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THIS ACTION IS FUNDED BY THE EUROPEAN UNION

ANNEX III

to the Commission Implementing Decision on the financing of the multiannual action plan in favour of El Salvador for 2022 and 2023 part I

Action Document for Social Digital Connectivity

MULTIANNUAL

This document constitutes the multiannual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Social Digital Connectivity OPSYS number: ACT-61509 Financed under the Development and International Cooperation Instrument (<u>NDICI-Global Europe</u>)
2. Team Europe Initiative	Yes The initiative will contribute to: <ul style="list-style-type: none"> • EU - Latin America and the Caribbean Digital Alliance • Team Europe Initiative for El Salvador on Digital Jobs.
3. Zone benefiting from the action	The action shall be carried out in El Salvador.
4. Programming document	Multiannual Indicative Programme – El Salvador 2021 - 2027
5. Link with relevant MIP(s) objectives / expected results	<p>This action is under the priority area 1: Digital transformation. The proposed action will contribute to reaching specific objective 2 (El Salvador inhabitants, companies and public institutions have access to broadband and affordable internet connections); and 3 (young women and men, including forcibly displaced people and migrants, benefit equally from e-services, acces to entrepreneurship opportunities and skilled jobs offered by the digital economy.</p> <p>Regarding the expected result per specific objective, it will contribute to achieving Result 1. Institutional, regulatory and operational capacity is built to ensure the participatory and inclusive implementation of the Digital Agenda 2030. Result 3. Vocational training centers ensure affordable broadband access to digital services in theis areas of influence. And Result 4. Young women and men, including forcibly displaced people and migrants, acquire through vocational training the digital skills and competencies that allow them to participate fully and equally in the digital economy.</p>
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	The proposed action intends to contribute to MIP priority area 1: Digital transformation - 220 Communications

7. Sustainable Development Goals (SDGs)	<p>Main SDG (1 only):</p> <p>SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. (9c Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020).</p> <p>Other significant SDGs (up to 9) and where appropriate, targets:</p> <p>SDG 4: Quality education (4.c By 2030, substantially increase the supply of qualified teachers, including through international cooperation for teacher training in developing countries, especially least developed countries and small island developing States).</p> <p>SDG5: Achieve gender equality and empower all women and girls. (5.b: Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women).</p> <p>SDG12: Responsible production and consumption: introduce e-waste collection and promote recycling / circular business models on e-waste.</p> <p>SDG17: Strengthen the means of implementation and revitalize the global partnership for sustainable development. (17.8: Fully operationalize the technology bank and science, technology and innovation capacity-building mechanism for least developed countries by 2017 and enhance the use of enabling technology, in particular information and communications technology).</p>			
8 a) DAC code(s)	220040: Information and communication technology (ICT). 100%			
8 b) Main Delivery Channel	Inter-American Development Bank - 46012			
9. Targets	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input checked="" type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	YES <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	NO <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
	Connectivity @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	digital connectivity energy transport health education and research	YES <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	NO <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
	Migration @ (methodology for tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @ (methodology for marker and tagging under development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	Budget line(s) (article, item): 14.020140 Total estimated cost: EUR 94.5 ¹ Total amount of EU budget contribution EUR 9 500 000 This action is in parallel co-financing by: - IDB for an amount of USD 55 M; - Government of KOREA ² for an amount of USD30 M;			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	Indirect management with Inter American Development Bank - IDB			

¹ Subject to exchange rate 1 USD = 0.98795 EUR (August 2022)

² Funds administered by the Bank under the Korea Cofinancing Facility for Infrastructure Development for Latin America and the Caribbean (KIF) (GN-2804, DE-12/15). Agreement signed between the Government of Korea and the Bank on March 28, 2015 and subsequently amended in April and October 2017 to increase the amount of the facility.

1.2 Summary of the Action

El Salvador faces challenges in terms of providing opportunities for large parts of the population, in particular young men and women; this puts pressure on migration and the risk of youth joining gangs. El Salvador's government has prioritised digital transformation in its **Digital Agenda 2020-2030** to exploit the opportunities offered by digitalization and revitalize the economy in a sustainable development path with equal opportunities for all. This includes promoting innovation, entrepreneurship, digital skills and improved access to public services.

The proposed action will contribute to increase connectivity levels, mainly benefiting public educational institutions and health units in rural areas with the provision of affordable broadband connectivity, as well as strengthening the capacity of teachers, medical personnel, and citizens – particularly women - who will enjoy access to digital services in connected public sites. Specific training modules will be designed specifically to address the digital gender gap. Households in the defined coverage areas, mainly in remote areas, will also be indirectly benefited, thanks to a greater offer of connectivity services due to the entry of new operators in currently underserved regions.

