

## Evaluation of the Japanese cooperation in El Salvador's eastern region

<p><b>1 . Theme:</b> Evaluation of the Japanese cooperation in El Salvador's eastern region</p>	 <p>Project of Reconstruction of La Union Port</p>
<p><b>2 . Country:</b> El Salvador</p>	
<p><b>3 . Evaluators:</b> Department of Economic and Social Studies (DEES) of FUSADES(the Salvadoran Foundation for Economic and Social Development),</p>	
<p><b>4 . Period of Evaluation Survey:</b> 12/2007-03/2008</p>	
<p><b>5 . Descriptions of Evaluation:</b></p> <p><u>(1) Evaluation Objective:</u> The main purpose is to assess the relevance of the Japanese cooperation vision toward the eastern region development of El Salvador, and also evaluate its cooperation policy from the perspective of the main socioeconomic issues faced by the country. The Japanese cooperation vision and project consistency is assessed with regards to the country's main competitiveness and human development challenges, and the governmental strategic programs. Studies conducted by DEES, which cover the specific investigations on infrastructure, intensification of competitiveness, rural poverty reduction, education, drinking water supply, small and medium enterprises support, have been a key framework of reference to evaluate the Japanese cooperation relevance.</p> <p><u>(2) Evaluation Scope:</u> Based on the Japanese cooperation strategy agreed by both the Japanese and El Salvadorian governments, the specific ongoing projects in the eastern region, under the three components of human and social development, infrastructure and connectivity, and support to productive sector development, were analyzed by DEES in order to evaluate the Japanese cooperation relevance.</p>	

### (3) Evaluation Methodology:

The Japanese cooperation in the eastern region has the following components: Human and Social Development, Basic Infrastructure and Connectivity, and Productive Sector Development. Several key projects were visited by the research team of DEES, in order to evaluate the cooperation relevance: MEGATEC in the city of La Unión, Solid Waste Integral Management Project in the northern region of the department of La Unión, and Drinking Water Project in the municipality of Santa Elena, department of Usulután, under the Human and Social Development component; Port of La Unión and *Puente de la Amistad* or Friendship Bridge at El Amatillo (El Salvador - Honduras border) that belong to the Infrastructure and Connectivity component; a Mollusk Aquaculture Development Project in Jiquilisco Bay in the department of Usulután, and Cattle Management Project in Santa Rosa de Lima, department of La Unión. Focus groups were conducted during these visits, for example with MEGATEC teachers and students. Moreover, a series of interviews and personal contacts were held in addition to project field visits.

## **6. Evaluation Results:**

### (1) Relevance of purposes

This evaluation study addresses the background and/or diagnostics on the country's key issues, such as education, solid waste management, water, infrastructure, and support to small scale productive activities, particularly in the eastern region of El Salvador. The governmental policy toward the eastern regional development has been focusing on the themes and directions which the Japanese government has been promoting by its Master Plan and its cooperation activities. In this sense, that shows the relevance of the Japanese cooperation to the country's human and sustainable development in the eastern region.

### (2) Effectiveness of results:

Japan's contribution to the wide ranged development of the eastern region is vital in the area where has not been provided many financial

resources, for example, mega infrastructures, educational investment, and technology transfer for the enhancement of small businesses. Those inputs are expected to generate huge impact on the regional and integrated development by increasing competitiveness not just in the eastern region, but also nationwide. A series of projects have achieving high levels of efficiency and effectiveness.

### (3) Appropriateness of process:

The Master Plan includes the revitalization of Port of La Union as well as the development of an agri-industrial complex, solid waste management projects, construction of technological institute at La Union, among others; while the government of El Salvador has adopted more fully the plan's long term strategic vision. El Salvador, particularly its eastern region needs to do more in order to improve its business sectorial productivity, but historically, the country shows a poor evolution of its productivity. Therefore, *innovation* gradually introduced by the Japanese cooperation is a key element to improve the integrated development and the business sectorial competitiveness. Since the Japanese cooperation is focusing on infrastructure, human development, and small scale business promotion, No doubt that Japan's cooperation is appropriate and valuable to increase El Salvadorian's productivity and competitiveness.

## **7. Recommendations**

The Japanese cooperation is definitely a key contribution to The El Salvador's eastern development process. In order to get more benefit from the Japanese investment, the recommendations are as follows;

-In terms of MEGATEC, Japan could use its close relationship with other national institutions to establish new cooperation activities in areas that would help to increase the quality of education.

-In Solid Waste Project, to obtain the best from the Japanese cooperation, it is important to guarantee the financial sustainability by beneficiaries. It is important to establish the proper rate schedules

based on efficient collection and transportation costs for services as well as final disposal.

-As to Drinking Water Project, it is important to properly channel the benefits from the Japanese cooperation, and it becomes strategic for municipalities to implement an adequate water service rate system, and to apply direct subsidies for families that really need it. This type of measures would create funds, promote an efficient use of water, protect water sources and provide proper maintenance to the system.

-The magnitude of the impact from the two mega infrastructures, Port and Bridge works depend on other initiatives regarding infrastructure, institutions, the economy as well as society. This requires joint efforts with the regional governments and the political will in addition to funding.

-Through Cattle Management, the Japanese cooperation should find measures to ensure greater sustainability and spreading of the benefits and results of projects.

-Mollusks Project should assure of the availability of experts before beginning specialized project, the finance for complementary investments by the Salvadorian government, the Salvadorian government's commitment to the diffusion of lessons, and the promotion of associative schemes among producers.

Finally, it is important to mention that the government of El Salvador is primarily responsible for promoting the master plan for development in the eastern region, counting on the decided support of Japan. The government should promote the required plans and actions so that the Port of La Union effectively becomes a development hub for the eastern region.

(Note: The opinions expressed in this summary do not necessarily reflect the views and positions of the Government of Japan or any other institutions.)