

**El Salvador
Program Monitoring and Evaluation Plan
(March 2009)**

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1. Overview

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.

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 only with the approval of MCC and if it is consistent with the requirements of the Compact and any other relevant supplemental legal documents.

2. Summary of the Program and Projects

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.

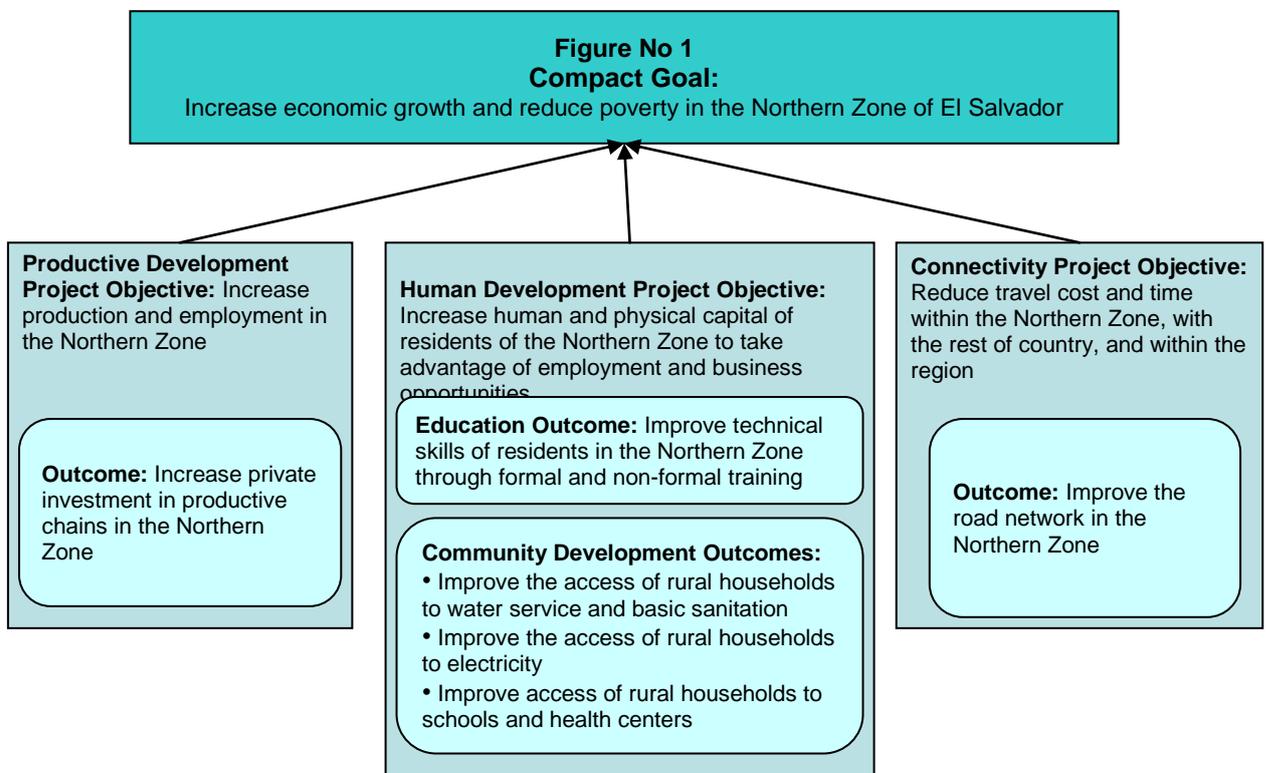
The Connectivity Project comprises construction of the following projects:

- 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; and

- A Network of Connecting Roads (NCR), that will provide reliable paved roads to foster the connection of remote municipalities and rural villages of the Northern Zone with the NTH and other traffic routes to promote a more complete integration of the communities in the Northern Zone with the national development strategy. The main activities for the 290 km of the NTH are: design and construct openings of 50 km of secondary roads, improve 160 km to secondary road standards, and rehabilitate 80 km to secondary road standards. The main activity for the NCR is improving 240 km to modified tertiary road standards.

In March 2009, the Connectivity Project was restructured and the Network of Connecting Roads 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. Economic Analysis

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.

Table 1. Project Economic Rate of Return (ERR) ¹		
Project/ Sub-Activity	ERR²	Years
Human Development Project		
Formal Technical Education ³	20%	25
Non Formal Skills Development	36%	25
Water and Sanitation	14%	25
Rural Electrification	24%	25
Community Infrastructure	10%	25
Productive Development Project ⁴		
	13%	19
Connectivity Project		
	24%	25

Formal Technical Education

The ERR for the formal technical education sub-activity is 20 percent over 25 years with Compact administration included. The benefits included are increased future incomes of new graduates who have obtained additional education (two years of study in higher technical education and three years of study in a middle technical school), measured by the Mincer equation methodology. 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 1,200 new graduates of higher technical education and 2,400 additional graduates of 20 middle technical schools, as a result of the MCC program. Of the students of higher technical education, 72 percent are expected to complete their studies and 70 percent are expected to find employment six months after graduation; for the middle technical schools the outcomes are 78 and 50 percent respectively.

An estimation of the human capital earnings function with data from the 2004 Household survey was conducted for the GOES proposal to MCC in May 2006 and refined during due diligence. The estimated return to an additional year of middle education was estimated to be 14.07 percent. This is slightly higher than the average of 12.9 for secondary education in the Latin America/Caribbean region estimated by Psacharopoulos and Patrinos (2002) ⁵. The return to an additional year of higher education was estimated at 18.3 percent (this was used for returns to formal technical education sub-activity). These rates, while slightly higher than average, are nevertheless broadly consistent with the classic pattern that rates of return tend to be higher in poorer countries. It is also not

^{1/} 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>

^{2/} All of these ERRs include Compact Administration costs.

^{3/} A post Compact-signing review of the Formal Technical Education ERR spreadsheets revealed a significant error in the ERR calculation. Now the ERR is estimated to be 6.5%.

^{4/} Weighted average of fruit 13.7% over 25 years, vegetables 9.4% over 15 years, dairy 18% over 10 years, and forestry 16.7% over 25 years. These ERRs include 30% of Technical Assistance Overhead.

^{5/} Psacharopoulos G. and Harry Patrinos, "Returns to Investment in Education: a further update". World Bank PRWP 2881, September 2002.

surprising that El Salvador has a relatively low supply of human capital, given the neglect of broad public education for many years and further interruption during the years of civil war in the 1980s.

Based on information in the multi-purpose household survey of 2004 (EHPM-2004), monthly income of persons with 10-12 years of study was around USD 270; and USD 510 for those with 13 years or more of study. The estimated returns to education were applied to this baseline income.

The main benefit not quantified is increased quality of education through teacher training and improvements in the Chalatenango education center.

Non-Formal Skills Development

The ERR of the informal skill development sub-activity is 36 percent over 25 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 13,000 inhabitants of Northern Zone enrolled in non formal and training activities, of which 92% will graduate. Around 27.6 percent of the graduates will be employed and their incomes will increase from US\$ 60 a month to US\$ 150 for self-employed and US\$ 195 for those who obtain a formal job. The data on salaries are from the 2004 Household survey and from INSAFORP's Impact Evaluation Study.

Water and Sanitation

The ERR of the water and sanitation sub-activity is 14 percent over 25 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 (intestinal parasitism, diarrhea and infectious gastroenteritis) and reduction in lost income due to absenteeism to work or school. The sub-activity will provide piped water or (in a few cases) public faucets for households that previously bought water from trucks or who carry water from a stream or a natural (and possibly contaminated) water source.

As part of the economic analysis, gains were calculated from the point of view of consumers of water. Data from rural households in the 2004 multi-purpose household survey (EPMH-2004) 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 water from trucks consume 3.3 cubic meters per month at an average price of USD 3.0/m³. The cost for service from piped water to the household is on average USD 0.43/m³ (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 11 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.

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 rural areas. 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.

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.

Rural Electrification

The estimated economic return of the rural electrification sub-activity is 24 percent over 25 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 2004 multi-purpose household survey (EHPM-04) indicates that the average household without electricity spent USD 8.04 and consumed 3.13 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 2.57 per kWh.

In the with-project scenario, prices are estimated to decline to USD 0.20 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. Other 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 with-project scenario.

Community Infrastructure

The estimated economic return of the community infrastructure sub-activity is 10 percent over 25 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 720.

Productive Development

The ERR of the productive development project is 13 percent over 19 years, including Compact administration costs.

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 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. In the simulations, basic grain production results in an average net income per hectare of USD 315 per annum. To take one example in contrast, the GOES and MCC agriculture consultants proposed that 1,000 hectares could be switched to avocado cultivation and, by year ten, these would generate a net income of USD 3,418 per hectare. Net income per hectare would increase to USD 5,145 by year four for horticulture and to USD 3,182 by year ten for limes. It is generally considered that there is a long gestation period for these activities--notably for tree crops. Monitoring and testing these predictions will be an important part of the monitoring plan designed by MCC.

Table 2. Economic Rate of Return of Productive Development Project		
Product Line	Budget Weights	ERRs
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%

Eligible individuals will submit applications for investment support to an investment committee at BMI. Product lines for such investments will not be limited to those analyzed in the pre-compact economic analysis. The minimum criteria for funding investments will be defined and will be subject to MCC approval, including the minimum economic return threshold of 14.4 percent for the Investment Support Activity as calculated above.

Connectivity

The ERR of the connectivity project is 24 percent over 25 years, including Compact administration costs. The project includes the Northern Transitional Highway (NTH) and the Network of Connecting Roads (NCR).

The most significant impact on economic growth will come from the new investments and economic activities that will arise as a result of the new highway. Since it is difficult to predict the benefits of these new investments, household surveys and aerial photographs will be used to monitor and evaluate the magnitude of new economic activities after construction.

The Highway Development Model (HDM-4) and separate information on current land prices close to the proposed roads were used for the economic analysis. Benefits quantified in the HDM-4 model include: savings in vehicle operating costs for travel on NTH and NCR (combustibles, lubricants, tires, depreciation, maintenance and repair)

due to smoother roads and saved travel time due to higher velocities on improved roads. The analysis done by the Ministry of Public Works in El Salvador (MOP) was deliberately conservative. Average annual daily traffic (AADT) was kept at zero for new segments of the road given that there are currently no observed values. Traffic growth was assumed to be very modest for passenger vehicles even though traffic normally grows faster than GDP. There is a possibility that traffic would increase due to new economic activities, but this was not included in the analysis because of its speculative nature.

MCC's task was to make the best unbiased forecast on the economic impacts of the roads. While it would have been preferable to use traffic forecasts based on empirical observations from past road projects, such studies were not available from MOP for El Salvador.

One alternative approach to estimate the increase in economic activities in the Northern Zone resulting from the improved roads is to examine land prices and estimate the likely increases in land values as a function of improved roads. Land prices can be calculated using the present discounted value of income flows that can be earned by the land. In cases where the increased income flows are not directly observable, increases in land prices serve as a useful proxy.

Using data from the Ministry of Public Works on current land prices of the existing nearby roads, a scenario was simulated where land prices would increase by 10 percent next to new segments of the road (the so called 'apertura' segments), 5 percent next to segments to be paved and 0 percent next to segments where the road would be improved. These are very conservative increases in land prices. The results of the land value scenarios are summarized in Table 3: eight packages of roads have positive net present values at a discount rate of 8.5 percent and the economic rate of return is 24.0 percent including Compact administrative costs.

Table 3. Net Present Value and ERR of Connectivity Project	
Segment / Group of Segments	Millions of US\$
1 – 5 ^a La Virgen – Acceso Metapán	7.7
5B–9 Metapán–CA04N–MS–ChaS–VT19	128.3
13.1 – 26.3 Chalatenango - Nuevo Edén de San Juan	9.8
27 – 34 Nuevo Edén de San Juan – Oscicala	33.6
35 – 43.3 Oscicala – Concepción de Oriente	11.1
VT 01 – 04 – 08 y 16 – 21.1	15.2
VT 05 – 06 – 07 – 11	21.3
VT 02 – 03 – 13 – 15 – 17 y 18	14.1
Total Net Present Value	241.0
ERR with Compact administrative cost	24.0%

Source: Table 41 of ROCHE Final Report, August 2006.

The economic rate of return for the Connectivity Project is being re-calculated as part of the project restructuring. The new ERR will be included in this M&E Plan at the appropriate time.

4. Beneficiaries

The combined impact of the projects in the El Salvador Compact will directly and indirectly benefit to 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 4. 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).

Table 4. Main Economic and Social Indicators of the Northern Zone		
	Northern Zone	El Salvador
VI Population Census and V Housing Census – 2007		
# 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 ⁶	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
Multi-Purpose Household Survey – 2007		
% of Households in Extreme Poverty ⁷	17.2	10.8
% of Households in Relative Poverty ⁸	27.6	23.8
% of Households Non Poor ⁹	55.3	65.4
Per-capita Monthly Income (USD)	87.7	120.3
Average Level of Schooling (# Years)	4.3	5.9
% 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

⁶ It does not consider direct electricity connection and solar panel.

⁷ Households with income below food basic basket for urban or rural areas.

⁸ Households with income greater than food basic basket, but below widen basic basket (equal 2 food basic basket) for urban or rural areas.

⁹ Households with income greater than widen basic basket for urban or rural areas

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 estimations of beneficiaries of each Compact Project are:

The Formal Technical Education Sub-Activity is expected to impact approximately 10,000 students of technical schools (Table 5), and 5,000 teachers.

The flexible and short-term training provided under the Non-formal Skills Development Sub-Activity is expected to benefit 13,000 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 90,000 or more rural residents (18,000 households) in the Northern Zone. Projects will be located in municipalities classified by poverty level.

Table 5. Compact Beneficiaries ¹⁰	
Project/Sub-Activity	Number of Beneficiaries ¹¹
1. Human Development Project	
Formal Technical Education	10,000 students 5,000 teachers
Non-Formal Skills Development	13,000
Water and Sanitation	90,000
Rural Electrification	235,000
Community Infrastructure	131,000
2. Productive Development Project	55,000
3. Connectivity Project	456,000 within 5 km

The Government estimates that over 47,000 rural households in the Northern Zone (roughly 25% of the population) could receive electricity service through the Rural Electrification Sub-Activity: 25,000 households will be connected to existing distribution networks, 21,000 will be connected to new extended distribution networks (1,500 km of new lines), and 950 households in isolated communities or located near protected areas will receive solar power systems.

^{10/} 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 Chalatenango Center and the middle technical schools applies to the sub-set of beneficiaries who graduate – not all 10,000 students.

^{11/} It is assumed that there are 5 people per household.

The Community Infrastructure Sub-Activity will benefit over 131,000 residents (over 26,000 households).

