



USAID
FROM THE AMERICAN PEOPLE



EL SALVADOR

PROSPERITY

El Salvador continues to face economic challenges. An uncompetitive business environment, anemic foreign direct investment, and a heavy dependence on remittances slow the economic growth rate. As a result, the economy is unable to create enough quality jobs to employ those seeking work. For those jobs that do exist, many people do not have the skills required.

Lack of economic opportunities and a path to long-term prosperity in El Salvador fuels irregular migration. To address the economic drivers of irregular migration, USAID works with Salvadoran government institutions, municipalities, and the private sector to facilitate job creation and job placement for likely migrants, and address key barriers to trade, investment, and access to capital to mobilize Salvadoran and international private sector investment in key sectors driving employment. Education and job training programs provide youth the education level and skills required by the labor market.

USAID is helping Salvadoran small businesses to grow and create new jobs, so that people can find dependable, good-paying work at home. Boosting trade is another way to assist Salvadoran firms to increase jobs and incomes. USAID works with Salvadoran authorities to streamline and improve border management and customs procedures, helping trade flow and grow more quickly.

Job training programs align workforce skills with productive sector needs. These activities target people that are most likely to attempt irregular migration, giving them a career path and placing them in jobs. Support for quality education at the primary and secondary level, and alternative education programs, improve school retention and prepare youth for future employment.

Stimulate \$5 billion in new investment



Create 100,000 jobs



Train and place 10,000 vulnerable people in better jobs



Increase exports by at least \$175 million



Stop 40,000 students from dropping out of school



USAID EI SALVADOR PROSPERITY ACTIVITIES

Economic Competitiveness Project (\$47.8 million) Through this project, USAID strengthens Salvadoran micro, small and medium enterprises (MSMEs) in the industrial and service sectors that have the greatest potential for economic growth for likely migrants. The project promotes innovation and technological development for MSMEs and access to export markets by developing high quality products and meeting international health and safety standards.

Invest (\$1.5 million) INVEST will partner with the private sector to increase investment in priority sectors that drive economic growth and increase employment. The activity will identify opportunities to structure financial instruments and provide transaction advisory services to channel capital into key regions and sectors.

Access to Credit and Financing

Banco de América Central (Guarantee: \$10 million)

Banco Davivienda (Guarantee: \$25 million)

Banco Promerica, Banco G&T Continental and

Banco de América Central Guarantee: (\$53.8 million) USAID is working with private sector banks to increase credit availability for MSMEs to generate increased economic growth and prosperity in El Salvador. By increasing access to affordable credit, USAID is helping businesses and entrepreneurs take advantage of market opportunities and expand their operations and increase job opportunities.

Education and Coexistence for Schools and Communities Free of Violence (\$10.0 million) The project assists public schools and communities in reducing violence and keeping students in school by working with teachers and families to promote positive behavioral changes and to improve quality of life in the communities. The project expects to reach at least 100 schools and 150 communities through partnerships with private businesses, which will benefit 20,000 students and 45,000 community members in places with high crime and high out-migration.

Opportunities Education Alliance (\$14.2 million; \$7.1 million USAID, \$7.1 million Gloria de Kriete Foundation)

The Oportunidades Program with the Gloria de Kriete Foundation provides youth aged 14 to 24 complementary education (academic reinforcement at the high school level in math, computer science, linguistic training, and English); higher education preparation (scholarships, and financial aid to pursue higher education); and employability support (internships and coaching programs to effectively access the labor market or start their own business).

Scholarships for Educational Opportunities (\$20 million) USAID's Scholarships for Educational Opportunities Project with the International Organization for Migration (IOM) will provide at least 6,450 scholarships for vulnerable youth and returned migrants. The project provides three types of scholarships: a two-year technical education in six MEGATEC centers; accelerated education for students to complete their upper secondary education; and short six-month vocational courses to develop specific technical skills to find a job in the short term. All scholarships include tuition costs (paid directly to the institutions), computers/laptops, and transportation and meal stipends to the students.

For more information on USAID El Salvador and USAID Central America Regional Programs, please call: (503) 2501-3411; 3344; 3432 or visit www.usaid.gov/el-salvador



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