



# USAID | CENTRAL AMERICA

FROM THE AMERICAN PEOPLE



Central America and Mexico (CAM)  
Regional Development Cooperation Strategy  
2015-2019

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## EXECUTIVE SUMMARY

The Regional Development Cooperation Strategy (RDCS) for Central America and Mexico (CAM) lays the foundation for USAID's presence in the region, and solidifies the commitment of USAID Missions in Central America and Mexico to close collaboration and enhanced cooperation to strategically target the region's most pressing development challenges. By increasing communication, through a multi-level approach that includes the Bureau for Latin America and the Caribbean (LAC), and Central America Mission leadership and technical teams, USAID/CAM will serve as a regional convener, facilitating the sharing of ideas, successes, and lessons learned throughout the region. Against this backdrop of greater partnership, USAID/CAM will pursue ways to assist and bolster missions' efforts and redefine the way in which regional platforms interact with and provide support to missions in Central America as they seek to address the region's most pressing development challenges.

The RDCS addresses U.S. foreign policy priorities and correlated development challenges in the region, including: ineffective governance; the evolving security situation, specifically the pervasive crime and violence affecting the Northern Triangle countries of Guatemala, El Salvador, and Honduras; slow economic growth and integration; climate change and high vulnerability to natural disasters; and HIV/AIDS. Specifically, the RDCS is informed by the recent surge in migration by Central Americans, notably children and youth, to the U.S., which indicates that the serious and long-standing challenges in the region are worsening. Increased migration has, in turn, contributed to the disintegration of the family structure, with fragmented families increasingly unable to provide stability and structure for children and youth. With few social ties, little opportunity, and facing a real fear of crime and violence, children and youth turn to migration as a viable alternative to life in Central America. Because many of these issues span the region, crossing borders and affecting multiple populations, a regional strategy is best suited to respond to these regional development challenges, in close coordination with bilateral missions. Moreover, doing so in a holistic way that recognizes the interrelated nature of these issues is paramount. Programming that eschews traditional sectoral stovepipes, and contemplates the linkages between citizen security, economic growth, and global climate change, will enable USAID/CAM to contribute to comprehensive regional change.

In alignment with the U.S. Strategy for Engagement in Central America (CEN Strategy), which lays out an interagency-driven vision for Central America under the three fundamental pillars of prosperity, governance and security, and the complementary Plan of the Alliance for the Prosperity of the Northern Triangle (Alliance for Prosperity), presented by the Northern Triangle governments, the RDCS reflects the shared responsibility that the USG and Central American and Mexican governments have to promoting safety and stability in the region. As such, this RDCS will work towards the shared goal of a more inclusive, prosperous, transparent, and safe Central America region to achieve the following Development Objectives (DO):

- DO 1: Regional economic integration increased;
- DO 2: Regional climate-smart economic growth enhanced;
- DO 3: Regional human rights and citizen security improved; and,
- DO 4: HIV prevalence in Central America contained.

These DOs are in strategic alignment with the Central America bilateral missions' work, and will support the key pillars of the CEN Strategy and the Alliance for Prosperity. For example, in support of the CEN Strategy's prosperity pillar, the RDCS will improve trade facilitation and agricultural value chains across the regional market, build resiliency to climate change impacts, promote clean energy, and strengthen

transboundary natural resource management. In alignment with the governance pillar, activities will strengthen countries' compliance with international human rights standards, institutionalizing the fair and humane treatment of all citizens across the region. Security activities will ensure the gathering and dissemination of reliable data and crime statistics to inform decision-making and prevention plans across the region. The RDCS will build and support regional youth involvement in political advocacy and alliance building within the citizen security area. To ensure sustainability of results in the region, USAID's bilateral missions will continue to work in partnership with Central American governments to improve service delivery. Through the RDCS, USAID/CAM will bolster these efforts by creating opportunities for host country governments to dialogue on common regional challenges and facilitate trilateral cooperation among willing donors. The RDCS will also support the harmonization of policies and regulations to ensure enforcement of critical actions is consistent across borders.

Further, USAID/CAM will seek, in coordination with LAC and bilateral missions, to synchronize reporting on the CEN Strategy by developing, collating, aggregating, and processing common regional indicators that track progress towards the CEN Strategy's implementation. This will effectively release the reporting burden from missions in the region, and ensure consistency in communication on progress and impact made in the region. In addition, USAID/CAM will support the Central America Learning Agenda, which includes systematic coordination on evaluations, assessments, analysis, and other learning tools, through a shared commitment to identify gaps in knowledge, seek out programmatic congruencies, and capture development results to inform future programming.

By introducing new solutions to development challenges USAID/CAM will test new approaches, based on analysis and evaluation, to expedite development results. For example, new programming will create a regional training academy wherein crime prevention experts and violence interrupters share and learn about evidence-based practices on citizen security-related topics. Similarly, by introducing community-based management systems for protected biodiverse areas, USAID/CAM will ensure better management of local resources, promote sustainable livelihoods and decent work, and increase economic opportunity in coastal communities.

Further, USAID/CAM will seek to institutionalize the application of science, technology, and innovation as tools for smart development. For example, applying technology to develop and facilitate the sharing of a regional registry of disappeared people, and applying science-based standards to regional exports to expand market access. Moreover, to leverage USAID funds, USAID/CAM will look to partnerships to capitalize on the strengths of private sector partners.

In recognition of the evolving development landscape wherein an increasing number of emerging donors are interested in lending their expertise to Central America, USAID/CAM will capitalize on the opportunity to partner with new actors. Specifically, through trilateral cooperation, USAID/CAM will seek to catalyze results by engaging in strategic collaboration aligned with CEN Strategy priorities such as governance and security.