The principal beneficiaries of the Productive Development Project are expected to be 55,000 poor people employed in agriculture, non-farm activities, and micro, small and medium-sized enterprises.

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 456,000 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)

5. Monitoring Component

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.

5.1. Indicators

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 five levels: Goal/Impact, Objective, Outcome, Output and Process. The indicators for the Compact Goal will measure the overall impact of the Program and each Project. The Objective indicators measure the final results of the Projects to monitor their success in meeting each of the Objectives, including results for the intended beneficiaries. 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 milestones process of the Project Activities and Sub-Activities during the first year

All indicators with their definitions and sources are listed in Annex 4.

5.2. Baselines and Targets for Performance

The El Salvador Compact has two Goal Indicators. The baseline is 2004, and the targets for 2012 (Year 5) and 2017 (Year 10) are shown in Table 6.

Table 6. Compact Goal Baselines and Targets for the Program				
Goal/Impact Indicators ¹²	Definitions	2004	2012	2017
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")			
with the Program		53%	46%	43%
without the Program		53%	52%	51%
Annual per capita income of Program beneficiaries in the Northern Zone	Average annual per capita income of Program beneficiaries in the Northern Zone as calculated by DIGESTYC.			
with the Program		\$720	\$808	\$843
without the Program		\$720	\$736	\$748

Each Project has Goal/Impact, Objective, Outcome, Output and Process Indicators. The baselines and the targets for the indicators of Human Development Project are shown in Tables 7.1 and 7.2.

^{12/} The targets for the Goal/Impact Indicators may be revised after a review of the methodology used to make the impact projections is completed.

Table 7.1. Human Development Project Baselines and Targets
Project Activity: Education and Training

Goal Indicators	Definitions	2004	2012
Incremental income of graduates of the Chalatenango Center	Percentage of increase in yearly income earned by graduates of the Chalatenango Center compared to graduates of 12 th grade	0	42%
Incremental income of graduates of middle technical schools	Percentage of increase in yearly income earned by graduates of middle technical schools compared to graduates of 9 th grade	0	37%
Incremental income of non-formal trained beneficiaries	Percentage of increase in yearly income earned by non-formal trained beneficiaries compared to previous income.	0	TBD
Objective Indicators		2004	2012
Employment rate of graduates of the Chalatenango Center	Percentage of graduates of the Chalatenango Center (functioning as a MEGATEC institute) employed in field of study one year after graduation	n/a	70%
Employment rate of graduates of middle technical schools	Percentage of graduates of middle technical schools remodeled by the Project Activity employed in field of study one year after graduation	50%	50%
Employment rate of non-formal trained beneficiaries	Percentage of non-formal trained beneficiaries employed in field of training one year after the training.	28%	28%
Outcome Indicators		2004	2012
Graduation rates of the Chalatenango Center	Percentage of graduates of the Chalatenango Center in relation to total enrollment	n/a	80%
Graduation rates of middle technical schools	Percentage of graduates of the middle technical schools in relation to total enrollment	78%	78%
Completion rate of non-formal trained beneficiaries	Percentage of non-formal trained beneficiaries that completed the training compared to total enrollment of non-formal training beneficiaries.	92%	92%
Students of the Chalatenango Center (not cumulative)	Total number of students enrolled in the Chalatenango Center (functioning as a MEGATEC institute)	0	1,100
Students of middle technical schools (not cumulative) ¹³	Total number of students enrolled in the middle technical schools included in the Project Activity	6,000	9,000

^{13/} The baseline is representative of the schools that will be included in the Project Activity. After the schools have been selected, the baseline will be updated.

Output Indicators	Definitions	Oct 07/ Sep 08	Oct 08/ Sept 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12	Y1-Y5
Technologic institutes remodeled and equipped	Chalatenango technological institute remodeled and equipped by FOMILENIO Program	0	0	1	0	0	1
Middle technical schools remodeled and equipped	Number of middle technical schools remodeled by FOMILENIO Program	0	0	20	0	0	20
Teachers trained (not cumulative)	Number of teachers who have received training by FOMILENIO Program	TBD	TBD	TBD	TBD	TBD	TBD
Scholarships granted to students of technological education ¹⁴	Number of scholarships granted to students of first/second/third year	0	350	450	400	200	1,400
Scholarships granted to students of middle technical education	Number of scholarships granted to students of first/second/third year of middle technical schools	0	500	700	700	300	2,200
Students ¹⁵ of non-formal training	Number of students who participate in non-formal training as part of the Project Activity	0					13,000
Process Indicators	Definitions	Oct 07/ Sep 08	Oct 08/ Sept 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12	Y1-Y5
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.		Nov/15/08				
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)		Apr/30/09				

¹⁴ The scholarship indicators and targets will be reviewed after an agreement is signed with the Ministry of Education outlining their contribution to the scholarships.

¹⁵ It refers to the following type of beneficiaries: youth, women, residents of Northern Zone.

Table 7.2. Human Development Project Baselines and Targets
Project Activity: Community Development

Goal Indicators	Definitions	2004	2012			
Increase in income of water and sanitation beneficiaries	Percentage increase in income of households receiving water and sanitation investments	0	10%			
Increase in income of electrification beneficiaries	Percentage increase in income of households who received connections to the electrical grid	0	15%			
Increase in income of community infrastructure beneficiaries	Increase in income of households located close to community infrastructure	0	5%			
Objective Indicators	Definitions	2004	2012			
Cost of water (US\$ per m ₃)	Price of water per cubic meter for beneficiaries that bought water before the Project Activity	\$3.00	\$0.43			
Water consumption (m ₃)	Number of cubic meters of water per month paid by project beneficiaries	3.3	18			
Time collecting water (hours per week per household)	Hours per week spent collecting water by Project Activity household beneficiaries	30	14			
Reduction in the incidence of water-borne diseases (times per year per person)	Reduction in the number of times a year beneficiaries are sick with intestinal parasitism, diarrhea and infectious gastroenteritis	0	-1.5			
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 as a result of intestinal parasitism, diarrhea or infectious gastroenteritis per beneficiary	0	7			
Cost of electricity (per kilowatt-hour)	Price of electricity per kilowatt-hour for beneficiaries	\$2.57	\$0.20			
Electricity consumption (kilowatt-hours per month)	Number of kilowatt-hours per month consumed on average by households connected to the electricity network by the Program	3	50			
Time saved accessing to 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	0	20			
Outcome Indicators	Definitions	2008	2009	2010	2011	2012
Percentage of households with water in the Northern Zone (%) ¹⁶	Number of households with access to water (within the household, outside the household, from a neighbor, from a public faucet, or from a well) divided by total number of households of year base in the Northern Zone	76%	78%	81%	83%	85%
Percentage of households with basic sanitation in the Northern Zone (%) ¹⁰	Number of households with access to either private sewage drainage systems, latrines or septic tanks divided by total number of households of year base in the Northern Zone	75%	76%	77%	79%	80%

^{16/} The targets for this indicator may be revised after the completion of Population and Housing Census of 2007

Table 7.2. Human Development Project Baselines and Targets
Project Activity: Community Development

Percentage of households with electricity in the Northern Zone (%) ¹⁰	Number of households with a private electricity connection divided by the total number of households of year base in the Northern Zone	72%	76%	83%	90%	97%
Population benefiting from community infrastructure (cumulative people)	Number of beneficiaries from the community infrastructure projects (Feeder roads, small bridges, drainage system, etc)	0	0	78,600	113,500	131,000

Output Indicators	Definitions	Oct 07/ Sep 08	Oct 08/ Sept 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12	Y1- Y5
Households benefited with Water solutions built	Number of households benefiting with drinking water access by the Project Activity	0	0	TBD	TBD	TBD	18,000
Households benefited with the connection to the electricity network	Number of households benefited with the connection to the existing and extended electricity network	0	1,783	TBD	TBD	TBD	47,000
Households benefited with the Installation of insulated solar systems	Number of households benefited with isolated solar systems	0	350	300	150	150	950
Process Indicators	Definitions	Oct 07/ Sep 08	Oct 08/ Sept 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12	Y1- Y5
Potable water and basic sanitation systems with construction contracts signed.	Number of water systems that have signed a construction, training and technical assistance contract.	0	0	55	0	0	55
Community Infrastructure works with construction contracts signed.	Number of Infrastructure Community works that have a signed construction contract.	0	0	67	0	0	67
Kilometers of new lines of electrical distribution construction contracts signed.	Number of kilometers of new electrical distribution lines that have a construction contract signed.	0	115	400	600	385	1,500
Solar PV systems installation and basic training contracts signed.	Number of Solar PV systems that have a signed installation and basic training contract.	0	450	500	0	0	950

The baselines and the targets for Goal, Objective, Output and Outcome Indicators for the Productive Development Project are shown in Table 8.

Table 8. Productive Development Project Baselines and Targets								
Goal Indicators	Definitions	2004				2012		
Increase in income of Productive Development beneficiaries (%)	Average percentage increase in annual income of project beneficiaries	0				15%		
Objective Indicators	Definitions	2004	Oct 07/ Sep 08	Oct 08/ Sept 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12	2012
Economic Rate of Return (%)	The definition and methodology for calculating the ERR will be in the PD Operations Manual and will be consistent with MCC's Guidelines for Economic Analysis and will be measured from Year 2 to Year 5	14%	n/a	14%	14%	14%	14%	14%
Employment created (number of jobs)	Number of full-time equivalent jobs created as a result of the Project	0	0	1,171	3,181	2,013	2,635	9,000
Outcome Indicators	Definitions	2004						2012
Investment in productive chains by selected beneficiaries (Millions of UD\$)	Spending of MCC funds and counterpart contributions on inputs, equipment and infrastructure as laid out in business plans over the five years of the Compact	\$0	\$0	\$0	\$35	\$40	\$5	\$80.0

Output Indicators ¹⁷	Definitions	Oct 07/ Sep 08	Oct 08/ Sept 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12	Y1-Y5
Activity 1 – Production and Business Support							
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).	1,000	1,938	2,900	3,142	2,020	11,000
Number of beneficiaries of technical assistance and training – Agriculture Producers	Number of producers who receive at least one type of assistance from the Production and Business Support Activity (pilots and normal project) These beneficiaries are producers of agricultural products, such as tomato producers or dairy farmers.						

¹⁷ In March 2009, MCC requested that FOMILENIO report on certain indicators for MCC's own results reporting on agriculture. These indicators do not have targets because PDP was not designed to have specific value-chain targets, but rather to focus on reaching the overall project objectives by maintaining flexibility between value-chains

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 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 of hectares in production with support from PDP	Number of hectares under production with support from PDP including technical assistance and material support (pilots and normal project).						
Activity 2 – Investment Support							
Amount of Investment Support fund (FIDENORTE) approved.	Value of the FIDENORTE-funded part of the investment plans approved (Millions of US\$).	0	\$1.96 5	\$5.56 5	\$6.42	\$3.05	\$17.0
Amount of Investment Support fund (FIDENORTE) approved - Agriculture	Value of the FIDENORTE-funded part of the investment plans approved for activities in agriculture (Millions of US\$).						
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 (Millions of US\$).						
Number of loans granted by the Investment Support Fund (FIDENORTE)	Number of loans that have been granted by FIDENORTE.	0	4	15	19	12	50
Number of loans granted by the Investment Support Fund (FIDENORTE) – Agriculture Producers	Number of loans that have been granted by FIDENORTE to agriculture producers.						
Number of loans granted by the Investment Support Fund (FIDENORTE) – Agribusiness	Number of loans that have been granted by FIDENORTE to agribusiness involved in value-added activities.						

Number of loans granted by the Investment Support Fund (FIDENORTE) – Non-agriculture	Number of loans that have been granted by FIDENORTE in non-agriculture sectors, such as tourism and handicrafts.						
Activity 3 – Financial Services							
Number of guarantees granted	Number of guarantees granted with FOMILENIO funding, including PROGARA and SGR	0	419	690	821	600	2,530
Value of loans guaranteed ¹⁸	Value of loans guaranteed with FOMILENIO funding, including PROGARA and SGR.						
Value of loans guaranteed – Agriculture	Value of loans guaranteed with FOMILENIO funding, including PROGARA and SGR for agriculture-related activities.						
Value of loans guaranteed – Non-agriculture	Value of loans guaranteed with FOMILENIO funding, including PROGARA and SGR for non-agriculture-related activities.						
Number of insurance policies issued	Number of insurance policies issued with FOMILENIO funding (crop insurance)		TBD	TBD	TBD	TBD	TBD
Process Indicators	Definitions	Oct 07/ Sep 08	Oct 08/ Sept 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12	Y1-Y5
Service Providers 2 Contracted	Date Service Providers 2 is contracted by bidding process to implement activities of PRONORTE.	Sep/30/08					
FIDENORTE constituted	Date of constitution document legalized and initial amount registered.	Aug/31/08					
PROGARA NORTE constituted and capitalized with FOMILENIO's funds.	Date of creation of special program to attend beneficiaries of PDP within PROGARA.	Jul/31/08					

* Data segregated by gender, age, income and geographic location of beneficiaries, will be reported at the right time

¹⁸ No need to define targets.

The baselines and the targets for Goal, Objective, Output and Outcome Indicators for the Connectivity Project are shown in Table 9.

