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Highlights

Highlights of [GAO-03-656](#), a report to Subcommittee on Foreign Operations, Export Financing, and Related Programs, Committee on Appropriations, House of Representatives

Why GAO Did This Study

In early 2001, two major earthquakes struck El Salvador, causing more than 1,100 deaths and \$1.7 billion in damage to property and infrastructure. GAO has been periodically monitoring the recovery program being implemented by the U.S. Agency for International Development (USAID), the lead U.S. agency. The House Appropriations Committee's Subcommittee on Foreign Operations, Export Financing, and Related Programs asked GAO to review USAID's (1) oversight and accountability measures, (2) progress and factors affecting progress, and (3) coordination with other donors and the government of El Salvador.

What GAO Recommends

To ensure that USAID achieves its goal of building over 26,000 houses by September 2004, we recommend that the USAID Administrator take action to accelerate construction activities and establish interim milestones to benchmark progress and determine whether construction will be completed as scheduled. Also, if warranted and to the extent possible under existing agreements, USAID should consider reducing the number of houses to be built by FONAVIPO and increasing the number of houses to be built by private voluntary organizations with a proven record of meeting construction goals.

www.gao.gov/cgi-bin/getrpt?GAO-03-656.

To view the full report, including the scope and methodology, click on the link above. For more information, contact Jess Ford at (202) 512-4268 or fordj@gao.gov.

FOREIGN ASSISTANCE

USAID's Earthquake Recovery Program in El Salvador Has Made Progress, but Key Activities Are Behind Schedule

What GAO Found

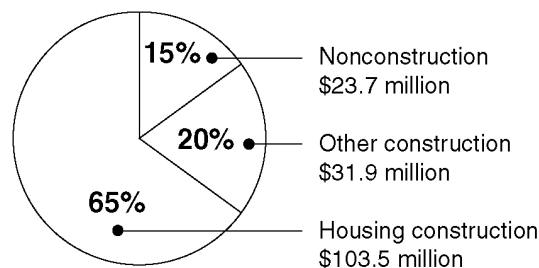
USAID is implementing a \$159 million recovery program to assist El Salvador in recovering from two earthquakes in 2001. Nearly two-thirds of the funding is allocated for the construction of approximately 26,000 houses for low-income families who lost homes in the earthquakes.

Because of concern that recovery funding could be susceptible to misuse or corruption, USAID established oversight measures, such as conducting concurrent audits of host country expenditures. USAID also applied lessons learned from its recovery program in Central America following Hurricane Mitch in 1998, including using implementing organizations with a proven record in accounting for funds and implementing disaster recovery activities.

USAID has made progress in implementing the recovery program but some activities are behind schedule or did not meet original target dates. As of March 31, 2003, USAID had expended \$58 million (36 percent) of its \$159 million in program funding and is making progress in implementing some activities. For example, USAID-funded private voluntary organizations had completed all of the houses scheduled during the first phase of the program. Other implementers had installed potable water systems for more than 70,000 recipients in rural areas and assisted micro- and small businesses that were damaged or destroyed. Due to a number of factors, however, some USAID construction activities, such as repairing and rebuilding schools, health facilities, municipal buildings, and local markets, are behind schedule. Also, as of March 31, 2003, El Salvador's housing agency (FONAVIPO) had completed less than two-thirds of the nearly 3,000 houses it was originally scheduled to complete by September 2002. USAID revised its agreement with FONAVIPO but the new agreement does not establish milestones to benchmark progress and determine whether housing construction will be completed as scheduled. At its current pace, it may be difficult for USAID to complete the recovery program by the end of September 2004, as planned.

USAID coordinated its earthquake recovery efforts with other donors at the international, national, and local levels; the government of El Salvador; and community members. During our review, we found no evidence that USAID was duplicating other donors' recovery efforts.

USAID's Earthquake Recovery Program Activities in El Salvador



Source: GAO analysis of USAID data.