The action will complement an existing loan of the IDB (also supported by Corea and by funds from the EU 2014-2020 MIP for El Salvador) aimed at expanding connectivity and digital skills in El Salvador.

2 RATIONALE

2.1 Context

The COVID-19 pandemic has had a significant negative impact on Salvadoran people's lives incomes, as well as impacted negatively on the pro-poor growth the country was going through from 2012 to 2019. In 2021, growth showed signs of recovery, supported by remittance-fuelled consumption and exports. El Salvador's economy is expected to grow 4 percent in 2022, but this could be hindered by the impact of the Russian-Ukrainian crisis, which is pushing inflation up. At the same time fiscal sustainability issues remain a challenge, as public debt has been growing and the prospect of reaching an agreement with the IMF to obtain a US\$ 1.3 billion extended fund facility (EFF) credit arrangement, which would cover budget shortfalls over the coming years appears increasingly unlikely.

Politically, the government's recent state of exception have deepened concerns about the government's democratic commitment, while at the same time there has been a significant reduction in the high levels of gang-related violence that has increased the government's support, but also led to increased concerns about the sustainability of the security policies among critics. These recent developments, together with uncertain macroeconomic perspectives and lack of advances on PFM reforms and fiscal transparency, have hampered the Delegation's options to continue engaging with the Government through Budget Support, which was the preferred modality employed during the previous budgetary period. However, policy dialogue through ESCO (Government Cooperation Agency) and with the line Ministries has continued, in particular in terms of implementation of the government's Digital Agenda.

The Salvadoran government continues to prioritize economic growth and the creation of jobs in its Social Policy and the Policy for Commerce and Investment. The country maintains potential to boost its economic growth due to the country's strategic location, with access to many markets, a growing and reliable labour force, a digital-oriented young public leadership and a solid industrial base.

The MIP strategic priority is fostering the green economic recovery, creating jobs and tackling inequalities, in particular the digital divide. Digital transformation is one of the government's main strategic priorities. The following action aims at supporting the government in improving access to affordable broadband connectivity investing in digital infrastructure, and also reducing digital competencies gap in connected public sites such as public schools and educational and health centers.

The action will contribute to the implementation of the Gender Action Plan - GAP III, and, particularly, to its thematic area of engagement "Addressing the challenges and harnessing opportunities offered by the green transition and the digital transformation".

2.2 Problem Analysis

The Salvadoran government has in its Digital Agenda 2020-2030 placed a high strategic priority on the digital transformation of Salvadoran society in addressing the main challenges in this area: (i) limited level of digital infrastructure³; (ii) limited institutional capacity and regulatory framework⁴; and (iii) low level of digital skills and gender gap.

The penetration of fixed Broadband (7.7%) and mobile Broadband (54.5%) in El Salvador is one of the lowest in Latin America and is far from the average of the Organization for Economic Cooperation and Development (OECD) (34.8% and 127.3% respectively⁵), which makes it difficult to access both health services and online education. 42% of those under 25 years of age and 54% of those over 66 years of age do not have an Internet⁶ connection, women have less internet connection than men, and more than 90% of those connected do so with low-speed plans⁷ that do not allow for education and/or health solutions online. The main determinants are the high prices of services and insufficient connectivity infrastructure, especially in rural areas⁸.

Secondly, although El Salvador has a limited regulatory, institutional, and public policy framework, there have been some reforms to the telecommunication law from 1997. In May 2016, the Legislative Assembly passed a reform focused on management and allocation of radio frequency spectrum which is expected to be key to accelerate the deployment of digital infrastructure. Similarly, in October 2018 and April 2019 the Legislative Assembly approved modifications related to quality of service, protection of consumer rights and network neutrality. That said, in terms of adaptability of the legal framework, the World Economic Forum (WEF) places El Salvador in position 103 out of 141⁹, the limitation being the low development of human capital, where it ranks 117 out of 129 countries in research and development¹⁰.

Thirdly, El Salvador suffers from low levels of digital skills and an important digital gender gap. In terms of digital skills the WEF rates El Salvador with only 3.2 points out of 7, ranking it 131st in the world which also translates into a significant gender gap are: (i) the illiteracy rate and the school attendance rate of women¹¹; (ii) the low level of digital training¹²; and (iii) the low training and certification of women in ICT (the percentage of women ICT graduates is 4.62% compared to 16.5% of men)¹³.

During the pandemic-related lockdowns, these challenges proved a significant for the continuity of public services for parts of the Salvadoran population. Less than 10% of rural households have access to an internet connection, limiting their ability to participate and access the benefits of Broadband (BB) and the continuity of public services during the pandemic.

