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IMPLEMENTATION COMPLETION AND RESULTS REPORT
(IBRD-78110)

ON A

LOAN

IN THE AMOUNT OF US\$50.00 MILLION

TO THE

REPUBLIC OF EL SALVADOR

FOR AN

INCOME SUPPORT AND EMPLOYABILITY PROJECT

February 22, 2017

Social Protection and Labor Global Practice
Latin America and the Caribbean Region

CURRENCY EQUIVALENTS
(Exchange Rate Effective as of February 10, 2017)

Currency Unit = US\$

FISCAL YEAR
January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AUP	Precarious Urban Settlement (<i>Asentamientos Urbanos Precarios</i>)
CCT	Conditional Cash Transfer
CPS	Country Partnership Strategy
CS	Communities in Solidarity (<i>Comunidades Solidarias</i>)
DNC	Diagnosis of Training Needs (<i>Diagnóstico de Necesidades de Capacitación</i>)
DONE	Diagnosis of Businesses and Employment Opportunities (<i>Diagnóstico de Oportunidades de Negocios y Empleo</i>)
DOPE	Diagnosis of the Potencial Supply of Employment from Businesses (<i>Diagnóstico de la Oferta Potencial de Empleo de las Empresas</i>)
FFF	Food, Fuel, and Financial
FISDL	Social Investment Fund for Local Development (<i>Fondo de Inversión Social para el Desarrollo Local</i>)
FM	Financial Management
GDP	Gross Domestic Product
GoES	Government of El Salvador
IE	Impact Evaluation
INSAFORP	Salvadoran Institute of Professional Training (<i>Instituto Salvadoreño de Formación Profesional</i>)
IOI	Intermediate Outcome Indicator
IRR	Internal Rate of Return
KOI	Key Outcome Indicator
M&E	Monitoring and Evaluation
MINED	Ministry of Education (<i>Ministerio de Educación</i>)
MINSAL	Ministry of Health (<i>Ministerio de Salud</i>)
MJSP	Justice and Public Safety Ministry (<i>Ministerio de Justicia y Seguridad Pública</i>)
MTPS	Ministry of Labor (<i>Ministerio de Trabajo y Previsión Social</i>)
NGO	Nongovernmental Organization
OIR	Office of Information and Response (<i>Oficina de Información y Respuesta</i>)
OML	Labor Market Observatory (<i>Observatorio del Mercado Laboral</i>)
PAC	Anti-crisis Plan
PATI	Temporary Income Support Program (<i>Programa de Apoyo Temporal al Ingreso</i>)
PDO	Project Development Objective

PJET	Youth with Everything Program (<i>Programa Jóvenes con Todo</i>)
POM	Project Operational Manual
PREPAZ	General Directorate for the Social Prevention of Violence and Peace Culture (<i>Dirección de General de Prevención de Violencia y Cultura de Paz</i>)
RNE	National Employment Network (<i>Red Nacional de Empleo</i>)
RUP	Unique Registry of Beneficiaries (<i>Registro Único de Participantes</i>)
SIE	System for Employment Intermediation (<i>Sistema de Intermediación de Empleo</i>)
SIPATI	Information System of PATI (<i>Sistema de Información de PATI</i>)
SIRE	Monitoring of Indicators of Strategic Results (<i>Seguimiento de Indicadores de Resultados Estratégicos</i>)
SIS	Social Information System (<i>Sistema de Información Social</i>)
SPD	Social Protection and Development
SPSU	Universal Social Protection System (<i>Sistema de Protección Social Universal</i>)
STPP	Technical and Planning Secretariat of the Presidency (<i>Secretaría Técnica y de Planificación de la Presidencia</i>)
USAID	United States Agency for International Development

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EL SALVADOR
Income Support and Employability Project
Contents

Data Sheet	i
A. Basic Information	i
B. Key Dates.....	i
C. Ratings Summary.....	i
D. Sector and Theme Codes	ii
E. Bank Staff.....	iii
F. Results Framework Analysis.....	iii
G. Ratings of Project Performance in ISRs	vii
H. Restructuring (if any).....	vii
I. Disbursement Profile.....	ix
1. Project Context, Development Objectives and Design	1
1.1 Context at Appraisal	1
1.2 Original Project Development Objectives (PDO) and Key Indicators	2
1.3 Revised PDO (as approved by original approving authority) and Key Indicators, and reasons/justification	2
1.4 Main Beneficiaries.....	3
1.5 Original Components.....	4
1.6 Revised Components	4
1.7 Other significant changes	4
2. Key Factors Affecting Implementation and Outcomes	5
2.1 Project Preparation, Design and Quality at Entry.....	5
2.2 Implementation.....	7
2.3 Monitoring and Evaluation (M&E) Design, Implementation and Utilization	10
2.4 Safeguard and Fiduciary Compliance.....	11
2.5 Post-completion Operation/Next Phase.....	12
3. Assessment of Outcomes	12
3.1 Relevance of Objectives, Design and Implementation.....	12
3.3 Efficiency.....	14
3.5 Overarching Themes, Other Outcomes and Impacts	15
3.6 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops.....	18
4. Assessment of Risk to Development Outcome	18
5. Assessment of Bank and Borrower Performance	19
5.1 Bank Performance	19
5.2 Borrower Performance	20
6. Lessons Learned	20
7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners	22
Annex 1. Project Costs and Financing	23
Annex 2. Outputs by Component	24

Annex 3. Economic and Financial Analysis.....	41
Annex 4. Bank Lending and Implementation Support/Supervision Processes	50
Annex 5. Beneficiary Survey Results.....	53
Annex 6. Stakeholder Workshop Report and Results	54
Annex 7. Summary of Borrower's ICR and/or Comments on Draft ICR	55
Annex 8. Comments of Cofinanciers and Other Partners/Stakeholders	59
Annex 9. List of Supporting Documents	60
MAP	63

List of Figures

Figure 2.1. Cumulative Number of PATI Participants	25
Figure 2.2. Individuals Registered in the RNE per Year	28
Figure 2.3. Employers Registered in the RNE per Year.....	28
Figure 2.4. Number of Job Placements by the RNE.....	29
Figure 2.1.1. Women and Youth Participation by PATI Rounds	34
Figure 2.1.2. Type of Community Subprojects.....	36
Figure 2.1.3. The Ten Most Popular Training Courses	38
Figure 3.1. Average Wage Gain by Age (US\$).....	44
Figure 3.1.1. Reduction in Extreme Poverty Rates.....	45
Figure 3.1.2. Increase in Employment Earnings.....	46
Figure 3.1.3. Increase in Labor Market Participation	47

List of Tables

Table 1. Summary of Original and Revised Key and Intermediate Indicators	2
Table 2.1. Project Results Framework.....	32
Table 2.1.1. Evolution of PATI Design	39
Table 3.1. Basic Parameters of the Program - PATI.....	43
Table 3.2. Cost-benefit Analysis - MPED	44
Table 3.1.1. Summary of PATI Impacts	49

EL SALVADOR
Income Support and Employability Project

Data Sheet

A. Basic Information			
Country:	El Salvador	Project Name:	Income Support and Employability Project
Project ID:	P117440	L/C/TF Number(s):	IBRD-78110
ICR Date:	02/22/2017	ICR Type:	Core ICR
Lending Instrument:	Specific Investment Lending	Borrower:	Republic of El Salvador
Original Total Commitment:	US\$50.00 million	Disbursed Amount:	US\$49.39 million
Revised Amount:	US\$50.00 million		
Environmental Category: B			
Implementing Agencies:			
Social Investment Fund for Local Development (<i>Fondo de Inversión Social para el Desarrollo Local, FISDL</i>)			
Ministry of Labor (<i>Ministerio de Trabajo y Previsión Social, MTPS</i>)			
Technical and Planning Secretariat of the Presidency (<i>Secretaría Técnica y de Planificación de la Presidencia, STPP</i>)			
Cofinanciers and Other External Partners:			

B. Key Dates				
Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	08/06/2009	Effectiveness:	01/18/2011	01/18/2011
Appraisal:	10/15/2009	Restructuring(s):	—	12/16/2010 03/02/2012 08/02/2013 07/07/2014 09/14/2015
Approval:	11/24/2009	Mid-term Review:	03/04/2013	03/04/2013
		Closing:	12/31/2014	08/31/2016

C. Ratings Summary	
C.1 Performance Rating by ICR	
Outcomes:	Satisfactory
Risk to Development Outcome:	Substantial
Bank Performance:	Satisfactory

Borrower Performance:	Satisfactory
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C.2 Detailed Ratings of Bank and Borrower Performance (by ICR)

Bank	Ratings	Borrower	Ratings
Quality at Entry:	Satisfactory	Government:	Satisfactory
Quality of Supervision:	Satisfactory	Implementing Agency/Agencies:	Satisfactory
Overall Bank Performance:	Satisfactory	Overall Borrower Performance:	Satisfactory

C.3 Quality at Entry and Implementation Performance Indicators

Implementation Performance	Indicators	QAG Assessments (if any)	Rating
Potential Problem Project at any time (Yes/No):	No	Quality at Entry (QEA):	None
Problem Project at any time (Yes/No):	No	Quality of Supervision (QSA):	None
DO rating before Closing/Inactive status:	Satisfactory		

D. Sector and Theme Codes

	Original	Actual
Sector Code (as % of total Bank financing)		
Public Administration		
Public administration- Other Social Services	85	85
Education		
Vocational training	15	15

Major theme/Theme/Sub Theme Code		
Social Development and Protection		
Social Protection	25	25
Social Safety Nets	11	11
Social protection delivery systems	14	14
Human Development and Gender		
Labor Market Policy and Programs	76	76
Labor Market Institutions	38	38
Active Labor Market Programs	38	38

E. Bank Staff		
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F. Results Framework Analysis

Project Development Objectives (from Project Appraisal Document)

The project aimed to support the Government of El Salvador in its short-term response to the crisis, while at the same time contributing to the establishment of an integrated social protection system. Within this context, the project development objectives are to (i) provide temporary income support to the urban vulnerable poor; (ii) improve the coverage of labor intermediation and training services to the urban vulnerable poor; and (iii) improve the institutional capacity of the Borrower to develop an integrated social protection system.

Revised Project Development Objectives (as approved by original approving authority)

None.

(a) PDO Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1:	Number of individuals that receive PATI income support			
Value (Quantitative or Qualitative)	0	40,000	43,000	44,239
Date achieved	11/01/2009	11/25/2009	08/02/2013	08/31/2016
Comments (including % achievement)	Exceeded.			
Indicator 2:	Normative Framework for the SPSU has been approved by the SPSU Inter-sectoral Committee			
Value (Quantitative or Qualitative)	No	Yes	Yes	Approved
Date achieved	11/01/2009	11/25/2009	08/02/2013	04/03/2014
Comments (including % achievement)	Achieved. The Social Protection and Development Law (SPD) Law was enacted on April 3, 2014 by Decree No. 647. Its regulation was enacted on July 4, 2016.			

Indicator 3:	Increase in the number of 18 to 25 years old enrolled in the RNE			
Value (Quantitative or Qualitative)	3,700	11,000		127,293
Date achieved	11/01/2009	11/25/2009		08/31/2016
Comments (including % achievement)	Exceeded. The baseline of 3,700 individuals corresponds to the second quarter of 2009 and the annualized target end value would be 44,000. Target was reached after 18 additional months of project implementation			

(b) Intermediate Outcome Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1:	Percentage of individuals aged 16 years or older in targeted settlements that are covered by PATI			
Value (Quantitative or Qualitative)	0%	20%		22.4%
Date achieved	11/01/2009	11/25/2009		08/31/2016
Comments (including % achievement)	Exceeded.			
Indicator 2:	Percent of female PATI participants			
Value (Quantitative or Qualitative)	0%	60%		70.8%
Date achieved	11/01/2009	11/25/2009		08/31/2016
Comments (including % achievement)	Exceeded.			
Indicator 3:	Percentage of PATI participants that completed the training and activity requirements			
Value (Quantitative or Qualitative)	0%	90%		86.5%
Date achieved	11/01/2009	11/25/2009		08/31/2016
Comments (including % achievement)	Substantially achieved. The minor shortfall is due to the difficulties faced by youth in attending training in municipalities with high levels of crime and violence where territorial mobility is more limited.			
Indicator 4:	Percent youth among PATI participants			
Value (Quantitative or Qualitative)	0%	40%		37.4%
Date achieved	11/01/2009	11/25/2009		08/31/2016

Comments (including % achievement)	Substantially achieved. As per the qualitative evaluation, the lower than expected participation of youth was due to their perceptions that the transfer was too low, activities and training were not attractive, and mobility was difficult due to violence.			
Indicator 5:	Increase in the number of individuals enrolled in the RNE			
Value (Quantitative or Qualitative)	23,572	50,000		237,767
Date achieved	11/01/2009	11/25/2009		08/31/2016
Comments (including % achievement)	Exceeded. The exponential increase in the number of individuals enrolled in the RNE is associated with the substantial increase in the number of new employment offices.			
Indicator 6:	Number of established employment offices			
Value (Quantitative or Qualitative)	28	66		71
Date achieved	11/01/2009	11/25/2009		08/31/2016
Comments (including % achievement)	Exceeded.			
Indicator 7:	Increase in the percentage of the enrolled population in the RNE that are women			
Value (Quantitative or Qualitative)	47%	53%		51%
Date achieved	11/01/2009	11/25/2009		08/31/2016
Comments (including % achievement)	Substantially achieved. Indicator reached 96 percent of target. The percentage of women enrolled has been increasing steadily since the second year of implementation, reaching 127,747 by project closing, almost 11 times the baseline value.			
Indicator 8:	Increase in the percentage of the enrolled population without complete secondary education			
Value (Quantitative or Qualitative)	41%	60%		57%
Date achieved	11/01/2009	11/25/2009		08/31/2016
Comments (including % achievement)	Substantially achieved. Indicator reached 95 percent of target; 134,722 individuals without secondary education had enrolled by project closing, a number almost 14 times the baseline value.			
Indicator 9:	Number of new employers enrolling in the RNE			
Value (Quantitative or Qualitative)	384	800		5,401
Date achieved	11/01/2009	11/25/2009		08/31/2016
Comments (including % achievement)	Exceeded.			
Indicator 10:	Number of employment fairs organized			
Value	32	50		235

(Quantitative or Qualitative)				
Date achieved	11/01/2009	11/25/2009		08/31/2016
Comments (including % achievement)	Exceeded.			
Indicator 11:	Number of job seekers participating in employment fairs			
Value (Quantitative or Qualitative)	21,860	40,000		118,294
Date achieved	11/01/2009	11/25/2009		08/31/2016
Comments (including % achievement)	Exceeded.			
Indicator 12:	Labor Market Monitoring Unit (<i>Observatorio del Mercado Laboral, OML</i>) up and running			
Value (Quantitative or Qualitative)	No	Yes		Yes
Date achieved	11/01/2009	11/25/2009		08/31/2016
Comments (including % achievement)	Achieved.			
Indicator 13:	Percentage of <i>Comunidades Solidarias</i> participants registered in the Unique Registry of Beneficiaries (RUP)			
Value (Quantitative or Qualitative)	0%	75%		66.7%
Date achieved	11/01/2009	11/25/2009		08/31/2016
Comments (including % achievement)	Partially achieved. The STPP had not continued collecting information for the RUP because of lack of budgetary allocation. An agreement with MINSAL has added the RUP variables to the 'Family Health Record' so that the information can be collected for 94 new municipalities.			
Indicator 14:	Percentage of programs of <i>Comunidades Solidarias</i> which incorporated their programmatic offer into the Social Information System of the SPSU			
Value (Quantitative or Qualitative)	0%	75%		25%
Date achieved	11/01/2009	11/25/2009		08/31/2016
Comments (including % achievement)	Not achieved. The integration of key databases of social programs into the RUP was delayed because of the lack of unique identification for beneficiaries and lack of compatibility among databases. Interinstitutional agreements have been signed to achieve this integration.			
Indicator 15:	Normative framework for the Unique Registry of Beneficiaries (RUP) approved by the SPSU Inter-sectoral Committee			
Value (Quantitative or Qualitative)	No	Yes		Yes

Date achieved	11/01/2009	11/25/2009	14/03/2013
Comments (including % achievement)	Achieved. The SPD Law, its regulation, and the RUP's Operations Manual were approved.		

