



COUNTRY PROFILE



USAID/LPG

Children play at Escuela Federal Centroamericana, a school built by USAID in Usulután, eastern El Salvador. USAID supports child health and basic education.

OVERVIEW

El Salvador's increased per capita GDP and improved health statistics reflect progress since the 1992 Peace Accords and continue to demonstrate social and economic resiliency in the face of serious challenges, including two recent natural disasters—a volcanic eruption and severe flooding—that caused widespread devastation. Despite these issues, the country's economy had grown at a steady rate, even exceeding expectations, until the economic crisis in late 2008. Factors contributing to this growth include an increase in coffee, sugar, and non-traditional exports, an increase in family remittances, new investments in services, and greater tourism income. Further, in November 2006, El Salvador signed with the Millennium Challenge Corporation a five-year \$461 million anti-poverty compact that seeks to stimulate economic growth and reduce poverty in the country's northern region, where more than 53 percent of the population lives below the poverty line.



Despite these gains, El Salvador continues to face daunting development challenges, which are exacerbated by the current economic downturn. These range from high levels of rural poverty, to vulnerability to natural disasters, to an economy that falls short of providing enough good jobs to keep the population gainfully employed. El Salvador also has one of the region's highest homicide rates, with a large percentage attributable to gangs. There is also a broad consensus across Salvadoran society that another critical challenge is reducing political polarization.

USAID programs in El Salvador endeavor to create economic opportunities; promote a more transparent and efficient judiciary; support government accountability; and improve quality and access to basic healthcare and education. USAID also supports the Government of El Salvador's (GOES) efforts in combating gangs through activities to support at-risk youth. To achieve all these results, USAID actively builds public-private alliances to sustain program efforts.

EL SALVADOR SNAPSHOT

Date of independence: 1821
Population: 7.185 million
GDP (PPP): \$43.94 billion
GDP per capita (PPP): \$6,200

Source: CIA, *The World Factbook*

PROGRAMS

GOVERNING JUSTLY AND DEMOCRATICALLY

USAID programs help restore the rule of law and citizen confidence in the justice system and state institutions in El Salvador. USAID supports passage and implementation of reforms to improve the criminal justice system and stimulate more effective community partnerships with business and governments to prevent crime and offer alternatives to gangs for youth. The program also helps increase the use of alternative dispute resolution

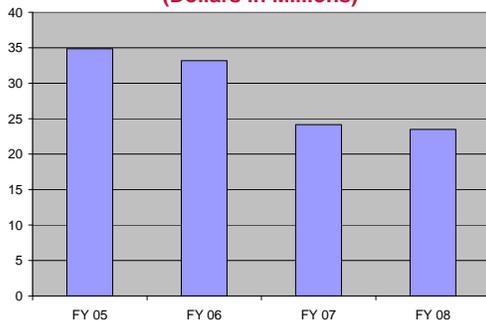


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FROM THE AMERICAN PEOPLE

COUNTRY PROFILE CONTINUED

**USAID Assistance to El Salvador
(Dollars in Millions)**



mechanisms to reduce congestion in the formal judicial system. In addition, government ethics and anti-corruption programs promote greater transparency, accountability, and responsive governance within the country. Likewise, USAID's Community-Based Crime and Violence Prevention program assists communities throughout El Salvador to find tailored solutions to combat risk factors for youth that could lead to gang recruitment.

ECONOMIC GROWTH

USAID works with the GOES and the private sector to help increase trade, support job creation and promote economic opportunities for small and medium-sized businesses as well as successful implementation of the U.S.-Central America-Dominican Republic Free Trade Agreement (CAFTA-DR).

The program helps address laws and policies that promote trade and investment, such as sound fiscal policy to increase government revenues for health and education investment. These policies will help the GOES and private sector to take full advantage of CAFTA-DR benefits. Trade capacity-building activities will increase productivity and efficiency of small and medium enterprises. In addition, USAID activities seek to strengthen Salvadoran capacity to manage and conserve two watersheds, protect biodiversity in and around protected areas, and enhance the ability of households living in key watersheds to diversify their incomes.

INVESTING IN PEOPLE

Health and education programs focus on improving maternal, child, and infant health through expanded outreach to poor areas. In addition, education programs strengthen teacher training, assist with materials development, and improve student academic achievement. These goals are being achieved by assisting the GOES to increase social sector investment and transparency; expand access to and improve the quality of child and reproductive health services; and improve the quality, equity, and efficiency of basic education in poor underserved areas. USAID programs also aim to reduce HIV transmission among high-risk groups by promoting behavior change.

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On behalf of the American people, the U.S. government has provided humanitarian assistance and economic development to those in need since the Marshall Plan.