RDCS activities will maintain a central focus on the Northern Triangle countries, but will strategically engage in Mexico, Nicaragua, the Dominican Republic, and countries in the region without a USAID mission, including Costa Rica, Belize, and Panama, where USAID/CAM will coordinate with the respective embassies. Investments will target areas that are crucial for regional security and innately tied to governance and prosperity, such as Mexico's southern border with Guatemala.

Throughout the life of the RDCS, USAID/CAM will ensure programming is truly regional in nature and complements and enhances bilateral programs in the region. By applying a set of criteria, which are detailed below, the RDCS will pilot innovative approaches for potential regional scale-up, share and disseminate best practices and lessons learned across the region, and utilize its position to introduce cost-effective implementation mechanisms available for buy-in. Importantly, USAID will leverage its unique platform to promote key local actors, regional entities and other bilateral donors seeking trilateral cooperation as partners in achieving common goals and supporting broader foreign policy priorities. Additionally, the regional program will introduce new mechanisms that respond to the needs of bilateral missions, including a monitoring, evaluation and learning mechanism and a tool to facilitate trilateral cooperation, as well as reduce procurement workloads and alleviate technical support needs.

Equally important is regional coordination, which will enable successful regional programming throughout the life of the RDCS and beyond. USAID/CAM proposes a multi-level approach to coordination, that includes mission director engagement, as well as program office and technical coordination. Moreover, USAID/CAM has established a system by which bilateral missions' staff is directly involved in the design and procurement of new activities, as well as other programmatic issues. USAID/CAM will provide resources for staffing in bilateral missions for greater visibility and input into regional programming to ensure a more coordinated approach to implementation and counterpart engagement and to more effectively monitor regional investments.

Finally, coordination among and within the USG is critical to success. Continued coordination and communication both in the region and Washington, D.C., with the interagency, specifically, the Department of Homeland Security (DHS), the Bureau of International Narcotics and Law Enforcement Affairs (INL), the Millennium Challenge Corporation (MCC), the Centers for Disease Control (CDC), the Department of Defense (DOD), and Peace Corps (PC), among others, is increasingly necessary for success in the region.

## **DEVELOPMENT CONTEXT, CHALLENGES, AND OPPORTUNITIES**

Following a prolonged period of conflict and civil wars, the past 20 years have seen Central American countries realize significant social and economic advances. Illiteracy rates have been reduced; infant, child and maternal mortality has decreased; access to education has increased; high deforestation rates have slowed; and poverty have been reduced. Countries in the region have generally held a succession of free and fair elections and peaceful governmental transitions. With the signing of the Central America Free Trade Agreement (CAFTA-DR) in 2005, regional exports to the U.S. increased 60 percent by 2013,<sup>1</sup> and regional trade expanded at 9.5 percent per year from 2005-2012.<sup>2</sup>

Despite these gains, Central America remains the least developed sub-region in the hemisphere, and given its proximity to the U.S., the problems that plague it directly affect U.S. interests. By far the greatest threat impacting all Central American countries and Mexico is the violence and insecurity generated by gangs, narco-trafficking, and trafficking in persons. Homicide rates in Central America are the highest in the world, with El Salvador at 68.6 homicides per 100,000 people in 2014, followed by 66

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<sup>1</sup> United States Census Bureau <http://www.census.gov/foreign-trade/balance/c0017.html>

<sup>2</sup> Estado de Situacion de la Integracion Economica Centroamericana, SIECA, Dic. 2013 <http://www.sieca.int/portaldatos/documentos/2f0f8962-de35-4610-8ba1-56ee8a404d35.pdf>

in Honduras, 31 in Guatemala, 12.7 in Mexico and 9.5 in Costa Rica.<sup>3</sup> El Salvador has the highest homicide rate worldwide of youth up to 19 years, followed closely by Guatemala. Violence in the region is only escalating, specifically in El Salvador where the country recorded 2,965 killings in the first half of 2015, with monthly totals topping those seen during the country's civil war, which ended in 1992.<sup>4</sup> Disappearances are also on the rise. In 2013, the number of people reported as missing in El Salvador increased by 93 percent from the previous year.<sup>5</sup> In Mexico, 26,000 people have been reported missing since the government launched an offensive against drug cartels in 2006.<sup>6</sup> Aggression against journalists and human rights defenders has increased in the region, most notably in Honduras, Guatemala and Mexico, and with it the freedom of expression. Further, marginalized populations, such as migrants and the Lesbian, Gay, Bisexual, Transgender, and Intersex (LGBTI) community, continue to face discrimination and violence. Small businesses continue to close due to extortions or violence, leaving thousands without jobs or economic livelihoods.

Violence and insecurity inhibit investment and economic growth in Central America, driving undocumented immigration to the U.S. and other countries in the region as people flee in search of security and economic opportunities. Children and youth are particularly vulnerable, and governments are witnessing an increasing mass migration of unaccompanied migrant children (UACs) from Central America and Mexico, in addition to traditional migration flows. According to figures from the U.S. Department of Health and Human Services (HHS), the number of UACs crossing the border during 2013 exceeded 24,000. In FY 2014, more than 68,500 unaccompanied children were apprehended at the Southwest border according to the Congressional Research Service Report.<sup>7</sup> According to data from the Pew Research Center,<sup>8</sup> the number of unaccompanied girls younger than 18 caught at the U.S.-Mexico border jumped 77 percent (from October 1, 2013 through May 31, 2014) to 13,008, compared with just 7,339 during all of fiscal year 2013. Although there are far more boys than girls apprehended at the border, the number of boys has grown more slowly, by just eight percent during the same period, to 33,924 compared with 31,420 in fiscal year 2013. Among those 12 and younger, the number of girls apprehended has grown even faster, increasing 140 percent, compared with a 100 percent increase among boys.