G. Ratings of Project Performance in ISRs

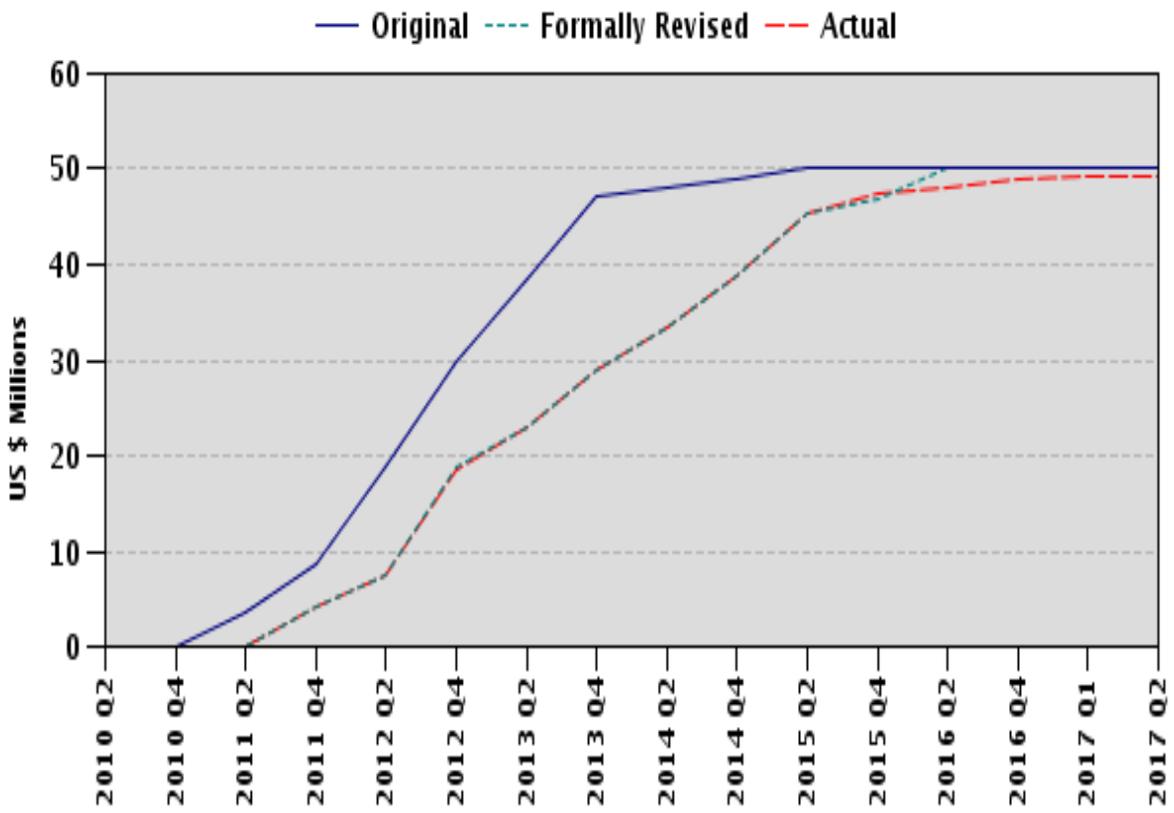
No.	Date ISR Archived	DO	IP	Actual Disbursements (US\$, millions)
1	06/03/2010	Moderately Satisfactory	Satisfactory	0.00
2	12/11/2010	Moderately Satisfactory	Satisfactory	0.00
3	07/30/2011	Moderately Satisfactory	Satisfactory	5.41
4	02/05/2012	Moderately Satisfactory	Satisfactory	10.32
5	09/21/2012	Moderately Satisfactory	Satisfactory	18.71
6	02/25/2013	Moderately Satisfactory	Satisfactory	26.14
7	08/14/2013	Moderately Satisfactory	Satisfactory	28.95
8	03/26/2014	Moderately Satisfactory	Satisfactory	36.12
9	10/15/2014	Moderately Satisfactory	Satisfactory	42.58
10	04/27/2015	Moderately Satisfactory	Satisfactory	46.76
11	11/12/2015	Moderately Satisfactory	Satisfactory	47.87
12	05/18/2016	Moderately Satisfactory	Satisfactory	48.79
13	08/25/2016	Satisfactory	Satisfactory	48.91

H. Restructuring (if any)

Restructuring Date(s)	Board Approved PDO Change	ISR Ratings at Restructuring		Amount Disbursed at Restructuring in US\$, millions	Reason for Restructuring and Key Changes Made
		DO	IP		
1	12/16/2010	—	—	0.0	(a) To assign to Salvadoran Institute of Professional Training (<i>Instituto Salvadoreño de Formación Profesional</i> , INSAFORP) the leading role in defining the technical orientation and content of PATI trainings. (b) To change disbursement modality to an output-based one to transfer funds to INSAFORP. This involved the creation of a new spending category and corresponding fund allocation to finance the training.
2	03/02/2012	MS	S	10.3	(a) To redefine the eligibility activities under 'Operating Cost' to include incremental salary cost of locally contracted

					<p>employees of the executing agencies.</p> <p>(b) To reallocate US\$260,000 from Component 3 to Component 1 to finance PATI's impact evaluation (IE).</p>
3	08/02/2013	MS	S	29.07	<p>(a) To revise 7 intermediate indicators in the Results Framework, including increasing the number of PATI beneficiaries from 40,000 to 43,000.</p> <p>(b) To modify fiduciary arrangements to create a new separate Designated Account for Component 2, managed by the Ministry of Labor (<i>Ministerio de Trabajo y Previsión Social, MTPS</i>).</p> <p>(c) To reallocate US\$3.5 million from Component 2 to Component 1 (US\$3.2 million) and Component 3 (US\$0.3 million).</p>
4	07/07/2014	MS	S	38.82	<p>(a) To extend the closing date from December 31, 2014, to December 31, 2015, to finalize project activities since the initial delay in project effectiveness affected the implementation schedule.</p> <p>(b) To reallocate resources within activities of Component 1 (US\$0.85 million).</p>
5	09/14/2015	MS	S	47.88	<p>(a) To extend closing date from December 31, 2015, to August 31, 2016.</p> <p>(b) To reallocate US\$0.2 million from Component 1 to Component 3.</p> <p>The rationale for these changes was to ensure continuation and implementation of key activities supporting the new Government youth employment strategy highlighted in the Five-Year Plan for Development of the new administration.</p>

I. Disbursement Profile



1. Project Context, Development Objectives and Design

1.1 Context at Appraisal

1. **Country context.** By the time of the project appraisal in 2009, El Salvador was in the midst of the food, fuel, and financial (FFF) crisis. Gross domestic product (GDP) growth decelerated from 4.7 percent in 2007 to 1.3 percent in 2008, and exports shrank by 16 percent (*maquila*¹ exports declined by 23.4 percent), both in the first five months of 2009. Remittances, which represented almost 18 percent of the GDP in 2008, declined by more than 10 percent in 2009, while fiscal revenues declined by 11.7 percent in the first half of 2009. More than 30,000 formal jobs were lost between September 2008 and April 2009, 25,000 of them in the *maquila* sector alone. The FFF crisis had a particular impact on urban areas because of the location of *maquilas* and the incidence of remittances (58 percent in urban areas). Therefore, urban areas faced a relatively larger impact of the crisis and had a higher concentration of El Salvador's poor population (58 percent) than rural areas.

2. **Government strategy.** To address the impacts of the FFF crisis, the Government of El Salvador (GoES) launched the comprehensive Anti-crisis Plan (PAC) in June 2009. The PAC comprised short- and medium-term interventions to alleviate the adverse impacts of the crisis. As part of the PAC, the Government identified the need to establish a Universal Social Protection System (*Sistema de Protección Social Universal*, SPSU) with a 'rights-based approach' to provide a minimum standard of services and economic opportunities. The core of the initiative was the Communities in Solidarity (*Comunidades Solidarias*, CS) Program approved by the Executive Decree No. 56 (October 9, 2009). The CS Program had two areas of intervention: (a) Rural Communities in Solidarity (*Comunidades Solidarias Rurales*), focusing on continuing the existing conditional cash transfer (CCT) program, formerly known as *Red Solidaria*, in the 100 poorest municipalities, and (b) Urban Communities in Solidarity (*Comunidades Solidarias Urbanas*). The CS has four strategic priorities: human capital, basic social infrastructure, income generation, and territorial management. For income generation, the GoES had identified the need to design and implement a Temporary Income Support Program (*Programa de Atención Temporal al Ingreso*, PATI). In addition, the Government defined an employment strategy for strengthening labor market intermediation to improve economic opportunities for the poor. To articulate all these policies and streamline the coordination and policy decision-making process, the GoES restructured and strengthened the role of the Technical and Planning Secretariat of the Presidency (*Secretaría Técnica y de Planificación de la Presidencia*, STPP).

3. **Rationale for World Bank involvement.** The administration that took office in June 2009 requested World Bank assistance to support its PAC. The project was designed in line with the proposed World Bank Group's Country Partnership Strategy (CPS) 2009–10 (World Bank 2009) and the Human Development for Poverty Reduction analytical work. Both documents had prioritized support to the GoES in mitigating short-term impacts of the crisis and the creation of an SPSU. The project focused on areas in which the World Bank had global expertise such as (a) income support and temporary employment programs, training, and labor intermediation

¹ *Maquilas* are export-oriented industries.

programs; (b) CCT programs; and (c) strengthening of the Government’s institutional capacity to design and implement national social policies.

4. **Higher-level objectives to which the project contributes.** The project supported the GoES in bridging short-term responses to the crisis and medium-term interventions within a comprehensive social strategy framework. In this context, the project contributed to the design of the *CS Urbanas* by developing the ‘income and employment’ pillar. The short-term needs for income support are articulated with the medium-term objective to enhance employability through labor market intermediation and training.

5. The project directly addressed two of the three objectives identified by the World Bank’s CPS: (a) to strengthen delivery of social services by providing a Temporary Income Support Program for the urban poor and the design of the SPSU, and (b) to increase economic opportunities, particularly for the poor, by extending the coverage of labor intermediation and training programs.

1.2 Original Project Development Objectives (PDO) and Key Indicators

6. The PDOs were to (a) provide temporary income support to the urban vulnerable poor; (b) improve the coverage of labor intermediation and training services to the urban vulnerable poor; and (c) improve the institutional capacity of the Borrower to develop an integrated social protection system.

7. The key indicators linked to these PDOs as originally stated were (a) 40,000 PATI participants received their income support; (b) Participation of 18–25-year-old individuals without secondary education in the National Employment Network (*Red Nacional de Empleo*, RNE) increases by 200 percent nationwide; and (c) Approval of a regulatory framework for the institutional coordination of the SPSU.

1.3 Revised PDO (as approved by original approving authority) and Key Indicators, and reasons/justification

8. While the PDOs were not modified during the project’s lifetime, the wording of some indicators was revised to improve the articulation of what was being measured. In addition, some intermediate results were adjusted to more accurately reflect project objectives, targets, and progress as well as to keep consistency with Government priorities. These changes were made through the third restructuring that took place on July 30, 2013. Table 1 summarizes the changes made to the indicators.

Table 1. Summary of Original and Revised Key and Intermediate Indicators

Component	Indicator Type	Original Indicators	Revised Indicators	Justification
1	PDO	40,000 PATI participants received their income support during their stay in the program.	Number of individuals that receive PATI income support (end target increased to 43,000).	Changed to reflect the scale-up of PATI activities including piloting PATI in municipalities with high crime rates to target youth, ages 16–24.

Component	Indicator Type	Original Indicators	Revised Indicators	Justification
	IOI	Percentage of the households in targeted settlements that are covered by PATI.	Percentage of individuals aged 16 years or older in targeted settlements that are covered by PATI.	Changed to reflect more accurately that the program targets individuals.
2	IOI	Educational and occupational training strategy completed and discussed with relevant actors.	Dropped	This activity was no longer a priority of the Government.
3	PDO	Regulation for the SPSU Inter-Institutional Coordination has been approved by the ministerial-level SPSU Inter-sectoral Committee.	Normative framework for the SPSU has been approved by the SPSU Inter-sectoral Committee.	Rephrased to better articulate the outcome being measured.
	IOI	Percentage of frameworks that define institutional coordination guidelines approved and implemented.	Dropped	Dropped to formulate a new indicator with a more accurate wording of the coordination process.
	IOI	Normative framework for the Unique Registry of Beneficiaries (RUP) has been approved by the SPSU Inter-sectoral Committee.	New	Replaced indicator above with a more precise wording regarding the RUP.
	IOI	Percentage of <i>Comunidades Solidarias</i> participants registered in the Unified Registration System.	Percentage of <i>Comunidades Solidarias</i> participants registered in the Unique Registry of Beneficiaries (RUP).	Rephrased to be more accurately aligned with the name of the registration document.
	IOI	Percentage of <i>Comunidades Solidarias</i> programs which incorporated Social Information System of the SPSU.	Percentage of programs of <i>Comunidades Solidarias</i> which incorporated their programmatic offer into the Social Information System of the SPSU.	Rephrased for clarity.

Note: IOI = Intermediate Outcome Indicator.

1.4 Main Beneficiaries

9. The primary beneficiaries of the project were the urban vulnerable poor. Under Component 1, PATI was designed to cover 40,000 individuals living in 43 urban municipalities that included the largest number of people living in precarious urban settlements (*Asentamientos Urbanos Precarios*, AUPs). The selected 43 municipalities covered about 56 percent of the country's total urban population and included 548 settlements with the most extreme level of precariousness. The number of beneficiaries was later expanded to 43,000 individuals as a result of the scale-up of PATI activities. Component 2 aimed to enroll 50,000 individuals in the RNE in an effort to provide labor intermediation and training services to the urban vulnerable poor. Component 3, however, had a national scope. By supporting the design and development of the SPSU, this component supported the coordination of the Social Protection Policy and the continuity of social programs

that, based on impact evaluations (IEs), have had impacts on poverty and inequality reduction. Other beneficiaries were staff of the STPP, Social Investment Fund for Local Development (*Fondo de Inversión Social para el Desarrollo Local*, FISDL), MTPS, and municipal officials, as their capacities were strengthened to coordinate and implement the project.

1.5 Original Components

10. The project financed activities under three components:

- (a) **Component 1: Support the design and implementation of the Temporary Income Support Program (US\$37.3 million).** This component was delivered through four subcomponents: 1.1. Financing transfers of the Temporary Income Support Program (PATI); 1.2. Training and delivery for PATI participants; 1.3. Institutional strengthening of FISDL; and 1.4. Institutional strengthening of municipalities.
- (b) **Component 2: Strengthening of labor intermediation, information and occupational training systems (US\$10.3 million).** This component had three subcomponents: 2.1. Strengthening the labor intermediation system; 2.2. Strengthening labor market information system and statistics; and 2.3. Strengthening the occupational training system.
- (c) **Component 3: Support the design and development of the Universal Social Protection System (SPSU) (US\$2.4 million).** This component included two subcomponents: 3.1 Improvement of the STPP's institutional capacity and 3.2. Design and implementation of key tools for the development of Social Protection Policy design.

1.6 Revised Components

11. The components did not change, but some indicators under each component were revised as indicated in section 1.3. In addition, some implementation arrangements were modified to facilitate project execution.

1.7 Other significant changes

12. There were five restructurings of the project, specified in section H of the datasheet. The third one, carried out on July 30, 2013, was fundamental to help the project get back on track after the initial delays in implementation of Component 2. This restructuring introduced changes in seven indicators in the Results Framework (as explained in section 1.3). However, these changes were mostly clarifications and did not involve changes in the substance of the indicators. Most importantly, the restructuring modified arrangements to give the MTPS fiduciary and financial responsibility for Component 2. The FISDL's fiduciary management of Component 2 had overstretched the FISDL's capabilities, resulting in significant delays, slow disbursement, and limited ownership of activities by the MTPS, the technical implementing agency for the component. This restructuring also dropped an intermediate outcome indicator (IOI) funded under Component 2 since it was no longer a priority for the GoES. Funds were reallocated from Component 2 to Components 1 and 3 to reflect this change in priorities.

2. Key Factors Affecting Implementation and Outcomes

2.1 Project Preparation, Design and Quality at Entry Soundness of Background Analysis

13. The project capitalized on the Government's capacity developed over many years of engagement with the World Bank. The World Bank had been a key partner in supporting successive governments in the reform and strengthening of social sectors since the Peace Accords in 1992. In this context, there was an ongoing dialogue and an extensive amount of analytical and technical work available to the team that provided a strong background on the social, economic, and fiscal vulnerabilities of the country. The Income Vulnerabilities and Poverty in El Salvador technical report (World Bank 2010) was particularly key because it provided an updated picture of the poverty and social dimensions of El Salvador. Its policy recommendations laid the foundation for the design of the new project.

14. At the time of appraisal, the World Bank had ample experience in the Latin America and the Caribbean Region, implementing safety nets and labor market programs. In El Salvador, the World Bank was a key technical partner in the design and implementation support of *Red Solidaria*—El Salvador's CCT flagship program in rural areas—and had also supported the development of the Poverty Map to improve the targeting of social programs. This experience provided several lessons to be incorporated into the project, such as avoiding complexity in design and building political consensus among all stakeholders. It also provided valuable information to assess the capacity of the implementing agencies, specifically the STPP and the FISDL.

Assessment of Project Design

15. The design of the project was highly relevant. After considering several policy options, the Government and World Bank team identified the need for a program that could be rolled out quickly and that could provide relatively large coverage to ameliorate the income losses of the urban poor in the face of the FFF crisis. Therefore, the project articulated a short-term response with regard to income support, conditioned on participation in community subprojects and training, and a medium-term approach by enhancing employability through labor market intermediation and training programs, all while consolidating the interventions in an SPSU in which the CS, the pillar of the noncontributory social protection programs, was at the core of the system. The relevance of this approach was confirmed when Hurricane Ida ravaged the country in November 2009 and the GoES, with funds from the U.S. Agency for International Development (USAID), rolled out the PATI-Ida project as an emergency response to help the hardest-hit areas of the country.

16. The design benefited from the lessons learned from two pilots of PATI conducted in 2009 by the GoES, using its own financing, in the municipalities of Ahuachapán and San Martín. The evidence from the pilots supported a revision of the contracting process for trainers and motivated a first restructuring before project effectiveness. The restructuring introduced an output-based disbursement modality to transfer funds from the FISDL to the Salvadoran Institute of Professional Training (*Instituto Salvadoreño de Formación Profesional*, INSAFORP) based on the number of individuals that completed their training, instead of assuming a traditional disbursement

mechanism that would have paid for training inputs. It also allowed the team to assess the capacities of the FISDL and the municipalities in the context of the new intervention.

17. Even though the PDOs were well suited for the country context, IOIs 13 and 14 were outside the control of the GoES because there were no resources assigned from the project to collect information for building the Unique Registry of Beneficiaries (*Registro Único de Participantes*, RUP) and for consolidating the Social Information System (*Sistema de Información Social*, SIS). The IOIs for this component also did not fully reflect all the activities the STPP had to implement as the coordinator of the social protection sector.

Adequacy of Government Commitments

18. Assigning the STPP as the strategic coordinator of social policy demonstrated the commitment of the GoES to building an SPSU. In addition, the GoES prioritized the need to build capacity of the implementing institutions, particularly the technical and operational capacity of the local governments.

Risk Assessment

19. The two risks identified as Substantial were the most relevant and were effectively mitigated. The first was obtaining Congressional approval for the World Bank loan. In 2009, the country was going through a historical political transition as the opposition party was assuming the Presidential office for the first time in 20 years. The political environment was highly polarized between two political parties and the new administration did not have the required majority to approve World Bank loans in the Salvadoran Congress. To mitigate this risk, the new administration and the Country Management Unit engaged in a policy dialogue and consensus-building process with all the relevant stakeholders. The loan eventually was presented to Congress with a package of loans for which there was broader support. As a result, in August 2010, the loan was approved with the highest majority of votes among projects submitted to Congress.

20. Financial management (FM) and disbursement was considered as another Substantial risk because of the large numbers of payments to be made under PATI and their geographical spread. It was also considered a risk that the project's fiduciary staff would spend funds in activities not directly related to the PDOs or would finance activities already funded by other projects/donors. This risk was mitigated by including operational audits in PATI's Project Operational Manual (POM) and by strengthening the capacity of the STPP and the FISDL.

21. As the project was designed to intervene in areas with high crime rates and, therefore, faced risks associated with gang presence, the World Bank capitalized on the experience and capacity of municipalities and the FISDL to execute activities in areas where gangs were operating. The municipalities were able to organize the implementation of PATI activities, taking into account the territorial divisions and establishing local measures and safety protocols to keep program participants and staff safe.

2.2 Implementation

(a) Factors Outside the Control of Government or Implementing Agencies

22. **Gang violence.** The presence and territorial influence of gang organizations (*maras*) affected the implementation of PATI at the local level. There are two main gangs—Mara Salvatrucha and Mara 18—that have strong influence in specific areas across neighborhoods with invisible borders that individuals must respect. This territorial fragmentation affects the mobility of the program personnel and participants given the risk of coercion, violence, and persecution by gang members or police. This situation affected program participation as some youth would refrain from applying to the program and others would register but then drop out. Municipal governments implemented an array of measures on the ground to manage this situation, including issuing participants' identification cards with program information so youth would not be mistaken as gang members by the police during program activities; involving community leaders in monitoring and protecting participants during program activities; and not making public the dates on which the transfers were paid. The municipal team responsible for PATI implementation (coordinators, monitors, municipal counterparts, assistants) was strengthened to ensure program functioning. Owing to all these measures, PATI operations continued without major incidents, although a small number of beneficiaries reported not being able to attend trainings because of threats from gang members. It should be noted that if beneficiaries did not complete training they were not eligible to receive the transfers, and PATI did not contemplate remedial measures to help participants in those cases.

