored through the M&E systems which will include gender-disaggregated data. Activities in favour of women will be supplemented with those arising from WFP's participation in the inter-agency group of the United Nations and the Government, which is responsible for following up on the commitments adopted by the Fourth World Conference on Women (Beijing).
51. The strategic approach will seek to effectively coordinate and incorporate communities in the planning and implementation of the interventions. This will be achieved through close collaboration with local governments, NGOs and other local organizations. Community participation will be promoted through rural appraisal methods and open meetings to determine the priority activities required by the communities and the role and responsibility of each partner. The methods utilized in the ongoing pilot projects in sustainable human development will be extended to other WFP projects. Decentralization of the State will be supported by measures to strengthen institutions, local governments and social groups.
52. Investment in the development of human resources will continue to be a priority activity. Of special importance is continuing support to health, food and nutrition adult-training programmes with emphasis on food-production techniques and agricultural diversification, which aim to improve productivity and incomes. In view of deficiencies in iron, iodine and Vitamin A, the projects will incorporate commodities fortified with these micronutrients.

Proposed activities for 1998-2002

53. The Government and beneficiary groups consider WFP's support as essential during the planning period in order to achieve the specific targets set to reduce the extreme poverty and food insecurity of one million people. It is proposed that future projects assisted by WFP in El Salvador should focus on support to primary health care to vulnerable women and children, assistance to pre-school children and children attending the first two grades of primary school, and specific interventions in community development, through the sustainable human development approach.
54. Sustainable human development. WFP has endorsed the Memorandum of Understanding between the Government and the United Nations for implementing the Programme for Sustainable Human Development (PSHD). The PSHD assists in the process of consolidating the peace process, with projects to strengthen technical and institutional capacity and management in the poorest departments which were worst hit by the civil war and which have sustained the most severe ecological damage.
55. As first steps in this direction pilot projects have been signed by WFP with four NGOs (CARITAS, Catholic Relief Services, Panamerican Development Foundation and Idea). These are basically rural development schemes in agro-forestry, management of soil and water resources, agricultural diversification, development of rural microenterprises, improving family diets, and protection and regeneration of natural resources. In addition, the projects include training programmes in environmental conservation, agricultural practices, and community organization, mostly targeted to the resettled population

(ex-combatants). The projects include specific targets to guarantee that at least 50 percent of the beneficiaries are women. The pilot projects are being implemented during 1997; their results, including an analysis of the executing capacity of the NGOs involved, will be carefully assessed and will form the basis for future activities within the framework of the Programme for Sustainable Human Development.

56. Health and nutrition. Activities in this field will continue to support expectant and nursing mothers, and children under five participating in the preventive care programmes of health centres. These projects increase the availability of household food at critical times in the lives of vulnerable groups and contribute to reducing their nutritional deficiencies. Training in health, food and nutrition will also be included. To increase impact, coverage will be extended to family groups and communities with no access to health centres. Better targeting and increased coverage will be facilitated by more participation from the community and NGOs, and through the supply of supplementary food to rural nutrition centres.
57. Education. Interventions in the education sector will aim at providing dietary support to pre-school children and primary schoolchildren with the objective of stabilizing attendance and reducing drop-out rates. These interventions will be an important support for the Government's efforts to obtain a formal link between health and education activities in the schools, through the School and Health Programme and EDUCO (aimed at rural areas with direct management of the schools by the community). Interventions in education will be covered by project 3886, to be extended until 2002 on the basis of performance and achievement of targets.

Coordination of the interventions

58. Future interventions will be closely coordinated with United Nations agencies, other donors and NGOs. Coordination with the Government is aimed at improving dialogue at all levels and supporting the training of counterparts; coordination with United Nations agencies and NGOs will mostly fall within the framework of the PSHD as the Country Strategy Note has not yet been prepared. Once the interventions are focused (in areas selected in the PSHD) their implementation will be coordinated with the Government, United Nations agencies such as UNDP, FAO, WHO, UNICEF, UNESCO, UNHCR and UNFPA, and other participating institutions.
59. Strategic alliances with other donors are vital to improve the overall efficiency of food aid interventions and for tapping resources (financial and technical) over and above those supplied by WFP or the Government. In the field of education, activities are already being supplemented through the World Bank (EDUCO Programme).