The biggest difference between boys' and girls' increasing numbers is among teenagers. Apprehensions of unaccompanied teenage girls are up 62 percent to 9,597 compared with 5,916 in fiscal year 2013, while among teenage boys there has been nearly no increase. As a result, girls have constituted a larger share (24 percent) of all unaccompanied teens in fiscal year 2014 than they did in fiscal year 2013 (17 percent). This has become a major problem in the U.S., costing more than \$2 billion in detention and other services. A June 2014 report by the Washington Office on Latin America noted that femicides along Mexico-Guatemala border communities jumped from 22 in 2010 to 97 in 2012, with young migrant women frequently the victims.

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<sup>3</sup> InSight Crime 2014 Homicide Round-up- <http://www.insightcrime.org/news-analysis/insight-crime-2014-homicide-round-up> (\*Murder rates calculated by InSight Crime based on number of reported homicides and the country's 2014 population total, according to the World Bank.).World Bank.).

<sup>4</sup> Rocheleau, Matt. "This Is How Bad El Salvador's Murder Rate Is." The Boston Globe. N.p., 9 July 2015. Web. 29 Aug. 2015.

<sup>5</sup> United States Department of State Bureau of Diplomatic Security <https://www.osac.gov/pages/ContentReportDetails.aspx?cid=15771>

<sup>6</sup> <http://www.cnn.com/2013/02/26/world/americas/mexico-disappeared/>

<sup>7</sup> "Unaccompanied Alien Children: An Overview." Congressional Research Service Report. August 18, 2015

<sup>8</sup> Pew Research Center, At the border, a sharp rise in unaccompanied girls fleeing Honduras, July 25, 2014 <http://www.pewresearch.org/fact-tank/2014/07/25/at-the-border-a-sharp-rise-in-unaccompanied-girls-fleeing-honduras/>

As previously mentioned, human rights violations and abuses are rampant in the region. In addition to violence against women, including femicide, other marginalized groups such as LGBTI, indigenous peoples, displaced persons, and others, are being denied access to public service and face increased threats to their safety and security. The ability to protect human rights is being severely eroded as criminal gangs and illicit power structures with transnational links assert control throughout the region. Furthermore, unresolved legacies of the region's history of armed conflict and military rule also contribute to a climate of impunity. Reports of excessive use of force in contravention of international standards and "police brutality" are common throughout the region. Aggression against journalists and human rights defenders has increased in the region, most notably in Honduras, Guatemala, and Mexico, and with it the freedom of expression. Human rights defenders and others point to extrajudicial killings and disappearances as growing issues of concern along with abuse of the witness and victims assistance system, withholding of protection, arbitrary detention, and wrongful convictions.

Another important trend in the Northern Triangle region is the increased civic pressure and demand for government transparency and accountability. All three Northern Triangle countries rank below regional averages on Transparency International Corruption Perception Index. A focused regional agenda is necessary to address the plethora of security and economic concerns in the region and their direct ties to the U.S.

Meanwhile, poverty rates in Central America remain higher than the rest of Latin America and the Caribbean, with Nicaragua ranked as the second poorest country in the hemisphere after Haiti, followed by Honduras and Guatemala.<sup>9</sup> El Salvador lags behind the Central American average for economic growth rates, and the region suffers from vast income inequality. According to 2011 World Bank data, more than 60 percent of Hondurans, 50 percent of Guatemalans, and 30 percent of Salvadorans live below the poverty levels. Income inequality presents a major challenge, as 20 percent of the wealthiest segments of the population account for more than half of overall income. The World Bank also reports that 16.4 percent of people in the CAM region live in extreme poverty, while 40 percent of the population is considered vulnerable to falling back into poverty. The middle class is only 24.7 percent of the population, the smallest in Latin America. Gender gaps prevent women from fully participating in economic and political life, impeding overall growth. Chronic under nutrition is the most critical nutritional challenge facing Central America, and reflects development problems that result mainly from limited income earning opportunities. The high volatility of food prices, lack of strong political institutional capacity and insufficient productive opportunities for the poor contribute to a vicious cycle of food insecurity in the region.

It has been 50 years since the Central American Common Market (CACM) was created. An association of five Central American nations, CACM was established to facilitate regional economic development through free trade and economic integration, with the end-goal of establishing a Customs Union. Intraregional trade has increased, as has increased openness to global markets. Central American countries signed free trade agreements with the United States, Mexico, Chile, and the Andean Community. However, obstacles to trade related to discretionary measures of individual countries still remain, causing higher costs of doing business and higher prices to consumers. Transportation and logistics bottlenecks, in addition to unilateral customs measures and cross border procedures, constitute a high burden for intraregional trade of goods. Central America and the Dominican Republic represent

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<sup>9</sup> World Bank [http://data.worldbank.org/indicator/NY.GDP.PCAP.CD?order=wbapi\\_data\\_value\\_2012+wbapi\\_data\\_value+wbapi\\_data\\_value-last&sort=asc](http://data.worldbank.org/indicator/NY.GDP.PCAP.CD?order=wbapi_data_value_2012+wbapi_data_value+wbapi_data_value-last&sort=asc)

the third largest U.S. export market in Latin America, behind Mexico and Brazil. Total two-way goods trade between the U.S. and the six CAFTA-DR partners has increased over 71 percent since entry into force of the trade agreement, from \$35 billion in 2005 to \$60 billion in 2013. In 2013, U.S. exports to the CAFTA-DR countries totaled \$30 billion; imports totaled \$30 billion.