23. **Mass media and program perception.** The last period of implementation coincided with the 2014 presidential electoral process and the media broadcasted information about gang members benefiting from the PATI-Ida project, an intervention that used the PATI operational model but was supporting a different set of municipalities affected by Hurricane Ida. These news triggered administrative investigations and special audits by the FISDL and USAID, both of which found the claims to be unsubstantiated. However, USAID pulled its funding for some of the municipalities under the argument that there was a potential risk that individuals involved in illegal activities could become involved in the program. Even though the issue was resolved, these media reports affected public perception of the program among some segments of the population. When similar news had emerged in 2013, the GoES responded with a media strategy, but the 2014–15 media reports did not receive significant attention from the Government.

(b) Factors Generally Subject to Government Control

24. **Effectiveness of the project was delayed.** There was a delay in project effectiveness of more than one year after the loan was approved by the World Bank. This in turn affected the schedule of implementation and disbursements. Although the World Bank had a history of engagement with the GoES since 1992, this project was the first investment operation in the last five years and needed to be approved by the Salvadoran Congress before it could go into effect. Moreover, the incoming administration had no experience with World Bank operations and, therefore, required a strong and rapid immersion on World Bank policy and processes. These factors, combined with the political polarization, made it difficult to estimate the timing of Congressional approval.

25. **Alignment of priorities and commitments of Government authorities.** The Funes administration established the SPSU, which provided the strategic framework for social programs, as a GoES priority. This political will aligned ministries and other institutions involved in the SPSU and facilitated the implementation of a system that was complex because of the amount of interinstitutional coordination required. The involvement and commitment of the institutional authorities ensured the provision of clear priorities that facilitated the consolidation of technical teams and adequate resources. This commitment translated into good coordination and the creation of synergies among institutions. An example of this collaboration is the STPP and the Ministry of Health (*Ministerio de Salud*, MINSAL) coordination to collect information on the CS for the RUP.

26. **Change in government administration and priorities.** In June 2014, the new Sanchez Cerén administration took office and introduced changes in priorities as a response to the new socioeconomic context. According to the Five-Year Plan for Development 2014–2019, the three new priorities of the GoES are to (a) stimulate productive employment, (b) bolster education with social inclusion, and (c) strengthen citizen security. Under this framework, the GoES developed a strategy for Youth Employment and Employability and, in February 2016, launched the Youth with Everything Program (*Programa Jóvenes con Todo*, PJET). This shift in priorities affected the implementation of the project in several areas. First, the STPP took over broader responsibilities for national strategic planning, diverting the attention from its role in the implementation of the SPSU. The SPSU coordinating team transitioned into a Unit of Strategic Programs, which included the strategic programs under the Five-Year Plan for Development belonging to the social sector as well as to other sectors. Second, the GoES funding for the collection of household information for the RUP was reallocated to the new administration priorities. All of this resulted in delays under the SPSU, including in the approval of the Regulation of Social Protection and Development (SPD) Law, which was approved two years after the law was enacted.

27. **The new priorities also introduced changes in Component 1.** The new PJET is exclusively targeted to youth and, unlike PATI, it does not have the community subproject element. The PJET transfer is conditioned on receiving two months of life- and work-skills training and participating in technical training, remedial education, or entrepreneurship and business development programs. During its eighth round, PATI was redesigned to support the new GoES strategy and facilitate the transition to the PJET. The eighth round PATI version served to pilot design elements that later constituted the base for the new PJET. In this context, the eighth and last round of PATI limited the participants' age to 16–29 years, doubled the hours of technical training to 160 hours, and introduced a new module of 64 hours to offer life skills training.

(c) Factors Generally Subject to Implementing Agencies

28. **Flexibility of institutions to adjust the program.** The commitment and flexibility of the implementing institutions was key to overcome many difficulties. The STPP, FISDL, municipalities, and the MTPS were able to adjust the project and to look for alternative solutions when it was needed to achieve outcomes. There were several factors that allowed for this flexibility, such as stability and commitment of the technical teams, mechanisms for constant feedback and good coordination, local knowledge, and flow of information within technical teams and implementing agencies.

29. **Key local government ownership.** The project took PATI and job intermediation services to areas that had not been attended by the GoES before and relied significantly on local government capacity. One of the objectives of Component 1 was precisely to increase the technical and operational capacity of the municipalities with regard to the project cycle management and local governance, particularly in identification, prioritization, and selection of participants, and formulation, management, and supervision of community subprojects. The FISDL provided support and supervision to municipalities in program implementation guaranteeing the compliance with standard operational procedures established in the POM. While the FISDL supported low-capacity municipalities with technical and logistic assistance, local governments with more capacities took advantage of PATI to enrich their own local development strategies. This coordination avoided the disruption of community dynamics because of project implementation and exploited social networks to ensure ownership by communities and municipalities.

30. **Adequate measures against political manipulation of PATI.** Given the political polarization of the country and the role of local governments in implementation, PATI could have been an easy target for political manipulation during electoral periods. However, the FISDL implemented an array of measures to protect the program, including an open agreement with municipalities to avoid political manipulation.² These agreements were aimed at (a) defining specific measures to explicitly shield the program from potential electoral use; (b) providing training and sensitization to the municipalities on the application of the Government Ethics Law; (c) preparing a communications campaign focused on the rights and responsibilities of program participants; and (d) habilitating the FISDL's Office of Information and Response (*Oficina de Información y Respuesta*, OIR) to receive feedback and complaints from community members.

31. **The STPP adopted a flexible approach to avoid financial restrictions.** The implementation of the RUP and the SIS under the STPP faced budgetary restrictions. The STPP partnered with MINSAL and used the Community Family Health and Specialized Teams (*Equipos Comunitarios de Salud Familiar y Especializados*) from MINSAL to collect household information through the 'Family Health Record' (*Ficha Familiar de Salud*) rather than a more expensive and complex arrangement with the General Directorate of Statistics and Censuses (*Dirección General de Estadística y Censos, DIGESTYC*). This was the most cost-effective method as it only required strengthening MINSAL capacities by providing technical assistance and equipment for data collection. This alternative approach was also the most sustainable in technical terms because the MINSAL census allows for not only the collection of new household information but also updating of the information from the CS that is already in the RUP. The achievement of this IOI (IOI 13, RUP coverage), however, depended on the timing of MINSAL activities. The STPP had also established dialogue and bilateral agreements with the government institutions implementing social programs for the transfer of information to be incorporated into the SIS. The bureaucratic nature of these agreements and the lack of common identifiers contributed to the delays in IOI 14.

² See <http://www.transparenciaactiva.gob.sv/verifican-blindaje-del-pati-para-evitar-clientelismo-politico>.

2.3 Monitoring and Evaluation (M&E) Design, Implementation and Utilization

M&E Design

32. The PDO, key outcome indicators (KOIs) and most IOIs were clear and easy to monitor, in part because there were mostly formulated as output indicators to make sure they did not include factors outside the GoES control. Minor weaknesses in the Results Framework included some intermediate indicators that were affected by factors outside of Government control, such as the lack of funding to complete the collection of information for the RUP and, in the case of indicators measuring PDO 3, that did not completely capture all the activities the STPP was implementing to develop an integrated SPSU.

33. Each component implemented its own M&E system to track achievement of targets. Even though outcome indicators such as income and employment gains were not explicitly formulated, they were still measured by the IE and also by the System for Employment Intermediation (*Sistema de Intermediación de Empleo*, SIE), which monitored the number of people who were able to find a job through the employment offices. In addition to the IE and qualitative evaluations, the FISDL carried out process evaluations in some of the PATI rounds. The World Bank also implemented a Public Works Assessment tool on PATI to evaluate the design and implementation of the program (World Bank 2014).

M&E Implementation

34. The information system of PATI (*Sistema de Información de PATI*, SIPATI) was not implemented until 2014. Before that, all monitoring and statistics were managed in MS Excel forms. SIPATI automated the collection of information and was integrated with the information system of INSAFORP to track the participation of participants in the training. INSAFORP adapted an information system that the municipalities could use to update online information about the participants. However, SIPATI did not follow up with individuals after their participation in the program. SIPATI used the code of individual contracts signed with each participant, while the SIE used the national Unique Identification Document (*Documento Único de Identidad*, DUI). The SIE was an older system than SIPATI as it had been used by the RNE before the project. Although the SIE collected information from PATI participants as they were registered into the RNE, this information on labor intermediation and employment was not recovered by SIPATI.

35. The STPP's Monitoring of Indicators of Strategic Results (*Seguimiento de Indicadores de Resultados Estratégicos*, SIRE) is the results of efforts to consolidate the monitoring system by working with different implementing institutions. These included the testing of the institutional modules, providing training, and defining institutional counterparts for the updating and validation of the information. Regarding the evaluation system, the STPP has developed a conceptual framework and has pilot tested tools and processes for the evaluation of social programs.

M&E Utilization

36. SIPATI was used for internal monitoring, reporting progress in achieving the objectives of PATI, and providing information and solving claims at the FISDL's OIR. The SIE is the main tool

for labor intermediation services. It is used to build the profile of the job searcher and match it with potential job opportunities available in the municipal districts. The system keeps track of the status of clients' job search, including when they were successfully matched with a job opportunity. SIRE is used to monitor progress toward the indicators of the Five-Year Plan for Development 2014–2019 and it is considered as a managerial tool to track the effectiveness of social programs and to provide analytical inputs to policy makers. Similarly, the inventory of evaluations of social programs is publicly available so that it can be used by researchers, consultants, and national and international organizations.³

2.4 Safeguard and Fiduciary Compliance

37. **Safeguards.** Environmental Assessment (OP/BP 4.01) was triggered by the project. It was not expected that PATI subprojects would lead to any significant adverse environmental impacts given their small scale. However, the project was categorized as 'B' for environmental risk as subprojects included rehabilitation of social infrastructure among others. Because of this, PATI activities needed to comply with the FISDL's existing environmental guidelines. During the Midterm Review, the team pointed out that many of the subprojects had not submitted information on their environmental viability. The assessments were done too generically without assessing possible harmful environmental effects. To address this issue, the team requested the FISDL to integrate the Environmental Monitoring Framework instruments in the PATI guidelines. The FISDL produced a Guide for Environmental Best Practices to be applied in all PATI subprojects. It also appointed dedicated staff to monitor the compliance with the guide and to increase the capacity at Environmental Municipal Units. The changes were useful at sensitizing PATI's local teams regarding environmental issues and generated a better articulation with local government environmental representatives. As a result, the ratings increased to Highly Satisfactory for the remaining life of the project. The project did not trigger any of the World Bank social safeguards policies.

38. **Procurement.** Procurement processes were rated as Satisfactory for most of the project's lifetime. The team provided training sessions in procurement and financial procedures to technical teams in the FISDL after initial bottlenecks were identified. The STPP, on the other hand, was more organized in procurement matters given its experience with World Bank projects. The MTPS staff was also trained to ensure smooth transition in the execution of Component 2. Procurement ratings were downgraded to Moderately Satisfactory during the last year of the project given the moderate shortcomings in Borrower procurement processes and contract administration found in all implemented agencies during the June 2016 mission.

39. **Financial management.** The FM ratings started out as Satisfactory as planning, budgeting, accounting, internal controls, flow of funds, financial reporting, and auditing arrangements were adequate. The ratings were downgraded to Moderately Satisfactory by mid-project because of a small number of ineligible expenditures. Moderate shortcomings continued to be present, but these did not prevent the timely and reliable provision of information required to manage and monitor implementation. These shortcomings were mostly related to the internal control system, specifically related to the transfer component, such as the verification of eligibility criteria, or documentation of such eligibility that needed to be strengthened. Additionally, there were

³ The portal for the evaluation observatory can be accessed at <http://www.sne.gob.sv/apps/evaluacion/>.

significant delays in the resolution of questionable expenditures identified by the auditors. The FISDL is working on gathering supporting documents that should lead to the resolution of these findings.

2.5 Post-completion Operation/Next Phase

40. After the economic crisis of 2009, the changing needs of the country suggested the need for a different balance between social protection components. In fact, as mentioned earlier, the eighth and last PATI round focused its attention exclusively on youth and increased the amount of training hours. While this was indicative of the new policy direction toward the PJET, retaining the PATI experience and institutional capacity is critical to respond to future emergency responses as the two programs have different objectives and serve different populations.

41. The capacity built under this project is being utilized under a new World Bank lending operation requested by the GoES to support the PJET. In the PJET, PATI's modest training and community activities are now replaced by social-emotional skills training and a labor market services after which the youth can opt for one of three formation interventions which includes technical training, remedial education, and entrepreneurship trainings. The design of the new project stresses the SPSU as the framework that articulates social policy in El Salvador and provides a follow up to Components 2 and 3 from this project to further strengthen and consolidate labor intermediation services. Finally, the SPD Law and its regulation support the continuity of social programs that have a proven record of impact on desired outcomes like poverty reduction or employability.

3. Assessment of Outcomes

3.1 Relevance of Objectives, Design and Implementation

Relevance: Substantial

42. The project objectives, design, and implementation were and continue to be highly relevant, and the core design features of the project, such as the use of cash transfers to incentivize beneficiary participation, the training provision, and the use of the RUP for targeting beneficiaries, are being used for the newly implemented PJET under the new administration. In addition, this design has been the basis for the formulation of the new social protection project in the World Bank's pipeline.

43. The provision of labor intermediation and training services through the RNE continues as one of the main pillars of the new PJET supporting the development of the SPSU. The approval of the SPD Law sets a historical precedent in the country which, for the first time, articulates the social policy under a consistent strategic framework based on human rights. The SPD Law and its regulation established the coordinating institution for the implementation of the social policy, regulated the RUP as the mechanism to identify and prioritize households based on their socioeconomic characteristics, and most importantly, guaranteed the prioritization of resources for the implementation of the social policy.

3.2 Achievement of Project Development Objectives

Rating: Satisfactory

44. The PDOs and KOIs were fully achieved and nine out of fifteen IOIs were fully achieved, with targets having been surpassed for seven. Five IOIs were largely achieved, reaching between 89 to 96 percent of the targets. Only one IOI was not achieved under Component 3, but this was not critical for the achievement of the PDO. This section describes the principal outcomes of the project.

PDO 1. Provide temporary income support to the urban vulnerable poor (Associated to Component 1)

Rating: Satisfactory

45. This PDO was the heart of the project, receiving US\$40.7 million (81.4 percent of the total loan funds) and the KOI was measured by the number of individuals that receive PATI income support. The end target was surpassed and two out of the four IOIs for this PDO were achieved and the other two reached the target by more than 95 percent, as detailed in the datasheet. The theory of change was that PATI would provide timely and predictable transfers, which would support participants' monthly income, preventing them from falling deeper into poverty; in addition, the training component was going to boost their employability. In fact, the program did not only help participants with the US\$100 monthly transfers but it also improved participants' monthly income in the medium term by increasing their participation in the labor market. The IE showed that a year after the program, participants earned on average US\$17.9 more per month, a 22 percent increase from what they earned at the end of the program. PATI helped increase beneficiaries' average participation into the labor market by 5.5 percentage points in the medium term with respect to the comparison group. As a result, the program had a net effect in extreme poverty reduction around 8 percentage points. This record of results positioned PATI as a best practice income support program in the region, whose lessons have been documented and disseminated.

PDO 2. Improve the coverage of labor market intermediation and training services to the urban vulnerable poor (associated to Component 2)

Rating: Satisfactory

46. Before the project started, the MTPS had a limited coverage of labor services, 8–9 regional offices, and 28 employment offices that mostly served population with higher education levels. Moreover, these employment offices did not have a clear structure with defined roles and responsibilities and adequate personnel to deliver and expand services. The theory of change was to improve the MTPS' labor intermediation and training services and expand coverage to more municipalities to reach the urban poor. The KOI associated to this PDO is "Increase in the number of 18 to 25 years old enrolled in the RNE." By project closing, the MTPS had achieved 127,293 youth enrolled in the RNE, exceeding the annualized target of 44,000 (quarterly target was 11,000). In addition to the KOI, six out of eight IOIs were fully achieved and five were surpassed. The remaining two IOIs reached 95 and 96 percent of the target.

47. The employment offices' performance is measured by job allocations, so it was registered that about 100,186 part-time and full-time jobs were allocated between June 2009 and June 2016. This represents a 59 percent increase in job allocations with respect to the percentage recorded during the five years previous to the project.

PDO 3. Improve the institutional capacity of the Government to develop an integrated social protection system: (Associated to Component 3)

Rating: Moderately Satisfactory

48. The KOI indicator associated to this PDO is "Normative framework for the SPSU has been approved by the SPSU Inter-sectoral Committee." The theory of change was that by articulating the SPSU framework, the Government would have a road map for establishing an integrated social protection system.

49. **This PDO indicator was fully achieved.** The Salvadoran Assembly approved the SPD Law in April 3, 2014, through Decree No. 647. The law established the legal framework for the development of the Social Protection Policy based on a human rights approach. The law mandates three important actions: (a) to develop a National Development and Social Protection Plan; (b) to enact a regulation of the SPD Law, which was approved in July 2016; and (c) to design a targeting system, which has been developed and is being progressively implemented through the RUP. The SPD Law is an important achievement but it is somewhat general for concrete policy applications. The SPD Law, for instance, did not establish criteria for the planning and evaluation of social sector interventions and did not establish prioritization of policies based on targeted vulnerable groups.

50. Despite the achievement of the PDO, only one of the three IOIs was achieved with the approval of the RUP Operations Manual by the SPSU Inter-sectoral Committee on March 14, 2013. Despite these shortcomings, the STPP reported important achievements that were not fully captured in the IOIs and that were related to activities to improve the STPP's capacities and its role as the national coordinator of the SPSU, such as several training activities for the STPP technical staff and the CS personnel to support the SPSU activities. This component also supported the implementation of a consultation process for the validation of the Development Plan for Social Protection and Inclusiveness in 14 departments and included community leaders, civil society organizations, and representatives from the church, education and health sectors. An important output in this component was the establishing of an M&E Unit (created in 2010). The M&E Unit was strengthened and adjoined to the SPSU. The unit coordinated the evaluations of strategic social programs and developed an observatory of evaluations which at present includes the compilation of 31 evaluation reports.

3.3 Efficiency

Rating: Substantial

51. The project returns are estimated on the basis of employability gains as poverty reduction gains. PATI's IE estimates that, compared to a control group, for participants (a) the likelihood to be employed was 5.5 percent higher and (b) the average wage was 13 percent higher than the average wage of the control group in the medium term. The economic analysis estimated the future cash flow of the program (incremental social benefits) assuming that this wage gain will remain

throughout a beneficiary's economic active life (as the average age of beneficiaries is 34 years and the economic life in El Salvador is defined as being until age 65; the period of economic activity for this calculation is 31 years). It is assumed that beneficiaries enter the labor market when they graduate from the program and remain active for 31 years until their retirement (adjusted by the probability of being employed at each age). In addition, it is also assumed that the wage gains remain through their working life. Considering all these variables, the implicit internal rate of return (IRR) in this flow of costs and wage gains is 11 percent. Similarly, the estimation of the present value of financial flows of the program assuming discount rates of 3 percent, 6 percent, and 12 percent shows that for each dollar invested in each beneficiary, the program obtains a benefit, in wage gains, equal to US\$3.7, US\$2.6, and US\$1.5, respectively. According to these results, we deem that the program is efficient in its implementation.

