

PARTNERSHIP FOR GROWTH
EL SALVADOR – UNITED STATES
Six Month Scorecard
November 2012 – May 2013



August 2013

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Overview

Constraint 1: Crime and Insecurity		Score May 2013
1. Strengthen Justice Sector Institutions		On Track
2. Improve Criminal Justice Procedures		On Track
3. Reduce Impact of Crime on Businesses		On Track
4. Reduce Impact of Crime on Commuters/Public Transportation		Behind Schedule
5. Remove Assets from Criminal Organizations		Behind Schedule
6. Strengthen El Salvador's Civil Service		Behind Schedule
7. Promote a National Dialogue to Improve Security		On Track
8. Assist At-Risk Youth Through Economic Opportunities		On Track
9. Strengthen the PNC		On Track
10. Improve Education Opportunities for Youth in High-Risk Municipalities		On Track
11. Prevent Crime & Violence in Key Municipalities and Support Reforms		On Track
12. Reduce Overcrowding in Prisons		On Track
13. Enhance the Security of the Prisons		On Track
14. Promote use of Extradition to Combat Crime		On Track
Constraint 2: Low Productivity in the Tradables Sector		
1. Establishment of a Growth Council		Behind Schedule
2. Reduce Firms' Cost to Improve Their Competitiveness		On Track
3. Strengthen Labor Force to Match Labor Market Demand		On Track
4. Raise (Net) Tax Revenue by 2015		On Track
5. Support a Strategy for Attracting & Promoting Foreign Direct Investment		Behind Schedule
6. Surmount Low Productivity in Tradables		On Track

Score			
Behind Schedule	On Track	Ahead of schedule	Completed

Constraint 1: Crime and Insecurity

<p>Goal 1-2: Professionalize and improve the effectiveness of justice sector institutions (procedures and practices) to increase their ability to combat crime and insecurity in El Salvador, as well as enhance the public perception of these government institutions.</p>	<p>On Track</p>
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During much of the reporting period, the USG’s major Rule of Law (ROL) Activity to address goals 1 and 2 was under procurement. To avoid a lapse in programming, the USG signed three grants with local organizations to support critical PfG activities until the ROL award was signed on March 4. Through the grants, several training sessions were provided to justice sector personnel in different areas such as mediation skills for court officials to support the recently created Court’s Annexed Mediation Centers and training to specialized units of the Attorney General’s office on special methodologies to plan and investigate cases.

Through the same grants, psychological attention and crisis intervention were given to victims at USG funded victims’ centers. During this period, 400 victims were assisted for domestic violence, 1,210 children were treated in play therapy centers, and 227 victims were assisted for sexual abuse. A sample study was carried out in one victims’ center located in Ciudad Delgado, where it showed that from November 1 to the end of February, a total of 99 cases were initiated for domestic violence; all cases were presented in the courts, and 97 of them, representing almost 98% of the total, resulted in convictions. A baseline study done in 2009 in a similar center showed that out of 323 cases received, just one case was initiated.

The Technical Unit of the Justice Sector created a committee with representatives from all justice sector institutions to plan the Partnership for Growth Activities for Goals 1-2. The Committee drafted a matrix with the GOES priorities for the first year of the new ROL project. The five year, \$21.4 million activity was signed at the beginning of March and directly supports PFG Security goals 1, 2 and 9.

<p>Goal 3: Reduce the impact of organized crime on small and medium businesses, potentially the most dynamic sector of the economy whose contribution to growth is key to the economic well-being of El Salvador.</p>	<p>On Track</p>
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The Government of El Salvador (GOES) established and equipped a site to facilitate the functioning of a task force to combat crimes against small and medium businesses. The task force is fully operational and has begun investigations under the mentorship of the USG. The USG has provided technical assistance on prosecutions and investigations in El Salvador to mentor and train task force members. Progress has been made in the training process, and further trainings are scheduled for the next period. A public survey will be conducted in September 2013 to measure changes in the past year on the

perception of the small and medium-sized business community on the effect of police and prosecutorial actions on crimes against their businesses.