Specifically, 35% of public schools have connectivity, and 40% of health centers are connected. In particular limited access to connectivity have been a challenge for the school-age population; Salvadorian children have had one of the longest school-closures in Latin America during the pandemic, and this has a profound impact in a country with already high levels of desertion and low levels of educational achievements. In terms of health centers, access to health services remains patchy, in particular in rural areas, where access to health services during the pandemic were further diminished.

The problems that the action aims to address are:

- Lack of connection of health and education facilities in the most marginalised areas;
- Lack of capacity of health and education staff in the connected areas;
- Lack of capacity of young people and women in the connected areas to take advantage of the opportunities provided by digital connectivity.

³ [United Nations e-Government Knowledgebase](#). El Salvador is in position 107 out of 193 countries.

⁴ El Salvador has ranks 40,5 out of 100 ([DigiLAC](#)).

⁵ [DigiLAC](#)

⁶ http://repositorio.cepal.org/bitstream/handle/11362/45938/4/S2000550_es.pdf.

⁷ According to the Broadband Development Index (IDBA), the percentage that the price of a fixed (30%) and mobile (7%) BA subscription represents over the family's gross income is higher than the region (23%). and 6%) and the OECD (2% and 2%).

⁸ According to SECINO, 4G population coverage (31%) compared to 67% in the region.

⁹ [The Global Competitiveness Report](#). FEM.

¹⁰ [Global Innovation Index](#). World Intellectual Property Organization.

¹¹ The illiteracy rate for women is 4 points higher than that for men and the school attendance rate is 4 points lower.

¹² In the Internet access variable in IDBA schools, El Salvador obtains a score (3.6 out of 7) below the average for the region (3.9 out of 7).

¹³ Ibidem.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

1. The **IDB** will manage this action. The Inter-American Development Bank is dedicated to improving lives. The idea is to complement on the existing loan that was approved by the Board of Directors of the IDB (ES-L1145) and that was ratified and published by the Salvadoran Congress to expand implementation to additional health and education facilities in the most marginalised areas. The intervention of the European Union will expand coverage and provide for faster implementation, aligned with a project that has clear goals, targets and activities defined.
2. The Secretary of **Innovation of the Presidency (SECINO)**, attached to CAPRES (Casa Presidencial), is responsible for coordinating and implementing the Digital Agenda 2020-2030, which revolves around four axes: (i) digital identity; (ii) innovation, education and competitiveness; (iii) modernization of the State; and (iv) digital governance. SECINO has also the responsibility of advancing in the digital transformation and facilitating innovation, collaboration, entrepreneurship, generation of equal opportunities and the inclusive access to e-services and the benefits of the knowledge society. They will have the main coordinating role on behalf of the government.
3. The **Ministry of Education, Science and Technology** will be involved in the definition of priority centers and criteria to maximize the impact of the intervention. In particular, the Ministry will be closely working with SECINO in the characterization of the schools based on specific criteria such as number of students, size of the school to connect, distance to the closest infrastructure and will also work with SECINO in the definition of the digital skill program based on the digital maturity of the beneficiary schools that are connected and considering that specific targets on gender gap needs to be met.
4. The **Ministry of Health** will be involved in the definition of priority centers and criteria to maximize the impact of the intervention. In particular, the Ministry will be closely working with SECINO in the characterization of the health facilities based on specific indicators such as number of patients, size of the facility to connect, distance to the closest infrastructure and will also work with SECINO in the definition of the digital skill program based on the digital maturity of the beneficiary health facility that are connected and considering that specific targets on gender gap needs to be met.
5. **Civil Society**: Civil Society organizations will be possible implementers of capacity building initiatives according to the needs identified in selected areas of intervention, for instance through localised calls for proposals.
6. **Private sector** operators will be responsible of deploying, operating and maintaining the infrastructure, invited through procurement with technical requirements that will ensure appropriate level of quality and affordability.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The overall objective (impact) is that all citizens enjoy good quality decentralized education and health services.

To achieve this, the **specific development objectives** are:

- (i) SO1. Improve access to digital public services.
- (ii) SO2. Improve digital skills and competencies in targeted areas.

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are:

- Output 1.1. Improved access to Affordable Broadband Digital Connectivity in underserved education centers.
- Output 1.2. Improved access to Affordable Broadband Digital Connectivity in underserved health centers.
- Output 2.1. Improved Digital skills of staff at teaching facilities.
- Output 2.2. Improved Digital skills of staff at health facilities.
- Output 2.3. Enhanced digital skills and competencies of population, including training and promotion of circular business in e-waste and environmental services sectors in particular women and youth, in the areas under the focus of the Action.

3.2 Indicative Activities

Contributing to Output 1.1: Affordable Broadband Digital Connectivity installed in underserved education centers.