3.4 Justification of Overall Outcome Rating

Rating: Satisfactory

52. The rating is Satisfactory given that the achievement of the PDOs is Satisfactory and the relevance of objectives, design, and implementation, as well as the project efficiency are both Substantial.⁴

3.5 Overarching Themes, Other Outcomes and Impacts

(a) Poverty Impacts, Gender Aspects, and Social Development

53. The IE study carried out in 2014 found that PATI was well targeted as 78 percent of the PATI households were poor (45 percent were living in extreme poverty). PATI participants also had very low indicators of human capital as average education was 6.2 years and only 34 percent of participants had completed at least ninth grade. PATI also achieved a sizeable fraction of females as program participants (70 percent) in vulnerable urban areas. This confirmed that the combined utilization of targeting mechanisms (geographic, self-selection, prioritization, and community methods) were effective at identifying the poorest and most vulnerable people.

54. The effects of PATI could be driven by the income transfer, trainings, value of the community activity, and social cohesion effects. The IE did not distinguish among these elements and found that PATI helped increase participants' income. This impact was stronger on men, whose income after the program increased by 36 percent to 62 percent, and on adults and youth, whose earnings increased by 24 percent and 43 percent, respectively. While 70 percent of the participants were female (including single mothers), no impact was reported for women's earnings, reflecting the important role of other labor market constraints limiting access to better paid jobs (for example, lack of child care). PATI also contributed to increasing the employability of participants which was measured using four variables: proportion of economically active individuals (around 5 percentage point gains), participation in the labor market (6 percentage points), perception of readiness to seek a job (6.6 percentage points increase), and perception of readiness to start a business (5.6 percentage points increase). A disaggregated analysis shows that women reported positive effects in all four variables, reflecting an increased awareness of labor

⁴ Consideration was given to split ratings before and after the third restructuring in July 30, 2013, in which the Results Framework was revised and funding was reallocated among components. However, the split ratings were not applied because neither the PDOs nor the PDO indicators changed.

markets but also showing the precariousness and low productivity of their jobs given the null effect on earnings. Among the youth, there are positive effects on labor participation and readiness to start a business. These self-reported improvements for the treated population, however, began to decline one year after participation in the program, partly because of the very low education levels of participants and short training (90–100 hours) in a developing labor market. The IE also shows increased participation in social activities, leadership roles, and a small and positive increase in the satisfaction with communal spaces, reflecting enhanced conditions for social cohesion.

55. The implementation had a significant focus on females, especially on younger mothers, but limited arrangements for child care. The scoring method for prioritizing participants at the AUP level included weighting for females and mothers, leading to a higher eligibility of females. The format of the PATI operation—community and training activities carried out in nearby locations—facilitated access of females in the program despite the child care needs. Moreover, in the last rounds of PATI, the trainings included gender sensitization sessions. The qualitative evaluation shows that complementary child care services could have been useful to ensure a structured care while mothers were in community or training activities, but the emergency nature of the program did not focus on this need. Again, the qualitative study suggests that the impacts on women were more limited by the combined effect of child care constraints, participation in developing labor markets, and social norms leading to uneven decision making.

(b) Institutional Change/Strengthening

56. As a result of the project, the FISDL gained experience and capacity in the coordination, design, use of alternative targeting instruments for social programs, implementation and use of evaluations and assessments which allowed continuous improvement of the project. It also strengthened its fiduciary capacity. Furthermore, municipalities were strengthened at the institutional and technical level. By the eighth round of training, around 1,241 community projects were financed by counterpart funds from the municipalities. The municipal teams were trained in the formulation of subprojects, supported the identification of the training needs and labor demand, monitored beneficiaries' participation in the community activities, and developed closer relationships with community members.

57. INSAFORP was able to strengthen its training methods and curricula to meet the needs of poor and vulnerable populations. It developed a system of consultations for a careful matching among demand for activities by participants, jobs required at the municipal level, and demand for particular occupational profiles by local enterprises. It adjusted its operations to meet PATI's demand for training, including increasing their supply of training in terms of diversity of topics and training providers.

58. The MTPS was perhaps the institution that gained the most with regard to institutional strengthening. Before the project, the MTPS had not managed the financial and fiduciary areas of a project executed with a World Bank loan. The fact that the MTPS had to assume the FM of Component 2 since 2014 allowed it to build this capacity successfully, which was reflected in the disbursement of 100 percent of the allocation for this component. Likewise, the MTPS has built technical and institutional capacity by hiring personnel, such as managers, promoters, counselors and coordinator of labor services, employer outreach coordinators, and so on. The MTPS acquired software, equipment, and furniture, and staff have been receiving statistical and software training

to increase their analytical capacities. Institutionally, the MTPS has now the Labor Market Observatory (OML) Unit as well as 71 fully functional employment offices. The MTPS has also developed better outreach and coordination with the private sector, exponentially increasing its participation in the RNE. All these investments and installed capacity have revamped the ability of the MTPS to provide labor market intermediation services and training.

59. The STPP consolidated its role as the strategic coordinator of the SPSU. It has strengthened its capacities for designing, articulating, monitoring, and evaluating social protection interventions. Its strengthened capacity is reflected in all the objectives it achieved. During the project, the STPP was able to (a) create the normative framework for the SPSU; (b) operationalize the CS strategy; (c) define the CS Programs under a right-based approach organized by the life cycle of the participants; and (d) design and implement three social protection tools: the RUP, SIS, and the M&E system of social programs. This facilitated better coordination among institutions. For example, now there are feedback loops between INSAFORP and the MTPS to complement their services. The municipalities have now a better understanding on how to access services from INSAFORP and have started demanding its services consistently after the project.

(c) Other Unintended Outcomes and Impacts (positive or negative)

60. A qualitative assessment carried out by the FISDL during the seventh round indicated that PATI promoted social cohesion within the community. During the implementation of the community projects, participants claimed to identify more with their community and their neighbors, showed more commitment to their community, and more adhesion to moral values and rules of coexistence. The IE also found that participants demonstrated a 3 percentage point increase in civic participation in their community, whether in community organizations or in positions of responsibility by. While municipalities were required to make a counterpart contribution to the PATI implementation, these mostly in-kind contributions were uneven across municipalities, provided with irregular timing, and not systematically reported, limiting the analysis of the value of community activities.

61. The effect of PATI on the levels of violence was not directly evaluated, partly because it was not an objective of the program design. The IE assessed some dimensions of violence and found no impact of PATI on victimization indexes or perception of security among participants.

62. With regard to institutional outcomes, the project brought together institutions that previously had not collaborated in any type of project. For example, the FISDL and INSAFORP learned to work together for the first time, arranging efficient coordination mechanisms for the monitoring and supervision of PATI activities. The overall coordination between the implementing agencies improved over time and the institutions learned to support each other on capacity-building areas. The program also helped municipalities establish closer linkages with their communities. Because the Associations for Community Development (*Asociaciones de Desarrollo Comunal*) and local leaders got involved in the validation of PATI participation roster, prioritization of community subprojects and training themes; this helped develop a sense of community ownership of the program in some municipalities. According to the STPP, such efforts to better connect communities and municipalities have enhanced the GoES' preparedness to scale up social assistance programs.

3.6 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops

Not applicable.

4. Assessment of Risk to Development Outcome

Rating: Significant

63. The GoES' capacity to launch a PATI-type of emergency response program should be maintained given the country's vulnerability to external shocks and natural disasters. The enhanced capacity of the FISDL and municipalities in implementing this type of program may be at risk with the lower budgetary allocation to PATI and without a sustainability plan. Therefore, knowledge and lessons learned should be incorporated when applicable in other safety nets interventions implemented by these institutions.

64. Political polarization has been a risk for the project since its inception. Component 2 was affected when changes in municipal authorities after elections resulted in delayed, or lack of, renewal of, contracts with the MTPS to continue with the employment offices. There was also the media reports on gang involvement in PATI, discussed earlier, that damaged the reputation of PATI.

65. The fiscal situation could put at risk funding for social programs in the long run. According to the CPS 2016–19, the fiscal situation in El Salvador is deteriorating and measures of austerity have been adopted (World Bank 2015). According to the International Monetary Fund, the fiscal deficit was expected to widen to 4 percent of GDP in 2016 and may further increase in the medium term if appropriate measures are not taken. However, the GoES is making efforts to achieve a Fiscal Agreement among the country's political sectors to manage the fiscal situation in the medium and the long run. The Fiscal Agreement will allow the continuing funding of social programs, among others.

66. Development of the RUP faces institutional and technological challenges that affect its sustainability. Although the regulation of the SPD Law establishes the role of the STPP in ensuring the financial, technical, and institutional conditions for the functioning of the RUP, it does not define the implications if those conditions are not met. For instance, the regulation of the SPD Law establishes the RUP as a mechanism for targeting the beneficiaries of social programs but it does not explicitly make the use of the RUP mandatory neither does it specify the actions when a program does not use the RUP. Similarly, insufficient funding for the implementation and expansion of the RUP does not have specific follow-up actions. Finally, the lack of unique identifiers among institutional databases makes them incompatible and the process of matching beneficiaries to the RUP a cumbersome task, but the regulation does not specify action plans to address this.

5. Assessment of Bank and Borrower Performance

5.1 Bank Performance

(a) Bank Performance in Ensuring Quality at Entry

Rating: Satisfactory

67. The World Bank designed an investment operation that was highly relevant for the Salvadoran context of financial crisis. The project preparation process was rapid, responding to an emergency request by the incoming administration. The project captured the complex demands from the GoES' overall strategy of articulating a short-term response to the crisis, as well as a medium- and long-term intervention based on the development of an SPSU. The proposed PATI considered valuable lessons from other Latin American experiences and an accurate assessment of the capacities of the implementing institutions with the exception of the fiduciary responsibility assigned to the FISDL on behalf of the MTPS. The PDOs were in line with the priorities established by the GoES in its PAC.

68. The World Bank made a sound assessment of the institutional capacity of the FISDL and its ability to work with local authorities in implementing Component 1. The World Bank was also responsive by restructuring the project even before effectiveness to bring the lessons from the PATI pilots into the POM. Risks were accurately identified, and the World Bank team showed creativity in designing mitigation measures (for example, relying on the municipalities' experience working in gang territories to carry out PATI activities in high-crime areas). The relative flexibility of the project design also allowed for adjustments of the PATI parameters over time as the economic conditions evolved, making it more training intensive.

(b) Quality of Supervision

Rating: Satisfactory

69. The World Bank conducted an active and effective supervision that helped the GoES achieve the PDOs. The Midterm Review was key to assess delays in implementation and led to a necessary restructuring that redefined responsibilities and realigned priorities and resources to achieve targets. The World Bank's technical support and accompaniment facilitated the start-up of activities and helped establish favorable conditions for implementation. During the transition period, in which the MTPS assumed FM of its component, the World Bank provided additional support that was valuable to the MTPS team. The GoES considers that the World Bank supervision and accompaniment was satisfactory and useful. They expressed appreciation for the World Bank's understanding of the GoES' political process and administrative timelines.

(c) Justification of Rating for Overall Bank Performance

Rating: Satisfactory

70. Overall, World Bank performance is rated as Satisfactory as Quality of Entry is rated as Satisfactory and Quality of Supervision is rated as Satisfactory.

5.2 Borrower Performance

(a) Government and Implementing Agencies Performance⁵

Rating: Satisfactory

71. Implementing agencies successfully achieved the PDOs. They were able to manage complex operations that required coordination with multiple institutions and stakeholders. They demonstrated resilience, flexibility, creativity, and innovation to look for solutions and overcome difficulties. The authorities' and teams' commitment to their respective components was reflected in the extra efforts that many times they made to meet targets. There was consolidation and increased capacity of implementing teams that facilitated good communication within and across institutions. They also incorporated communication and feedback mechanisms that were translated into improvements. The STPP established good coordination among institutions and provided adequate support to project development (Satisfactory). Main shortcomings were the lack of integration of SIPATI and the SIE, as well as delays in the implementation of the RUP and the SIS under the STPP. However, these shortcomings did not affect the achievement of the PDOs.

(b) Justification of Rating for Overall Borrower Performance

Rating: Satisfactory

72. The performance of the FISDL in implementing Component 1 and the STPP in implementing Component 3 was Satisfactory. The performance of the MTPS in implementing Component 2 was marginally satisfactory given the delays, although it achieved the project target indicators.

6. Lessons Learned

73. **PATI was a successful crisis response intervention because of its innovative approach of combining timely and predictable income support with training and community activity components.** The fact that PATI did not have arrears ensured achievement of the ultimate objective of the transfer, which was to smooth consumption. In addition, the training component, though modest, as well as linking participants to the RNE, improved participants' employability and earnings. Finally, the impact of the community activity component enhanced the physical environment and social capital. These benefits are realized not only in the short term but also in the medium term, according to the IE.

74. **The smooth implementation of the project was a result of an interinstitutional committee, active participation from pilot municipalities, constant feedback, ability to learn from mistakes, and flexibility to adjust the project based on lessons learned along the way.** Implementing agencies incorporated feedback mechanisms into program implementation such as evaluating meetings for each PATI round; the OIR Grievance Resolution Office; and impact, process, and qualitative evaluations, among others. Lessons learned from these mechanisms were incorporated into the program, resulting in dynamic operational processes that improved implementation and strengthened institutional capacities and coordination.

⁵ In this case, the STPP is the responsible entity of the loan as well as an implementing institution; therefore, only one rating is given.

75. **PATI's efficient targeting was the result of a combination of alternative, objective methods.** PATI's highly satisfactory targeting stemmed from the fact that the program combined rigorous technical approaches such as poverty maps and prioritization indexes with the local knowledge of the communities to validate the results. In addition, the flexibility of the implementing agencies was important to improve targeting outcomes; for example, municipalities were able to recognize the recently formed AUPs that were not updated in the poverty map but given their level of vulnerability were still eligible to participate.

76. **Designing and implementing a program in contexts of high levels of violence and criminality requires a great ownership by local actors because of their knowledge of the territory, the stakeholders, and the potential risks involved so that they can be ameliorated.** The implementing agency successfully enhanced ownership by municipalities as trusted stakeholders in the community and also implement security protocols to ensure the safety of the participants, all of which add complexity to the intervention. In the case of PATI, the knowledge of the municipalities of its own territories was key to manage the risks, in addition to working closely with community leaders and the police.

77. **It is critical to rely on proven implementing capacity to develop coordinated actions.** The project relied on the implementing capacity and ground presence of the FISDL and the political leadership of the STPP. These two institutions facilitated the development of coordination mechanisms with other implementing agencies (INSAFORP and the MTPS) and allowed them to consolidate and develop their expertise in program implementation. The first rounds of PATI were more challenging and coordination was complex, but as implementation progressed, the operations improved, owing in great part to the flexibility and commitments of the teams and the political leverage of the STPP. A key factor in the capacity-building process was the reliance on a stable technical team along the program life cycle. Continuity of the teams over time not only facilitated the acquisition of capacities and experience but it also allowed the establishment of relations and networks with other implementing institutions that then become the base for collaboration and trust.

78. **Program implementation and fiduciary activities require strong capacity building to enhance incentives in execution.** Assigning the implementation of Component 2 to the MTPS while keeping fiduciary roles under FISDL created a disconnection between the operational needs and fiduciary processes where deficient preparation of technical documents by MTPS slowed down administrative processes by FISDL. Early strengthening of capacity in the MTPS to enhance the preparation of technical documents and follow up fiduciary processes would have improved the implementation of Component 2. This would, in turn, speed up the take up of fiduciary responsibilities by MTPS.

79. **To develop a social protection system, it is critical to establish a strong inter-sectoral coordinating unit with normative mandate and operational and budgetary incidence.** The STPP had enough political and technical leverage to (a) coordinate and general inter-sectoral consensus; (b) follow up the implementation of social protection programs and evaluate their impact; and (c) guarantee the financial resources from the Central Government to implement the system. These important elements were also regulated by the SPD Law and its regulation. In the project, the regulatory package accompanying the SPD Law came two years later, limiting the role of the law as an indicator of achievement. Similar operations should ensure that legal indicators

include specific mention to both general and specific normative instruments to ensure the objective is achieved.

80. **There is agreement that PATI was an effective safety net in the context of the FFF crisis; however, after the crisis subsided, it needed to be complemented with other medium-term interventions.** PATI was an intervention that served a very heterogeneous group of participants with regard to ages, needs, interests, and levels of education. Even though this approach was appropriate in the context of a temporary crisis, the program revealed more structural issues of beneficiaries, such as chronic unemployment, very low human capital, and high levels of violence that the program was not designed to address. As the program matured and the FFF crisis abated, it became evident that the program needed complementary interventions for different population groups, such as continued and longer training for youth in the labor market, child care for inactive single mothers, and crime prevention for those at risk, among other interventions.

81. **While the GoES' focus on youth employability is a step in the right direction, PATI needs to be institutionally preserved as an emergency response instrument.** The GoES adapted design features of PATI to launch the new PJET focused on improving employment and employability to the youth. However, a PATI-like intervention that maintains the crisis-response function and covers a wide range of vulnerable population (beyond the youth) may still be needed. PATI-like programs should be seen as a complementary intervention, rather than a substitute, in the broader view of a social protection system. This implies that the institutional capacity for implementing programs like PATI needs to be carefully identified and preserved. While scarce fiscal resources do affect the ability to maintain entire teams for idle programs, the institutional design should be flexible enough to allow quick scale-up of these interventions.

7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners

(a) Borrower/implementing agencies

82. The GoES provided comments on the draft ICR mainly providing clarifications on specific issues on two themes. First, the GoES clarified the specific nature of the dynamics of PATI implementation in areas affected by the hurricane Ida, financed by USAID. The comments specified as 'administrative audits' the assessments made in such contexts. Second, the GoES provided additional explanation of the current fiscal context and the political dynamics to describe the dialogue with the country's political sectors to achieve a Fiscal Agreement to allow the continuity of financial resources for social protection programs.

(b) Cofinanciers

Not applicable.

(c) Other partners and stakeholders

Not applicable.

Annex 1. Project Costs and Financing

(a) Project Cost by Component (in US\$, millions equivalent)

Components	Appraisal Estimate (US\$, millions)	Actual/Latest Estimate (US\$, millions)	Percentage of Appraisal
1. Support the design and implementation of the Temporary Income Support Program	37.3	40.7	74.6
2. Strengthening of labor intermediation, information and occupational training systems	10.3	6.7	20.6
3. Support the design and development of the Universal Social Protection System (SPSU)	2.4	2.6	4.8
Total Financing Required	50.0	50.0	100.0

(b) Financing

Source of Funds	Type of Cofinancing	Appraisal Estimate (US\$, millions)	Actual/Latest Estimate (US\$, millions)	Percentage of Appraisal
Borrower		0.00	0.00	0.00
International Bank for Reconstruction and Development		50.00	50.00	100.00

Annex 2. Outputs by Component

Component 1: Support the design and implementation of the Temporary Income Support Program

1. This component was the heart of the project with an allocation of 81.4 percent of the funds (US\$40.7 million). Under this component, the project implemented a six-month income support program (PATI) to vulnerable individuals living in the AUPs conditioned to their participation in community subprojects and training. This component was implemented by the FISDL, municipalities, and INSAFORP, the institution in charge of the training. The PATI subprojects were small in scale, simple, labor intensive, and suitable for a majority of unskilled labor. Community subprojects were selected through a participatory process that included the local governments and key community stakeholders.