<p>Goal 4: Facilitate economic growth by ensuring El Salvador’s labor force is protected from crime while transiting to and from work, and ensuring that the public transportation service providers serving the labor force are protected from crime.</p>	<p>Behind Schedule</p>
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Initial agreements were made between USG and GOES to maintain continued direct communications to define strategies to combat crimes involving public transport. GOES has undertaken important actions such as the establishment of the 911 emergency system, video surveillance, effective coordination with certain municipalities to improve the safety of public transportation, and the start of the SITRAMSS system. However, for this reporting period the joint Task Force indicated in the plan still does not exist. Insecurity in public transportation continues, which is why it is necessary to improve coordination both within the PNC and with other institutions in order to accomplish strategies and actions that improve the safety of public transportation. On issues of transparency, the Vice Ministry of Transportation (VMT) has adopted different measures to strengthen public management, such as the signing of integrity pacts with private sector bidders for public tenders, including the new transportation system (SITRAMSS). The VMT has also made progress on the construction of a branch of the Transparency House at VMT facilities, which will serve as an Access to Information Office where users will be able to present requests for information. A public opinion survey will be conducted in September 2013 to measure changes in the past year on the perception of safety on public transportation routes.

<p>Goal 5: Remove assets from criminal organizations and fund and support security programs through the use of seized property and assets.</p>	<p>Behind Schedule</p>
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A draft of the Asset Forfeiture Law was presented by the Executive Branch in November, 2012, yet has still not been approved by the Legislative Assembly. During this reporting period, the USG has made decided efforts to promote passage of this legislation, including subject matter exchanges with experts from Guatemala and Colombia. These exchanges provided technical assistance to legislators regarding how having this type of normative legislation would benefit the country. The USG continued to provide technical assistance to the Attorney General’s office to improve the functioning of the Financial Investigation Unit and its ability to pursue financial crimes such as money laundering and the discovery of criminally or illicitly derived assets. Once legislation is passed and implementing agencies are clearly defined, the USG will work with the GOES to develop systems to manage seized assets. The USG will train police and prosecutors on asset tracing and coordinated pre-seizure planning and detection of worthwhile illicit assets subject to seizure and forfeiture under existing laws. However, significant delays are foreseen in the joint Asset Forfeiture program, a training regiment, and the contracting of Subject Matter Experts in Asset Forfeiture supported by the INL until the necessary legislation is passed.

Nevertheless, institutional capacities for the financial investigation of money laundering should be improved under currently existing laws.

<p>Goal 6: Professionalize El Salvador’s civil service and enhance public confidence in the government.</p>	<p>Behind Schedule</p>
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The Commissioners of the Institute for Access to Public Information (IAIP) were appointed on February 25, 2013. However, the budget transfer process has not been completed and as a result their performance is limited, causing this goal to be behind schedule. Despite these limitations, certain advances have been achieved. The IAIP has received 7 appeals, resolving 2 of them to date and operating in temporary space financed by the USG. According to data from the Undersecretary for Transparency and Anti-corruption, since May 8, 2012, the Offices of Access to Information received 13,911 requests for information, of which 99.4% were favorably resolved in an average of 4.56 business days. Seventy (70) institutions of the Executive Branch published 45,605 documents in online “Transparent Government” tabs, and 3 websites were created for additional information: “Active Transparency,” “InfoÚtil,” and, with the support of the USG, “Open Government.” The Certificate Course in “Access to Public Information and Transparency” sponsored by the USG was concluded in February 2013, reaching 120 graduates in the third edition of this course. The USG sponsored consultative workshops for the Undersecretary of Governance and Modernization of the State (SSGME) that allowed for gathering input from stakeholders to improve a second draft of a new Civil Service Law (Ley de la Función Pública). In the past three months, the SSGME conducted additional rounds of consultation with 12 federations of public sector unions with the support of USAID, ILO, UNDP and GIZ, and is working on an advocacy plan prior to the submission of the draft bill to the Legislature, estimated around November or December of 2013.