Climate change has also emerged as a major factor threatening Central American communities, often intensifying the destructive impacts of poor land-use practices and furthering the degradation of available resources in the region. The negative impacts associated with climate change have stressed a region already vulnerable to drought, landslides, hurricanes, and other extreme weather events. According to the Germanwatch's Global Climate Risk Index 2015, countries in Central America rank among the most impacted by extreme weather events over the past two decades. Honduras, Nicaragua, the Dominican Republic, and Guatemala all rank in the top ten in terms of financial and human losses caused by weather events over this period; El Salvador is ranked thirteenth. Furthermore, much of the region's energy comes from natural resources that may be affected by climate change impacts (e.g., biomass, hydroelectricity). Hydropower, for example, comprises a significant portion of the region's energy sources, particularly in Costa Rica (63%), Panama (59%), and Guatemala (34%). Future changes to regional precipitation patterns, which are often linked to climate change, could dramatically impact the availability of rainwater for use in electricity generation. Furthermore, the region's economy depends on the utilization of biological resources for agriculture, commercial and recreational fishing, forestry activities, tourism, and other opportunities that directly impact people's livelihoods. Reliance on diverse biological resources and weak provision of resource management as a public service by government institutions has led to overexploitation and misuse of these resources by growing populations in the region. For instance, total forest cover in Central America declined approximately 40 percent between 1961 and 2001, driven mostly by a demand for additional arable land and pasture land to support an expanding agriculture sector. Since 1990, deforestation rates have declined but significant restoration efforts are required to restore Central America's forest cover.

Central America has a concentrated HIV/AIDS epidemic, with high prevalence among vulnerable population subgroups, deepening their social exclusion. Data available show that in persons aged 15 to 49 years, HIV prevalence rates in the region range from 2.5 percent in Belize, to 0.2 percent in Nicaragua. Country-level prevalence rates, however, mask the disproportionate impact that HIV and AIDS have on key populations, those persons more vulnerable to infection because of sexual behavior and other factors. Key populations in Central America include men who have sex with other men (MSM), transgender women, and sex workers. Other priority populations include specific ethnic groups such as the Garifuna, sex worker clients, migrants and prisoners. According to the Joint United Nations Programme on HIV/AIDS (UNAIDS 2010), the Central American epidemic is most highly concentrated among MSM, with the majority of countries in the region reporting a prevalence of over 10 percent in that sub-population. Recent studies in the region suggest that HIV prevalence is even higher for the female transgender population than for MSM, possibly as high as 40 percent, with accompanying high levels of stigma, discrimination and violence targeted at this population.<sup>10</sup> The lack of national data allows countries to discount the impact that HIV and gender-based violence (GBV) are having on transgender women in the region. Until now, traditionally the health sector has had the greatest involvement in the national response, and just recently other fields such as labor, education, and the private sector, have started to organize their response to HIV issues. According to the National AIDS Spending Assessment's 2010 report, 66 percent of the total funds invested in Central America for HIV-

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<sup>10</sup> Hernandez, Guardado, Paz-Bailey , 2010



related activities come from governments; on average, the region invests \$4.71 per capita on HIV issues. However, 60 percent of the investment in prevention activities addressed to key populations still comes from donors.

Further detail about country-specific development context and challenges can be found in the relevant missions' Country Development Cooperation Strategies (CDCS).

### **Alignment with U.S. Foreign Policy Considerations, Regional Policies and Priorities**

A more prosperous, democratic, transparent, and peaceful Western Hemisphere is in the direct U.S. national interest. The President's development policy recognizes the relationship between political and economic development by calling for an enhanced focus on both economic growth and democratic governance.

The guiding strategies for the region include the CEN Strategy and the Alliance for Prosperity. The CEN Strategy lays out an interagency-driven vision for Central America, very much in alignment with the Alliance for Prosperity that was presented by the Northern Triangle governments. It identifies three fundamental pillars, including prosperity, governance and security, and envisions an economically integrated Central America that provides economic opportunities to its people; democratic, accountable, transparent, and effective public institutions; and a safe environment for its citizens to build their lives in peace and stability. Because of geographic proximity, as well as cultural, historical, and familial ties, the USG's ability to tackle regional challenges, such as border security, climate change, or economic growth, will depend on the prosperity and stability of the countries that comprise this neighborhood.

Similarly, the Alliance for Prosperity highlights the strategic objectives the governments of the Northern Triangle countries seek to accomplish collectively by boosting the productive sector, developing human capital, improving public safety and access to the justice system, and strengthening institutions. The Alliance for Prosperity also underscores the need for greater investment in sectors such as education, citizen security, workforce development, energy, tax regulation and business regulations. Furthermore, the Northern Triangle countries have also committed to promoting government accountability and reform and strengthening border management that will also focus on migration. While the USG is investing significant resources in these areas, the success of this effort will depend far more on the Central American governments' continued political will to undertake substantial political and economic commitments to bring about positive change in the region.

Regional work will also support the President's Emergency Plan for AIDS Relief (PEPFAR), a critical USG strategy, to increase healthy behaviors and reduce HIV transmission among key populations. Activities will strengthen the health system capacity to provide care and improve the policy environment for reaching the goal of universal access to HIV/AIDS service in the region.

Moreover, the RDCS considers the important role of the Central American Integration System (SICA), and its associated organizations. Established in 1993, SICA's General Secretariat is headquartered in El Salvador, and the membership currently includes Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama, Belize, and the Dominican Republic as full members. The U.S., Mexico, Chile, Brazil, Argentina, Peru, Uruguay, Colombia, and Ecuador are regional observers. In the SICA Four-Year Development Plan for 2014-2017, the five priority pillars of Central American integration include security and democracy, integrated climate change and risk mitigation efforts, social integration,

economic integration, and institutional strengthening. Although SICA includes countries where there is no USAID presence, the RDCS will concentrate programming in countries where USAID is present.