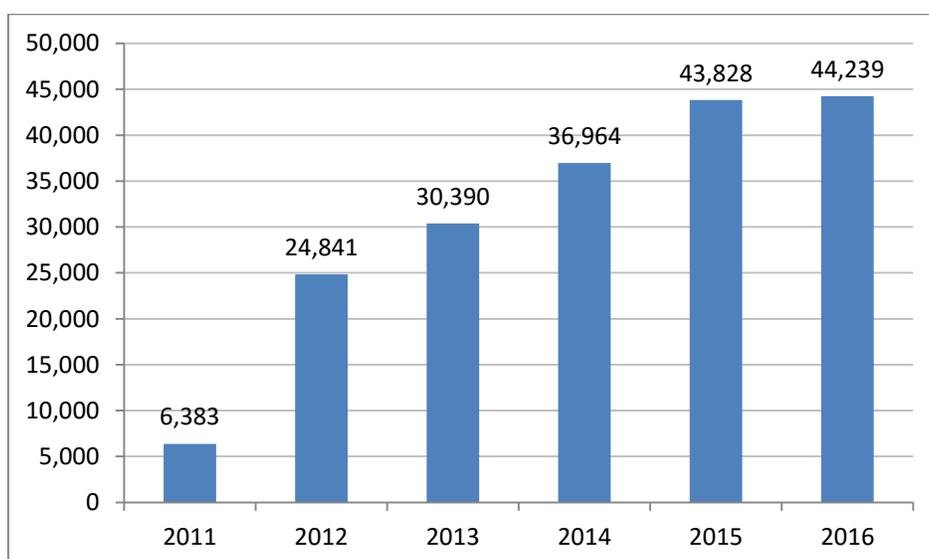
2. **PATI subproject cycle.** The FISDL called for proposals of subprojects. Municipalities with community participation identified suitable subprojects. The FISDL assisted municipalities in the preparation of the proposals while INSAFORP defined the associated PATI training activity, including identification of training providers and training modules. The FISDL appraised and approved the proposals of PATI subprojects, including the training activities. Once the project was approved, the FISDL proceeded with the selection of participants, applying eligibility criteria, prioritization and validation of participant rosters by municipal committees. The FISDL also transferred funds to the municipality for the management of the subproject. Municipalities were responsible for subproject implementation and supervision. INSAFORP was responsible for monitoring participation in training activities. The FISDL supervised overall implementation and carried out internal audits on payments to participants, submission of financial documents, and so on. Once the subprojects were completed, the FISDL prepared an assessment recording the results achieved and lessons learned. All activities regarding PATI operations were established in the POM.

3. Over the life of the project, this component financed the following:

- (a) **Income transfers to PATI participants.** The project implemented eight PATI rounds in which 44,239 PATI participants received a transfer of US\$100 a month during six months (see figure 2.1). The total amount spent in transfers was US\$26.49 million.
- (b) **Management expenses to eligible municipalities.** The FISDL transferred to the municipalities US\$2,500 per PATI subproject to cover the cost of project management. On the other hand, the municipalities provided about US\$4,000 on average as counterpart funding for subproject implementation. Overall, the FISDL transferred about US\$3 million to municipalities to cover administrative expenses.
- (c) **Cost of training for PATI participants.** Payments were made to INSAFORP for the provision of training. INSAFORP designed training modules for vulnerable populations, identified training providers, and carried out the training within the context of each PATI subproject. The overall training expense during the life of the project was US\$6.22 million.

- (d) **Institutional strengthening of the FISDL.** This component financed the strengthening of the FISDL’s capacity to manage PATI, specifically the design and coordination of the PATI subproject cycle, redesign of the FISDL M&E systems, supervision and implementation of PATI subprojects, use of mechanisms to facilitate social monitoring, consultancies’ services to provide support to municipalities in project implementation, and so on. About US\$3.38 million was spent in FISDL capacity strengthening during the life of the project.
- (e) **Institutional strengthening of the municipalities.** Technical assistance, equipment, and training were provided to the municipalities’ personnel to increase their capacity to implement PATI subprojects. This included training the staff on project preparation (identification and formulation), implementation, and monitoring. About US\$767,000 was devoted for building capacity of municipalities.

Figure 2.1. Cumulative Number of PATI Participants



Source: FISDL 2016.

4. There were four intermediate indicators associated with this component:
 - (a) **Percentage of individuals, age 16 years or older, in targeted settlements that are covered by PATI.** The program covered 22.4 percent of individuals in AUPs, exceeding the target of 20 percent. The program targeted beneficiaries living in extreme poverty (30–70 percent) and high poverty (68–87 percent) in the AUPs as identified by the Urban Poverty Map (2009).
 - (b) **Percentage of female PATI participants.** The target of 60 percent of women beneficiaries was exceeded. By the end of the program, 70.8 percent of PATI beneficiaries were women.
 - (c) **Percentage of youth among PATI participants.** The program defined youth as participants ages 16–24. Overall, from all the PATI participants, 37.4 percent were youth (original target was 40 percent). To increase youth participation, some design

changes were introduced in the last three PATI rounds, such as limiting the age for participation of youth, adapting community projects that are more attractive to youth, and incorporating activities that promote social cohesion. As a result, the proportion of youth in PATI showed a noticeable increment from 38 percent in the sixth training round to 87 percent in the eighth training round.

- (d) **Percentage of PATI participants that completed the training and activity requirements.** The project expected that 90 percent of the participants would complete the training and community activities.⁶ By the end of the program, however, this indicator reached 86.5 percent, reflecting both learning during the early PATI rounds and security concerns in the last rounds. As the design of the training rounds was improved, the completion rate improved from the first two rounds (84 percent) compared to the subsequent rounds, which covered close to 90 percent. The higher completion rate could be attributed to the maturity achieved by the program and that of the training strategy from INSAFORP to implement the courses. When the program intervened in municipalities with high crime rates, the completion rate was only 82 percent. This suggests that participants' mobility across territories became more difficult given police extreme security measures related to territorial screenings that might have refrained participants from attending and completing the training round. Finally, another factor that might have affected implementation is the coincidence of training activities with periods of peak temporary works during the first and last quarter of the year.

Component 2. Strengthening of labor intermediation, information and occupational training systems

5. This component received 13.4 percent of the funds (US\$6.7 million) for the strengthening of the labor intermediation system and the labor information system and statistics. This component was implemented by the MTPS and had two subcomponents:

Subcomponent 2.1: Strengthening the labor intermediation system

6. The subcomponent financed the geographical expansion of the employment intermediation offices (*Bolsas de Empleo*) to strengthen the RNE and facilitated its transition into the SIE. The component aimed at establishing 66 employment intermediation offices but this target was overachieved with the launch of 71 offices. This was possible owing to the financing of the following activities: technical assistance for the diagnosis of the RNE and proposals to restructure its activities; investment in the employment offices for furniture, equipment, and the organization of technical discussions; hiring of staff for employment intermediation offices (labor counselors, business outreach coordinators, and technical staff for entrepreneurship initiatives); purchase of vehicles (30 pickup trucks) for intermediation and outreach activities; technical assistance for the diagnosis of data collection instruments for an effective intermediation role; technical assistance to revise the methodology for organizing job fairs as well as the organization of annual fairs with national coverage; technical assistance to reach out and establish collaborations with the private

⁶ Reported international benchmarks for training completion rates are not for short training programs (90 hours) and among youth at risk.

sector; technical assistance for the design of a methodology for identifying employment opportunities and job training opportunities to be given at the employment offices; a communications campaign to disseminate the work of the RNE; technical assistance in fiduciary and FM of the component by MTPS staff; redesign of the RNE's portal to enable online registration for users; and publication of job offers on the Internet (<http://www.renacemento.gob.sv/>).

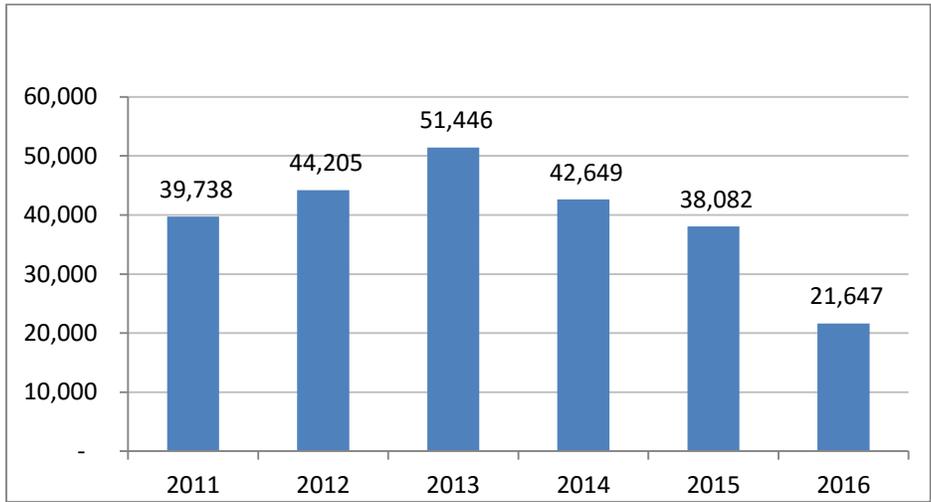
7. As a result of this expansion of services, the employment intermediation offices were able to increase the number of job placements done through the internal RNE system (see figure 2.4).

Subcomponent 2.2: Strengthening of the labor market information system and statistics

8. This subcomponent financed the provision of technical assistance, equipment, and training to strengthen the MTPS' capacity to complete and systematize statistical labor market information through the creation of an OML. Specifically, this component financed:

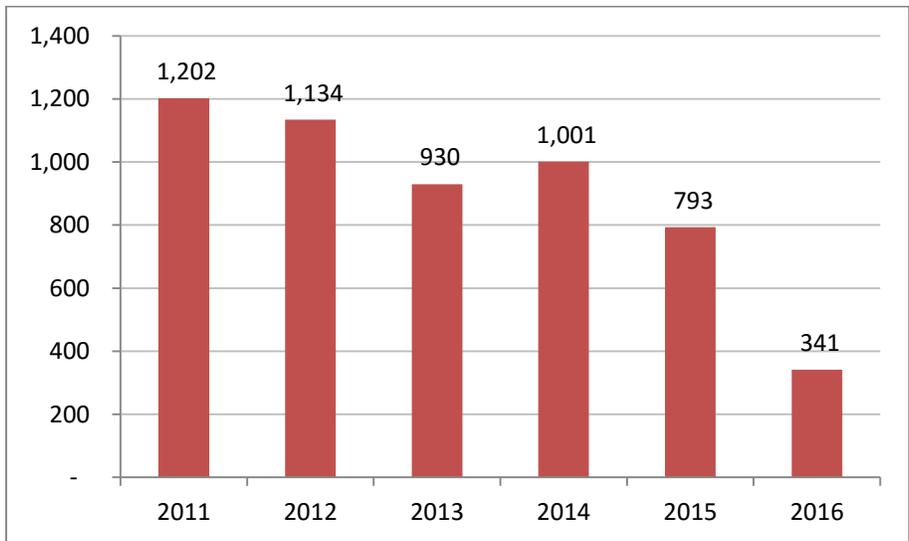
- Technical assistance for a diagnosis of the activities in the Labor Statistics Office of the MTPS and the Research Division of the RNE;
- Technical assistance for the creation of the OML, including the design and implementation of a comprehensive quarterly report of labor market indicators, formation of a research plan, proposal for technology upgrading, and human resource training;
- Computer equipment and software licenses for the implementation of OML activities;
- Training and workshop for OML personnel to increase their capacity to produce labor statistics;
- National campaign to disseminate the national OML's activities; and
- Technical assistance for the design, production, and pilot implementation of a new survey of labor statistics.

Figure 1.2. Individuals Registered in the RNE per Year



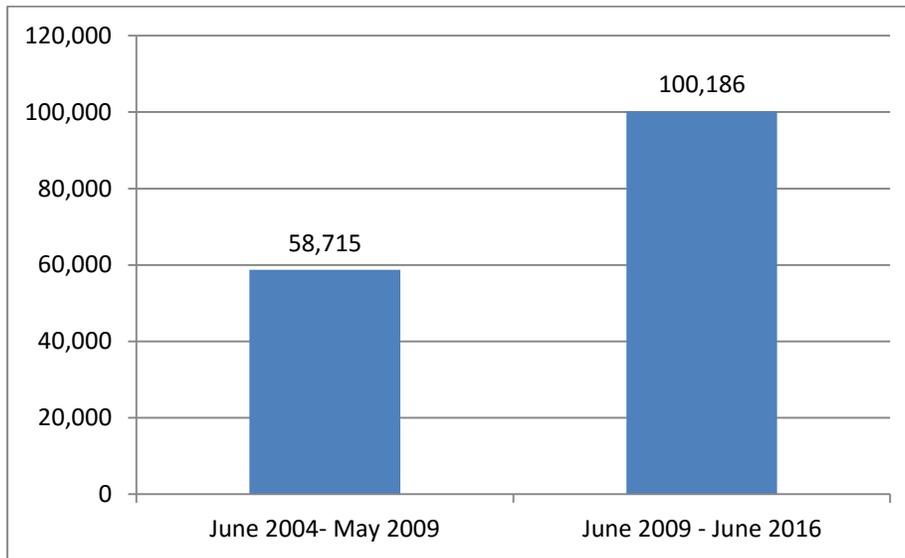
Source: MTPS 2016.

Figure 2.3. Employers Registered in the RNE per Year



Source: MTPS 2016.

Figure 2.4. Number of Job Placements by the RNE



Source: MTPS 2016.

9. Component 2 had eight IOIs from which four were directly related to the number of individuals and employers enrolled in the RNE. Most of targets related to enrolling in the RNE were achieved or exceeded:

- The number of individuals enrolled in the RNE increased from 23,572 to 237,767 individuals (exceeded target of 50,000).
- The percentage of individuals enrolled in the RNE who are women increased from 47 percent to 51 percent, short of the 53 percent target. Still, the enrollment of women was 11 times higher than the baseline, while that of men was only 10 times higher.
- The number of new employers enrolled in the RNE increased from 384 to 5,401 (exceeded target of 800).
- The percentage of individuals enrolled without completing secondary education increased from 41 percent to 57 percent, falling short by 3 percentage points from the target. Still, the number of individuals without secondary education enrolled is almost 14 times higher than the baseline value.

10. The two indicators related to implementing job fairs were also exceeded. During the 2011–16 period, the MTPS conducted 235 job fairs. The number of job seekers participating in the job fairs increased from 21,860 to 118,294 individuals (cumulative), exceeding the original target of 40,000.

11. The MTPS also achieved the indicator of establishing an OML responsible for producing national statistics to guide policy formulation. At the time of project closing, the OML had produced 39 bulletins and 9 labor market studies.

12. Finally, the ‘number of employment offices established’ was achieved. The MTPS established 71 offices in 39 municipalities (the target was 66 offices). From this total, 43 offices have been operating for over three years and working in agreement with the municipalities. The employment offices’ performance is measured by job allocations, so it was recorded that about 100,186 part-time and full-time jobs were allocated between June 2009 and June 2016. This represents a 59 percent increase in job allocations with respect to the percentage recorded during the five years before the project. The MTPS has also developed other innovative ways to offer employment services, such as the implementation of 200 mobile kiosks. The MTPS could reach four municipalities per employment office with the mobile kiosks, so in practice, more than 71 municipalities benefited from the employment services. Between the employment offices and the mobile kiosks, the MTPS has served about 293,000 individuals. Beyond the quantitative achievements, MTPS upgraded services with trained personnel, equipped employment offices, and provided new services such as labor counseling and orientation and implementation of psychometric tests to identify skills and aptitudes for adequate job allocation.

13. Even though the last component regarding the strengthening of the occupational labor system was dropped, the MTPS acquired experience providing training and services to the poor and vulnerable population. For example, the MTPS provided labor market orientation and life skills training to PATI participants. It also developed educational materials targeted to vulnerable populations.

Component 3. Support the design and development of the Universal Social Protection System (SPSU)

14. This component funded two subcomponents: improvement of the organizational and technical capacity of the STPP and the design and implementation of key tools for the development of social policy. About 5.2 percent of the loan (US\$2.6 million) was assigned to this component.

Subcomponent 3.1: Improvement of the STPP’s institutional capacity

15. Under this subcomponent, the following activities were financed: (a) an assessment of the STPP’s institutional capacity to implement the SPSU; (b) the development of the regulatory framework for the institutional coordination of the SPSU; (c) knowledge and training activities for the STPP’s personnel; (d) activities to promote the positioning of the SPSU in the national agenda (that is, the 2013 Social Protection Forum); (e) conceptual documents to be used in consultations with stakeholders; and (f) communication strategy support for the positioning of the SPSU, starting with the CS to ensure transparency in program implementation and its political sustainability.

16. These activities facilitated the strengthening of capacities by the STPP’s staff to plan, design, pilot, implement, monitor, and evaluate social programs. Within the context of the SPSU, other donors and international organizations have provided additional financial support and technical assistance under the overall coordination of the STPP. Among the main donors are the European Union, the Grand Duchy of Luxembourg, and the Spanish Agency for International Development Cooperation.

Subcomponent 3.2: Design and implementation of key tools for the development of Social Protection Policy design

17. Three key social protection tools were developed under this subcomponent: the RUP, an M&E system for all CS programs, and an SIS for all citizens which includes the programmatic offer of all the SPSU social programs. The component funds technical assistance and equipment to support the design and implementation of the tools, as well as training for staff. The development of the tools, however, cannot be only attributed to the World Bank loans as resources from other donors were also used for the development and implementation of the tools.