- A.1.1 Characterization of areas of intervention based on specific criteria
- A.1.2 Procurement to select private contractors who will install, maintain, equip and operate the infrastructure
- A.1.3. Trunk network (CORE) expanded and equipped, with the best standards of energy efficiency and resilience to climate change that may integrate renewable energy generation to reduce Operation and Maintenance costs and outages, or smart metering that reduces energy consumption in education centers in targeted areas: Evolution per year, includes high-level End-to-End (E2E) design of all layers of the network and comprehensive project management.
- A.1.4. Infrastructure elements for an expanded and equipped aggregation network, with the best standards of energy efficiency and resilience to climate change.
- A.1.5. Educational sites connected to the access network, with the best standards of energy efficiency and resilience to climate change.
- A.1.6. Educational facilities with equipment and wiring that meet the best standards of energy efficiency and resilience to climate change.

Contributing to Output 1.2: Broadband Digital Connectivity installed in underserved health centers.

- A.2.1 Characterization of areas of intervention based on specific criteria
- A.2.2 Procurement to select private contractors who will install, maintain, equip and operate the infrastructure.
- A.2.3. Trunk network (CORE) expanded and equipped, with the best standards of energy efficiency and resilience to climate change that may integrate renewable energy generation to reduce O&M costs and outages, or smart metering that reduces energy consumption in health centers in targeted areas: Evolution per year, includes high-level E2E design of all layers of the network and comprehensive project management.
- A.2.4. Infrastructure elements for an expanded and equipped aggregation network, with the best standards of energy efficiency and resilience to climate change.
- A.2.5. Health sites connected to the access network, with the best standards of energy efficiency and resilience to climate change.
- A.2.6. Health facilities with equipment and wiring that meet the best standards of energy efficiency and resilience to climate change.

Contributing to Output 2.1: Digital skills of staff at teaching facilities strengthened

- A.3.1. Online training programs for civil servants and public servants with a gender and climate change mitigation approach aimed at the population of schools connected in the country.
- A.3.2 Capacity building programmes in the targeted areas, with a gender and climate change mitigation perspective.
- A.3.3. Online training for officials and public servants with a gender and climate change mitigation perspective.
- A.3.4 Cybersecurity training.
- A 3.5 Training on e-waste with a gender and climate change mitigation perspective.

Contributing to Output 2.2: Digital skills of staff at health facilities strengthened

- A.4.1. Online training programs for civil servants and public servants with a gender and climate change mitigation approach aimed at the connected health units in the country.
- A.4.2 Capacity building programmes in the targeted areas, with a gender and climate change mitigation perspective.
- A.4.3 Online training for officials and public servants with a gender and climate change mitigation perspective.
- A.4.4 Cybersecurity training.
- A 4.5 Training on e-waste with a gender and climate change mitigation perspective.

Contributing to Output 2.3: Enhanced digital skills and competencies of population, in particular women and youth, in the defined coverage areas.

A.5.1. Training for the population benefiting from connectivity, taking into account a gender with and climate change mitigation approach. These trainings will consist of courses and workshops that facilitate internal users of connected public sites (teachers, students and medical personnel) and external users (citizens) to develop digital skills (at the user and advanced level). This training will include a communication strategy that helps correct gender biases and stereotypes in digital training.

3.3 Mainstreaming

Environmental Protection & Climate Change

The proposal aims to reduce the digital connectivity gap. In this sense, it is expected that digital solutions in health and education sectors in the first instance, and later in a wide range of possibilities in the target areas, will contribute to a more carbon neutral society in virtually all sectors. The action will integrate renewable energy generation to reduce Operation and Maintenance costs and outages, or smart metering that reduces energy consumption in education centers in targeted areas. In the training components of the action considerations will be taken to identify possible trainings, for example, on e-waste management or circular economy.

Outcomes of the SEA screening (relevant for budget support and strategic-level interventions)

The Strategic Environmental Assessment (SEA) screening concluded that no further action was required.

Outcomes of the EIA (Environmental Impact Assessment) screening (relevant for projects and/or specific interventions within a project)

The EIA (Environment Impact Assessment) screening classified the action as Category C (no need for further assessment).

Outcome of the CRA (Climate Risk Assessment) screening (relevant for projects and/or specific interventions within a project)

The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment)

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1.

In the framework of the implementation of the Gender Action Plan III, the EUD has elaborated the Country Local Implementation Plan (CLIP) for El Salvador for the 2021-2025 period, in close coordination with EU member states and in consultation with national institutions, civil society and international partners. El Salvador's Gender Inequality Index has improved, from a value of 0.521 in 2000 to 0.383 in 2019. However, women and girls continue to experience serious barriers affecting their possibilities to develop personally and professionally and translate into equality gaps. Financial autonomy remains a challenge for Salvadoran women to make autonomous decisions, develop personally and professionally.