<p>Goal 7: Promote a national dialogue on actions to improve citizen security in El Salvador. Actively involve all sectors of national life, including the private sector, the media, nongovernmental organizations, churches, etc. in efforts to solve the problem of insecurity.</p>	<p>On Track</p>
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A joint communications strategy to promote discussion of PFG efforts to improve citizen security in El Salvador is being implemented. This includes press outreach, publication of articles on PFG and security issues, creation of websites in English and Spanish, facilitation of open discussion on PFG/security, access to official PFG documents and sharing of information on actions taken to address PFG goals under the security constraint. The GOES and USG worked together to organize a civil society forum on PFG in December 2012 that included a discussion of citizen security, and conducted six public events regarding PFG security projects. Meetings of Municipal Crime Prevention Councils, many of which are supported directly by the USG, continued to take place to define local action plans. The Ministry of Justice and

Public Security continues to organize monthly fora on public security at the local (department) level. The President and Minister of Justice and Public Security continue to meet with various sectors of society to promote a national consensus on crime prevention and public security.

<p>Goal 8: Assist at-risk youth between ages 16-25 through efforts to afford them economic opportunities and engage them in productive activities.</p>	<p>On Track</p>
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Both the USG and GOES are carrying out programs for at-risk youth. During this reporting period, the USG provided vocational training to 602 at-risk youth in cosmetics, bread making, computer maintenance, auto mechanics, sales representatives, cooking, messenger services, and other professional skills. Of the youth trained, 177 found employment. Training on a Civil Protection program to develop work skills has continued for 500 at-risk youth, as previously reported, and during the period mitigation plans were formulated in the schools. Additionally, the USG has established alliances with 112 private companies and partners such as NGOs to facilitate job interviews and access to employment for youth. The GOES sponsored a temporary employment program with USG support, which trained more than 1,250 new beneficiaries during the semester in urban areas on job/life skills, including a significant percentage of youth. The GOES presented and obtained approval from international donors for the financing of the Special Parks for Social Reinsertion and Culture of Peace project. The GOES, through the Multi-year Plan with the Spanish Development Agency (AECID) is providing training for the establishment of 12 micro-enterprises in the Municipalities of Mejicanos and Ayutuxtepeque. Furthermore, under the project “Pact for Security and Employment in the Metropolitan Zone of San Salvador- AECID,” training is being delivered to 500 youths from six municipalities within the metropolitan area of San Salvador. Once the process is finalized, scholarships will be granted to 106 selected youths.

<p>Goal 9: Support the PNC to strengthen its service orientation as a means for violence prevention and effective crime control with a focus on building leadership skills within the police force and on improved relationships between police and communities.</p>	<p>On Track</p>
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With USG support, the PNC Athletic League in Santa Ana is fully operational. The USG completed the renovation of two athletic fields and the construction of a youth outreach center, complete with night lighting. The USG awarded a grant to an NGO to continue supervision of the program, including the recruitment of private sector sponsors. In addition, the USG provided the technical equipment for the COMPSTAT pilot project and assisted the COMPSTAT task force in developing standardized operating procedures that were approved by the Director General of the PNC. COMPSTAT was officially launched in May, and is now operational in Santa Ana, Ahuachapán, Sonsonate, and Lourdes. The model precinct program (MPP) expanded to the communities of Usulután and San Miguel, and over 800,000 citizens are

now benefitting from the MPP-identified best practices for crime prevention. An additional 28 PNC officers were certified as Gang Resistance Education and Training instructors, and 4,000 students graduated from the curriculum. Six agreements were signed to fund entrepreneurial projects in San Marcos, Ciudad Delgado, Atiquizaya, and Panchimalco. Projects were selected to address risk factors for gang recruitment and crime, as part of the community policing methodology. The preparation of joint community police crime prevention plans was supported in Nahuizalco, Quezaltepeque, San Marcos, Panchimalco, and San Francisco Gotera.