18. This subcomponent had three associated IOIs. First, the “Normative framework for the Unique Registry of Beneficiaries (RUP) approved by the SPSU Inter-sectoral Committee.” This IOI was achieved with the approval of the RUP Operations Manual by the SPSU Inter-sectoral Committee on March 14, 2013. The manual establishes the mechanisms to implement the RUP as the SPSU’s unique targeting tool as it collects and centralizes socioeconomic information to identify and select beneficiaries for social assistance programs. In addition to the manual, the project supported the coordination and dialogue that led to the generation of inter-institutional agreements to regulate the transfer of information. Second, the “Percentage of *Comunidades Solidarias*’ participants registered in the Unique Registry of Beneficiaries (RUP).” This IOI reached 89 percent of the target. The main shortcoming was the lack of resources to finalize the census in the CS to incorporate their information into the RUP. The loan did not finance the collection of this data, so the achievement of this IOI was outside the scope of the project. However, the IOI will be achieved given the agreement of the STPP with MINSAL to collect the information needed for the RUP with the Community Family Health and Specialized Teams health promoters through the ‘Family Health Record’. MINSAL has planned to implement the ‘Family Health Record’ in 164 municipalities, which would also allow the updating of RUP information in 70 municipalities and add 94 new municipalities to the RUP. It is important to underscore that besides incorporating information into the RUP tool, the following activities have been implemented by the STPP: software design, definition of the methodology, and conceptualization of the RUP. Third, “Percentage of programs of *Comunidades Solidarias* which incorporated their programmatic offer into the Social Information System of the SPSU.” This IOI was not achieved. Only 25 percent of CS programs incorporated their programmatic offer into the SIS, from a target of 75 percent. The main issue in achieving this indicator was (a) the slow and bureaucratic process to transfer program information among Government institutions; (b) the lack of unique personal identification which makes databases from different programs basically incompatible and thus, difficult to merge; and (c) the slow incorporation of information into the RUP. This indicator is intrinsically linked with IOI 13. Therefore, delays in RUP implied delays in the SIS.⁷ The interoperability of the RUP and SIS is expected to expand progressively as the STPP has already signed or is in the process of signing agreements for the transfer of program information with the following institutions: MINSAL, the National Registry of Natural Persons (*Registro Nacional de las Personas Naturales*, RNPN), FISDL, Ministry of Economy (*Ministerio de Economía*, MINEC), Ministry of Education (*Ministerio de Educación*, MINED), and the National Institute for Youth (*Instituto Nacional de la*

⁷ The information from the social assistance programs is matched with the socioeconomic information of the household and its members registered in the RUP. This process allows the interoperability of the system which builds a profile for each of the households recording (a) its socioeconomic information; (b) the programs that its members are receiving; and (c) the programs that they are eligible to receive based on the parameters established by the RUP Index. The integration of all these databases will constitute the SIS which will serve as tool for unique targeting for social programs and will allow for the accountability of Government’s social spending.

Juventud, INJUVE). In summary, this IOI was not only outside the scope of the project but it overlooked technological challenges for the transfer and centralization of program information.

Table 2.1. Project Results Framework

PDOs	OUTPUTS	OUTCOMES	ULTIMATE OUTCOMES
PDO1. Provide temporary income support to the urban vulnerable poor	<ul style="list-style-type: none"> • Financing transfer of PATI • Training and delivery of PATI participants • Institutional strengthening of FISDL and municipalities 	<ul style="list-style-type: none"> • Number of individuals covered by PATI • Percentage of individuals 16 years and above in targeted AUPs covered • Percentage of women and youth covered • Percentage of PATI participants that completed training 	<ul style="list-style-type: none"> • Protect income • Increase employability
PDO2. Improve the coverage of labor intermediation and training services to the urban vulnerable poor	<ul style="list-style-type: none"> • Strengthening the labor intermediation system • Strengthening of the labor market information systems and statistics 	<ul style="list-style-type: none"> • Number of individuals of 18–25 years enrolled in the RNE • Increased percentage of women and individuals enrolled who have not completed secondary education • Number of new employers enrolled • Number of employment fairs organized • Number of job seekers participating in fairs • Labor Market Monitoring Unit up and running 	Increase employability
PDO3. Improve the institutional capacity of the Borrower to develop an integrated social protection system	<ul style="list-style-type: none"> • Strengthening the STPP’s institutional capacity to implement the SPSU • Design and implementation of key tools for the development of Social Protection Policy design 	<ul style="list-style-type: none"> • SPD Law approved • The RUP Operations Manual approved • Percentage of CS Programs registered in the RUP • Percentage of CS Programs with their programmatic offer in the RUP 	Developed Social Protection System

Annex 2.1. Description of the Temporary Income Support Program

1. PATI was implemented as a flagship program under the strategy of *Comunidades Solidarias Urbanas* to ameliorate effects of the FFF crisis on the urban poor. The program's main objective was to provide short-term income support to the poor and vulnerable individuals in urban areas. Thus, PATI provided monthly transfers conditioned to the individual's participation in community subprojects and training. The FISDL and the municipalities were the main implementing institutions of PATI, while INSAFORP was in charge of the training provision.

Targeting and Eligibility Criteria

2. During most of the program, the eligible age to participate was 16 years and older; however, priority was given to young people between the ages of 16 and 24 and women heads of households. However, in seventh to the last PATI round, the age eligibility was limited to 16- to 40-year-olds and the age range was further reduced in the last round to 16- to 29-year-olds. This shift reflected the Government's priorities to specifically target the youth. PATI implemented a combination of targeting mechanisms to select its participants:

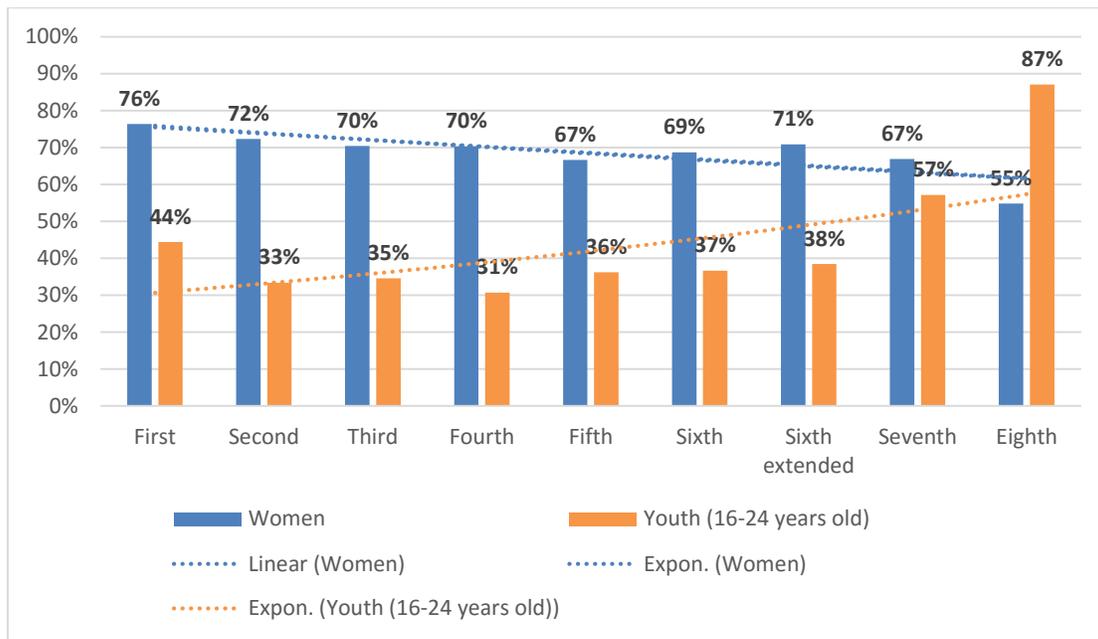
- **Geographical targeting.** Municipalities were targeted using a combination of the 2010 urban poverty map by the Latin American Social Science Institute (*Facultad Latinoamericana de Ciencias Sociales, FLACSO*), MINED, and the United Nations Development Program and the Map and Violence Registry of the Secretariat of Strategic Affairs. Municipalities were eligible if they had a high incidence of AUPs with high or extreme poverty and if they were identified as high priority according to the Justice and Public Safety Ministry (*Ministerio de Justicia y Seguridad Pública, MJSP*) based on a poverty and criminality index. In the last two rounds, PATI targeted municipalities with a high level of violence and criminality identified by the MJSP and that were intervened under the GoES program Plan El Salvador Safe (*Plan El Salvador Seguro*).
- **Self-selection.** The monthly transfer (US\$100) offered by the program was lower than the minimum wage for unskilled urban workers (US\$242.40 in 2011 for the trade and services sector, equivalent to US\$168 after adjusting to a six-hour workday).
- **Categorical targeting.** To determine eligibility, the program established a scoring method that weighed categorical criteria such as age, being unemployed, not attending school during program hours, and residing in the AUPs.
- **Administrative targeting.** The FISDL assessed the applicant's socioeconomic characteristics associated with poverty and vulnerability through a questionnaire and a prioritization index (scoring). The index prioritized youth of 16–24 years, women heads of households, and other socioeconomic variables related to income.⁸

⁸ Among the main socioeconomic characteristics assessed were gender, age, years of education, completion of secondary school, being head of household or single mother, average household income, poverty rate, and having been a victim of crime in the last six months.

- **Community-based targeting.** The index generated a priority list of potential participants that was validated by municipal liaison committees through on-site verification. This process was not expected to result in the replacement of more than 5 percent of the prioritized individuals.

3. The combination of methods led to excellent targeting outcomes. The IE showed that 78 percent of PATI participants were poor and 45.5 percent were extremely poor. Generally, women made up the majority of PATI participants, except for the last round when the program was specifically targeted to youth of 16–29 years (see figure 2.1.1). This is not surprising given that the women heads of households were prioritized.

Figure 2.1.1 Women and Youth Participation by PATI Rounds



Program Design

Income Support Transfer

4. PATI provided a monthly transfer of US\$100 (for six hours of community activities per day plus training). Participants can take part in one (six months) round only, receiving a total of US\$600. The amount of the transfers was set in alignment with the average income perceived by unskilled urban workers in the informal sector. It was kept below the minimum wage of 2011⁹ to promote self-selection into the program and to avoid distortion in labor market conditions.

⁹ Monthly minimum wages in effect in 2011 were US\$242.40 (trade and services sector), US\$237 (industry sector), and US\$202.80 (*maquila*, textiles, and garment sector). The equivalent monthly wages for six hours of work a day would be US\$168, US\$164.4, and US\$140.6, respectively.

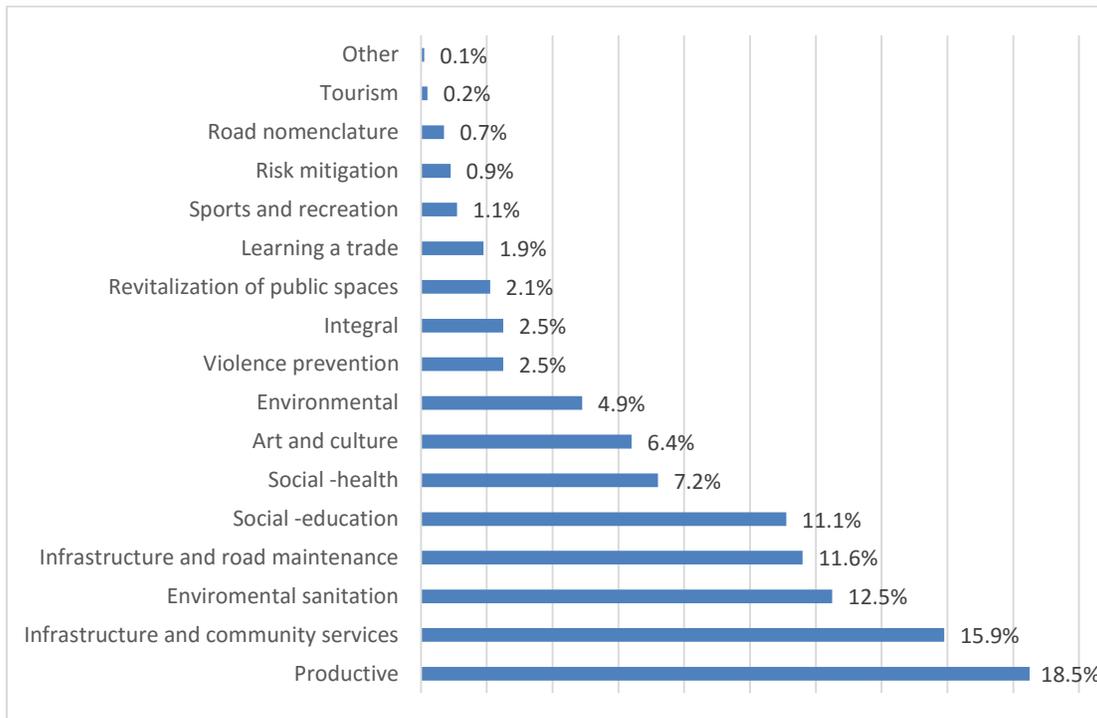
PATI Community Subprojects

5. PATI subprojects were conducted at the community level and were required to be small scale, simple, labor intensive, easily replicable, and suitable for a majority of unskilled labor. The subprojects involved between 30 and 50 participants and lasted up to six months.

6. A positive list of eligible PATI subprojects was included in the POM and included, among others, the following:

- Municipal services (for example, garbage collection, parks maintenance, road signaling)
- Community services (for example, basic sanitation, small sidewalks, slope protection, and so on)
- Art related (for example, murals, acting, dancing, music)
- Small undertakings (for example, gardening, plumbing, masonry, tailoring, bakery, and so on)
- Tourism related (for example, preparing sites, access to camping facilities, tour guides)
- Education support (for example, after-school care)
- Sports and recreation (for example, camps, coaching, tournaments)
- Environment (for example, cleaning of ditches, forestation, recycling)
- Small agricultural (for example, hydroponics, vegetable gardens, plant nurseries)
- Training in trades (for example, plumbing, electrical work, tailoring, bakery, hairdressing)
- Small infrastructure (for example, cleaning of public sites, repair or paint work in schools)
- Productive activities (for example, tilapia farming, vegetable gardens, and so on)

Figure 2.1.2. Type of Community Subprojects



Source: FISDL 2016.

7. As shown in figure 2.1.1, about 60 percent of the subprojects focused on productive activities, infrastructure and community activities, road maintenance, and environmental sanitation. The selection of community subprojects was done with the participation of the communities. However, final choices also considered broader local government budgetary, feasibility assessments, and planning initiatives which in some cases affected the community ownership of the subprojects.

8. The FISDL supported municipalities in the formulation, design, and implementation of the subprojects through the provision of technical assistance, equipment, training, and financial resources (US\$2,500 per subproject). Municipalities also contributed counterpart funds that ranged between US\$1,400 and US\$8,000 depending on the type of subproject. As a result, the institutional and technical capacities of the municipalities were greatly strengthened through the process of PATI implementation. Some municipalities leveraged this improved capacity to create synergies with other Government institutions allowing them to access additional resources. For example, several municipalities partnered with MINED to increase literacy levels among PATI participants and the Demographic Salvadoran Association (*Asociación Demográfica Salvadoreña, ADS*) to work on gender and reproductive health issues, among others. In these cases, the institutions provided additional educational material, training, and support from specialized staff.

9. According to the PATI process evaluation, the subprojects contributed to improve the local and community development dynamics and supported coexistence and social cohesion. In addition, the activities such as environmental sanitation contributed to rehabilitate spaces for public gathering and recreation that increased their use and the general satisfaction of participants with their neighborhood. However, the IE showed that this satisfaction decreased in the medium term

which can be attributed to lack of maintenance of the sites after the program and the increased levels of insecurity that prevail in the communities.

10. PATI generally conducted activities that were difficult to quantify and measured (that is, community services, cultural activities). In addition, with a few exceptions, there was little emphasis on the sustainability and maintenance of the asset or services after the program, which limited their impacts in the medium and long run.

PATI Trainings

11. PATI provided trainings to each participant in the following areas: (a) basic technical training provided originally for 64 hours that was increased to 80 hours in the second round and then duplicated to 160 hours during the last PATI round; (b) labor orientation training for an additional 16 hours, originally delivered by INSAFORP but from the fourth round on given by the MTPS; and (c) life skills training, which was introduced in the last PATI round for an additional 64 hours.

12. INSAFORP provided the technical training which was prepared after matching participants' demand for training with local private sector's demand for particular profiles and the jobs required at the municipal level. To achieve this matching, INSAFORP carried out three diagnostics in the context of each PATI round:

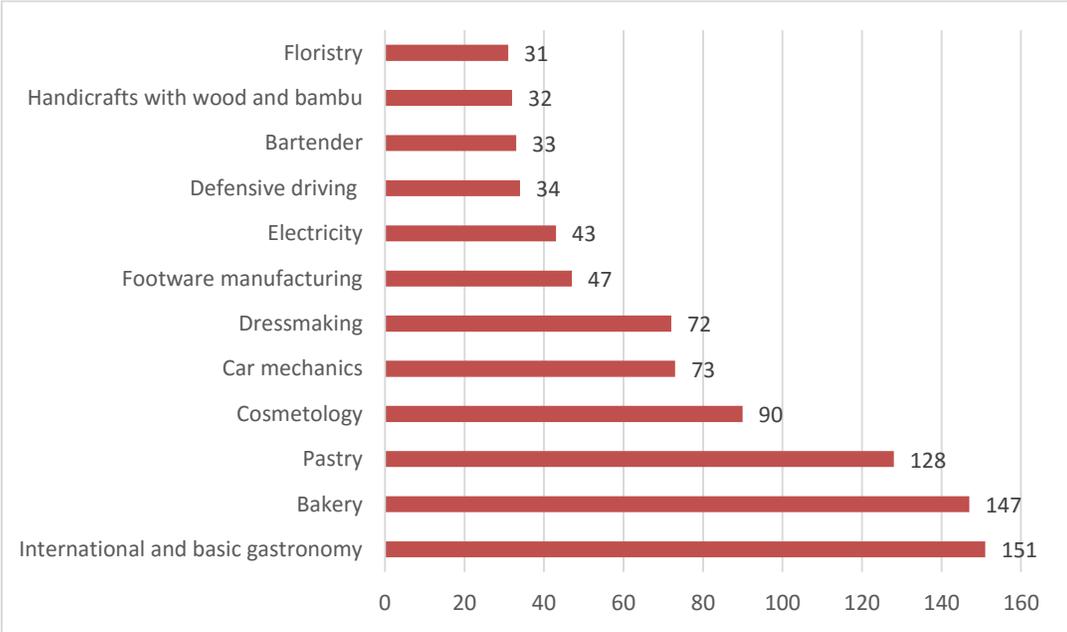
- **Diagnosis of the Training Needs** (*Diagnóstico de Necesidades de Capacitación, DNC*). This process involved gathering information about the socio-demographic profile of the participants, including their level of education and their labor profiles. It also considered participants' expectations and preferences regarding particular types of training.
- **Diagnosis of the Employment and Business Opportunities** (*Diagnóstico de Oportunidades de Negocios y Empleo, DONE*). INSAFORP, in coordination with the MTPS and the municipalities, convened local stakeholders such as businesses, NGOs, and community leaders to analyze the municipal development opportunities and the job profiles needed in the community.
- **Diagnosis of the Potential Job Supply** (*Diagnóstico de la Oferta Potencial de Empleo de las Empresas, DOPE*). A number of local businesses are surveyed to learn about the potential job supply in the municipality.

13. The training provision involved the carrying out of the diagnostics, elaboration of the training plan, submission of training requests, contracting of training providers, the actual training implementation, and its M&E. To meet training deadlines within the context of every PATI round, INSAFORP, the FISDL, and the municipalities had to exercise great coordination and careful logistics, which was also facilitated by the institutions' management information systems.