### **Critical Assumptions and Risks**

The RDCS is based upon certain critical assumptions and acknowledged risks that are beyond the manageable interests of USAID, and which have potential to impact the strategy's successful implementation. First and foremost is the assumption that there will be continued willingness, capacity and resources from governments in the region to make needed social investments and prioritize citizen security. Given the advances in Central America and the collaborative environment that has developed in the past two decades, and, more importantly, in the past year, this expectation is plausible and reasonable. The following are key assumptions and the related risks described in detail:

#### *Assumptions:*

The RDCS assumes that citizen security will remain a priority for governments in the region and that public support for law enforcement and rule of law will remain steady. Similarly, the RDCS assumes that with increased economic growth, governments will direct increased tax revenues into expanding social services and economic opportunity, which will contribute to increased stability and prosperity. Detailed assumptions are described below:

- Across all DOs:
  - Collaboration and cooperation among and between USAID missions in Central America and with Embassies where USAID does not have presence will continue to be strong.
  - Political will to work with USAID on a range of sectors, including climate change, biodiversity, crime and violence prevention, human rights, governance, HIV/AIDS prevention, and trade integration will continue.
  - Progress on the Alliance for Prosperity by Guatemala, El Salvador, and Honduras.
  - Engagement with and support to governments is permissible.
  - Regional programming will be increasingly in demand in order to advance the new Alliance for Prosperity plan and the CEN Strategy, both of which call for stronger regional collaboration and engagement to address common citizen security challenges.
  
- DO 1
  - Continued leadership of SICA's Central American Economic Integration Secretariat (SIECA) to advance an agenda towards greater economic integration, trade promotion, and transport and logistics efficiency.
  - Continued commitment of Central American governments to fulfill obligations under international trade agreements, such as CAFTA-DR and the World Trade Organization.
  - Governments, private sector and civil society collaborate to create a common vision for economic competitiveness, and agreement on an action plan that leads to the implementation of trade facilitation mechanisms, while advancing towards a Central American Customs Union.
  
- DO 2
  - Minimal extreme natural disasters will occur enabling current progress for environmental governance of transboundary resources to continue.
  - USG strategic priorities will continue to support development goals that address the impacts of climate change and promote the use of climate-smart development.

- DO 3
  - There is interest from governments, regional organizations and NGOs to combine efforts to address common security and human rights issues and challenges.
  - Organizations such as the Organization of American States (OAS) and the offices of the ombudsperson and attorney general are willing to collaborate with USAID's regional activities to achieve its objectives.
- DO 4
  - Office of U.S. Global AIDS Coordinator (OGAC) keeps the current strategy during the life of the RDCS.
  - PEPFAR strategy is able to respond to changes in the course of the HIV/AIDS epidemic, for example, other populations may become a priority.

*Risks:*

- Across all DOs:
  - A further worsening of the security situation in Central America. A significant deterioration of citizen security and a continued wave of migration would impede USAID's ability to achieve the goal of this RDCS.
  - Significant shift in resources from the Northern Triangle so as to blunt the RDCS' efforts and achievements.
  - Marked increase of the effects of climate change, such as prolonged and intensified drought or rainfall, would undermine agriculture, trade, economic growth, and further stress an insecure region.
- DO 1
  - Significant shift in policy so as to change countries' capacity or will to harmonize and improve trade in the region.
- DO 2
  - Poor economic growth leads countries to de-prioritize actions necessary to reduce the impacts of climate change and biodiversity loss.
- DO 3
  - Deterioration of USAID's relationship with SICA due to uncooperative partner countries would obstruct progress towards the goals of this RDCS, and would cause USAID to seek alternative entities to partner with, and rethink the management structure of such activities.
  - Citizens and regional organizations identify human rights work as an obstacle to public security strategies and policies.
  - Repressive measures to address security challenges prevail over plans and strategies based on solid research and best practices.
- DO 4
  - Significant decrease in government funding for national HIV response as part of the regional HIV sustainability strategy and plan.

## REGIONAL CRITERIA

### Criteria for a Regional Program

While bilateral missions are best positioned to address country-specific issues, certain development goals require a strategic regional approach. Responding to truly regional issues, this programming will not duplicate or conflict with bilateral program objectives. Instead, regional work will complement, where possible, and enhance bilateral activity, in addition to supporting overarching USG objectives for the region. For the RDCS, the following criteria will be used to determine when a problem or issue would best be addressed through regional programming:

#### Cross Border Issues

- The region faces many local challenges that also cross borders, including violence, irregular migration, trafficking, smuggling, HIV/AIDS, impediments to trade, and the impacts of Global Climate Change. As such, these issues require sub-regional solutions involving multiple countries.

#### Pilot and Scale-up of Proven Approaches

- A regional program is best-suited to try new activities and facilitate their scale-up region wide. With more flexibility on where to work and who to partner with, the regional program can try new, innovative and untested approaches to development challenges.

#### Best Practices and Proven Approaches

- A regional effort is well-suited to disseminate proven approaches and best practices, for future adoption by bilateral mission. Further, a regional program can facilitate greater collaboration between countries by convening relevant actors and encouraging the spread of information across the region.

#### Cost-Effectiveness

- Regional efforts can be more cost-effective and expeditious than multiple bilateral programs. For example, regionally procured mechanisms, such as trilateral cooperation and monitoring, evaluation, and learning mechanisms, can allow for Mission buy-in and minimize the number of procurements, thus reducing lag times and costs, while allowing for bilateral mission management.

#### Common Themes and Challenges

- Certain region-wide themes and challenges, those affecting multiple countries and not adequately addressed by bilateral programs, would benefit from a strategic and shared solution. Addressing these commonalities through a regional program can ensure efforts are coordinated, and not duplicative, across Central America.

## DEVELOPMENT OBJECTIVES

In coordination with the mutual security and economic interests of the U.S., Central America and Mexico, a shared commitment to mitigate the effects of global climate change, and the President's Emergency Plan for AIDS Relief (PEPFAR), this RDCS works towards the goal of a more inclusive, prosperous, transparent, and safe Central America region.