Operational aspects

60. The change to a programme approach requires strong support to the process of decentralization and more autonomy to the local level as a means of improving the implementation of projects and facilitating decision-making and sustainability. WFP will invest in training its staff and providing technical assistance to government, non-government and local counterparts in management of food aid, gender and benefit analysis, participatory management, and development of monitoring and evaluation systems. Similarly, WFP will collaborate with the logistic agent, DAA, to improve



technical and operational capacity. Moreover, it will aim at improving dialogue and collaboration with MAG and incorporating food-aid policy issues in the National Strategy for Food Security currently being prepared by the Ministry.

61. Local food purchases will be promoted by WFP whenever possible. In the short term this will provide modest incentives for local food production and will contribute to the improvement and expansion of markets, particularly when done in project areas. This will further contribute to reducing costs for food storage and transport. Food management at the local level will be handled directly by beneficiary committees.
62. Efforts will continue to improve and consolidate the M&E system used by the implementing agencies and WFP. The system will be strengthened in order to incorporate indicators to monitor community participation and gender disaggregated data.

Resources

63. A total requirement for food aid valued at 29.4 million dollars has been estimated for the planning period 1998-2002. This planning period takes into consideration the last phase of the current Government Plan (1994-99) and a subsequent three-year consolidation phase. Of this, 14.3 million dollars is available as core resources from ongoing WFP projects. Additional resources for a further 15.1 million dollars will be required in order to fully fund the envisaged activities. These resources may be programmed taking into account both the availability of WFP resources and the new status of El Salvador as a middle-income country, and the recommendations of the Executive Board regarding priority allocation of resources to LDCs and LIFDCs. Of the total resources 40 percent will be channelled to sustainable development, and the remaining 60 percent to investment in human resources through education and health programmes.

Main problems and risks of the proposed strategy

64. The main risks of the strategy concern the absence of a national food security policy (target elements for integrating and structuring WFP's interventions in a general strategy are not clearly defined). The slow progress of municipal decentralization could also represent a serious obstacle to the geographical targeting of interventions, as well as the adequate allocation of resources to local governments, which will limit considerably the scope for their effective participation. Constraints to effective government coordination at central level, due to changes in the institutions responsible for external cooperation, and limited budget allocations for human resources in support of the WFP-assisted projects, may also affect the progress and impact of the interventions.

ANNEX I

SELECTED INDICATORS

	1991	1995
Total poverty (percent)	59	47
Total extreme poverty	28	18
- urban	23	12
- rural	34	26
Minimum daily wages (colones)		
- general	23.50	38.50
- agricultural	13.00	19.50
Social expenditure	1991	1995
- as percentage of GDP (percent)	3.1	3.5
Per capita (dollars)		1994 61.5
Monthly income per household (colones)	1992	1995
- urban	2 194	3 521
- rural	1 237	1 613
Cost of basic monthly family food basket (colones)	1 100.	2 022.

BASIC GRAINS SITUATION

	1990	1991	1992	1993	1994	1995
Internal supply of grains (in thousand tons)						
Rice	44.3	60.7	61.5	65.1	58.6	53.3
Beans	53.5	73.6	69.3	61.9	64.3	54.6
Maize	677.7	618.7	759.3	695.8	564.1	827.0
Wheat	99.7	316.7	363.2	151.7	260.3	157.8
Total	875.2	1 069	1 253	974.5	947.3	1 092.
Local production	685.5	603.0	803.3	726.8	530.9	725.4
Imports	189.7	466.7	450.0	247.7	416.4	367.3
Of which: Commercial	66.9	282.6	391.7	110.2	394.4	351.1
Donations	122.8	184.1	58.3	137.5	22.2	16.2
Total availability per capita (kg/year)						
Rice	n/a	11.3	11.2	11.8	10.4	9.4
Beans		13.7	12.6	11.1	11.4	9.6
Maize		115.1	137.8	126.1	100.0	145.9
Wheat		58.9	65.9	27.5	46.1	27.9
Total		199.0	227.5	176.5	167.9	192.8