<p>Goal 10: Improve educational opportunities for in-school and out-of-school youth in targeted high risk municipalities with high crime rates. The USG is dedicated to supporting the Ministry of Education in implementation of their “Social Education Plan” and the GOES’ “Five Year Plan” by focusing efforts on the four areas of concern described in the plan.</p>	<p>On Track</p>
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The Ministry of Education (MINED) leads implementation of the Integrated Full Time Inclusive School approach (SI-EITP) with funds from the World Bank, Italian Agency and the USG. All activities under this new initiative are aimed to work with the educational community to strengthen the pedagogical, territorial and organizational components of the system. The MINED conducted a study that identified 161 new SI-EITPs in 59 municipalities, reaching a total of 1,372 schools and 305,800 students. Under a recently signed agreement, the USG will support the “Education for Children and Youth” project through a local organization. This project will work in 150 schools in the first year and will benefit 28,392 lower secondary level students and 1,158 out-of-school youth. As part of the “Adopt-a-School” public-private partnership program, 495 teachers and 91 principals were trained in teaching methodologies to improve the quality of education for 10,952 students. Two new alliances were made during this period, for a total of 32 alliances, and 361 scholarships were awarded. Under the Chance project, 2,018 students received training in values and social skills, 247 parents received training on how to improve their social skills with their children, 72 students received psychological support through individual therapy sessions, and 538 students participated in sports activities, singing and dance classes, and other after school activities. The MINED and Ministry of Justice and Security established a permanent coordination team to provide follow up on this goal.

<p>Goal 11: Prevent crime and violence in key municipalities of El Salvador and support reforms, as outlined on components 2 (Social Prevention of Violence and Crime) and 5 (Institutional and Legal Reform) of the National Policy for Justice, Public Safety and Violence Prevention.</p>	<p>On Track</p>
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The Government of El Salvador (GOES) continues to strengthen the 76 Municipal Prevention Councils (CMP) nationwide including with other donors. Under the Security and Employment Pact Project in the metropolitan area of San Salvador and the Justice Sector Institutional Strengthening Plan supported by

the Spanish Development Agency (AECID), a training process in the culture of peace and civil protection has been implemented, reaching 800 youth in the municipalities of Mejicanos, Cuscatancingo, Ayutuxtepeque, Ilopango, Soyapango and Ciudad Delgado. In addition, 160 leader facilitators in the San Salvador area have been trained in violence prevention, benefitting a total of 2,300 youth. The USG continues to support the National Prevention Office (PREPAZ) by training 55 staff members for the implementation of the National Violence Prevention Strategy, and has strengthened CMPs from three municipalities in developing diagnostics on violence and designing municipal prevention plans. The Youth Center (CONVIVE) in the municipality of Ilopango was equipped, benefitting approximately 1,000 children and youth per day; another 3,500 youth per month attend the 14 new outreach centers located in high risk communities in 4 municipalities. Approximately 600 youth graduated from different occupational trainings in the municipality of Soyapango, and 2,425 youth were trained for work in the 33 outreach centers nationwide (the number of centers has since grown to 39). The USG launched two new activities to prevent crime and violence, totaling of \$45 million over a period of five years, which will reach 60 high risk municipalities. Two new municipalities were selected, and their CMP initiated risk mapping. Nineteen high risk municipalities were pre-selected, and 12 will benefit from the new activities this year.