Table 9. Connectivity Project Baselines and Targets			
Goal Indicators	Definitions	2006	2012
Increase in income of households near the Northern Transnational Highway	Increase in income of households within 2km of the Northern Transnational Highway	0	6%
Land prices along the Northern Transnational Highway	Average price of land (\$/m ²) 2km on either side of the Northern Transnational Highway (weighted average of all road sections to be opened or improved)	\$3.22	\$3.40
Objective Indicators	Definitions	2006	2012
Travel time from Guatemala to Honduras through the Northern Zone (hours)	Number of hours required to travel from Guatemala to Honduras through the Northern Zone	17 hours	8 hours 30 minutes
Vehicle operating costs on the Northern Transnational Highway (US\$ per pick-up truck per km)	Cost per vehicle (pick-up truck) per km of combustibles, lubricants, tires, depreciation, maintenance and repair for travel on the Northern Transnational Highway	\$0.38	\$0.28
Annual average daily traffic on the Northern Transnational Highway (vehicles per day)	Average number of vehicles that transit the Northern Transnational Highway daily	379	436
Outcome Indicators	Definitions	2006	2012
Average International Roughness Index (IRI) of the Northern Transnational Highway (m/km)	Weighted average IRI of the entire Transnational Highway	10.2	2.7

Output Indicators	Definitions	Oct 07/ Sep 08	Oct 08/ Sept 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12	Y1-Y5
Kilometers of Northern Transnational Highway finished	Kilometers of paved roads intervened	0	0	13.4	31.2	236.2	280.8
Process Indicators	Definitions	Oct 07/ Sep 08	Oct 08/ Sept 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12	Y1-Y5
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, finished (including GOES funded designs).	0	164.1	137.2	0	0	301.3
Kilometer of Northern Transnational Highway with construction initiated.	Kilometers of NTH with the construction of road opening design, existing paved road rehabilitation and upgrading of dust roads, initiated.	0	44.6	236.2	0	0	280.8

Table 10. Monitoring and Evaluation Baselines and Targets						
Process Indicators	Definitions	Oct 07/ Sep 08	Oct 08/ Sept 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12
Indicator Tracking Table submitted	Number of times of updating indicators performance on the ITT and submitted to MCC	4	4	4	4	4
Monitoring and evaluation system implemented.	Date when project tracking module, socio demographic economic municipal indicators and beneficiaries' register information system designed and developed is implemented.		Dec/01/ 08			
Connectivity and Electricity impact evaluation data collection complete.	Date final data files provided to FOMILENIO from survey implementer.		Apr/09		Apr/11	Apr/12
Water and Sanitation and Community Infrastructure impact evaluation data collection complete.	Date final data files provided to FOMILENIO from survey implementer.		Sept/09		Sept/11	Sept/12
Education and Training impact evaluation data collection complete.	Date final data files provided to FOMILENIO from survey implementer.			Feb/10		
Productive Development impact evaluation data collection complete.	Date final data files provided to FOMILENIO from survey implementer.		TBD	TBD	TBD	TBD

Pending baselines and targets will be set prior to initiation of the corresponding Project Activities. The agreed upon deadlines for setting the outstanding baselines and targets are shown in Table 11.

Table 11. Pending Baselines and Targets		
Indicators	Pending Baselines and Targets Determined by	Collaborating Institution(s)
Households benefited with water solutions built	March 2010	FISDL
Households benefited with the connection to the electricity network	March 2010	FISDL
Teachers trained (not cumulative)	March 2010	MINED
Productive Development impact evaluation data collection complete.	July 2009	MATHEMATICA
Incremental Income of non-formal trained beneficiaries	March 2010	CIDE

5.3. Disaggregating Data by Gender, Income and Age

The following indicators can be disaggregated by gender, age and/or income and will be reported as such:

Table 12. Indicators to be Disaggregated by Gender, Income and Age			
Indicators	Gender	Age	Income
Human Development Project			
Scholarships granted to students of technological education	X	X	X
Scholarships granted to students of middle technical education	X	X	X
Students of non-formal training	X	X	X
Time collecting water (hours per week per household)	X	X	X
Reduction in days of school or work missed as a result of water-borne diseases (days per year per person)	X	X	X
Reduction in the incidence of water-borne diseases (times per year per person)	X	X	X
Productive Development Project			
Number of beneficiaries of technical assistance and training	X	X	X
Connectivity Project			
Beneficiaries of Resettlement Action Plans (RAPs)	X	X	X

5.4. 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.

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. FOMILENIO will also contract annual reviews of the productive development economic rate of return by an independent party. All DQRs will be made publicly available on the FOMILENIO Web site (<http://www.mca.gob.sv/>).

5.5. 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 the web at: <http://www.mcc.gov/countrytools/compact/fy07guidance/index.php>.

In addition to the reports required by MCC’s Reporting Guidelines, FOMILENIO will submit a Program Completion Report (PCR). The PCR 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.

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

5.6. 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 6.2). 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.

6. Evaluation Component

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 Evaluation 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.

6.1. Special Studies

The special studies will include:

1. Estimation of Gross Domestic Product (GDP) of the Northern Zone
2. Traffic survey (annual average daily traffic –origin and destination- and speed)
3. Study of road roughness and travel time
4. Land price study in the Northern Zone
5. Aerial photography of two kilometers around the Northern Transnational Highway
6. Other special studies to be defined

The special study on GDP will not be done because it was agreed that the gathering the data to report on this indicator would be too costly.

It has been determined that there is no need to conduct the land price study because information on land prices is being collected in the Connectivity baseline survey.

6.2. Mid-Term Review (MTR)

One of the primary purposes of the Mid-Term Review will be to inform program management about 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 provide 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 should recommend corrective actions to address any concerns raised about the program, particularly operation and management issues, and also propose how to implement those corrective actions. It should be held in January 2010, the second quarter of the third year of implementation.

FOMILENIO will contract an independent consultant to conduct the Mid-Term Review. He or she will consult with the Executive Director and M&E Director of FOMILENIO regarding how the MTR will be conducted, the timetable, and how the recommendations and conclusions will be organized. The process will include forming a working group from existing MCC, FOMILENIO and Implementing Entity staff. The analysis of the MTR review and recommendations for corrective action shall be written up in a Mid-Term Review Report by the consultant, and communicated promptly to the implementing and executing agencies, and discussed jointly in a conference or roundtable-type forum. The MTR should include, but not be limited to, the following types of assessments:

- Assessment, per activity, of progress and efficiency in delivery of inputs and outputs;
- Assessment of initial program outcomes and benefits and identification of initial beneficiaries and their characteristics, including gender, age, and income level, and level of participation;
- Assessment of any initial environmental concerns;
- 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
- Production of a clear set of lessons learned and recommendations for implementing them that can benefit the Program during its remaining time span.

In preparing for the MTR there must be agreement between FOMILENIO and MCC on the following:

- The size of the working group and who the participants will be;
- The working group's procedures; and
- A procedure for resolving any disagreements about recommendations.

FOMILENIO is responsible for ensuring that the recommendations resulting from the MTR are implemented within a reasonable time agreed with MCC.

6.3. Final Impact Evaluation

A final impact evaluation is required 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 impact evaluation 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. The proposed impact evaluation design is attached to this M&E Plan as Annex 2.

7. Qualitative Information Gathering

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.

8. Risks

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 Table 13.

Table 13. Risks for Project Activities of the Compact
Compact Goals Program
<ul style="list-style-type: none"> ▪ 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. ▪ An increase on input costs would difficult to get the level of achievement of the original targets of the Program. ▪ The requirements of counterpart fund for Municipalities and Communities could delay the execution of the projects.
Human Development Project
Outcome 1. Improved Technical Skills of Salvadorans
<ul style="list-style-type: none"> ▪ 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. ▪ 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.

Outcome 2. Improved the Access to Water and Basic Sanitation
<ul style="list-style-type: none"> ▪ Lack of education in appropriate health and sanitation practices will not reduce the incidence rate of waterborne diseases. ▪ Lack of technical assistance for community capacity building will not ensure maintenance and sustainability of water and sanitation system. ▪ Willingness to pay a tariff by the beneficiaries of water program will diminish if their incomes do not increase. ▪ 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.
Outcome 3. Improved Access to Electricity
<ul style="list-style-type: none"> ▪ Lags on increase in electricity generation will reduce the quality of the service and quantitative of electricity consumed by rationing or higher prices. ▪ Low density of users connected to distribution lines will increase the cost of expansion of the electrical network. ▪ Poor maintenance will reduce the useful life of insolated solar systems and the electricity consumption of the beneficiaries of the rural electrification project.
Outcome 4. Improved Access to Schools and Health Centers
<ul style="list-style-type: none"> ▪ If the community infrastructure is not a permanent solution in rainy and dry seasons, the beneficiaries will not reduce the time to access schools and health centers over the entire year.
Productive Development Project
Outcome 5. Increased Private Investment in Productive Chains
<ul style="list-style-type: none"> ▪ Reduction of international prices will not promote private investment in the productive chains selected. ▪ 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. ▪ Higher transaction costs create barriers to private financial institutions in financing small and poor farmers of the Northern Zone. ▪ Residents of the Northern Zone could find employment in other zones of the country (like Port of La Union) instead of working the land. ▪ Lags in the beginning of the Program will postpone the agriculture activities to the next rainy season.
Connectivity Project
Outcome 6. Improved the Road Network
<ul style="list-style-type: none"> ▪ 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. ▪ 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. ▪ The migration from the Northern Zone to the rest of the country will reduce the demand of passenger transport within Northern Zone. ▪ The high fuel prices will reduce the demand of transport at the national level.

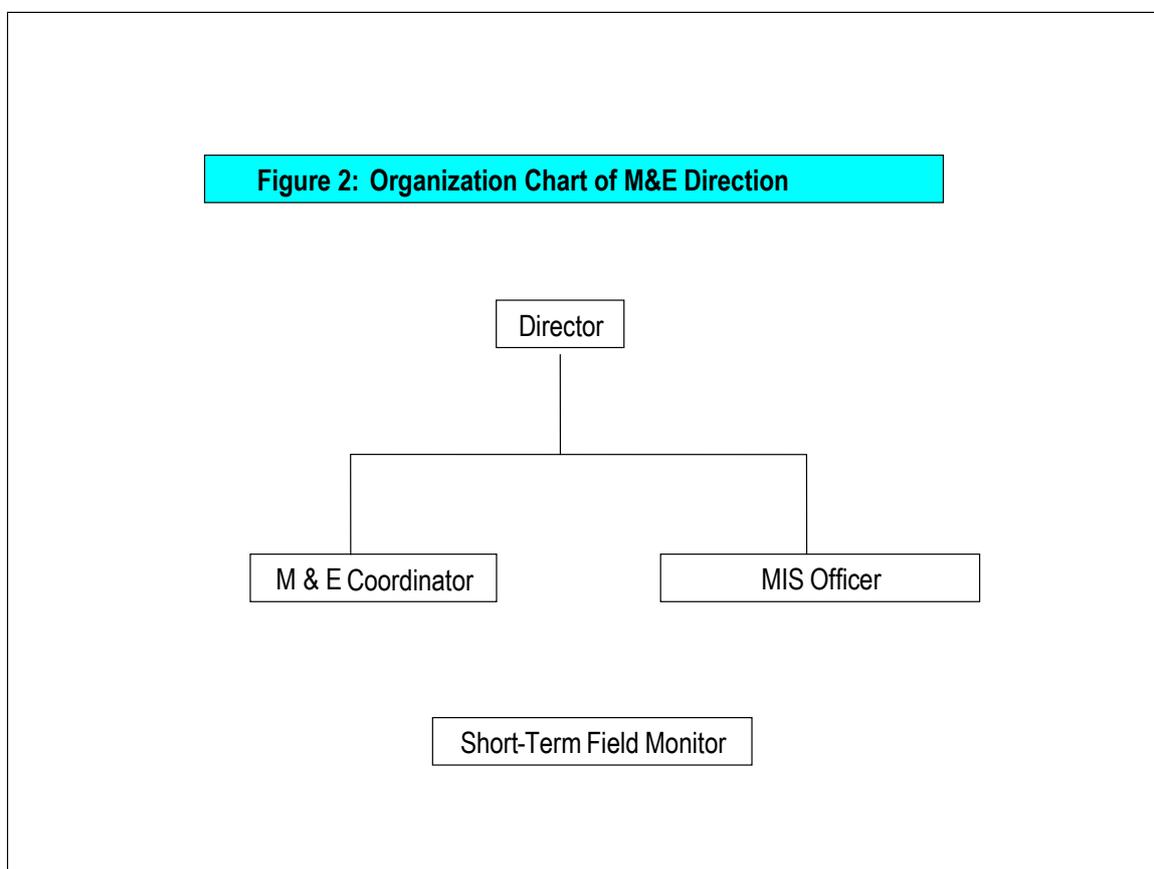
9. Implementation and Management of M&E

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.

9.1. Responsibilities

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 (IE's). 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, Mid Term Review and Adhoc Evaluations. MCC will directly contract the consultants for the Final 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 Management Information System Officer (MISO). 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.



9.2. 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.

The M&ED together with the staff of MCC, will review annually how well the M&E Plan is achieving its goals and objectives during the implementation of the Compact. The overall objective of the review is to ensure that the M&E Plan is effectively measuring program performance and that it is providing the best information for decision making.

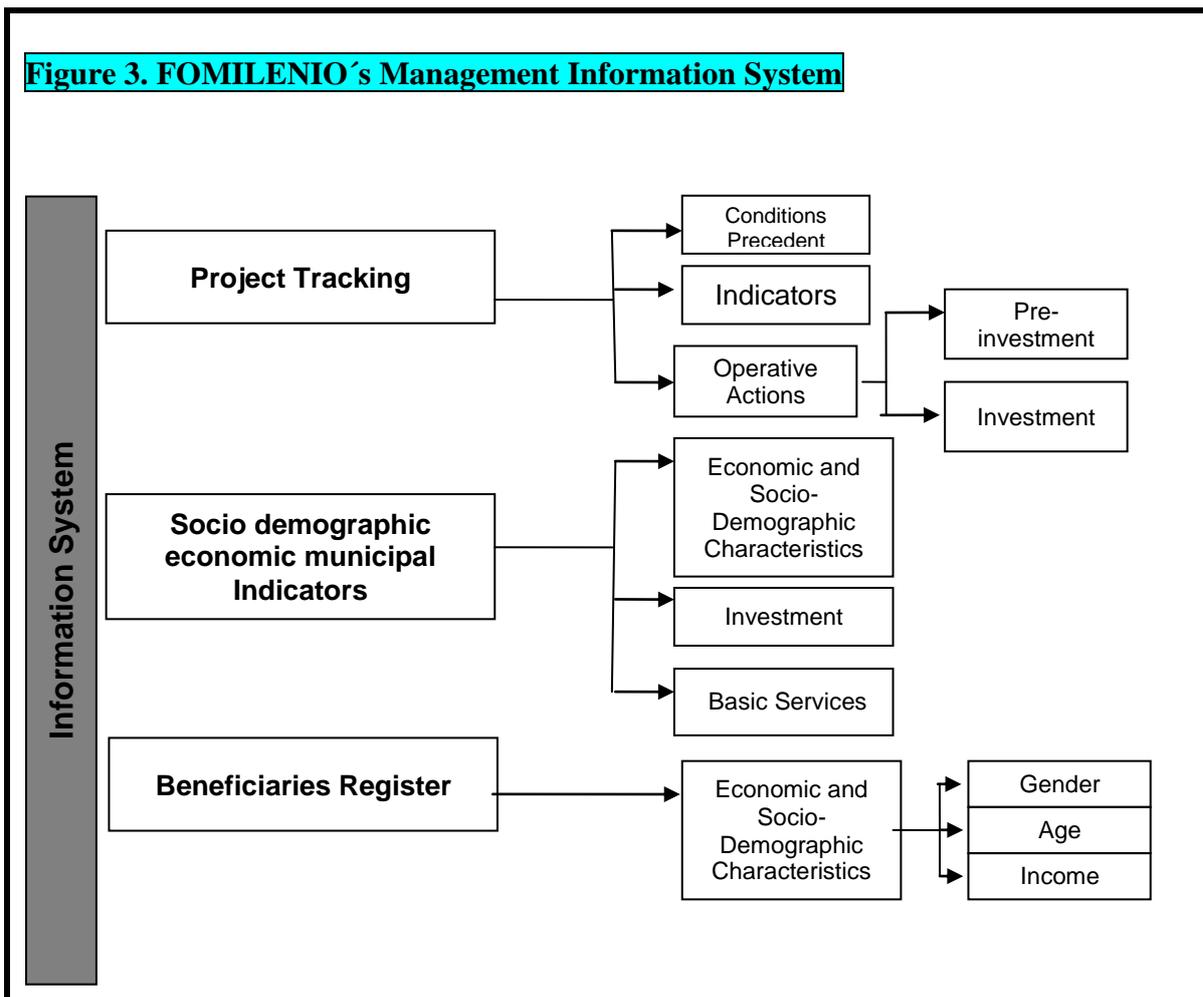
The objectives of the M&E Plan review are to: i) prove that the logical causal relationship of interventions are occurring; ii) check that selected indicators are sufficiently and accurately reflecting program results; iii) add performance indicators to track significant results that are occurring but are not being measured; iv) update baselines and revise targets if necessary; and v) check that the definitions of the indicators are correct and sufficiently precise and that the frequency of the data gathering is satisfactory.