In accordance with the above, these actions have a strong focus on guaranteeing gender equality in terms of reducing the digital gap.

Human Rights

According to the Human Rights and Democracy Country Strategy 2021-2024, the EU, together with MS represented in El Salvador, have agreed on the following strategic priorities: Advocating for non-discrimination, gender equality and women's rights. Non-discrimination and equality are key values to strengthen human rights. One of the objectives of the strategy is to promote the participation of women's organisations and networks in health and education sectors. Overall, the action will apply the working principles of the human rights based approach (HRBA): applying all human rights for all, meaningful and inclusive participation and access to decision-making, non-discrimination and equality, accountability and rule of law for all, and transparency and access to information supported by disaggregated data.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. This implies that disability is not targeted in the principal objective / significant objective.

However, the action consider people with disabilities as potential beneficiaries in educational and health centers that will be get connected.

Democracy

The strengthening of democratic institutions, participation and the division of powers remain a crosscutting objective of all EU interventions in El Salvador.

This action will contribute to strengthen the role of society in this process since digital social connectivity will facilitate their knowledge and involvement, a fact that leads to democratic empowerment.

Conflict sensitivity, peace and resilience

In September 2021, HQ launched a Conflict Analysis for El Salvador. Recommendations taken in account from the draft report for this Action are: i) Promoting economic growth through trade and livelihood diversification; ii) Promoting the development of innovative sectors for the youth; iii) Encouraging support towards developing social policies and frameworks, particularly on youth, gender, LGBTIQ persons and disabled peoples issues and addressing drivers of poverty.

Disaster Risk Reduction

The Action will promote to strengthen the resilience of beneficiaries - through capacity building, knowledge sharing and networking, early warning and policy advice, working with government institutions, civil society, academy, and all key actors.

In addition to ensuring that all facilities are energy efficient and have an adequate e-waste management, given the country's environmental vulnerability, care will be taken to ensure that all infrastructure is resilient to extreme natural phenomena.

Migration and forced displacement

Given the large numbers of Internally Displaced Persons (IDPs) in El Salvador (over 70,000 according to UNHCR), IDPs in the targeted areas will also be able to benefit from the action.

Other considerations if relevant

The programme is expected to have a positive impact on human development indicators through the following pathways:

Information pathway: improved access to information through ICT facilitates decision-making in areas relating to health and nutrition.

Gender pathway: targeting women which are powerful actors of change in areas relating to food and nutrition, will lead to improved nutrition and health at household level.

The Action is contributing to the implementation of the LAC Regional TEI Digital Alliance. In particular to its priority area 1: Regulatory and policy cooperation, 1c) Provision of digital skills. Together with the Actions "LAMARR" and "Strengthening the Digital Civil Register", also components of the AAP 2022, it makes up the EU response to some of the most important challenges facing El Salvador; a response that is fully aligned with the TEI Digital Alliance under the framework of the Global Gateway.

3.4 Risks and Lessons Learnt

Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
Gender equality and rights of women and girls are not adequately integrated in actions, particularly women with less education and limited access to the web are marginalised.	L	H	<ul style="list-style-type: none"> Gender perspective included in all trainings, and trainings tailored according to gender specific needs. Gender analysis included in all the processes of prioritization of target areas

Prices demanded by private operators are not affordable for large parts of the population.	L	L	<ul style="list-style-type: none"> Contracting of operators will include provisions to affordability of connectivity as part of the proposals to respond to the bidding processes. Dialogue with authorities and private operators on regulation and setting of prices.
Lack of advances on appropriate regulatory framework related to spectrum and infrastructure sharing limits the impact of improved connectivity.	L	M	<ul style="list-style-type: none"> IDB is providing Technical Assistance to update the regulatory framework.
<p>Lessons Learnt:</p> <ul style="list-style-type: none"> Technical aspects linked to the design: Dialogue with the different actors of the public, private and civil society sector is key to develop the prefactibility studies that allows for the definition of the intervention area. Regulatory aspects linked to design: An essential element for the sustainability of the intervention is to have an updated and revised regulatory and regulatory framework. In this context, it is essential to have non-reimbursable technical cooperation resources to review, update and/or develop the regulatory framework that accompanies the deployment of infrastructure. Organisational aspects linked to implementation: Given the cross-cutting nature of the connectivity infrastructure in the specific case education and health centers, it is essential to define a model of inter-institutional coordination between the executing unit and the sectoral ministries to define and define prioritization and monitoring criteria. There is a need to deploy an integrated gender equality approach in order to strengthen the participation of women but also to contribute to the transformation of a set of inequitable dynamics in the field of technology and vocational training. 			

3.5 The Intervention Logic

The Action will contribute to the achievement of the MIP overall objective, which is fostering the green economic recovery, creating jobs and tackling inequalities, in particular the digital divide.