Goal 12: Reduce overcrowding in prisons, thereby allowing the Salvadoran prison system to safely, securely, and humanely manage an increasing population.	On Track
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The USG provided a subject matter expert (SME) who began a three-month pilot project at the Mariona Penitentiary Center to reduce prison over-crowding by identifying low risk inmates (with a 250 inmate sample) who are candidates for transfer to lower security facilities and/or early release. A team of 10 is assisting with the project. A pilot project to renovate and expand PNC prisoner holding cells was carried out in Lourdes and Sonsonate to alleviate over-crowding, safety and human rights concerns; the project will be completed by November 2013. An official from the Louisiana Department of corrections conducted an evaluation of Salvadoran Prison Farm management. The GOES continues the document review and verification process for inmates at the La Esperanza Prison, in order to increase the offers of conditional release (parole). The Directorate General of Prison Centers has reinforced the technical equipment of this prison. In the area of rehabilitation, low-risk inmates at the Western Penitentiary have begun construction work on police holding cells at the Lourdes precinct, as well as on multi-purpose sports fields (for soccer, basketball, and volleyball). Once these construction projects are concluded, they will begin similar work in Sonsonate, San Miguel, and Usulután.

Goal 13: Enhance the security of the prisons for their improvement as correctional facilities, prevent them from perpetuating and magnifying criminal activity in El Salvador, and help former offenders become full, contributing members of society.	On Track
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The USG-supported Prison Special Investigative Unit (SIU) became fully operational in December of 2012. The SIU is a joint operation of the police and prison directorate. An additional seven prison SIUs have been equipped and are operational and have connectivity to the joint Prison Headquarters SIU. The GOES has strengthened security systems in Phase 6 of the Maximum Security Prison of Zacatecoluca, improving cells and video surveillance and monitoring systems. A specialization process was developed for the Polygraph Unit in order to improve abilities and skills.

Goal 14: Promote the use of extraditions as a deterrent for crime and a means to reinforce national security.
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On Track

The Salvadoran Supreme Court responded to two USG extradition requests by ordering the provisional arrest of two suspects wanted on felony charges in the U.S. GOES and U.S. officials have conducted regular consultations on the extradition process. The GOES made an official declaration to support extradition processes.

Constraint 2: Low Productivity in the Tradables Sector

Goal 1: Facilitate the establishment of a Growth Council to promote an environment of trust and improve the business climate and investments in activities or sectors regarded as strategic.	Behind Schedule
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The Growth Council increased from 10 to 14 members, with the addition of a print media owner and construction industry leader representing the private sector, and the Ministry of Security and President of the Salvadoran Port Authority (CEPA) representing the public sector. A six-person Technical Panel made up of private and public sector representatives was also established to provide technical assistance and to provide solutions according to the Growth Council agenda. With respect to international investment disputes, the GOES recognizes the importance of finding a solution based on respect for valid institutional processes that will send a positive message to the investment community. El Salvador and the IFC signed an agreement to strengthen areas related to priority indicators to improve the investment climate. Reforms to the Free Trade Zone laws and International Services laws were approved, while other legislation including the Judicial Stability and Electronic Signature laws are still pending approval by the Legislative Assembly. In the framework of the program to facilitate business procedures, in April the second phase of the technology platform miempresa.gob.sv was launched, which eases online processes for commercial enterprises. In the aeronautics field, a cooperative agreement has been signed between the University of Arizona and the Universidad Don Bosco to develop this sector. The first indicator for this goal is the “Private Sector Perception of the Business Climate,” measured by FUSADES, which continues to reveal a negative trend. The second indicator is El Salvador’s ranking in the “Doing Business Report,” which has not changed from the position of 113 out of 185 countries, since the 2013-2014 report is not yet available.

Goal 2: Reduce firms’ costs due to infrastructure to improve their competitiveness.	On Track
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The Salvadoran Port Authority (CEPA) became the first governmental institution to perform a securitization, which raised \$58 million to finance the rehabilitation, modernization, and optimization project at the Comalapa International Airport. Concessions were completed for various projects. The U.S. Treasury Department provided support and risk-management training to CEPA through its Office of Technical Assistance (OTA). The USG Department of Commerce provided technical assistance on industry best practices in support of electricity regulator SIGET’s management of the 350 MW energy contracts solicitation. The National Energy Council (CNE) continued working on the implementation of the regulatory framework for renewal energies, and the President of the Republic signed an agreement to reform the General Electricity Regulations for the implementation of bidding processes for the acquisition of small-scale renewable energy contracts that connect directly to the distribution network so as not to be sold on the Wholesale Electricity Market. The CNE and SIGET announced the first public tender for long-term contracts for the supply of 15 MW of non-conventional renewable energy. (Note: On May 23, the National Assembly passed legislation concerning public-private partnerships.) The first