The norms for the revision of the M&E Plan Indicators are shown in Annex No 3.

9.3. The Management Information System for M&E

FOMILENIO will establish and maintain an appropriate management information system (MIS) for continuously monitoring and reporting the progress of the Program and the impact of each of its Projects. That system will cover five modules: i) Project Tracking; ii) Socio Demographic Economic Municipal Indicators; and iii) Beneficiaries Register (See Figure 3).

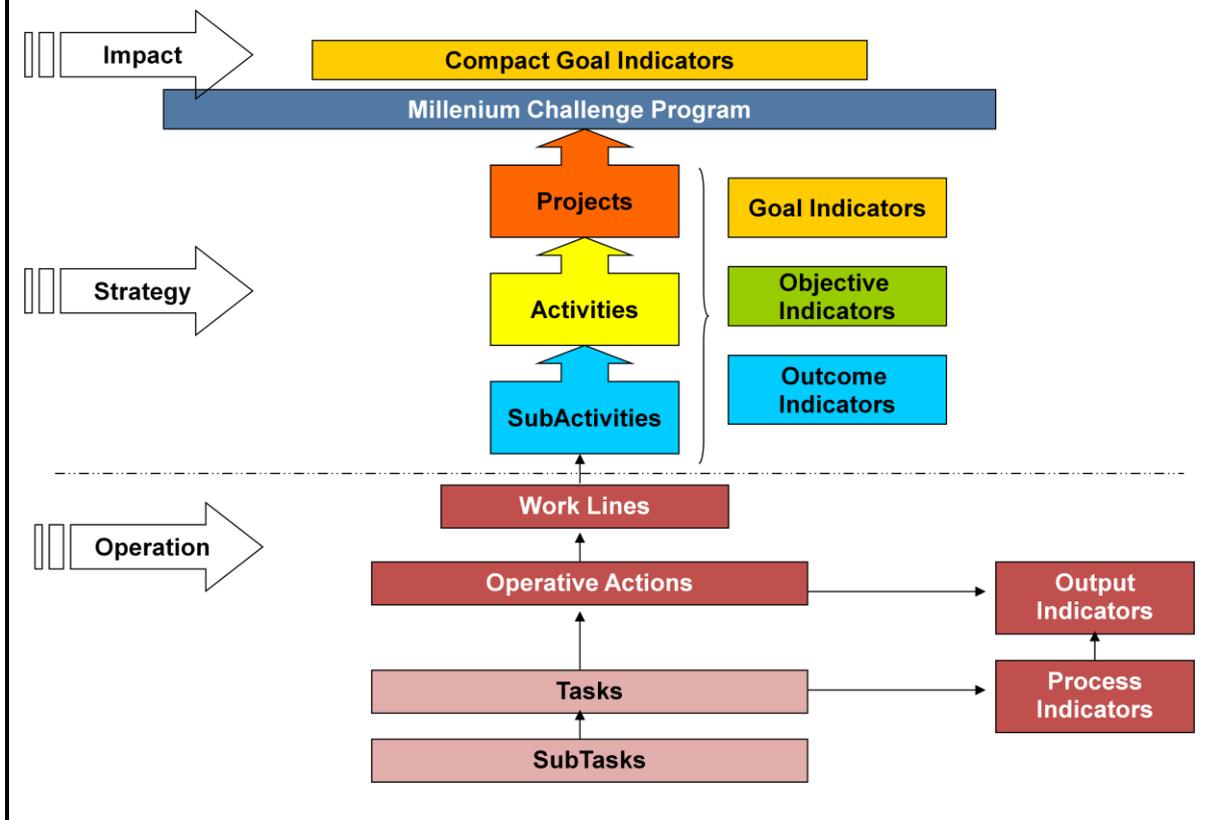
Figure 3. FOMILENIO's Management Information System



The module of Project Tracking will include information about: i) Precedent Conditions, ii) Impact Indicators (Goal, Outcome and Objective Indicators), iii) Output and Process Indicators, iv) Work Lines and Operative Actions from Pre-investment (feasibility study, final design, technical assistance, diagnostics, etc.) and Investment; and v) contract deliverables. (See figure 3-A)

With the restructuring of FOMILENIO in January 2009, it was determined that the Project Tracking system will be operated by the Project Management Unit (PMU) and not the M&E Direction. The contract deliverable tracking module within the Project Tracking system will be operated by FOMILENIO's internal Procurement Agent.

Figure 3-A. Module of Project Tracking of FOMILENIO'S MIS



The module of Socio Demographic Economic Municipal Indicators will include information of each of the 94 municipalities of the Northern Zone from the Population and Housing Census, Economic and Agricultural census.

The module of Beneficiaries Registry will include description of the beneficiaries of the Program, characterized by gender, income level and age.

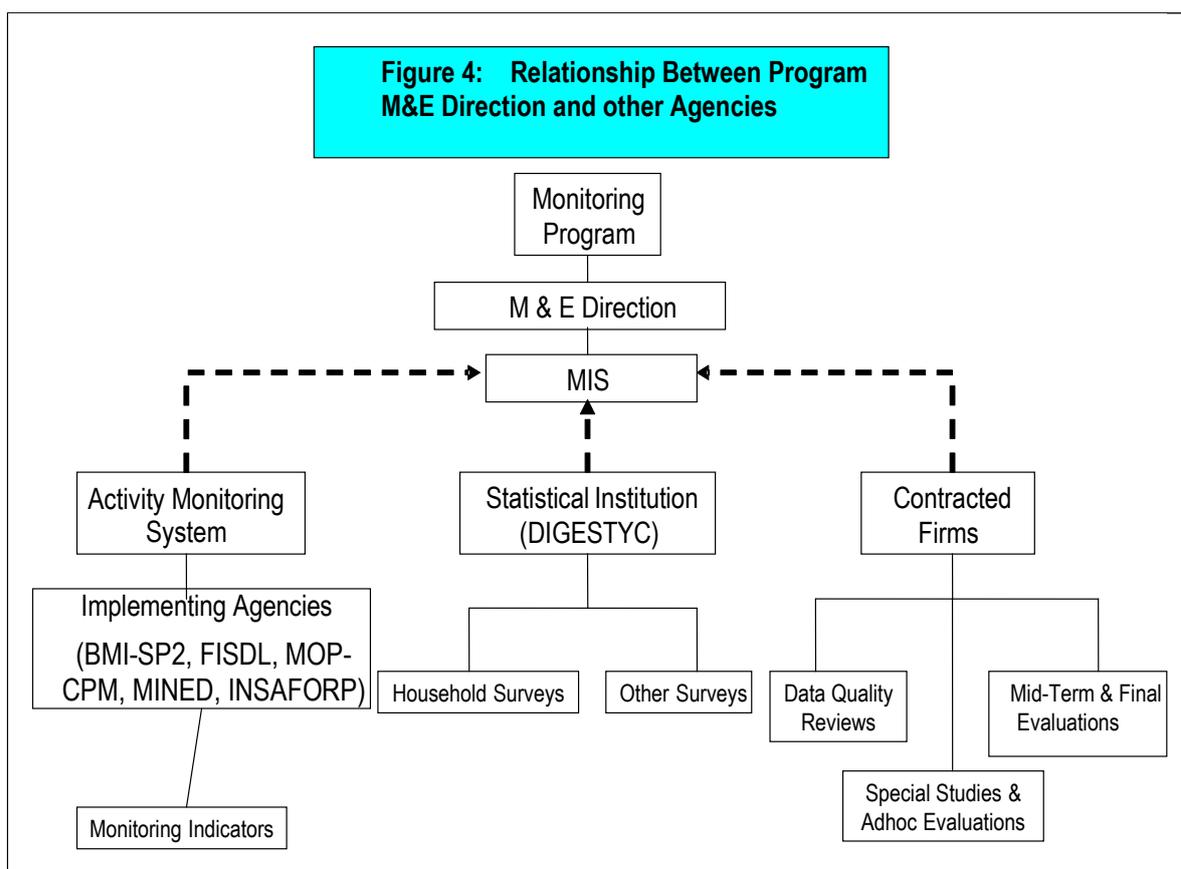
9.4. Coordination of M&E Data Gathering

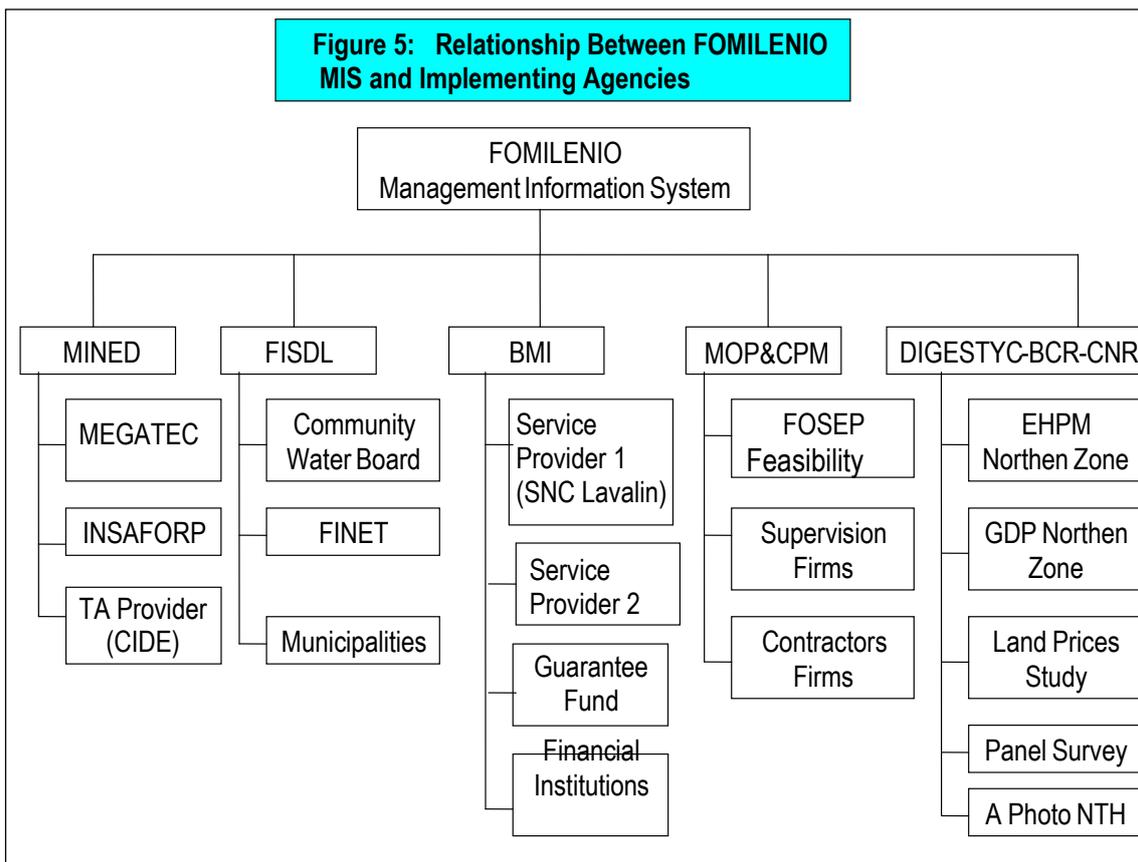
The gathering of all activity level performance indicators – process, output, and some outcome and objective indicators – will be carried out by the Implementing Entities. All data collection instruments and sample designs being funded through the Compact should be approved by MCC.

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)-Telecommunication and Energy National Investment Fund (FINET), 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; The Central Bank will be responsible of the estimation of Value-Added of the Northern Zone (proxy of GDP); The National Center of Registry (CNR) will be responsible for providing Aerial Photos of the Northern Transnational Highway.





10. Budget

The proposed budget for M&E activities for the five-year term of the Compact is \$9.88 million. In addition approximately \$3 million from MCC funds will be used to collect information and complete the Final Evaluation. The Government of El Salvador will contribute \$164,000 as counterpart funding from years one through six. In sum, the total budget for M&E activities is 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. A summary of the M&E Budget is shown in Table 14.

Table 14. Compact M&E Budget by Year (Thousands of US\$)		
Description	Total	%
1. Monitoring System	1,507	15
2. Quantitative Information Gathering	2,351	24
3. Qualitative Information Gathering	302	3
4. Data Quality Reviews	302	3
5. Special Studies	2,707	27
6. Report and Information Dissemination	139	1
7. Mid-Term and Final Evaluations	2,570	26
Total	9,878	100
%	100	

Annex 1. Assumptions of the 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.

Compact Goals Program
<ul style="list-style-type: none"> ▪ 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. ▪ 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. ▪ The average annual per capita income of residents in the Northern Zone for baseline is US\$720 according with the Households Survey of 2004.
Human Development Project
Outcome 1. Improved Technical Skills of Salvadorans
<ul style="list-style-type: none"> ▪ The promotion rate of the technological institute of Chalatenango is 78% and 72% for 20 middle technical schools. ▪ 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. ▪ The increase of yearly income for the graduates of Chalatenango MEGATEC is 37% compared to income of the graduates of 12th grade according to Mincer Equation; and 42% for the graduates of middle technical schools compared to income of graduates of 9th grade. ▪ 8% of new enrolled to non-formal education drop out before finishing their studies. ▪ 19.6% of graduates of non-formal education obtain a formal job and 8% will be self-employment after training. ▪ The increase in yearly income for those who obtain a formal job after labor training is 225% and for self-employment is 150% ▪ 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.
Outcome 2. Improved Access to Water and Basic Sanitation
<ul style="list-style-type: none"> ▪ 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. ▪ The cost of a consultation for morbidity is US\$ 6.14 for primary attention health centers and US\$15.11 for departmental hospitals. ▪ 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. ▪ 68.7% of households without piped water collect water from rivers and 31.3% buy

it from a truck.