The intervention logic for this action is based on increasing El Salvador's citizens' access to broadband (AB) and its potential to provide continuity to public services of education and health in El Salvador. This will improve the authorities opportunity for providing public services, in particular in the most marginalised areas of the country, as well as foster the opportunities provided by the digital economy. Improved connectivity will also provide better access to national services, such as the national registry system that is currently being deployed.

The prioritization of the sites, always in the rural area, will be coordinated by the Ministries of Education and Health and the following criteria will be followed: (i) potential impact (number of beneficiary users, trained public officials, etc.); (ii) potential savings (difference between the commercial offers available and the costs of providing the network); and (iii) consent of the education or health center to be connected, assuming the commitments of sustainability and maintenance of service upon connection. Additionally, the specific connection needs derived from COVID-19 will be taken into account, and as one of the eligibility criteria, the commitment to sustainability and maintenance of the service by schools and health centers will be included. Equipment acquisitions will consider the installation of equipment with the best energy efficiency standards and the management of potential climate risks. Regarding outcome 1, the Action assumes that *If* connectivity (Broadband) is provided, health and education centres will have access to connectivity and improve beneficiaries' quality of life, through better access to online education and also care in the health sector focused on the digitization of the system at the national level; the gap between the female and male population, without computer skills, could be narrowed, public sites can be connected to the access network, and will have equipment and wiring that meet the best standards of energy efficiency and resilience to climate change. *If* the (1) the network core – CORE, is expanded and equipped, *if* (2) the CORE has an adequate infrastructure; *if* (3) the schools and health units have access network and *if* (4) public places have equipment and wiring connected, *Then* the beneficiaries of the Action will have improved access to digital public services.

Regarding outcome 2, the Action assumes that *If* teachers, and health care professionals are trained through digital skills programmes and have access to connectivity, this will contribute to improve the digital skills of beneficiaries, including specific capacity building activities aimed at reducing the digital gender gap between women and men who have been trained in digital literacy programs. Additionally, these trainings could help improve economic conditions, allowing for new opportunities of the workforce and may also have an impact on improving the average school learning score. *If* (1) officials and public servants receive online training with gender perspective; *if* (2) connectivity gives the opportunity to access online workshops and digital services, beneficiaries as teachers, students, medical personnel, and external users out of schools and health units, *Then* they will have the opportunities to improve the quality of life of beneficiaries in the targeted areas.

The objectives and results of the action assume that the Government will continue its commitment to the implementation of the Digital Agenda in general, and specifically for the continued planning of budgets to maintain the health and education facilities operational, as well as to further new connections for the new institutions. The results related to the training assume that trained staff will continue at their jobs to make use of what they have learnt, and that they will have access to broadband services at their workplaces.

This program additionally offers an opportunity to link the country with BELLA-II project. El Salvador will benefit from a link with the Copernicus center in Panama through BELLA - which makes things even more concrete.

In line of the Global Gateway strategy, both initiatives will support quality education, including digital education, paying particular attention to the inclusion of girls and women and other groups in vulnerable situations and create opportunities for the private sector to invest and remain competitive having access to qualified human resources, whilst promoting the enforcement of labour standards and corporate social responsibility.

3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest.

New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

PROJECT MODALITY (3 levels of results / indicators / Source of Data / Assumptions - no activities)

1. We have adapted the formulation of the results chain (OO/Impact, SOs/Outcomes, and outputs) in the section 3.1 – when you revise the wording there, please also update it in the logframe.
2. We have also somewhat adapted the indicators to fix the missing units of measure and to add disaggregation. Some of the indicators are marked as matching with the Global Europe Results Framework. Please follow-up and recall that during uploading the logframe onto OPSYS these indicators will be uploaded as they are formulated in the OPSYS/GERF list.
3. For all baselines, targets and sources, please number the related indicators, and identify the baseline and target years at all values.
4. Please examine the baselines: in the summary of this Action, it is mentioned that this Action is complementary to the IADB's credit programme since the previous MIP. In the case, you see this as one intervention with the IADB credit programme (with EU contribution) and, in the case, these two actions will be reported jointly, you may use as baselines some of the earlier achievements of the IADB's credit programme. However, for the clarity of reporting and additionality, we would recommend not to do so, but to ***put '0' baselines for output indicators***, as many of the outputs will be produced by this Action.
5. Please carefully screen and ***further specify*** the sources: those should be very specific, regular, trustworthy and easily attainable.
6. We have added ***assumptions***, which you miss in the section 3.5. Please follow the Action Documents' Instruction, and, please remember that at each level of results the assumptions are the conditions independent of the Action (more under the control of the stakeholders) that help contributing to the upper level of results.