14. The type of trainings provided included tourism, manufacture of dairy products, gastronomy, bakery and pastry, bartender, handicrafts, dressmaking, floristry, cosmetology, fabrication of piñatas, cleaning products, metal products, costume jewelry, and classes on

computer, electricity, masonry, plumbing, farming, car and motorcycle repairs, and industrial machine operations, among other trainings (see figure 2.1.3). Generally, there was a great difference between the participants’ preferences for training and the job opportunities identified in DONE and DOPE (for example, bakery would be at the top of participants’ preferences but at the bottom of businesses’ needs).

Figure 2.1.3. The Ten Most Popular Training Courses



Source: FISDL 2016.

15. Even though the process evaluation did not find any noncompliance or distortions in the training procedures according to what was established in the POM, the report identified some limitations in the diagnosis that affected the quality of the process. For example, the time for the implementation of the DNCs was too short and the methodology used was not easy for all participants to understand. The number of businesses participating in DOPE and DONE were limited. In addition, few municipalities advocated for the adjustment of the training plans proposed by INSAFORP to achieve a better matching of training needs between participants and local businesses.

16. Many of the training processes were improved over time as the program matured. However, there were some challenges outside of the scope of the implementing institutions that affected the impact of the training, such as the contraction of the job supply given the country’s economic crisis, and the low level of education of the PATI participants. In addition, the heterogeneity of profiles and interests among the PATI participants made it difficult to tailor the supply of trainings to satisfy all their needs and expectations.

Evolution of PATI Design

17. The main design features of the program, the transfer, and the community subprojects remained the same throughout the life of the project. However, adjustments were introduced to lengthen the time of the training. Changes during the seventh round reflect the priority of the new Government administration to focus on youth and violence prevention. The eighth and last PATI round limited the target population specifically to youth of 16–29 years, duplicated the hours for technical training, and introduced a new life skills and job training. These changes were tested to facilitate the transition from PATI to the new PJET.

Table 2.1.1. Evolution of PATI Design

PATI Rounds	Design Adjustments
Round 1	<ul style="list-style-type: none"> • Eligible age: 16+ • 64 hours of technical training • 16 hours of labor orientation
Round 2	<ul style="list-style-type: none"> • Eligible age: 16+ • 80 hours of technical training • 16 hours of labor orientation
Round 4	<ul style="list-style-type: none"> • MTPS starts providing labor orientation instead of INSAFORP
Round 7	<ul style="list-style-type: none"> • Eligible age: 16–40 • New emphasis on increasing coexistence and social cohesion • Violence prevention activities are articulated in the municipalities, putting PATI as the core • The Municipal Committee for Violence Prevention (<i>Comité Municipal para la Prevención de la Violencia</i>) starts working in the intervened municipalities as part of the El Salvador Seguro Plan. The Municipal Committee for Violence Prevention is formed by representatives of the municipality—the FISDL, MINED, MINSAL, MTPS, and the Women’s Institute Ciudad Mujer—and it is chaired by the General Directorate for the Social Prevention of Violence and Peace Culture (<i>Dirección de General de Prevención de Violencia y Cultura de Paz</i>, PREPAZ) of the MJSP
Round 8	<ul style="list-style-type: none"> • New program design is aimed at facilitating the transition to the PJET • Eligible age: 16–29 • 160 hours of technical training • 16 hours of labor orientation • 64 hours of life skills training • Introduction of mentors and psychologists to work with the youth

PATI Interventions

18. It is important to underscore that the GoES implemented three versions of PATI using three different sources of funding:

- **Urban PATI** was the program implemented with World Bank resources in AUPs and it is the subject of this report.
- **PATI-Ida** was an USAID-supported intervention introduced in 2010. The objective was to mitigate the impact of Hurricane Ida in urban and rural districts most affected by the hurricane. This intervention operated with a projected budget of US\$23.5 million until the end of 2013 and a target of about 28,000 participants.

- **Productive PATI** was initiated in 2012 with funds from the Grand Duchy of Luxembourg to test additional design features aimed to improve participants' income-generation opportunities after the six-month intervention. It reached 3,640 participants with a budget of almost US\$3 million. For this initiative, participants exiting PATI who had a business idea were selected to receive technical assistance, vocational and business training, and seed money in the form of a US\$300 bonus to start a business. The initiative gave birth to the Entrepreneurship in Solidarity Program (*Programa de Emprendimiento Solidario*) implemented by the FISDL. The program that originally started with PATI graduates is currently used as an exit strategy for the beneficiaries of *Comunidades Solidarias Rurales*.

PATI's Feedback Mechanisms

19. PATI was the main pillar of the operation, with 81.9 percent of the project funds allocated to its execution. The program was a very comprehensive operation that involved coordination among multiple agencies (the FISDL, INSAFORP, MTPS, and the municipalities). In each PATI round, these institutions needed to work in synchrony to operate and provide services beyond the six-month participant duration in the program. The program always achieved its ultimate goal of providing timely income support as there were no arrears and the participants received predictable transfers that helped them smooth their consumption. This would not have been possible without the feedback and revisions that were incorporated into operations and translated into program improvements. At the beginning of the project, implementing agencies had monthly meetings to review operations and make immediate adjustments if necessary. The frequency of the meetings was reduced as the program was maturing and teams learned to work with each other, unless issues came up that needed specific follow-up. Monthly meetings were resumed during the seventh round to monitor the implementation of the new PATI design features. In addition, PATI teams always had an evaluating meeting at the end of each PATI round. The FISDL also established the grievance resolution office OIR that served program participants as well as the general public. As a result, PATI implementation was always dynamic and operational processes were adjusted and improved from round to round based on the teams' and beneficiaries' feedback and lessons learned. In addition to the internal process evaluations, PATI also had independent impact and qualitative evaluations that provided further insight on the impact and status of program operations that led to some adjustments in program design.

Annex 3. Economic and Financial Analysis

1. As an emergency response program, the main objective of PATI was to provide timely income support to participants. The objective of the transfer was to protect the income of the vulnerable and prevent them from falling deeper into poverty. Regarding the training component, the program aimed at increasing participants' employability and employment earnings. Participation in community subprojects, on the other hand, contributed to increased social interactions and cohesion.¹⁰ All of these benefits were measured by an IE conducted by Beneke de Sanfeliú (2014), which is described in detail in annex 3.1.

2. This economic and financial analysis focuses on the long-term gains of the increased employability and employment earnings achieved which is only attributable to the program. The analysis does not include other impacts already measured in the IE.

3. One of the main results of the evaluation is a positive causal effect on participants' employability levels compared to a control group. This effect, however, is significant in the medium term and not in the short term. According to the author, in terms of employability, it was not possible to identify statistically significant impacts in the short term, but it was possible to identify a medium-term impact of 5.5 percentage points, which means that the likelihood to be employed was 5.5 percent higher among PATI participants on average.¹¹

4. Regarding the impact on the labor income, Beneke de Sanfeliú (2014) found a similar result, where the average wage among beneficiaries of PATI was 13 percent higher than the average wage of the control group in the medium term.

5. The cost-benefit calculation of the program requires the estimation of the incremental social benefits generated by the intervention, the net social costs of the intervention (program costs), and the social discount rate to compare benefits and cost at present value. To estimate the future cash flow of the program (incremental social benefits), the following assumptions were used:

- The average wage gain remains throughout a beneficiary's economic active life (as the average age of beneficiaries is 34 years and the economic life in El Salvador is defined until 65 years; the period of economic activity for this calculation is 31 years). Two alternative scenarios can occur: the wage gap between participants and control groups decreases over time until it converges to zero, or the wage gap between the two groups is maintained but remains constant over time. A moderately optimistic scenario was used, by which the wage gap increases and then decreases over time (see figure 3.1.).
- Beneficiaries enter the labor market when they graduate from the program and remain active until their retirement. Therefore, the wage of participants is multiplied by the probability of

¹⁰ The community subprojects were not focused on asset generation, so it was difficult to quantify the value of the activities in terms of economic gains.

¹¹ Gains in employability and income level vary by age, gender, and level of education, but for this analysis only average results are used.

being employed at each age, which is estimated from the *Encuesta de Hogares de Propósitos Múltiples* (EHPM 2015) for every five-year age range (see formulas 2 and 3).

- The benefit of the program starts at age 35 (rather than 34) to be consistent with the IE which establishes that benefits start in the medium term.

6. The program cost includes the financing of training and stipends for beneficiaries and the operating cost.

7. The IRR is the result of estimating the cash flow of the program considering the investment made by the program as costs and benefits measured as the difference of wage between participants and a control group. Hence, the IRR is calculated as the value of r obtained from the following equation, where G_x is the wage gains produced by the program for participants at age x (equal to period t) and C_x is the cost of the program for participants at age x .

$$\sum_{x=0}^{65} (G_x - C_x)(1-r)^x = 0. \quad (1)$$

8. The wage earned by each worker involved in the program at age x is defined as shown in the equation (2), where α_x^p represents the probability of being employed at age x and w_x^p .

$$w_x^p = \alpha_x^p \cdot w_x^p. \quad (2)$$

9. On the other hand, wages of those in the control group is defined as shown in equation (3) where the superscript p of the previous equation is replaced by wp , indicating that the variables now refer to people who did not participate in the program (that is, did not finish the training activities).

$$w_x^{wp} = \alpha_x^{wp} \cdot w_x^{wp}. \quad (3)$$

10. The wage gain achieved by the program, in terms of expected wages, is given by the difference between w_x^p and w_x^{wp} . Because not all beneficiaries of the program finished the program, the expected wage generated by the program is adjusted by ε , which represents the percentage of people who did participate in the program but did not finish it.

$$G_x = (w_x^p - w_x^{wp})\varepsilon. \quad (4)$$

11. In this particular case, ε is on average equal at 88 percent.

12. Alternatively, with the objective of having a better understanding of effectiveness of each invested dollar, it is possible to estimate the cost-benefit ratio. This ratio is represented by the following equation:

$$\frac{C}{B} = \frac{\sum_{t=0}^T C_t \cdot \delta^{t-1}}{\sum_{t=0}^T G_t \cdot N_t \cdot \alpha \cdot \delta^{t-1}}, \quad (5)$$

where,

- G_t represents the average gain wage gain of each beneficiary of the program in each period t .

- N_t represents the number of beneficiaries who completed the stages of the program in each period t .
- α is the percentage of the beneficiaries who are employed.
- C_t represents the total costs of the program in each time period t .
- δ is the discount factor equal to $1/(1+r)$, where r is the discount rate.

13. Table 3.1 shows the basic parameters of the program such as the number of beneficiaries who have graduated from it, the average age of the beneficiaries, and the number of years they will be in activity. Also, it presents the wage gain estimated in the IE, the employment rate, and the total cost of the program per year.

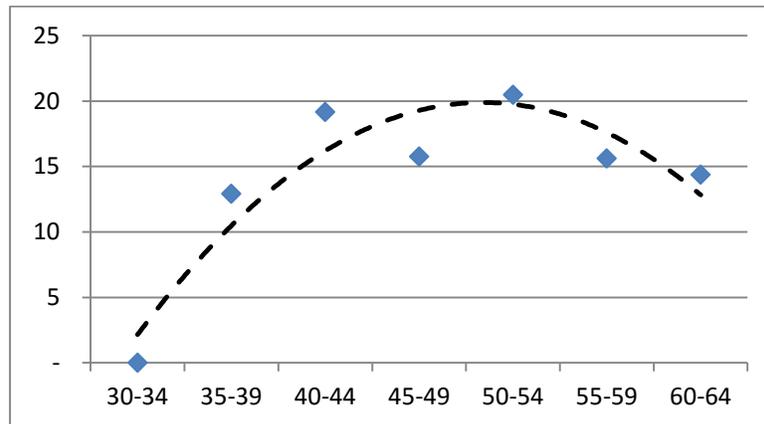
Table 3.1. Basic Parameters of the Program - PATI

Variable	2010	2011	2012	2013	2014	2015
Number of beneficiaries	6,889	20,095	5,967	11,210	3,170	456
Beneficiaries' average age (years)	34					
Years in activity	31					
Wage gains (in % of the average wage of the control group)	13					
Gains in employment rate (%) (in % points of the average employment rate of the control group)	5.5					
Program's total cost (US\$, millions)	5.191	14.945	4.493	8.409	1.550	0.454

Source: Beneke de Sanfeliú (2014) and FISDL.

14. Figure 3.1 shows these gains by age group of the beneficiary. As mentioned earlier, the gains are not experienced in the short term (when participant just exited the program) but in the medium term. Therefore, the first wage gain (US\$13.00) is experienced when the individual is 35 years of age; it peaks at US\$20 in the individual's early 50s and sets at US\$12.37, at retirement age.

Figure 3.1. Average Wage Gain by Age (US\$)



Source: Authors' own elaboration based on Beneke de Sanfeliú (2014) and EHPM (2015).

15. Considering all these variables, the Internal Economic Rate of Return implicit in this flow of costs and wage gains is 11 percent. Similarly, it is possible to calculate the present value of the financial flows of the program using three different social discount rates: 3 percent, 6 percent, and 12 percent. Table 3.2 shows the costs and the present values of the benefits of the program.

Table 3.2. Cost-benefit Analysis - MPED

Discount Rate (%)	3	6	12
Total cost (US\$)	35,043,836	35,043,836	35,043,836
Present value of the benefit (US\$)	130,491,512	91,551,621	51,432,855
Cost/benefit ratio (US\$)	0.269	0.383	0.681

Source: Authors' elaboration.

16. These results suggest that the program is efficient in its implementation. Assuming different discount rates such as 3 percent, 6 percent, and 12 percent, the results show that for each dollar invested in each beneficiary, the program obtains a benefit, in wage gains, equal to US\$3.7, US\$2.6, and US\$1.5, respectively.¹²

¹² These values are the inverse of the cost-benefit ratio.

Annex 3.1 Results of the Impact Evaluation

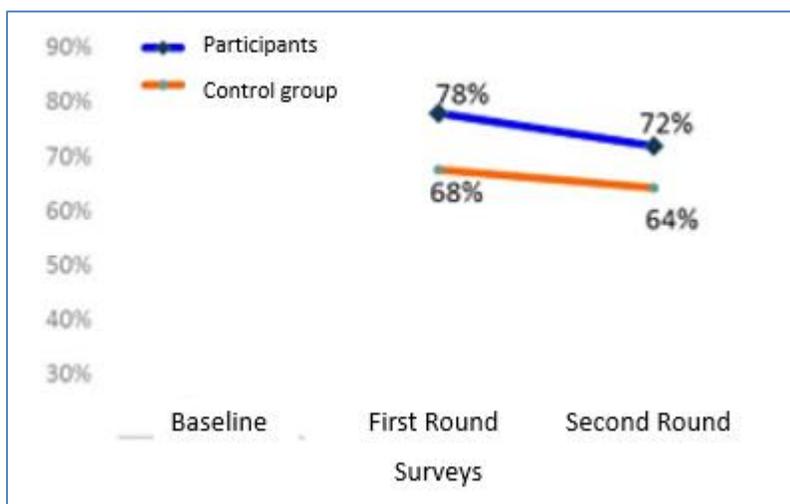
1. This annex summarizes the main results of the IE carried out by Beneke de Sanfeliú (2014). The IE measured PATI's direct impact on poverty reduction and levels of income and employability in the short and medium term. The evaluation also measured 'indirect' indicators that were not part of the program objectives but still had important effects such as empowerment, social relations, and levels of victimization. The IE used a combination of the 'pairing' methodology for construction of the treatment and control groups with the 'differences-in-differences' methodology.

Main Impacts

Impact on Poverty Reduction

2. PATI helped alleviate conditions of extreme poverty in households during and after the program. The program had a statistically significant reduction in extreme poverty of 8 percentage points (see figure 3.1.1). When disaggregating results by groups of participants, the IE found that the program reduced the rate of extreme poverty by 11.2 percentage points among men, 9.8 percentage points among youth, 7.8 percentage points among adults, and 9.4 percentage points among those with low levels of education. It is important to note that among women and individuals with more education, there was no impact on poverty reduction.

Figure 3.1.1. Reduction in Extreme Poverty Rates

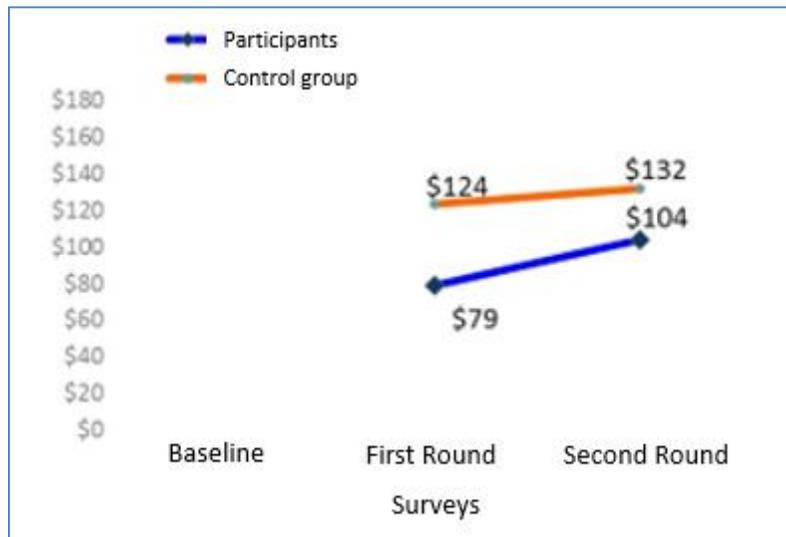


Source: Beneke de Sanfeliú (2014).

Impact on Income

3. PATI increased monthly income of participants in the medium term by increasing their participation in the labor market. Participants earned on average US\$17.9 more than the comparison group one year after the program. Even though employment income increased for all the participant groups, the results were statistically significant only for men (US\$56.7), adults (US\$27.4), and for those with education levels higher than ninth grade (US\$24.6). The results were not significant for women and youth.

Figure 3.1.2. Increase in Employment Earnings



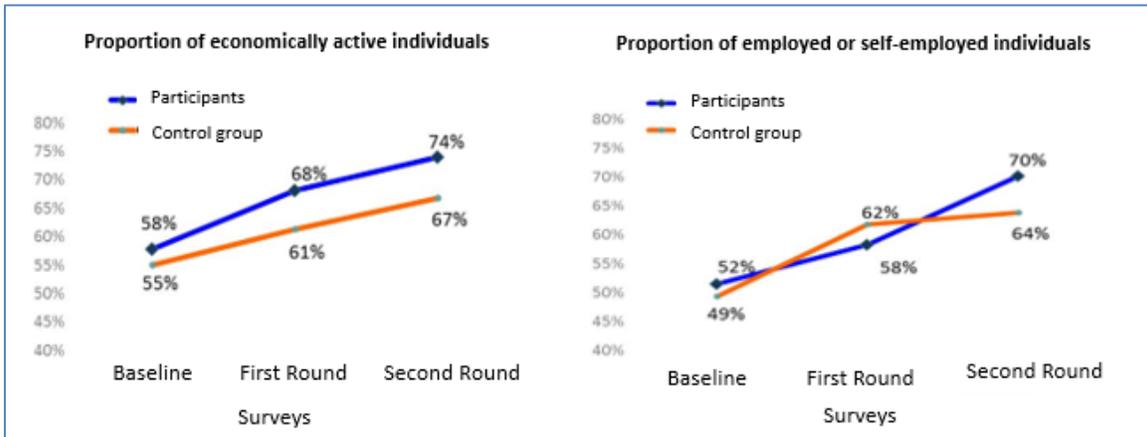
Source: Beneke de Sanfeliú (2014).