- 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.
- The annual opportunity cost of time is US\$720.0, assuming a 44 hours work week.
- 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.
- 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.
- The price of water will decline from 3.3 US\$/m³ before the project to 0.43 US\$/m³ at 2005 constant prices.

Outcome 3. Improved Access to Electricity

- Households without electricity spend money on candles, batteries for lamps, and kerosene to obtain alternative energy to light houses.
- This project will provide residential electricity connections to 46,336 households and insolated solar systems to 952 households.
- The average consumption of electricity by household will increase from 3.1 equivalent kwh per month to 10.9 after installation of insolated solar systems or 48 after the introduction of residential electricity connections.
- The price of electrical energy will decline from 2.57 US\$/equivalent kwh before the project to 0.69 US\$/kwh for insolated solar systems or 0.20 US\$/kwh for residential electricity connections, both at 2005 constant prices.

Outcome 4. Improved Access to Schools and Health Centers

- The opportunity cost of time for beneficiaries of community infrastructure is US\$720 per year or US\$ 0.19 per hour.
- The project will reduce the time of access to schools and health centers by 18 minutes or 30%.

Productive Development Project

Outcome 5. Increased Private Investment in Productive Chains

- Small and poor farmers of the Northern Zone are engaged in low-productivity and low-quality production.
- 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.
- 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.
- The opportunity cost for small farmers of the Northern Zone is annual income of US\$720.
- 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.
- The products and services provided by this project will use a demand driven approach.

Connectivity Project

Outcome 6. Improved the Road Network

- 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.
- 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.
- 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.
- 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.

Annex 2. Design and Planning Work of the Final Impact Evaluation

As described in Section 6.3, the rationale for impact evaluation is to establish clear attribution for the effect of the program activities compared to a counterfactual. Possible approaches for the impact of each Project or activity are described below. This section will be updated as the evaluation designs are finalized.

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. If 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.

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 not be subject to impact evaluation by MCC's contractor. However, 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:

The Productive Development Project impact evaluation is currently being designed.

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 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 2009, 2) follow up in April 2011 and 3) final in April 2012.

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 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 three times, 1) baseline in November 2008, 2) follow up in November 2010, and 3) final in November 2011. This may change however if there are delays in the construction schedule.

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 three times, 1) baseline in November 2008, 2) follow up in November 2010, and 3) final in November 2011. This may change however if there are delays in the construction schedule.

Annex 3. Norms for the Revision of M&E Plan Indicators

Any revisions to the M&E Plan Indicators should follow these principles:

- Baselines may be updated as new information becomes available
- MCC has a strong preference for not modifying targets, but under the following conditions, the modification of targets will be considered:
 - new data become available (for example, more accurate baselines are derived from the 2007 Housing and Population Census or feasibility studies);
 - if implementation plans change significantly (for example, budget shortfalls result in project re-design); or
 - there is a “causa de fuerza mayor” like natural disasters, etc.
- If baselines and targets are changed, documentation must be provided to justify those changes

Significant revisions to the M&E Plan will be approved by FOMILENIO’s Board of Directors, after that it will be sent to MCC for final approval along with detailed explanations and justifications for the suggested revisions.

Annex 4. Indicator Tables

Overall Goal/Impact Indicators for the Program						
Indicators	Definition of Indicators	Measurement Units	Source of Data	Method of Data Collection	Frequency and periods	Reporting Agency to FOMILENIO
Poverty rate in the Northern Zone	Percentage of residents of the Northern Zone whose income falls below the poverty line as calculated by the General Directorate for Statistics and Census ("DIGESTYC")	%	DIGESTYC	Household survey EHPM NZ	Annual	DIGESTYC
Annual per capita income of Program beneficiaries in the Northern Zone	Average annual per capita income of Program beneficiaries in the Northern Zone	US \$	DIGESTYC	Household survey EHPM NZ	Annual	DIGESTYC

Human Development Project: Education and Training						
Indicators	Definition of Indicators	Measurement Units	Source of Data	Method of Data Collection	Frequency and periods	Reporting Agency to FOMILENIO
Goal Indicators						
Incremental income of graduates of the Chalatenango Center	Percentage of increase in yearly income earned by graduates of the Chalatenango Center compared to graduates of 12 th grade	%	Independent Firm and DIGESTYC	Education tracer study and Household Survey NZ (EHPM ZN)	2013	MINED/ DIGESTYC
Incremental income of graduates of middle technical schools	Percentage of increase in yearly income earned by graduates of middle technical schools compared to graduates of 9 th grade	%	Independent Firm and DIGESTYC	Education tracer study and Household Survey NZ (EHPM ZN)	2013	MINED/ DIGESTYC
Incremental income of non-formal trained beneficiaries	Percentage of increase in yearly income earned by non-formal trained beneficiaries compared to previous income.	%	Independent Firm and INSAFORP	Non-formal training tracer study	Annual	INSAFORP
Objective/Outcome Indicators						
Employment rate of graduates of the Chalatenango Center	Percentage of graduates of the Chalatenango Center (functioning as a MEGATEC institute) employed in field of study one year after graduation	%	Independent firm / Chalatenango Center	Education Tracer Study / School Administrative Records	Annual	MINED
Employment rate of graduates of middle technical schools	Percentage of graduates of middle technical schools remodeled by the Project Activity, employed in field of study one year after graduation	%	Independent firm / Middle Technical Schools	Education Tracer Study / School Administrative Records	Annual	MINED

Human Development Project: Education and Training

Indicators	Definition of Indicators	Measurement Units	Source of Data	Method of Data Collection	Frequency and periods	Reporting Agency to FOMILENIO
Employment rate of non-formal trained beneficiaries.	Percentage of non-formal trained beneficiaries employed in field of training one year after the training.	%	INSAFORP	Non-formal training tracer study	Annual	INSAFORP
Graduation rates of the Chalatenango Center	Percentage of graduates of the Chalatenango Center in relation to total enrollment	%	Chalatenango Center	School Administrative Records	Annual	MINED
Graduation rates of middle technical schools	Percentage of graduates of the middle technical schools in relation to total enrollment	%	Middle Technical Schools	School Administrative Records	Annual	MINED
Completion rate of non-formal trained beneficiaries	Percentage of non-formal trained beneficiaries that aed compared to total enrollment of non-formal training beneficiaries.	%	INSAFORP	Non-formal tracer Study	Annual	INSAFORP
Students of the Chalatenango Center (not cumulative)	Total number of students enrolled in the Chalatenango Center (functioning as a MEGATEC institute)	number of students	Chalatenango Center	School Administrative Records	Annual	MINED
Students of middle technical schools (not cumulative)	Total number of students enrolled in the middle technical schools included in the Project Activity	number of students	Middle Technical Schools	School Administrative Records	Annual	MINED
Output Indicators						
Technologic institutes remodeled and equipped	Chalatenango technological institute remodeled and equipped by FOMILENIO	number of institutes	Contractor	Administrative Data	Annual	MINED

Human Development Project: Education and Training

Indicators	Definition of Indicators	Measurement Units	Source of Data	Method of Data Collection	Frequency and periods	Reporting Agency to FOMILENIO
	Program					
Middle technical schools remodeled and equipped	Number of middle technical schools remodeled by FOMILENIO Program	number of schools	Contractor	Administrative Data	Quarterly	MINED
Teachers trained (not cumulative)	Number of teachers who have received training by FOMILENIO Program	number of teachers	Chalatenango Center	School Administrative Records	Quarterly	MINED
Scholarships granted to students of technological education	Number of scholarships granted to students of first/second/third year	Number of scholarships	Chalatenango Center	School Administrative Records	Quarterly	MINED
Scholarships granted to students of middle technical education	Number of scholarships granted to students of first/second/third year of middle technical schools	Number of scholarships	Middle Technical school	School Administrative Records	Quarterly	MINED
Students of non-formal training (cumulative)	Number of students who participate in non-formal training as part of the Project Activity	number of students	Training Service Provider	Service Provider Administrative Records	Quarterly	INSAFORP

Process Indicators						
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	CIDE	Legal Documents	Once	MINED
Diagnostic-Based Implementation	Date compact-referenced plan based on the results of the	Date	CIDE	Reports	Once	MINED

Plan approved by MCC.	diagnostic is approved. Includes identification of 20 middle technical schools to be strengthened and technical careers. (CIDE Deliverables 4 and 17)					
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Human Development Project: Community Development						
Indicators	Definition of Indicators	Measurement Units	Source of Data	Method of Data Collection	Frequency and periods	Reporting Agency to FOMILENIO
Goal Indicators						
Increase in income of water and sanitation beneficiaries	Percentage increase in income of households receiving water and sanitation investments	%	DIGESTYC	Panel Survey	Annual	DIGESTYC
Increase in income of electrification beneficiaries	Percentage increase in income of households who received connections to the electrical grid	%	DIGESTYC	Panel Survey	Annual	DIGESTYC
Increase in income of community infrastructure beneficiaries	Increase in income of households located close to community infrastructure	%	DIGESTYC	Panel Survey	Annual	DIGESTYC
Objective/Outcome Indicators						
Cost of water (US\$ per m ₃)	Average Price of water per cubic meter for beneficiaries that bought water before the Project Activity	US\$ per Cubic meter	DIGESTYC	Panel survey	Annual	DIGESTYC
Water consumption (m ₃)	Average Number of cubic meters of water per month paid for by project beneficiaries	Cubic meter	DIGESTYC	Panel survey & EHPM NZ	Annual	DIGESTYC

Human Development Project: Community Development

Indicators	Definition of Indicators	Measurement Units	Source of Data	Method of Data Collection	Frequency and periods	Reporting Agency to FOMILENIO
Time collecting water (hours per week per household)	Hours per week spent collecting water by Project Activity household beneficiaries	Hours per week per household	DIGESTYC	Panel survey & EHPM NZ	Annual	DIGESTYC
Reduction in the incidence of water-borne diseases (times per year per person)	Number of times a year beneficiaries are sick with intestinal parasitism, diarrhea and infectious gastroenteritis	Times per year per person	DIGESTYC	Panel survey & EHPM NZ	Annual	DIGESTYC
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 as a result of intestinal parasitism, diarrhea or infectious gastroenteritis per beneficiaries	Days per year per person	DIGESTYC	Panel survey & EHPM NZ	Annual	DIGESTYC
Cost of electricity (per kilowatt-hour)	Price of electricity per kilowatt-hour for beneficiaries	US \$ per kwh	DIGESTYC	Panel Survey and EHPM NZ	Annual	DIGESTYC
Electricity consumption (kilowatt-hours per month)	Number of kilowatt-hours per month consumed on average by households connected to the electricity network by the Program	Kwh per month	DIGESTYC	Panel Survey and EHPM NZ	Annual	DIGESTYC
Time saved accessing to 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 per working day per beneficiary	DIGESTYC	EHPM (Section 2: Education, Q212 given 210.a.1 and Section 6:Health, Q606 given 604.02) Data panel survey	Annual	DIGESTYC

Human Development Project: Community Development

Indicators	Definition of Indicators	Measurement Units	Source of Data	Method of Data Collection	Frequency and periods	Reporting Agency to FOMILENIO
Percentage of households with water in the Northern Zone (%)	Number of households with access to water (within the household, outside the household, from a neighbor, from a public faucet, or from a well) divided by total number of households of year base in the Northern Zone	%	DIGESTYC / FISDL	EHPM (Section 3: Housing, Q. 313 - 01,02,03,04,05) & Administrative Data	Annual	DIGESTYC / FISDL
Percentage of households with basic sanitation in the Northern Zone (%)	Number of households with access to either private sewage drainage systems, latrines or septic tanks divided by total number of households of year base in the Northern Zone	%	DIGESTYC / FISDL	EHPM (Section 3: Housing, Q. 317 - 1,2,3) & Administrative Data	Annual	DIGESTYC/ FISDL
Percentage of households with electricity in the Northern Zone (%)	Number of households with a private electricity connection divided by the total number of households of year base in the Northern Zone	%	DIGESTYC / FISDL/ MINEC	EHPM (Section 3: Housing, Q. 312) & Administrative Data	Annual	DIGESTYC/ FISDL
Population benefiting from community infrastructure (cumulative people)	Number of beneficiaries from the community infrastructure projects (feeder roads, small bridges, drainage system, etc)	#	Construction Firms	Administrative data	Annual	FISDL

Human Development Project: Community Development						
Indicators	Definition of Indicators	Measurement Units	Source of Data	Method of Data Collection	Frequency and periods	Reporting Agency to FOMILENIO
Output Indicators						
Households benefited with Water solutions built	Number of households benefiting with drinking water access by the Project Activity	#	Construction Firms	Administrative data	Quarterly	FISDL
Households benefited with the connection to the electricity network	Number of households benefited with the connection to the existing and extended electricity network.	#	Electricity Distribution Company/ Contractor	Administrative data	Quarterly	FISDL / FINET
Households benefited with the Installation of insolated solar systems	Number of households benefited with isolated solar systems	#	Contractor	Administrative data	Quarterly	FISDL-FINET
Process Indicators						
Potable water and basic sanitation systems with construction contracts signed.	Number of water systems that have signed a construction, training and technical assistance contract.	#	Procurement Agent	Administrative records	Quarterly	Procurement Agent
Community Infrastructure works with construction contracts signed.	Number of Infrastructure Community works that have a signed construction contract.	#	Procurement Agent	Administrative Records	Quarterly	Procurement Agent

Human Development Project: Community Development

Indicators	Definition of Indicators	Measurement Units	Source of Data	Method of Data Collection	Frequency and periods	Reporting Agency to FOMILENIO
Kilometers of New lines of Electrical Distribution construction contracts signed.	Number of kilometers of new electrical distribution lines that have a construction contract signed.	#	FISDL	Administrative records	Quarterly	FISDL
Solar PV systems installation and basic training contracts signed.	Number of Solar PV systems that have a signed installation and basic training contract.	#	Procurement Agent	Administrative records	Quarterly	Procurement Agent - FISDL