CAM will accomplish this through the achievement of four Development Objectives, which are detailed below:

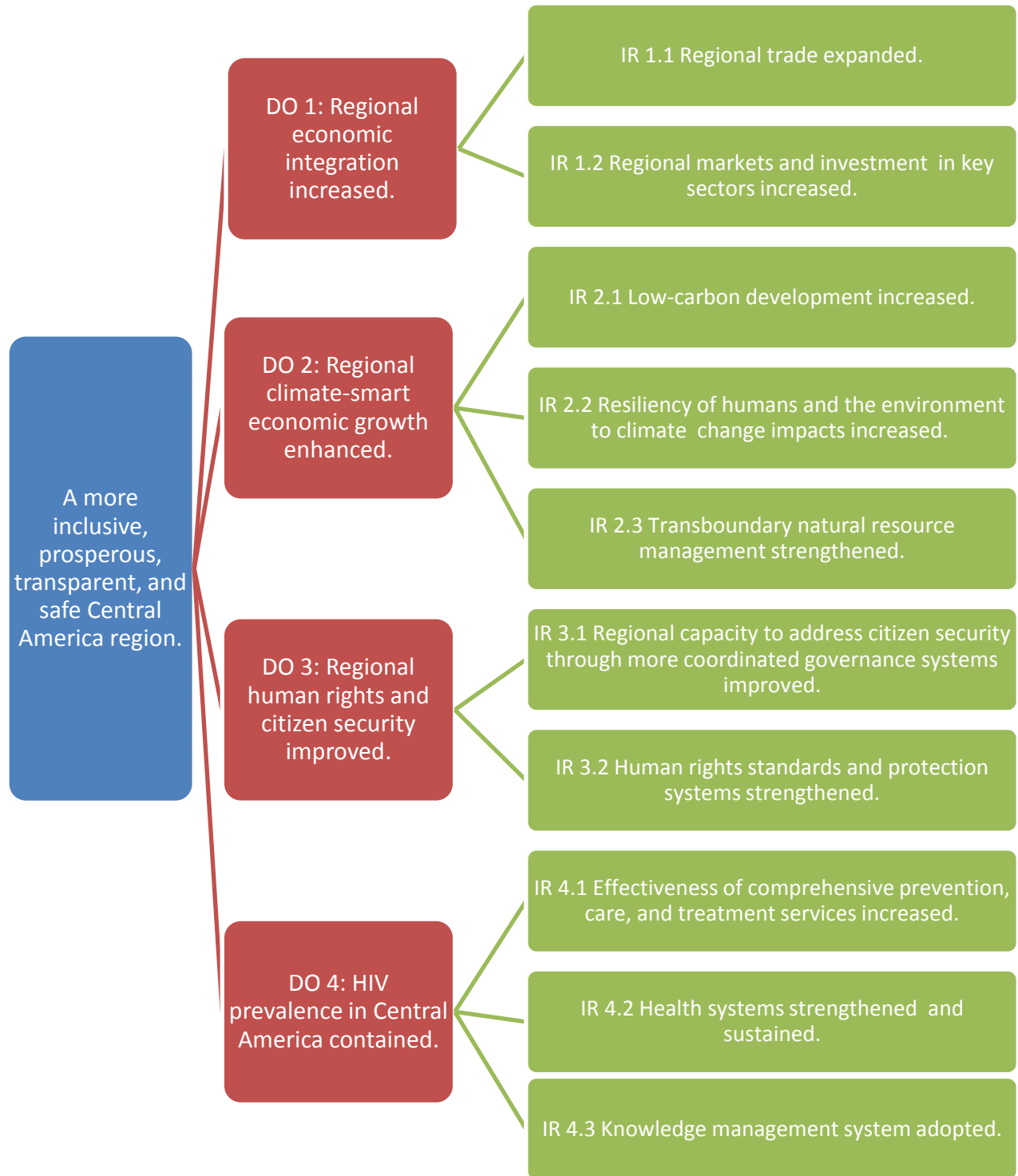
- DO 1: Regional economic integration increased;
- DO 2: Regional climate-smart economic growth enhanced;
- DO 3: Regional human rights and citizen security improved; and,
- DO 4: HIV prevalence in Central America contained.

### **Development Hypothesis**

A regional program can both complement and enhance work done by USAID bilateral missions in the region, and through a concerted and coordinated effort, can tackle transnational issues for a more inclusive, prosperous, transparent, and safe Central America region.

Applying the criteria for a regional program, as described above, truly regional interventions will be identified in the various sectors covered by this strategy. Projects and activities will be in alignment with the CEN strategy and USG priorities for the region, and adapt to the ever-changing situation in the region. The RDCS is based on the philosophy that overall region-wide development results can be enhanced when regional programs complement country-specific bilateral efforts.

Specifically, by strengthening regional economic integration, enabling improved movement of goods and services across the borders, while ensuring environmentally conscious and sustainable practices are adhered to, Central America's development will advance and create space for economic growth and increase opportunities for employment. By testing new climate-smart approaches and scaling up proven best practices, USAID/CAM will increase economic growth and good governance across the region that reduces emissions, builds resiliency to climate change, and conserves and strengthens management of Central America's biodiversity. Further, through targeted programming that leverages interagency and intra-agency collaboration, USAID will promote safer communities in which citizens have fewer incentives to leave their communities and can productively contribute to their country. USAID/CAM will also promote a regional learning community among security, legal and judicial practitioners from across the region to inform and provide opportunities for smarter development of crime prevention and human rights related programming. Moreover, by promoting increased transparency in government, USAID/CAM will help generate trust between citizens and their government officials, in addition to creating greater accountability and improved governance. Through enhanced regional cooperation and harmonization of the technical assistance provided, CAM's work in the HIV/AIDS sector will enable governments in the region to effectively contain the epidemic in the future.



**DO 1: Regional economic integration increased.**

Strong, stable economies in the region are in the direct interest of the U.S. to stem the flow of illegal immigration. This DO will respond to key challenges in trade integration and employment generation by emphasizing expanded trade and stronger institutional capacity. Despite increased trade with the U.S.

resulting from the implementation of CAFTA-DR, obstacles remain to full regional economic integration that would boost the economies of the region and increase regional trade competitiveness. An efficient trading system requires efficient facilities infrastructure, modern information technology systems, transparent and predictable processes, and harmonized regulations and standards for products and services, including transport. Specifically, streamlining and automating procedures for sanitary registration for processed food and beverage will help increase export of these items.