Impact on Labor Market Participation

4. PATI contributed to an increase in the proportion of economically active individuals (employed, self-employed, or looking for work). In the short term, this rate increased by 4.6 percentage points, on average, while in the medium term, the indicator increased by 5.5 percentage points. However, the results were statistically significant only for women, youth, and individuals with education levels higher than ninth grade. The proportion of economically active women increased by 5.9 percentage points in the short term and by 6.6 percentage points in the medium term. Youth and individuals with higher levels of education reported an increase of 9 percentage points in the short term and 8.4 and 11 percentage points in the medium term, respectively.

5. The IE did not find results on employment rate levels in the short term as the higher rates reported by participants were similar to the ones experienced by the comparison group. During the second round, however, the IE found an increase in employment rates that were attributed to the program. The employment rate impact of the program in the medium term was of 6 percentage points for women, 6.2 percentage points for youth, and 8.5 percentage points for participants with higher levels of education. However, even though the rate of employment increased for program participants, their jobs continued to be precarious as 77 percent of the participants reported earnings lower than the minimum wage during the second round survey.

Figure 3.1.3. Increase in Labor Market Participation



Source: Beneke de Sanfeliú (2014).

6. The IE also measured if the training component had an impact on participants' readiness to seek a job or start a new business. PATI contributed to the increase in participants' readiness to look for a job by 6.6 percentage points on average. The results were statistically significant only for women (8.4 percentage points), adults (9.2 percentage points), and people with less education (7.6 percentage points). These results were not significant in the medium term. In terms of readiness to start a business, PATI increased this perception by 5.6 percentage points on average. These results were statistically significant for women (5.6 percentage points), youth (10.3 percentage points), and for those with less education (9.6 percentages points). Once again these effects disappeared in the medium term. According to the IE, these results may indicate that the training was modest or not necessarily oriented to the most relevant job opportunities. It also may be indicative of the limited local conditions.

Indirect Impacts

Empowerment

7. The IE measured empowerment using three indicators: self-esteem, mood, and decision-making power. The evaluation did not find significant results of the program on self-esteem, either in the short or medium term. On the other hand, the mood of participants improved in the short term by nearly 10 percent (it went from 5.8 to 5.2 on a scale of 1 to 10), particularly among women, adults, and individuals with lower levels of education. Results were not significant for youth, men, and participants with higher levels of education. These results faded in the medium term. A potential explanation, according to the qualitative evaluation, is that mood was affected at the end of the program because of the difficulty for participants to find long-lasting, stable employment after the program, particularly for women, adults, and people with less education.

8. The IE measured the negotiating power with respect to spending household income. The evaluation did not find significant results on this indicator in the short term. However, in the short term, the program increased the negotiating power of men and individuals with higher levels of education by 10.7 and 10.5 percentage points, respectively. Significant results were not found for women, youth, and people with less education. The lack of increased empowerment among women was counterintuitive; however, the qualitative evaluation stated that the gender education provided

during the trainings does not necessarily translate into women's empowerment as the patriarchal culture is rooted in the households, assuming gender stereotypes as 'natural' and leading to differentiated decision making.

Social Interactions

9. It was hypothesized that participation in community activities would increase social interactions and thus, social cohesion. The IE used the participation in community organizations, trust among community members, and satisfaction with the neighborhood as proxy to measure social interactions. The evaluation found that PATI participants increased their participation in community organizations by 3 percentage points in both the short and medium term. This participation was reported mainly in religious and sports organizations. Likewise, the percentage of individuals who assume more responsibility in the community increased by 4.3 and 3.7 percentage points on average in the short and medium term, respectively.

10. An unexpected result was the drop in confidence that participants had in other persons in their communities. Participants reported a decrease of confidence in their neighbors by 5.5 percentage points in the short term and 6.9 percentage points in the medium term. These low levels of trust among neighbors was very similar among treatment and control groups. According to the qualitative evaluation, this is an indication of the overall insecurity present in the country, which is a factor outside of the scope of the program.

11. To measure participants' satisfaction with their neighborhood, an indicator was constructed that included evaluation of different aspects such as parks, recreational sites, street cleanliness, and street-level security, among others. The evaluation found small but significant effects on this indicator. PATI contributed to a short-term and medium-term increase of 0.3 percentage points in satisfaction with the neighborhood, which was experienced mostly by youth and men. There were no significant impacts on the indicator for women, youth, and people with higher levels of education.

Levels of Victimization

12. To measure this indicator, program participants were asked to evaluate how secure they felt in an array of places, assigning a scale of 0 to 10. In general, the values assigned were low; however, PATI helped increase participants' perception of security in the medium term by 0.4 percentage points, with higher incidence among men and individuals with higher levels of education. In addition, the percentage of households that had been victim of a crime was measured. The IE found that the percentage of victimized households among participants had declined in the short term from 8 percent to 6.3 percent. However, this indicator reported a net increase of 4.4 percentage points in the medium term. This increase was higher among men, adults, and individuals with higher levels of education.

Table 3.1.1. Summary of PATI Impacts

Indicator	Impact	Total	Gender		Age		Level of Education	
			Women	Men	Youth	Adults	Ninth Grade or Higher	Less than Ninth Grade
Employability								
Readiness to seek a job	Short term	6.6	8.4	—	—	9.2	—	7.6
	Medium term	—	—	—	—	—	—	—
Readiness to start a job	Short term	5.6	5.6	—	10.3	—	9.6	—
	Medium term	—	—	—	-7.7	—	—	—
Labor market participation	Short term	4.6	5.9	—	9.0	—	9.0	—
	Medium term	5.5	6.6	—	8.4	—	10.9	—
Employment	Short term	—	—	—	—	—	—	—
	Medium term	5.5	6.0	—	6.2	—	8.5	—
Income								
Average monthly income (US\$)	Medium term	17.9	—	56.7	—	27.4	—	24.6
Extreme poverty	Medium term	-8.0	—	-11.2	-9.8	-7.8	—	-9.4
Total poverty	Medium term	—	4.7	—	—	—	—	—
Other impacts								
Negotiating power on income spending decisions	Short term	—	—	—	—	—	—	—
	Medium term	5.6	—	9.7	—	—	16.9	—
Participation in community organizations	Short term	3.3	3.3	3.3	1.7	4.5	—	3.9
	Medium term	3.2	—	—	—	—	—	3.7
Trust in other people in the community	Short term	-5.5	-5.2	—	—	-5.5	—	-5.2
	Medium term	-6.9	-5.9	—	-5.7	-6.1	—	-6.1
Satisfaction with communal spaces	Short term	0.3	—	0.6	0.4	—	—	—
	Medium term	0.3	—	0.7	0.3	—	—	—
Perceptions of security	Short term	—	—	—	—	—	—	—
	Medium term	—	-0.6	—	-0.5	—	-0.6	—
Victimization	Short term	—	—	—	—	—	—	—
	Medium term	4.4	—	9.0	—	5.1	6.0	—

Source: Beneke de Sanfeliú (2014).

Note:

1. Results correspond only to individuals interviewed during the three rounds of surveys.
2. Numbers indicate percentage points.
3. Only statistically significant impacts are included ($p < 0.10$). Standard errors are estimated using bootstrapping and are grouped at the level of the AUP.

Annex 4. Bank Lending and Implementation Support/Supervision Processes

(a) Task Team Members

Names	Specialization	Title	Unit
Suzana de Campos	Consultant	Consultant	LCC6C
Pablo Ariel Acosta	Former Task Team Leader	Senior Economist	GSP02
Dora Patricia Andrade	Environmental Safeguards Consultant	Safeguards Specialist	GEN04
Jorge Arguindegui	Procurement	Procurement Specialist	GGO04
Nancy Banegas Raudales	Task Team Leader	Operations Officer	GSP04
Gastón Mariano Blanco	Former Task Team Leader	Representative	LCCCH
Jorge C. Barrientos	Consultant	Consultant	LCSHS - HIS
Sajitha Bashir	Practice Manager	Practice Manager	GED01
Patricia M. Bernedo	Operations Analyst	Operations Analyst	GSP04
Carlos Briones			LCSHE - HIS
Cristian D'Amelj	Counsel	Counsel	—
Sandra Lisette Flores de Mixco	Financial management	Financial Management Specialist	—
Jimena Garrote	Legal	Senior Counsel	LEGOP
Sarah Berger	Consultant	Consultant	GSP03
Barbara Hemetsberger	Junior Professional Officer	Junior Professional Officer	LCSHS - HIS
Jania Ibarra	Operations	Operations Officer	LCCSV
Lerick S. Kebeck		Program Assistant	GSP04
Alvaro Larrea	Procurement	Lead Procurement Specialist	GGO04
Monica Lehnhoff	Procurement	Procurement Specialist	GGO04
Rocio Malpica Valera	Senior Counsel	Senior Counsel	LEGES
Nurys Matos-Smith	HR Assistant, Shared Services	HR Assistant, Shared Services	HRDPT
Glenn S. Morgan	Adviser	Adviser	OPSPF
Fabienne Mroczka	Financial management	Senior Financial Management Specialist	GGO22
Edmundo Murrugarra	Task Team Leader	Senior Social Protection Economist	GSP04
Ana Marta Najarro	Human development	Consultant	GSP04
Ana Maria Oviedo	Labor Economist	Senior Economist	GPV04
Jose Simon Rez	Financial management	Senior Financial Management Specialist	GGO22
Angela Maria Rubio Martinez	ACS for project	Program Assistance	GSP04
Marcela Salvador	Implementation of activities in the MTPS	Senior Social Protection Specialist	GSP04
Tomas Socias	Senior Procurement Specialist	Senior Procurement Specialist	—
Cornelia M. Tesliuc	Former Task Team Leader	Senior Social Protection Specialist	GSP01
E Alejandro Yepes	Program Officer	Program Officer	HRDTA
Maria Concepcion Steta Gandara	Implementation of activities in PATI and strengthening of the STPP	Senior Social Protection Specialist	GSP04
Alonso Zarzar Casis	Senior Social Scientist	Senior Social Scientist	GSU04

(b) Staff Time and Cost

Stage of Project Cycle	Staff Time and Cost (Bank Budget Only)	
	No. of staff weeks	US\$, thousands (including travel and consultant costs)
Lending		
FY10	66.13	310,301.51
Total:	66.13	310,301.51
Supervision/ICR		
FY10	7.11	45,679.27
FY11	32.27	169,641.29
FY12	44.43	166,749.01
FY13	44.08	153,210.03
FY14	33.60	126,767.82
FY15	30.75	124,146.31
FY16	26.47	101,262.38
FY17	8.74	30,856.12
Total:	227.45	918,312.23

Annex 5. Beneficiary Survey Results
Not applicable.

Annex 6. Stakeholder Workshop Report and Results

Not applicable.

Annex 7. Summary of Borrower's ICR and/or Comments on Draft ICR

1. During 2009–14, the Salvadoran Government launched a Global PAC to deal with the impact of the world economic crisis. A part of the PAC was the construction of an SPSU which constituted a strategy for the Social Protection Policy based on a human rights approach that identifies individuals as an active participant of their own development. In this context, the Income Support and Employability Project contributed to the construction of the SPSU, which was one of the targets established in the Five-Year Plan for Development 2009–2014. The Government's 2014–19 administration resumed these efforts and built on the progress made to keep consolidating the social policy and the improvements made on the socioeconomic conditions of the most vulnerable population. An evaluation of the project objectives, design, implementation, and results are presented below by component.

Component 1: Support the design and implementation of the Temporary Income Support Program

2. The design of PATI was relevant as it targeted the most vulnerable population using geographic (poverty map), prioritization, and self-selection targeting mechanisms. The program, consisting of transfers conditioned to participation in community projects and vocational training, opened up opportunities for the empowerment of PATI participants. The community projects, as the pillar of the implementation, promoted community participation and improvement of social relations and also generated opportunities to coordinate with other sectors such as health, education, civil protection, agriculture, and so on. The vocational trainings increased participants' employability, improving their potential to participate in the labor market. The life skills training implemented in the last PATI round helped participants reflect on their values, abilities, and skills and to visualize their projects in the short, medium, and long term.

3. With regard to results, the IE indicated that PATI achieved its objectives as it reduced the level of extreme poverty among individuals during the six months of participating, with this effect lasting even a year after participation. The increase in employability was demonstrated with a higher participation in the labor market and an increase in the medium term of the levels of occupation and income. PATI strengthened the implementation capacity and leadership role of the local governments and generated installed capacity for the management of social programs, owing to the decentralization of funds, technical assistance and trainings, and acquisition of equipment. The communities were also empowered, increasing the participation of individuals in community organizations and social cohesion. The program also helped coordinate efforts with implementing institutions (FISDL, INSAFORP, MTPS, PREPAZ-MJSP, MINED, and the municipalities). Implementing the program in municipalities with high levels of precariousness and violence imposed difficulties in implementation particularly with regard to registration and attendance of participants because of fear of threats and persecution by gang members.

4. The program met its targets as it covered 44,239 persons. The percentage of participants who completed training was higher than 80 percent, which was a result of the maturity of INSAFORP and local government capacities and innovations introduced in the processes. The percentage of women covered by PATI was greater than the targeted 60 percent, except in the last two PATI rounds in which the age range of participation was reduced. The percentage of youth 16–24 years of age reached the target of 40 percent only in 2011, mainly because of increased gang violence that targeted the youth, combined with the fact that some community projects were

not necessarily attractive to youth. It is important to underscore that a result of the World Bank technical support was the fulfillment of the environmental safeguards during the execution of community projects. The Guide for Environmental Best Practices contributed to the sensitization of the participants, communities, and local government about this issue and strengthened coordination among the municipality technical teams and the Municipal Environmental Units.

Component 2: Strengthening of labor intermediation, information, and occupational training systems

5. The project supported the institutional transition from an RNE to the SIE and this implied the following actions:

- Employment intermediation services have been expanded and decentralized, bringing the RNE to the local governments and near the population who need them. This reduces labor migration, transportation costs, and so on. This has allowed reaching the targets in indicators related to the number of people registered in the RNE and participating in job fairs.
- The employment counselors also reached out to the local businesses and offered them assistance in the hiring processes, resulting in an increment of job offers registered in the intermediation employment office system. The system can match job opportunities with persons who reside locally, thus promoting local development.
- The supply of labor orientation services has been increased by offering personalized counseling as well as group workshops and training. The services also include assistance in creating and printing a résumé and taking psychometric tests, which facilitates the generation of a better profile to be matched with job opportunities.
- Specialized services are being offered to vulnerable populations such as youth, women, LGBT, and disabled people.
- The SIE has an ‘Employment National Portal’, which is a virtual platform that serves as the main tool to implement the job intermediation services at the municipal offices.
- The OML has been established to conduct research and analysis of labor market conditions and provide inputs for labor intermediation activities and for the development of labor policies. The capacities of the Statistical Unit have been strengthened during this process.
- A consultation process has been completed with various sectors and stakeholders to elaborate the National Employment Policy. A second phase of this process will include interviews with key stakeholders and dissemination of results.
- The resources provided by the World Bank loan helped integrate efforts with other institutions to reduce unemployment and to increase dignified employment for the most vulnerable; the integration of these efforts have resulted in the formulation of a National Employment System. The National Employment System articulates several policies such as the National Policy for Youth Employment, the National Policy for Micro and Medium Enterprises, and the Policy for Productive Diversification and Transformation, among others.

Component 3. Support the design and development of the Universal Social Protection System (SPSU)

6. The STPP achieved great progress in the institutionalization of the SPSU through the strengthening of its coordinating role and the development of the conceptual and legal-normative framework to guarantee the sustainability of the social programs. The STPP coordinated internal consultations to generate the conceptual design of the SPSU, which led to the formulation of the SPD Law approved in 2014. The law was formulated through a participatory process that included government institutions, key stakeholders from civil society, and political parties.

7. The 2014–19 administration has continued making progress to consolidate the social policy: it has issued and consulted the Plan for Development and Social Protection and Inclusion, as well as the regulation of the SPD Law. Another major achievement was the creation of the RUP that identifies the individuals and households who live under vulnerable conditions so that they can be prioritized by the social policy. By integrating different social programs into the RUP it will be possible to quantify government interventions in a specific time frame, facilitating the design and implementation of new social interventions. The development of the RUP included a conceptual document, methodology for prioritization of participants, definition of thresholds, Operations Manual, and inter-institutional agreements. Progress has been made in the development of the CS. Particularly, technical teams of implementing institutions have been strengthened, and there is a standard methodology, content, and messages about social protection, nutrition, and food security, among other topics. This common methodology has been possible owing to the coordination among government institutions, NGOs, local governments, and international institutions.

8. The RUP has incorporated 56 municipalities of Rural Communities in Solidarity (*Comunidades Solidarias Rurales*) and the AUPs with extreme and high level of precariousness in 25 municipalities of Urban Communities in Solidarity (*Comunidades Solidarias Urbanas*), covering 66.7 percent out of the 75 percent of the target population. The STPP has reached an agreement with MINSAL to incorporate the RUP variables into the ‘Family Health Record’, so that the information can be collected by the health promoters in 164 municipalities. The STPP also has agreements with other government institutions to incorporate their program information into the RUP to achieve the interoperability of the RUP and generate the SIS that will allow the identification and quantification of the households and individuals covered by social programs.

Evaluation of Implementing Agencies Performance

9. The FISDL has an array of strengths that facilitated the successful implementation of PATI: support from the management; strong linkages with the local governments; and the ability to transfer knowledge to the municipalities, apply lessons learned, promote local economic development with the community projects, and protect the program from political manipulation. It also launched a productive insertion initiative as an exit strategy for PATI participants. The MTPS and INSAFORP adjusted their operations to the program demands, expanding their supply of services to attend the most vulnerable population. The MTPS introduced labor counselors and generated bilateral interaction between municipal teams and the regional MTPS office and designed a system to follow up on participants. The STPP strengthened its role at managing the

institutional coordination among the implementing institutions. This process was gradually consolidated during the project implementation.

Evaluation of the World Bank Performance

10. The World Bank supervision has been highly satisfactory and useful. The accompaniment and technical assistance of the World Bank team helped the programmatic design and facilitated solid relationships with national counterparts at the political, executive, and technical levels. The supervision continued smoothly despite multiple changes in Task Team Leaders and local counterparts. However, even though these changes did not negatively affect the performance of supervision, it resulted in waiting times and small delays in some activities as the new officials adjusted to their new responsibilities and learned about the program and institutional referents. Likewise, the implementing institutions had to adapt to the management style of each Task Team Leader, but at the same time the institutions benefited from the different expertise and specialization that each Task Team Leader contributed.

Annex 8. Comments of Cofinanciers and Other Partners/Stakeholders
Not applicable.

Annex 9. List of Supporting Documents

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Interviews Conducted as Part of the ICR Mission (November 2016)

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MAP