Productive Development Project						
Indicators	Definition of Indicators	Measurement Units	Source of Data	Method of Data Collection	Frequency and periods	Reporting Agency to FOMILENIO
Goal Indicators						
Increase in income of Productive Development beneficiaries (%)	Average percentage increase in annual income of project beneficiaries	%	DIGESTYC ¹⁹	Panel Survey	Annual	DIGESTYC
Objective/Outcome Indicators						
Economic Rate of Return (ERR)	Averaged Weighted Economic Rate of Return (ERR) of all approved investment proposals by the PD Investment Committee.	%	Service Provider 1, Service Provider 2 and BMI	This will be defined in the PD Operations Manual and will be consistent with MCC's Guidelines for Economic Analysis	Annual	FOMILENIO
Employment created (number of jobs)	Number of full-time equivalent jobs created as a result of the Project	Number of jobs	Service Provider 1 and 2 and BMI	Administrative data	Annual	SP1, SP2 and BMI

¹⁹ The data source for the increase in income indicator that was included in SP2's contract as a deliverable will be SP2 and not DIGESTYC

Productive Development Project						
Indicators	Definition of Indicators	Measurement Units	Source of Data	Method of Data Collection	Frequency and periods	Reporting Agency to FOMILENIO
Investment in productive chains by selected beneficiaries (Millions of US\$)	Spending of MCC funds and counterpart contributions on inputs, equipment and infrastructure as laid out in business plans over the five years of the Compact	US (\$)	Service Provider 1 and 2 and BMI	Administrative data	Annual	SP1, SP2 and BMI

Output Indicators						
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	SP1 and - SP2- from Administrators Beneficiaries register	Administrative Data	Quarterly	SP1 and SP2
Number of beneficiaries of technical assistance and training – Agriculture Producers	Number of producers who receive at least one type of assistance from the Production and Business Support Activity (pilots and normal project). These beneficiaries are producers of agricultural products, such as tomato producers or dairy farmers.	Number	SP1 and SP2 from Administrators Beneficiaries register	Administrative Data	Quarterly	SP1 and SP2
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	SP1 and SP2 - from Administrators Beneficiaries register	Administrative Data	Quarterly	SP1 and SP2

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	SP1 and SP2 - from Administrators Beneficiaries register	Administrative Data	Quarterly	SP1 and SP2
Number of hectares in production with support from PDP	Number of hectares under production with support from PDP including technical assistance and material support.	Hectares	SP1 and SP2	Administrative Data	Quarterly	SP1 and SP2
Amount of Investment Support fund (FIDENORTE) approved.	Value of the FIDENORTE-funded part of the investment plans approved.	Millions US \$	BMI	Administrative Data	Quarterly	BMI
Amount of Investment Support fund (FIDENORTE) approved – Agriculture	Value of the FIDENORTE-funded part of the investment plans approved for activities in agriculture (Millions of US\$).	Millions US \$	BMI	Administrative Data	Quarterly	BMI
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 (Millions of US\$).	Millions US \$	BMI	Administrative Data	Quarterly	BMI
Number of loans granted by the Investment Support Fund (FIDENORTE)	Number of loans that have been granted by FIDENORTE	Number	BMI	Administrative Data (FIDENORTE's beneficiaries register)	Quarterly	BMI
Number of loans granted by the Investment Support Fund (FIDENORTE) – Agriculture Producers	Number of loans that have been granted by FIDENORTE to agriculture producers.	Number	BMI	Administrative Data (FIDENORTE's beneficiaries register)	Quarterly	BMI
Number of loans granted by the Investment Support Fund (FIDENORTE) – Agribusinesses	Number of loans that have been granted by FIDENORTE to agribusinesses involved in value-added activities.	Number	BMI	Administrative Data (FIDENORTE's beneficiaries register)	Quarterly	BMI

Number of loans granted by the Investment Support Fund (FIDENORTE) – Non-agriculture	Number of loans that have been granted by FIDENORTE in non-agriculture sectors, such as tourism and handicrafts.	Number	BMI	Administrative Data (FIDENORTE’s beneficiaries register)	Quarterly	BMI
Number of guarantees granted	Number of guarantees granted with FOMILENIO funding, including PROGARA and SGR.	Number	PROGARA, SGR and BMI	Administrative Data	Quarterly	BMI
Value of loans guaranteed	Value of loans guaranteed with FOMILENIO funding, including PROGARA and SGR.	Number	PROGARA, SGR and BMI	Administrative Data	Quarterly	BMI
Value of loans guaranteed - Agriculture	Value of loans guaranteed with FOMILENIO funding, including PROGARA and SGR for agriculture-related activities.	Number	PROGARA, SGR and BMI	Administrative Data	Quarterly	BMI
Value of loans guaranteed – Non-agriculture	Value of loans guaranteed with FOMILENIO funding, including PROGARA and SGR for non-agriculture-related activities.	Number	PROGARA, SGR and BMI	Administrative Data	Quarterly	BMI
Number of insurance policies issued	Number of insurance policies issued with FOMILENIO funding	Number	BMI	Administrative Data.	Quarterly	BMI
Process Indicators						
Service Providers 2 Contracted	Date Service Providers 2 are contracted by bidding process to implement activities of PRONORTE.	Date	FOMILENIO	Administrative Data (FOMILENIO)	Once per each SP2	FOMILENIO
FIDENORTE constituted	Date constitution document legalized and initial amount registered.	Date	BMI / FIDENORTE	Administrative Data of FIDENORTE	Once	BMI

PROGARA NORTE constituted and capitalized with FOMILENIO's funds.	Date of creation of special program to attend beneficiaries of PDP within PROGARA.	Date	BMI / PROGARA	Administrative Data of PROGARA	Once	BMI
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Connectivity Project						
Indicators	Definition of Indicators	Measurement Units	Source of Data	Method of Data Collection	Frequency and periods	Reporting Agency to FOMILENIO
Goal Indicators						
Increase in income of households near the Northern Transnational Highway	Increase in income of households within 2km of the Northern Transnational Highway	%	DIGESTYC	Panel survey	Annual	DIGESTYC
Land prices along the Northern Transnational Highway	Average price of land 2km on either side of the Northern Transnational Highway (weighted average of all road sections to be opened or improved)	US\$ / m ²	TBD. Baseline estimated by MOP; will be confirmed by feasibility study	Land Price Study	Annual	Contracted Firm. TBD.
Objective/Outcome Indicators						
Travel time from Guatemala to Honduras through the Northern Zone (hours)	Number of hours required to travel from Guatemala to Honduras through the Northern Zone	Hours	Baseline estimated by MOP	Baseline estimated by MOP / Estimation after the project by Travel time study	Before and after the project	MOP
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	US\$ per pick-up truck per km	Baseline estimated by MOP	HDM-4 analysis performed by MOP and confirmed by	Before and after project	MOP

Connectivity Project

Indicators	Definition of Indicators	Measurement Units	Source of Data	Method of Data Collection	Frequency and periods	Reporting Agency to FOMILENIO
	Highway			feasibility study		
Vehicle operating costs on the Network of Connecting Roads	Cost per vehicle (pick-up truck) per km of combustibles, lubricants, tires, depreciation, maintenance and repair for travel in the Network of Connecting Roads	US\$ per pick-up truck per km	Baseline estimated by MOP	HDM-4 analysis performed by MOP and confirmed by feasibility study	Before and after project	MOP
Annual average daily traffic on the Northern Transnational Highway	Average number of vehicles that transit the Northern Transnational Highway daily	Number of vehicles per day	MOP	Traffic study (baseline confirmed by feasibility study)	Before and after each road section is improved	MOP
Average International road Roughness Index (IRI) of the Northern Transnational Highway	Weighted average IRI of the entire Transnational Highway	m/km	MOP	Road roughness study	Before and after each road section is improved	MOP
Output Indicators						
Kilometers of Northern Transnational Highway finished	Kilometers of paved roads opened, existing paved roads rehabilitated, existing dirt roads improved and bridges built	Kilometers	Supervisory Firm	Administrative data	Quarterly	MOP
Process Indicators						
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, finished (including GOES funded	Kilometers	CPM	Administrative data	Quarterly	UIPC/VMOP

Connectivity Project						
Indicators	Definition of Indicators	Measurement Units	Source of Data	Method of Data Collection	Frequency and periods	Reporting Agency to FOMILENIO
	designs).					
Kilometer of Northern Transnational Highway with construction initiated.	Kilometers of NTH with the construction of road opening design, existing paved road rehabilitation and upgrading of dust roads, initiated.	Kilometers	CPM	Administrative data	Quarterly	UIPC/VMOP

Monitoring and Evaluation						
Indicators	Definition of Indicators	Measurement Units	Source of Data	Method of Data Collection	Frequency and periods	Reporting Agency to FOMILENIO
Process Indicators						
Indicator Tracking Table submitted	Number of times of updating indicators performance on the ITT and submitted to MCC	Number	M&E Direction	Program implementation reports.	Quarterly	FOMILENIO, IE's.
Monitoring and evaluation system implemented	Date when project tracking module, socio demographic economic municipal indicators and beneficiaries' register information system designed and developed is implemented.	Date	M&E Direction	MIS Report	Once	FOMILENIO
Connectivity and Electricity impact evaluation data collection complete.	Date final data files provided to FOMILENIO from survey implementer.	Date	DIGESTYC through M&E Direction	Data Panel Survey	Three times	DIGESTYC
Water and Sanitation and	Date final data files provided to	Date	DIGESTYC	Data Panel	Three times	DIGESTYC

Monitoring and Evaluation

Indicators	Definition of Indicators	Measurement Units	Source of Data	Method of Data Collection	Frequency and periods	Reporting Agency to FOMILENIO
Community Infrastructure impact evaluation data collection complete.	FOMILENIO from survey implementer.		through M&E Direction	Survey		
Education and Training impact evaluation data collection complete.	Date final data files provided to FOMILENIO from survey implementer.	Date	CIDE through M&E Direction	Data Panel Survey	Twice	CIDE
Productive Development impact evaluation data collection complete.	Date final data files provided to FOMILENIO from survey implementer.	Date	Contractor through M&E Direction	Data Panel Survey	TBD	Contractor

Annex 5. 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.

Annex 6. M&E Plan Revision #2 – March 2008

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 Indicator Modifications

Submitted by: FOMILENIO

Country: EL SALVADOR

Project: HUMAN DEVELOPMENT / EDUCATION AND TRAINING ACTIVITY / FORMAL EDUCATION SUB-ACTIVITY

Indicator: Technologic institutes remodeled and equipped

Modification: Target Definition

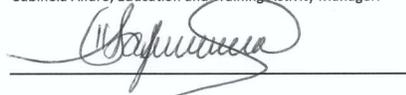
Justification: During 2008 several studies were performed in order to define the careers to be implemented, and the study programs of the careers were prepared. On 2009 it is planned to realize the betterment of the institution on infrastructure, resources granting and teachers training. With the purpose of having the institute starts functioning under the "MEGATECH Model" from February 2010.

Indicators	Units	Baseline	Targets				
			Year 1	Year 2	Year 3	Year 4	Year 5
			Q1-Q4	Q5-Q8	Q9-Q12	Q13-Q16	Q17-Q20
			Oct 07/ Sep 08	Oct 08/ Sept 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12
Compact Targets:							
Technologic institutes remodeled and equipped	Number	0	TBD	TBD	TBD	TBD	TBD
Modified Targets:							
Technologic institutes remodeled and equipped	Number	0	0	0	1	0	0
Difference:	Number	0	0	0	1	0	0

Date: February 17, 2009

Responsible: Sabinela Alfaro, Education and Training Activity Manager.

Signature:



M&E Indicator Modifications

Submitted by: FOMILENIO

Country: EL SALVADOR

Project: HUMAN DEVELOPMENT / EDUCATION AND TRAINING ACTIVITY / FORMAL EDUCATION SUB-ACTIVITY

Indicator: Middle technical schools remodeled and equipped

Modification: Target Definition

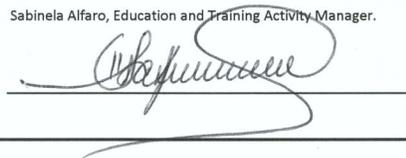
Justification: During 2008 the study: Diagnostic of 75 middle education entities, was performed by the consultant of Technical Assistance for Education and Training Activity. The 20 institutions to be strengthened were selected from the 75 studied.
During 2009 the training of teachers, the betterment of infrastructure and resources granting will be delivered, in order to have the 20 institutions strengthened and servicing by January 2010

Indicators	Units	Baseline	Targets				
			Year 1	Year 2	Year 3	Year 4	Year 5
			Q1-Q4	Q5-Q8	Q9-Q12	Q13-Q16	Q17-Q20
			Oct 07/ Sep 08	Oct 08/ Sept 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12
Compact Targets:							
Middle technical schools remodeled and equipped	Number	0	TBD	TBD	TBD	TBD	TBD
Modified Targets:							
Middle technical schools remodeled and equipped	Number	0	0	0	20	0	0
Difference:	Number	0	0	0	20	0	0

Date: February 17, 2009

Responsible: Sabinela Alfaro, Education and Training Activity Manager.

Signature:



M&E Indicator Modifications

Submitted by: FOMILENIO

Country: EL SALVADOR

Project: HUMAN DEVELOPMENT / COMMUNITY DEVELOPMENT/ COMMUNITY INFRASTRUCTURE

Indicator: Community Infrastructure works with construction contracts signed.

Modification: Target Revision and Indicator name correction

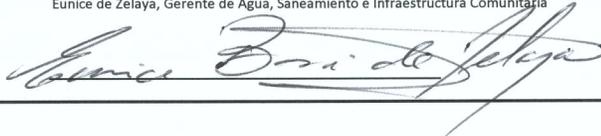
Justification: The name of the indicator was corrected for grammar purpose, adding the words "works with". The first offer for Community Infrastructure Feasibility studies and final designs was rejected, it did not meet the criteria to be selected. Therefore the whole sub-activity had suffered a delay, although another procurement process has already started. It is expected to start construction works until the third year of the compact.

Indicators	Units	Baseline	Targets				
			Year 1	Year 2	Year 3	Year 4	Year 5
			Q1-Q4	Q5-Q8	Q9-Q12	Q13-Q16	Q17-Q20
			Oct 07/ Sep 08	Oct 08/ Sep 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12
M&E Plan Indicator and Targets:							
Community Infrastructure construction contracts signed.	#	0	0	67	0	0	0
Modified Indicator and Targets:							
Community Infrastructure works with construction contracts signed.	#	0	0	0	67	0	0
Difference:	#	0	0	-67	67	0	0

Date: February 16, 2009

Responsible: Eunice de Zelaya, Gerente de Agua, Saneamiento e Infraestructura Comunitaria

Signature:



M&E Indicator Modifications

Submitted by: FOMILENIO

Country: EL SALVADOR

Project: HUMAN DEVELOPMENT / COMMUNITY DEVELOPMENT/ COMMUNITY INFRASTRUCTURE

Indicator: Population benefiting from community infrastructure (cumulative people)

Modification: Target Revision

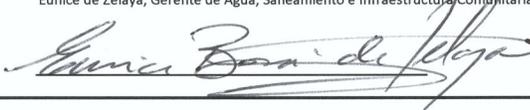
Justification: The first bidding process for feasibility studies failed, therefore the construction works will start until the third year of the compact, leaving the second year with no beneficiaries. The total number of beneficiaries will be modified until the final designs are complete.