Increased trade is also important for food security, given the high levels of extreme poverty. USAID will support the Feed the Future (FtF) Initiative by developing market linkages in key regional agriculture supply chains to ensure the continued export growth of existing and new food products to regional and international markets, thus increasing employment, income, and overall food security. CAM will invest in high-income commodities, such as beans, mixed vegetables, tomato, potato, plantain, and cacao that complement the bilateral missions' FtF strategies, and bring both market access and technical assistance on value-added processing to promote higher incomes. Additionally, CAM will provide technical assistance to support cooperatives in the region producing fruit and vegetable exports to the U.S. which will be affected by the Food Safety Modernization Act. Since these new regulations are approved by USDA, CAM will respond with assistance to limit unjustified rejection of agricultural exports from Central America. By working on the standardization and export readiness component to the supply chain, CAM's efforts will align with the assistance that bilateral missions are providing at the farm level. The anticipated results of this DO are improved regional harmonization and integration policies, and streamlined administrative procedures to reduce costs and facilitate trade both within Central America and with strong trading partners, such as the United States.

Activities will be cognizant of women's and men's economic and social roles and their ability to take advantage of economic opportunities. Economic integration is not gender neutral, as women and men have differing roles, in different aspects of trade and agriculture commodity chains which affect their ability to take advantage of the opportunities economic integration offers; activities will consider these differences. To ensure gender sensitivity, CAM will assess the varying roles of men and women and design accordingly, when possible. Attention will be given to strengthening components of the supply chain where women's access to employment and income strengthening is the most viable, and commodities will be selected to reflect women's participation, employability, access to finance, and market access opportunities.

- **IR. 1.1 Regional trade expanded.**

Central America will expand trade to create jobs and economic opportunities by improving the movement of goods across borders, by optimizing facilities connectivity and infrastructure, and simplifying international trade controls and procedures. Transparency and simplification in laws, regulations and procedures will allow businesses to formally comply with controls and promote increased access to regional and international markets.

**Illustrative Activities:**

- Improve, through technical assistance, border facilities, traffic flows, power generation and connectivity at border crossings.
- Improve information technology to allow for interconnectivity and information sharing among border control agencies.

- Update and modernize import and export procedures, and regulatory or legal national and regional Central America Customs Union (CACU) frameworks if necessary to ensure consistency with the World Trade Organization Trade Facilitation Agreement and international best practices.
- Develop and promote a regional market information exchange system of certified land transportation, services, promoting integration of small and medium transport service providers in regional value chains.
  - *Sub-IR 1.1.1 Trade facilitation improved.*

Central American countries will advance trade facilitation through improved policy formulation; effective coordination of border control agencies, including customs administration, agriculture, immigration, and security; improved procedures and management; and improved quality and border facilities, while ensuring effective controls for citizen security. The RDCS activities under this Sub-IR will consider the large number of women involved in cross-border trade, working in informal trade and as small-volume traders at the border, many of whom suffer from invisibility, stigmatization, violence, harassment, poor working conditions, inadequate transport and funding, and lack of recognition of their economic contribution.
  - *Sub-IR 1.1.2 Transportation modernized and logistics efficiency improved.*

The modernization of land cargo transportation regulations and standards and the efficiency of operations are necessary to reduce the costs of trading goods across borders, and contribute to streamlining logistics and border controls. Harmonized regulations for transport, including weights and dimensions, technical and mechanical standards, certifications for drivers, regional agreements to promote increased use of cargo capacity, and service information exchange, would promote a more efficient and modern land transportation service supply in Central America. USAID will support host country governments in their efforts to improve the coverage and quality of multi-modal transport infrastructure (roads, ports, airports and railways), focusing on projects that strengthen regional integration.
  - *Sub-IR 1.1.3 Technical barriers to trade reduced.*

The consolidation of an expanded market and access to global production networks depend on improved quality systems that comply with international standards. An expanded Central American market for goods and services will benefit from industry and science-based standards, certifications and compliance audits that are standardized throughout the region. Sanitary registries, sanitary and phytosanitary standards and other technical requirements for goods and services shall be science-based and standardized, and not constitute unnecessary barriers to trade. With the advent of stricter food safety laws in the U.S. and other key markets for food exports from the region, USAID will support governments and regional production associations to meet food safety standards and maintain vital export markets.
- **IR. 1.2 Regional markets and investment in key sectors increased.**

Regional market linkages in key sectors, including but not limited to agriculture value chains will increase through public and private investments in infrastructure, knowledge management, and institutional capacity to support business innovation and compliance with standards to compete



in international markets. The rapidly changing international environment has placed greater pressure on producers to introduce technological and management improvements in farming techniques in order to compete. Work under this IR will be cognizant of women who represent small and subsistence farming families, as they are among the least able to benefit from the opening of new market opportunities. Activities will include but are not limited to improved productivity, quality compliance, product innovation and linkages to markets, increased private investment in key value chains for improved processing, product innovation, trade logistics, and well established market linkages that will promote increased economic opportunities and job creation.