indicator for this goal is investment (public and private) in infrastructure as percent of GDP, which remained at 6.1% for the years 2011-2012. (This calculation is based on data from public and private construction of the gross fixed capital formation). The second indicator, the Global Competitiveness infrastructure index, remains at the position reported in the previous Scorecard: 72 out of 144, since the new 2013-2014 report is not yet available.

<p>Goal 3: Improve the quality of the education system in order to create a more highly qualified and technologically skilled labor force. The Governments of El Salvador and the United States will join forces to help ensure that education of the labor supply matches labor market demand.</p>	<p>On Track</p>
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The GOES, through the Ministry of Labor and Social Welfare (MTPS), provided job placement services resulting in new employment for 2,077 job seekers. The U.S. Department of Labor provided technical assistance to the MTPS on how to prepare operations manuals and technical bulletins. The Salvadoran Professional Training Institute (INSAFORP), in collaboration with the USG, trained 631 young people, 391 of whom obtained employment; and in the “Improving Access to Employment Program” a Memorandum of Understanding was signed with Los Nonualcos. Through INSAFORP’s “Information Technology for Work” program, 5,685 workers were trained, as well as 480 persons in conditions of vulnerability. The USG trained 151 English teachers, 21 of whom were trained in Costa Rica. The USG and INSAFORP developed the first modules of a national English for Work program, certifying 30 teachers. The USG, working with local organizations, implemented 12 vocational workshops for 1,400 high school graduates and created a website: www.elijomifuturo.com. With the first Agro-industrial Technological Park in Ciudad Arce, the GOES has invested in productive diversification through scientific innovation and technology. The USG and MTPS organized four job fairs that attracted 1,600 job seekers and 110 companies, resulting in 438 employment offers; the MTSP conducted another 13 fairs. In addition, 150 students began studying English, and 190 advanced to their second year. The USG and the GOES created seven alliances with local organizations and the private sector to expand labor opportunities. In addition, 25 students will receive scholarships to study in the United States. The indicators for this goal are the same as in the previous Scorecard, given that the new 2013-14 Global Competitiveness Index report is not available. In the “Higher Education and Training” subindex, El Salvador ranks 105 out of 142, and in the “Labor Market Efficiency” subindex, it occupies the position of 121 out of 142 countries.

<p>Goal 4: Raise (net) tax revenues to 16 percent of GDP by 2015 and use public resources efficiently and transparently. These goals are also included in the implementation of the fiscal pact, which is an integral part of the PQD priority areas, as defined by the Economic and Social Cabinet.</p>	<p>On Track</p>
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With the objective of continuing to strengthen tributary and financial administration, the Ministry of Finance, with the support of USAID, launched the “Taxpayer Registration System and Taxpayer Current

Account Reconciliation Project” designed to establish more reliable and updated databases that will guarantee improved tax administration. To date, 6,197 TCA and 1,191 TRS records were reconciled. Likewise, 2 modules of the Case Selection and Management System were implemented, which will guarantee increased effectiveness in fiscal administration as well as improved administrative and legal response to tax debt. The Ministry of Finance began operations on a new transparency portal. As part of the Municipal Competitiveness Challenge, 20 municipalities were selected, based on their fiscal accountability improvements, to receive Domestic Finance for Development (DF4D) grants to support local crime prevention activities. The first indicator for this goal is net tax collection as a percentage of GDP, which was at 13.9% for fiscal year 2011 and increased to 14.5% in 2012. The second indicator is the “Open Budget Index Ranking,” in which El Salvador obtained 37 in 2010, for a ranking of 58 out of 94 countries. The score improved in 2012, reaching a score of 43 that placed El Salvador at the rank of 55 out of 100 countries.