Indicators	Units	Baseline	Targets				
			Year 1	Year 2	Year 3	Year 4	Year 5
			Q1-Q4	Q5-Q8	Q9-Q12	Q13-Q16	Q17-Q20
			Oct 07/ Sep 08	Oct 08/ Sep 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12
M&E Plan Targets:							
Population benefiting from community infrastructure (cumulative people)	#	0	0	45850	78600	113500	131000
Modified Targets:							
Population benefiting from community infrastructure (cumulative people)	#	0	0	0	78600	113500	131000
Difference:	#	0	0	-45850	0	0	0

Date: February 16, 2009

Responsible: Eunice de Zelaya, Gerente de Agua, Saneamiento e Infraestructura Comunitaria

Signature:



M&E Indicator Modifications

Submitted by: FOMILENIO

Country: EL SALVADOR

Project: HUMAN DEVELOPMENT / COMMUNITY DEVELOPMENT/ WATER AND SANITATION

Indicator: Potable water and basic sanitation systems with construction contracts signed.

Modification: Target Revision

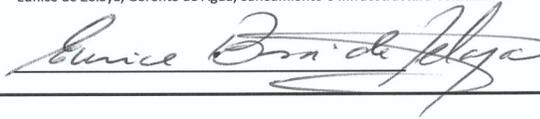
Justification: The construction will be held until the third year of the compact, due to long process of feasibility studies and final designs. It is expected to sign the first contracts on Nov 2009 and end signing contracts on May 2010.

Indicators	Units	Baseline	Targets				
			Year 1	Year 2	Year 3	Year 4	Year 5
			Q1-Q4	Q5-Q8	Q9-Q12	Q13-Q16	Q17-Q20
			Oct 07/ Sep 08	Oct 08/ Sept 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12
M&E Plan Targets:							
Potable water and basic sanitation systems with construction contracts signed.	#	0	0	55	0	0	0
Modified Targets:							
Potable water and basic sanitation systems with construction contracts signed.	#	0	0	0	55	0	0
Difference:	#	0	0	-55	55	0	0

Date: February 16, 2009

Responsible: Eunice de Zelaya, Gerente de Agua, Saneamiento e Infraestructura Comunitaria

Signature:



M&E Indicator Modifications

Submitted by: FOMILENIO

Country: EL SALVADOR

Project: HUMAN DEVELOPMENT / COMMUNITY DEVELOPMENT/ RURAL ELECTRIFICATION

Indicator: Households benefited with the connection to the electricity network

Modification: Target Revision

Justification: Establishment of the second year Compact target for this indicator, in order to be consistent with the work plan sent to MCC.

Indicators	Units	Baseline	Targets				
			Year 1	Year 2	Year 3	Year 4	Year 5
			Q1-Q4	Q5-Q8	Q9-Q12	Q13-Q16	Q17-Q20
			Oct 07/ Sep 08	Oct 08/ Sept 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12
M&E Plan Targets:							
Households benefited with the connection to the electricity network	#	0	TBD	TBD	TBD	TBD	47000
Modified Targets:							
Households benefited with the connection to the electricity network	#	0	0	1783	TBD	TBD	47000
Difference:	#	0		1783			0

Date: February 17, 2009

Responsible: Raimundo Sisniega, Gerente de Electrificación Rural

Signature:

M&E Indicator Modifications

Submitted by: FOMILENIO
Country: EL SALVADOR
Project: HUMAN DEVELOPMENT / COMMUNITY DEVELOPMENT/ RURAL ELECTRIFICATION
Indicator: Kilometers of new lines of electrical distribution construction contracts signed.
Modification: Target Revision
Justification: The targets have been established according to the work plans sent to MCC.

Indicators	Units	Baseline	Targets				
			Year 1	Year 2	Year 3	Year 4	Year 5
			Q1-Q4	Q5-Q8	Q9-Q12	Q13-Q16	Q17-Q20
			Oct 07/ Sep 08	Oct 08/ Sep 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12
M&E Plan Targets:							
Kilometers of new lines of electrical distribution construction contracts signed.	#	0	0	315	600	400	185
Modified Targets:							
Kilometers of new lines of electrical distribution construction contracts signed.	#	0	0	115	400	600	385
Difference:	#	0	0	-200	-200	200	200

Date: February 17, 2009

Responsible: Raimundo Sisniega, Gerente de Electrificación Rural

Signature:

M&E Indicator Modifications

Submitted by: FOMILENIO

Country: EL SALVADOR

Project: HUMAN DEVELOPMENT / COMMUNITY DEVELOPMENT/ RURAL ELECTRIFICATION

Indicator: Households benefited with the installation of insolated solar systems

Modification: Target Definition

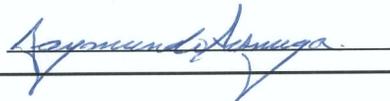
Justification: Annual targets were established from the second year to the fifth, to be consistent with the work plans sent to MCC.

Indicators	Units	Baseline	Targets				
			Year 1	Year 2	Year 3	Year 4	Year 5
			Q1-Q4	Q5-Q8	Q9-Q12	Q13-Q16	Q17-Q20
			Oct 07/ Sep 08	Oct 08/ Sep 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12
M&E Plan Targets:							
Households benefited with the installation of insolated solar systems	#	0	TBD	TBD	TBD	TBD	950
Modified Targets:							
Households benefited with the installation of insolated solar systems	#	0	0	350	300	150	150
Difference:	#	0	0	350	300	150	-800

Date: February 17, 2009

Responsible: Raimundo Sisniega, Gerente de Electrificación Rural

Signature:



M&E Indicator Modifications

Submitted by: FOMILENIO
Country: EL SALVADOR
Project: HUMAN DEVELOPMENT / COMMUNITY DEVELOPMENT/ RURAL ELECTRIFICATION
Indicator: Solar PV systems installation and basic training contracts signed.
Modification: Target Revision

Justification: Due to the long contracting processes, the first year target was not possible to meet, the contract was signed by october 9, 2008. Annual targets of this indicator were established for the second and third year of the compact, according to the work plan sent to MCC.

Indicators	Units	Baseline	Targets				
			Year 1	Year 2	Year 3	Year 4	Year 5
			Q1-Q4	Q5-Q8	Q9-Q12	Q13-Q16	Q17-Q20
			Oct 07/ Sep 08	Oct 08/ Sep 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12
M&E Plan Targets:							
Solar PV systems installation and basic training contracts signed.	#	0	250	TBD	TBD	TBD	950
Modified Targets:							
Solar PV systems installation and basic training contracts signed.	#	0	0	450	500	0	0
Difference:	#	0	-250	450	500	0	-950

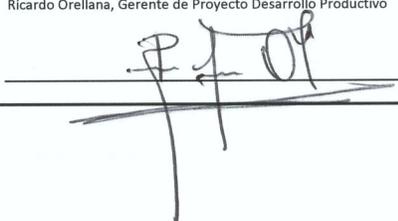
Date: February 17, 2009

Responsible: Raimundo Sisniega, Gerente de Electrificación Rural

Signature:

M&E Indicator Modifications**Submitted by:** FOMILENIO**Country:** EL SALVADOR**Project:** PRODUCTIVE DEVELOPMENT PROJECT**Indicator:** Employment created (number of jobs)**Modification:** Target Definition**Justification:** Annual Targets were established from the second to the fifth year of the Compact, to be consistent to the work plan sent to MCC.

Indicators	Units	Baseline	Targets				
			Year 1	Year 2	Year 3	Year 4	Year 5
			Q1-Q4	Q5-Q8	Q9-Q12	Q13-Q16	Q17-Q20
Compact Targets:			Oct 07/ Sep 08	Oct 08/ Sept 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12
Employment created (number of jobs)	#	0	0	0	0	0	9000
Modified Targets:							
Employment created (number of jobs)	#	0	0	1171	3181	2013	2635
Difference:	#	0	0	1171	3181	2013	-6365

Date: February 18, 2009**Responsible:** Ricardo Orellana, Gerente de Proyecto Desarrollo Productivo**Signature:** 

M&E Indicator Modifications

Submitted by: FOMILENIO

Country: EL SALVADOR
Project: PRODUCTIVE DEVELOPMENT PROJECT

Indicator: Investment in productive chains by selected beneficiaries

Modification: Target Definition

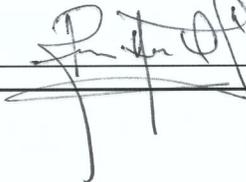
Justification: Annual Targets were established from the third to the fifth year of the Compact, to be consistent to the work plan sent to MCC.

Indicators	Units	Baseline	Targets				
			Year 1	Year 2	Year 3	Year 4	Year 5
			Q1-Q4	Q5-Q8	Q9-Q12	Q13-Q16	Q17-Q20
			Oct 07/ Sep 08	Oct 08/ Sep 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12
Compact Targets:							
Investment in productive chains by selected beneficiaries	US \$ Million	0	0	0	0	0	80
Modified Targets:							
Investment in productive chains by selected beneficiaries	US \$ Million	0	0	0	35	40	5
Difference:	US \$ Million	0	0	0	35	40	-75

Date: February 18, 2009

Responsible: Ricardo Orellana, Gerente de Proyecto Desarrollo Productivo

Signature: _____



M&E Indicator Modifications

Submitted by: FOMILENIO

Country: EL SALVADOR

Project: PDP / PRODUCTION AND BUSINESS SUPPORT ACTIVITY

Indicator: Number of beneficiaries of technical assistance and training

Modification: Change on Indicator Name

Justification: The original name of the indicator was changed, the term "PRONORTE" was eliminated and it was added the term "Technical Assistance and Training", because beneficiary is the responsible of the productive unit that receive services to strength its productive and business capacity. Therefore its definition changes to: "Number of direct beneficiaries who receive at least one type of assistance from the Production and Business Support Activity (pilots and normal project)". This indicator will report on agriculture, and non-agriculture beneficiaries, as well as Agribusiness without setting targets*.

Indicators	Units	Baseline	Targets				
			Year 1	Year 2	Year 3	Year 4	Year 5
			Q1-Q4	Q5-Q8	Q9-Q12	Q13-Q16	Q17-Q20
			Oct 07/ Sep 08	Oct 08/ Sept 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12
M&E Indicator and Targets:							
Number of beneficiaries of PRONORTE	#	0	1000	1938	2900	3142	2020
Modified Indicator and Targets:							
Number of beneficiaries of technical assistance and training	#	0	1000	1938	2900	3142	2020
Number of beneficiaries of technical assistance and training- Agriculture*							
Number of beneficiaries of technical assistance and training- Non-Agriculture*							
Number of beneficiaries of technical assistance and training- Agribusiness*							
Difference:	#	0	0	0	0	0	0

Date: February 18, 2009

Responsible: Ricardo Orellana, Gerente de Proyecto Desarrollo Productivo

Signature: _____



M&E Indicator Modifications

Submitted by: FOMILENIO

Country: EL SALVADOR

Project: PDP / PRODUCTION AND BUSINESS SUPPORT ACTIVITY

Indicator: Number of hectares in production with support from PDP

Modification: New Indicator

Justification: There was a need on knowing the area covered by the Project by the pilots and by Chemonics in the Regular Plan. The definition of the indicator is: Number of hectares under production with support from PDP including technical assistance and material support (pilots and normal project). The indicator will be reported by each value chain, among them horticulture, fruits, dairy and forestry, the report will be performed over the advance on attended hectares.

Indicators	Units	Baseline	Targets				
			Year 1	Year 2	Year 3	Year 4	Year 5
			Q1-Q4	Q5-Q8	Q9-Q12	Q13-Q16	Q17-Q20
			Oct 07/ Sep 08	Oct 08/ Sept 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12
Compact Targets:							
Modified Indicator and Targets:							
Number of hectares in production with support from PDP	Number						
Difference:	Number	0	0	0	0	0	0

Date: February 18, 2009

Responsible: Ricardo Orellana, Gerente de Proyecto Desarrollo Productivo

Signature: _____



M&E Indicator Modifications

Submitted by: FOMILENIO

Country: EL SALVADOR

Project: PDP / INVESTMENT SUPPORT ACTIVITY

Indicator: Amount of Investment Support fund (FIDENORTE) approved.

Modification: Target Revision

Justification: The target was reduced from US \$ 20 Million to US \$ 17 Million, following the new structure of Funds of Activity 2, the proposal Approved from MCC on february, 2009, it consists in \$17 Million to support Investment Plans (FIDENORTE), and \$2 Million for Specialized Technical Assistance, and \$2 Million in order to Administer FIDENORTE. This indicator will be reported for Agriculture and Non-Agriculture activities*.

Indicators	Units	Baseline	Targets				
			Year 1	Year 2	Year 3	Year 4	Year 5
			Q1-Q4	Q5-Q8	Q9-Q12	Q13-Q16	Q17-Q20
			Oct 07/ Sep 08	Oct 08/ Sept 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12
M&E Indicator and Targets:							
Amount of Investment Support fund (FIDENORTE) approved.	US \$ MILLION	0	0	4	5.3	7	3.7
Modified Indicator and Targets:							
Amount of Investment Support fund (FIDENORTE) approved.	US \$ MILLION	0	0	2	5.565	6.42	3.05
Amount of Investment Support fund (FIDENORTE) approved.- Agriculture*							
Amount of Investment Support fund (FIDENORTE) approved.- Non-Agriculture*							
Difference:	#	0	0	-2.035	0.285	-0.58	-0.65

Date: February 18, 2009

Responsible: Ricardo Orellana, Gerente de Proyecto Desarrollo Productivo

Signature: _____



M&E Indicator Modifications

Submitted by: FOMILENIO

Country: EL SALVADOR

Project: PDP / INVESTMENT SUPPORT ACTIVITY

Indicator: Number of loans granted by the Investment Support Fund (FIDENORTE)

Modification: Target and Indicator Name revision

Justification: The indicator name changed from "Number of beneficiaries" to "Number of loans granted", because the beneficiaries of this activity are mostly enterprises, because the minimum amount to support business plans is \$50,000, and the average credit could be around \$340,000 (\$17Mill/\$340thousand) and for this reason the target changes to 50. The description of the indicator is: Number of loans producers and entrepreneurs (MSME) that have been granted by FIDENORTE. This indicator will report on agriculture, and non-agriculture loans granted, as well as Agribusiness, without setting targets*.