Results	Results chain (a): Main expected results (maximum 10)	Indicators (a): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	All citizens enjoy good quality decentralized education and health services.	1. Percentage of population with access to Broadband. (** GERF 1.9)	1. 9.03% (2020) <baseline year>	1. 8,5% 2026)	Banco Mundial (https://datos.bancomundial.org/indicador/IT.NET.BBND.P2?locations=SV)	Not applicable
		2. WEF score in digital skills among the active population of the country.	2. 3.2 (2020)	2. TBD (2026)	2. WEF Competitiveness Report.	
		3. Country score for Human Development Index (Country score).	3. 0.673 (2019)	3. TBD by 2026	3. UNDP Human Development Reports.	
Outcome 1	1. Improve access to digital public services.	1.1 Percentage of schools in the country connected.	1.1. 34% (2021)	1.1 57% 2026)	1.1. SECINO¹⁴ and Ministry of Education, Science and Technology.	The government foresees additional budgets for the replication and further new connections for the new institutions
		1.2 Percentage of health units in the country connected.	1.2. 25% (2021)	1.2. 42% (2025)	1.2. SECINO and Ministry of Health.	

¹⁴ Secretary of Innovation at the Presidency

		1.3 Number of people with access to internet - Broadband, in defined coverage areas supported by the Action, disaggregated by area/location and sex (**GERF 2.11).	1.3. TBD by 2022	1.3. TBD by 2022	1.3. SECINO	
Outcome 2	2. Improve digital skills and competencies in targeted areas.	2.1. Proportion of youth and adults with information and communications technology (ICT) skills (disaggregated by sex, age groups, labour force status, type of skill, and migratory status)) (Percentage).	2.1. TBD for 2022 by 2023	2.1. TBD by 2022	2.1. SECINO	
		2.2 Gap between the female and male population, without computer skills, in the defined coverage areas.	2.2. 11.9<baseline year>	2.2. 1.9 <target year>	2.2. SECINO	
Output 1 relating to Outcome 1	1.1 Affordable Broadband Digital Connectivity installed in underserved education centers.	1.1.1 Number of Schools in the country connected with support of the programme.	1.1.1. 0 by 2022	1.1.1. 170 by 2027	1.1.1. Bi-annual report of SECINO	
		1.1.2 Number of Education centers	TBD	TBD	Bi-annual report of SECINO	

		connected to the access network, with the best standards of energy efficiency and resilience to climate change.				
		1.1.3 Number of Education centers with equipment and wiring that meet the best standards of energy efficiency and resilience to climate change.	TBD	TBD	Semi-annual report of SECINO	
Output 2 relating to Outcome 1	1.2 Affordable Broadband Digital Connectivity installed in underserved health centers.	1.2.1 Number of health centers in the country connected with EU support.	0	30 by 2027	SECINO and Ministry of Health.	Private operators are interested to offer their services. The central government plans for sufficient budgets for the Schools and Health Centres to cover the related expenditures for continued connection services
		1.2.2 Number of Health centers connected to the access network, with the best standards of energy efficiency and resilience to climate change.	TBD	TBD	Bi-annual report of SECINO.	
		1.2.3 Number of Health centers with equipment and wiring that meet the best standards of energy efficiency and	TBD	TBD	Bi-annual report of SECINO.	

		resilience to climate change.				
Output 1 relating to Outcome 2	2.1 Digital skills of staff at teaching facilities strengthened.	2.1 Number of people who have benefited from institution or workplace based VET/skills development interventions supported by the EU: (b) only VET/skills development for digitalisation – teachers (GERF 2.14) , disaggregated by area, institution and sex.	TBD	TBD	Semi-annual report of SECINO.	Trained people stay at their job.
Output 2 relating to Outcome 2	2.2 Digital skills of staff at health facilities strengthened.	2.2 Number of people who have benefited from institution or workplace based VET/skills development interventions supported by the EU: (b) only VET/skills development for digitalisation – health professionals (GERF 2.14), disaggregated by area, health institution and sex.	TBD	TBD	Semi-annual report of SECINO.	Trained people stay at their job.
Output 3 relating to Outcome 2	2.3 Enhanced digital skills and competencies of population, in particular women and youth, in the defined coverage areas.	2.3 Number of people who have benefited from institution or workplace based VET/skills development interventions supported by the EU:	0	TBD	SECINO	The trained people have access and use the broadband connection

		(b) only VET/skills development for digitalisation – general population (GERF 2.14), disaggregated by type of training, area, sex age groups, and migratory status) (Percentage).				
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4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the partner country

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures¹⁵.

4.3.1 Indirect Management with a pillar assessed entity

This action may be implemented in indirect management with the Inter-American Development Bank (IDB)]. This implementation entails the design, execution, coordination, control, monitoring and communication of all activities foreseen to achieve the expected objectives and results of the action described in section 3.