<p>Goal 5: Support a strategy for attracting and promoting FDI and making El Salvador a more attractive place for foreign investment. The measures described are aimed at streamlining the establishment of operations for potential investors and simultaneously focusing on scaling up efforts to promote and attract investments.</p>	<p>Behind Schedule</p>
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Despite some progress to strengthen PROESA’s internal capacity, the GOES did not name a permanent director to the agency. (Note: In August, after this reporting period, the draft legislation on PROESA was finalized and presented to political parties for their discussion along with the reforms to the Public-Private Partnerships Law (PPP), which represents a crucial step for advancing on a strategy to attract foreign investment.) As part of capacity development, USG-contracted consultants finalized and presented the results of a benchmarking diagnostic identifying PROESA’s strengths and opportunities. The “Feasibility Study for the Development of the Aeronautics Industry in El Salvador” was concluded, with the objective of fomenting development and promoting investment in this sector. PROESA initiated an English language training program for job seekers; 942 people were evaluated and 650 are schedule to receive training in the next 18 months. In the first half of 2013, \$11 million in new investments were recorded, creating 1,529 new jobs. In terms of business climate improvement through local governments, the Municipality of Santiago Nonualco signed a Transparency and Competitiveness Pact, bringing the total number of signed pacts to 48. Nejapa formed and swore in its Municipal Competitiveness Committee, bringing the total number of these committees to 50. Finally, the El Salvador Investment Challenge, proposed by GOES as part of a potential second compact with MCC, received 74 investment proposals. First indicator: foreign direct investment flow as a percentage of GDP, which increased from 1.8% in 2011 to 2.2% in 2012. Second indicator: FutureBrand’s “Country Brand Index,” which for 2012-2013 was 107 out of 118 countries (reported in the previous Scorecard). Note: from this Scorecard onward, the indicator used to measure FDI is different than that used in previous reports.

Goal 6: Surmount low productivity of tradables by transforming factors of production of the tradables sector through the implementation of strategies to improve innovation and quality, and a focus on the international market.	On Track
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The USG supported the GOES in developing manuals for FONDEPRO to evaluate co-financing with Small and Medium Businesses (SMEs). In 2012, FONDEPRO increased the granting of funds by 130%, fomenting innovation and technology, the development of new markets, and the creation of dynamic enterprises. Both governments supported PROESA and the National Commission for Micro and Small Businesses (CONAMYPE) to implement new systems to measure the impact of the assistance of these institutions and of the Small Business Development Centers (SBDCs). The GOES added one SBDC, bringing the total to 11. This network supported 1,779 businesses in 2012 (957 owned by women), leading to \$4.6 million in increased sales and 1,387 new jobs. Strengthening women’s entrepreneurship, 4 business advisory service windows were installed at Ciudad Mujer. The Step by Step Export Program provided guidance to 77 businesses, negotiating amounts over \$5 million, and began its third edition with the participation of over 90 SMEs. Likewise, 80 businesses have joined the Export More Program oriented to export SMEs interested in diversifying their markets to the Caribbean, the United States, and Germany. The GOES reduced the response time for CIEX export/import procedures from 6 hours to 1, resulting in annual savings of \$10.1 million for businesses. The GOES negotiated with the Legislative Assembly for the approval of a \$30 million loan from the Inter-American Development Bank to support investment and promote exports, tourism, and innovation. The Supplier Development Program has benefitted 19 firms and 160 suppliers, generating 650 new jobs and sustaining 6,500; sales increased by \$8 million. First indicator: Global Competitiveness Index in Business Sophistication - 82 out of 144 countries for 2012-2013 (reported in the previous Scorecard). Second indicator: number of exporting businesses with sales over \$500,000 – decreased from 522 to 517.