Indicators	Units	Baseline	Targets				
			Year 1	Year 2	Year 3	Year 4	Year 5
			Q1-Q4	Q5-Q8	Q9-Q12	Q13-Q16	Q17-Q20
			Oct 07/ Sep 08	Oct 08/ Sep 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12
M&E Plan Targets:							
Number of beneficiaries of Investment Support Fund (FIDENORTE)			0	150	150	100	100
Modified Indicator and Targets:							
Number of loans granted by the Investment Support Fund (FIDENORTE)	#	0	0	4	15	19	12
Number of loans granted by the Investment Support Fund (FIDENORTE) - Agriculture *							
Number of loans granted by the Investment Support Fund (FIDENORTE) - Non-Agriculture *							
Number of loans granted by the Investment Support Fund (FIDENORTE)- Agribusiness *							
Difference:	#	0	0	-146	-135	-81	-88

Date: February 26, 2009

Responsible: Ricardo Orellana, Gerente de Proyecto Desarrollo Productivo

Signature: 

M&E Indicator Modifications

Submitted by: FOMILENIO
Country: EL SALVADOR
Project: PDP / FINANCIAL SERVICES ACTIVITY
Indicator: Number of guarantees granted
Modification: Indicator name and Target Revision

Justification: The original indicator name was changed, because the guarantees granted from PROGARA NORTE and SGR could be granted to the same client several times. If we leave only the "client", the information from clients that are having more than one credit guaranteed could not be identified during the DPP life, and this is the reason to have the indicator measuring the number of guarantees. Each guarantee supported by DPP has an amount of resources defined and has a beneficiary counterpart. In the case of SGR the counterpart from the beneficiary is at minimum 30% and with PROGARA the counterpart is 50%

Indicators	Units	Baseline	Targets							
			Year 1	Year 2	Year 3	Year 4	Year 5			
			Q1-Q4	Q5-Q8	Q9-Q12	Q13-Q16	Q17-Q20			
M&E Indicator and Targets:										
Number of clients who receive guarantees	Number	0	100	419	839	978	559			
Modified Indicator and Targets:										
Number of guarantees granted	Number	0	0	419	690	821	600			
Difference:	#	0	100	0	149	157	-41			

Date: February 26, 2009

Responsible: Ricardo Orellana, Gerente de Proyecto Desarrollo Productivo

Signature: _____



M&E Indicator Modifications

Submitted by: FOMILENIO
Country: EL SALVADOR
Project: PDP / INVESTMENT SUPPORT ACTIVITY
Indicator: Value of loans guaranteed
Modification: New Indicator

Justification: There is a need to report on the amount of the guarantees that PROGARA and SGR grant.
 The definition of the indicator is: Value of loans guaranteed with FOMILENIO funding, including PROGARA and SGR.
 This indicator will be reported without setting targets, and it also requires to report on agriculture, and non-agriculture guarantees, without setting targets*.

Indicators	Units	Baseline	Targets				
			Year 1	Year 2	Year 3	Year 4	Year 5
			Q1-Q4	Q5-Q8	Q9-Q12	Q13-Q16	Q17-Q20
			Oct 07/ Sep 08	Oct 08/ Sept 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12
M&E Plan Targets:							
Modified Indicator and Targets:							
Value of loans guaranteed *	US \$ Million	0	-	-	-	-	-
Value of loans guaranteed - Agriculture *							
Value of loans guaranteed - Non-Agriculture *							
Difference:	#	0	-	-	-	-	-

Date: February 26, 2009

Responsible: Ricardo Orellana, Gerente de Proyecto Desarrollo Productivo

Signature: _____



M&E Indicator Modifications

Submitted by: FOMILENIO

Country: EL SALVADOR

Project: PDP / INVESTMENT SUPPORT ACTIVITY

Indicator: Number of insurance policies issued

Modification: New Indicator

Justification: New indicator that register the Number of insurance policies issued with FOMILENIO funding (crop insurance).
Targets for this indicator could be established by the 8th quarter of the Compact.

Indicators	Units	Baseline	Targets				
			Year 1	Year 2	Year 3	Year 4	Year 5
			Q1-Q4	Q5-Q8	Q9-Q12	Q13-Q16	Q17-Q20
Compact Targets:			Oct 07/ Sep 08	Oct 08/ Sept 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12
Modified Indicator and Targets:							
Number of insurance policies issued	Number	0		TBD	TBD	TBD	TBD
Difference:	#	0	-	-	-	-	-

Date: February 26, 2009

Responsible: Ricardo Orellana, Gerente de Proyecto Desarrollo Productivo

Signature: _____



M&E Indicator Modifications

Submitted by: FOMILENIO

Country: EL SALVADOR

Project: CONNECTIVITY PROJECT / NETWORK OF CONNECTING ROADS

Indicators: Increase in income of households near the Network of Connecting Roads

Land prices along the Network of Connecting Roads

Vehicle operating costs on the Network of Connecting Roads (US\$ per pick-up truck per km)

Annual average daily traffic on the Network of Connecting Roads (vehicles per day)

Average IRI of the Network of Connecting Roads (m/km)

Kilometers of Network of Connecting Roads finished

Modification: Indicators on Hold

Justification: On July 10, 2008, the RCD sent a letter to the Executive Director in order to call the attention on the documentation of the MCC's Independent Engineer of Connectivity Project, that said "the cost estimate of the NTH alone exceeds \$240 million, which is more than the entire \$234 million MCC Compact budget allocated for both the NTH and NCR. This substantial increase, on the order of 70 percent over the original figures, would suggest the need to identify alternatives, such as changing the scope of the Connectivity Project or obtaining additional financing". In this letter on point 3, it states that "...all activities and sub-activities related to NCR should be put on hold until further notice". Therefore FOMILENIO decided not to continue with the NCR, and indicators of NETWORK OF CONNECTING ROADS have been eliminated from the M&E PLAN.

Indicators	Units	Baseline	Targets				
			Year 1	Year 2	Year 3	Year 4	Year 5
			Q1-Q4	Q5-Q8	Q9-Q12	Q13-Q16	Q17-Q20
			Oct 07/ Sep 08	Oct 08/ Sep 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12
M&E Indicator and Targets:							
Increase in income of households near the Network of Connecting Roads	%	0.0%					5.0%
Land prices along the Network of Connecting Roads	US\$/m2	\$ 1.86					\$ 1.95
Vehicle operating costs on the Network of Connecting Roads (US\$ per pick-up truck per km)	US \$	\$ 0.42					\$ 0.24
Annual average daily traffic on the Network of Connecting Roads (vehicles per day)	Number of vehicles per day	204					226
Average IRI of the Network of Connecting Roads (m/km)	m/Km	12.1					2.7
Kilometers of Network of Connecting Roads finished	Km	0	0	0	0	238	
Modified Indicator and Targets:							
All of the above indicators have been eliminated from the M&E Plan							
Difference:		0	0	0	0	0	0

Date: February 17, 2009

Responsible: José Calderón, Gerente de Conectividad Vial

Signature:



M&E Indicator Modifications**Submitted by:** FOMILENIO**Country:** EL SALVADOR**Project:** CONNECTIVITY PROJECT / NORTHERN TRANSNATIONAL HIGHWAY**Indicator:** Kilometers of Northern Transnational Highway finished**Modification:** Target revision**Justification:** Targets have been re-scheduled according to the delays of the NTH feasibility studies and final designs deliveries. The final designs have not been delivered on time, therefore this situation it is causing delays on the construction works phase. It is expected to finalize the first 13.4 kms of NTH construction on the third year of the Compact.

Indicators	Units	Baseline	Targets				
			Year 1	Year 2	Year 3	Year 4	Year 5
			Q1-Q4	Q5-Q8	Q9-Q12	Q13-Q16	Q17-Q20
			Oct 07/ Sep 08	Oct 08/ Sept 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12
M&E Indicator and Targets:							
Kilometers of Northern Transnational Highway finished	Kms	0	0	0	27	166	96
Modified Indicator and Targets:							
Kilometers of Northern Transnational Highway finished	Kms	0	0	0	13.4	31.2	236.2
Difference:	Kms	0	0	0	13.6	134.8	-140.2

Date: February 17, 2009**Responsible:** José Calderón, Gerente de Conectividad Vial**Signature:** 

M&E Indicator Modifications

Submitted by: FOMILENIO

Country: EL SALVADOR

Project CONNECTIVITY PROJECT

Indicator: Kilometer of Northern Transnational Highway with Final Design finished.

Modification: Target revision

Justification: The consultant CPB in charge of the study "Upgrading the Northern Zone Connectivity Network in El Salvador" who is doing the final design of 155 kms of NTH, has been presenting the deliverables of the contract with delay, according to Understanding Letters submitted to MOP (Ministry of Public Works in Spanish) by the consulting firm CPB. This situation is out of control of FOMILENIO, and it is delaying the process of construction works.

Indicators	Units	Baseline	Targets				
			Year 1	Year 2	Year 3	Year 4	Year 5
			Q1-Q4	Q5-Q8	Q9-Q12	Q13-Q16	Q17-Q20
			Oct 07/ Sep 08	Oct 08/ Sept 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12
M&E Plan Targets:							
Kilometer of Northern Transnational Highway with Final Design finished.	Kms		155	134			
Modified Indicator and Targets:							
Kilometer of Northern Transnational Highway with Final Design finished.	Kms	0	0	164.1	137.2	-	-
Difference:	Kms	0	155	-30.1	-137.2	-	-

Date: February 17, 2009

Responsible: José Calderón, Gerente de Conectividad Vial

Signature: _____



M&E Indicator Modifications

Submitted by: FOMILENIO

Country: EL SALVADOR
Project CONNECTIVITY PROJECT

Indicator: Kilometer of Northern Transnational Highway with construction initiated.

Modification: Target revision

Justification: The final designs have not been delivered on time, and it is causing the delays on the construction works.

Indicators	Units	Baseline	Targets				
			Year 1	Year 2	Year 3	Year 4	Year 5
			Q1-Q4	Q5-Q8	Q9-Q12	Q13-Q16	Q17-Q20
			Oct 07/ Sep 08	Oct 08/ Sept 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12
M&E Targets:							
Kilometer of Northern Transnational Highway with construction initiated.			0	135	154		
Modified Indicator and Targets:							
Kilometer of Northern Transnational Highway with construction initiated.		0	0	44.6	236.2		
Difference:							
		0	0	90.4	-82.2	-	-

Date: February 17, 2009

Responsible: José Calderón, Gerente de Conectividad Vial

Signature: _____



M&E Indicator Modifications

Submitted by: FOMILENIO

Country: EL SALVADOR

Project: COMPACT GOAL

Indicator: Gross domestic product of the Northern Zone

Modification: Indicator Eliminated

Justification: Indicator eliminated because the different technical proposals elaborated by BCR to estimate this indicator, have higher cost to the benefit on tracking the indicator. See Memoir Aide of Mission from MCC-M&E on february 13 to 21, 2009.

Indicators	Units	Baseline	Targets				
			Year 1	Year 2	Year 3	Year 4	Year 5
			Q1-Q4	Q5-Q8	Q9-Q12	Q13-Q16	Q17-Q20
			Oct 07/ Sep 08	Oct 08/ Sept 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12
Compact Indicator and Targets:							
Gross domestic product of the Northern Zone		TBD	TBD	TBD	TBD	TBD	TBD
Modified Indicator and Targets:							
Indicator eliminated							
Difference:							
		-	-	-	-	-	-

Date: February 20, 2009

Responsible: Orlando Martinez, Director de Monitoreo y Evaluación

Signature:



M&E Indicator Modifications**Submitted by:** FOMILENIO**Country:** EL SALVADOR**Project:** ACCOUNTABILITY / MONITORING AND EVALUATION ACTIVITY**Indicator:** Connectivity and Electricity impact evaluation data collection complete.**Modification:** Target revision**Justification:** DIGESTYC reported that on november 2008 had an advance of 41% on the 5,388 surveys to perform, and it is estimated to complete de data collection on april 2009. Therefore the target have been rescheduled and new targets have been defined for next years.

Indicators	Units	Baseline	Targets				
			Year 1	Year 2	Year 3	Year 4	Year 5
			Q1-Q4	Q5-Q8	Q9-Q12	Q13-Q16	Q17-Q20
			Oct 07/ Sep 08	Oct 08/ Sept 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12
M&E Plan Targets:							
Connectivity and Electricity impact evaluation data collection complete.	Date	Oct/31/08			TBD *		TBD *
Modified Indicator and Targets:							
Connectivity and Electricity impact evaluation data collection complete.	Date			Apr/09		Apr/11	Apr/12
Difference:	#	0	-	-	-	-	-

Date: February 20, 2009**Responsible:** Orlando Martínez, Director de Monitoreo y Evaluación**Signature:**

M&E Indicator Modifications

Submitted by: FOMILENIO

Country: EL SALVADOR

Project: ACCOUNTABILITY / MONITORING AND EVALUATION ACTIVITY

Indicator: Water and Sanitation and Community Infrastructure impact evaluation data collection complete.

Modification: Target revision

Justification: Targets were established for the Compact period.

Indicators	Units	Baseline	Targets				
			Year 1	Year 2	Year 3	Year 4	Year 5
			Q1-Q4	Q5-Q8	Q9-Q12	Q13-Q16	Q17-Q20
			Oct 07/ Sep 08	Oct 08/ Sept 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12
M&E Plan Targets:							
Water and Sanitation and Community Infrastructure impact evaluation data collection complete.	date			TBD *		TBD *	TBD *
Modified Indicator and Targets:							
Water and Sanitation and Community Infrastructure impact evaluation data collection complete.	date			Sep-09		Sep-11	Sep-12
Difference:	#	0	-	-	-	-	-

Date: February 20, 2009

Responsible: Orlando Martinez, Director de Monitoreo y Evaluación

Signature: 

M&E Indicator Modifications

Submitted by: FOMILENIO

Country: EL SALVADOR
Project: ACCOUNTABILITY / MONITORING AND EVALUATION ACTIVITY
Indicator: Education and Training impact evaluation data collection complete.

Modification: Target revision

Justification: Target was established for the third year of the Compact.

Indicators	Units	Baseline	Targets				
			Year 1	Year 2	Year 3	Year 4	Year 5
			Q1-Q4	Q5-Q8	Q9-Q12	Q13-Q16	Q17-Q20
			Oct 07/ Sep 08	Oct 08/ Sept 09	Oct 09/ Sep 10	Oct 10/ Sep 11	Oct 11/ Sep 12
M&E Plan Targets:							
Education and Training impact evaluation data collection complete.	date			TBD *		TBD *	TBD *
Modified Indicator and Targets:							
Education and Training impact evaluation data collection complete.	date				Feb-10		
Difference:	#	0	-	-	-	-	-

Date: February 20, 2009

Responsible: Orlando Martínez, Director de Monitoreo y Evaluación

Signature: 