The envisaged entity has been selected using the following criteria : (i) Experience in Latin America and El Salvador in areas related to economic development and job creation (ii) Previous, ongoing or forecasted experience/support to digital transformation in el Salvador or the region (iii) Engagement in El Salvador and/or the region on the topic of digital connectivity and transformation.

In line with the above criteria, the Inter-American Development Bank (IDB) has been selected in first instance given its long trajectory in supporting Latin American countries in general, and El Salvador specifically, in areas related to economic development and job creation. In particular, the IDB has been actively engaged in the region in terms of digital transformation, and has already initiated support to implement El Salvador's social connectivity agenda, as outlined in the government's Agenda Digital, and also in line with the EUs MIP Priority Area 1 of Digital Transformation. In this regard IADB represents a crucial partner of the EU, where we can complement each other and achieve greater added value in partnership with the government. This programme will build on the results of the IADB Program Digital Social Connectivity, that has already a budget of USD 85 M from the IADB.

The IDB has been pillar assessed by the EU and fulfils all criteria relating to operational capacity and transparency.

In case the envisaged entity would need to be replaced, the Commission's services may select another replacement entity, on the basis of the aforementioned criteria. If the entity is replaced, the decision to replace it needs to be justified.

¹⁵ www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

4.3.2 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

If due to exceptional circumstances outside of the Commission's control, it becomes impossible to conduct the action in indirect management according to provisions of 4.3.1 the action, the action may be implemented in direct management through procurement managed by the EU delegation.

4.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.5 Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)	Third-party contribution, in currency identified [(If not relevant please delete this column)]
Indirect management with IDB– cf. section 4.3.1	EUR 9 500 000	USD 85 000 000
Evaluation – cf. section 5.2 Audit – cf. section 5.3		N.A.
Contingencies ¹⁶		N.A.
Totals	EUR 9 500 000	USD 85 000 000

4.6 Organisational Set-up and Responsibilities

The IDB is responsible for the full implementation of the action. A steering committee will be established with representatives of key stakeholders in order to provide general guidance and oversee the action's implementation. The steering committee will be made up indicatively by representatives of the following organisations: the IDB (who will preside over the committee), the SECINO, the EU Delegation to El Salvador. Due to the highly specialized technical nature of the action, a IDB's permanent resident advisor to coordinate its implementation is foreseen.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of

¹⁶ Consider that for contracts where no financing agreement is concluded, contingencies must be covered by individual and legal commitments by 31 December of N+1.

implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

Progress monitoring will follow EU guidelines and standards and will be based on the logical framework and the established indicators. Some of these indicators require a baseline survey and a final data collection survey. The implementing partner (i.e., the IADB) will be responsible for implementing these surveys (including their funding) in a timely manner (at the beginning of the action in the case of baseline surveys and at the end of it for final data collection surveys).

All monitoring and reporting shall assess how the action is taking into account the human rights based approach and gender equality.

Reports shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action's implementation

The action will be overseen by the European Union Delegation to El Salvador through day to day programme monitoring activities, visits, and its participation in the steering committee and in the events related to planned activities.

All monitoring and reporting shall assess how the action is taking into account the human rights based approach and gender equality.

5.2 Evaluation

Having regard to the importance of the action, a mid-term and a final evaluation will be carried out for this action or its components via an implementing partner.

The mid-term evaluation will be carried out for problem solving and learning purposes, in particular with respect to address issues during implementation of the action.

The final evaluation is envisaged for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that knowledge shall be gained on best practices and lessons learnt.

The Commission shall inform the implementing partner at least one month in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

All evaluations shall assess to what extent the action is taking into account the human rights-based approach as well as how it contributes to gender equality and women's empowerment. Expertise on human rights and gender equality will be ensured in the evaluation teams.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination¹⁷. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

Evaluation services may be contracted under a framework contract

¹⁷ See best [practice of evaluation dissemination](#)

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements. Any audit will be financed by another decision.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

Appendix 1 REPORTING IN OPSYS

An Intervention (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: ‘a given contract can only contribute to one primary intervention and not more than one’. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a ‘support entities’. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

The present Action identifies as

Action level		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action
Group of actions level		
<input type="checkbox"/>	Group of actions	Actions reference (CRIS#/OPSYS#):
Contract level		
<input checked="" type="checkbox"/>	Single Contract 1	Contribution Agreement with IDB: contribute to increasing levels of connectivity, benefiting educational institutions and health units in the country that will be connected to the internet, as well as teachers, medical personnel, students and patients who make use of access to digital services on connected public sites.
<input type="checkbox"/>	Single Contract 2	N/A
	(...)	
<input type="checkbox"/>	Group of contracts 1	N/A