### **Illustrative Activities:**

- Improve regional producers' capacity through support to producer organizations in complying with international market standards and specifications, through investments in product and packaging innovation, new processing equipment, quality assurance systems and organizational capacity strengthening.
- Establish regional and international producer-buyers alliances; continue promotion of buyer-producer alliances and identification of international market opportunities for agriculture value chains (cacao, red and black beans, plantains, cacao and other horticulture).
- Ensure continued export market access from fruit and vegetable producers in support of the Food Safety Modernization Act.
- Promote private investment through business models that support regional trade logistics, such as short route maritime transport, improved borders, airports, and ports management.
  - *Sub-IR 1.2.1 Agriculture value chains enhanced.*

USAID will facilitate technical assistance to regional producer organizations to improve compliance with international market standards and specifications. Investments in product and packaging innovation, new processing equipment, quality assurance systems and organizational capacity strengthening are critical for maintaining regional and global competitiveness, and USAID will work with organizations to ensure they are equipped to trade internationally. By focusing on standardization and export readiness, CAM efforts will align with farm-level assistance provided by bilateral missions. CAM will promote buyer-producer alliances and identification of regional and international market opportunities for agriculture value chains, including coffee, cacao, red and black beans, plantains, and other horticulture. Moreover, CAM will support host governments to develop and verify production partnerships across borders and support regional value chains to scale-up production networks.

Recognizing the dependency of agriculture value chains on a healthy climate, this Sub-IR's work in the promotion of value chains will consider regional climate change impacts, looking to the 118, 119 Tropical Forestry and Biodiversity analysis, as guides. Further, CAM will seek information from bilateral counterparts to ensure that programs consider country-specific knowledge and expertise in climate impacts.

- *Sub-IR 1.2.2 Private sector productive and competitive capabilities strengthened.*

USAID will support Central American businesses by linking regional goods and services to global value chains and promote greater diversification and value-added elements. Assistance will promote greater innovation and technology in key economic sectors such as textiles and apparel, electronics and other value-added activities. USAID will promote partnerships and introduce best practices in business modeling, and coordinate with activities in the energy and workforce development sectors to foster sustainable economic growth opportunities in the region. Activities will develop public-private investment models that not only create economic opportunities but also expand regional trade through more efficient logistics, such as short route maritime transport, and other interventions that help develop the productive and competitive capabilities in the private sector. Work under this Sub-IR will be closely coordinated with the IR 1.1 focus on USAID technical assistance in trade facilitation and logistics, seeking value chain integration that will support new and innovative business models for profitable and sustainable solutions to existing constraints to growth.

#### **DO 1: The Donor Landscape**

Trade facilitation is an area of opportunity to promote partnerships with other donors and multilateral organizations. The European Delegation supports the promotion of a Customs Union and the implementation of the European Union - Central America Association Agreement that works to strengthen legal frameworks and institutions on trade topics including, technical standards, competition policy and intellectual property rights. The IFC and World Bank Group have conducted assessments on the status of Central American countries vis-a-vis the WTO Trade Facilitation Agreement and are supporting governments in identifying the gaps and challenges for compliance of the WTO provisions. The IDB is working closely, in coordination with USAID, in the Central American Trade Facilitation Agenda, mainly focused on the Pacific Corridor. The IDB strategy includes investments in road and border infrastructure, policy reforms and institutional capacity. Other support is provided by the Economic Commission for Latin America and the Caribbean (ECLAC), the UN Commodity Trade (COMTRADE), the United Nations Conference on Trade and Development (UNCTAD) and other research and academic think tanks to support knowledge management through the Secretariat of Central American Economic Integration (SIECA). USAID will forge partnerships with these organizations to further common objectives. Moreover, CAM will consider partnerships that build on existing regional knowledge and expertise, including with the private sector and through trilateral cooperation with interested regional governments such as Mexico, Chile, Colombia, and Brazil. Work under IR 1.2 will complement bilateral missions' ongoing investments under Feed the Future, specifically activities related to value chains such as coffee and horticulture in the Western Highlands of Guatemala and Western Honduras.

#### **DO 1: Agency Policies and Strategies**

This DO will support the Gender Equality and Female Empowerment Policy by ensuring activities are reviewed for potential impact on men and women alike.

#### **DO 2: Regional climate-smart economic growth enhanced.**

Climate change impacts<sup>11</sup> affect the Central American region as a whole<sup>12, 13</sup>. This DO will increase economic growth in Central America by promoting sustainable, climate-smart practices and policies that lower emissions through clean energy investments, increasing the resiliency of people, places, and livelihoods to the impacts of climate change, and improving the management of the region’s biologically diverse ecosystems. Further, CAM will explore partnerships that build on existing regional knowledge and expertise, including with the private sector and through trilateral cooperation with interested regional governments such as Mexico, Chile, Colombia, and Brazil. Work under this DO will consider the differing impacts environmental degradation has on both women and men in rural areas, as these groups are highly dependent on local resources for their livelihood. Interventions will take into account that loss of biodiversity has increased women’s workload, including the hours invested for fetching water and gathering fuel wood, as part of their responsibilities,<sup>14</sup> and will monitor changes as a result of RDCS activities.

- **IR 2.1: Low-carbon development increased.**

USAID will continue to work across the region to promote low-carbon growth that stimulates the economy and reduces greenhouse gas emissions, by assisting regional institutions, governments, and key stakeholders to support Central America in making this transition. By promoting sustainable land use practices and policies and continuing support to increase renewable energy and energy efficiency, CAM will help reduce emissions, increase incomes, and diversify economic opportunities that will lead to more sustainable regional development in Central America.

#### **Illustrative Activities:**

- Promote and expand the use of climate-smart agricultural practices throughout the region that sequester or reduce emissions, such as expanded agroforestry practices, and provide links to regional markets for these improved practices.
- Build regional capacity on Reducing Emissions from Deforestation and Forest Degradation (REDD+) policies and, where possible, leverage expertise from countries, such as Mexico, that have already developed and are currently implementing similar policies and procedures.
- Support regional and national energy institutions to fully develop the Regional Energy Market and improve the business environment for investment in renewable energy.
- Develop improved regulatory approaches and financial incentives for energy efficiency projects, both public and private.
  - *Sub-IR 2.1.1: Regional climate-smart land use practices scaled-up.*  
In an emerging field like climate change, several climate-smart activities have been piloted and shown to be successful in reducing or sequestering emissions while increasing economic growth. CAM will scale-up these successful, evidence-based approaches across the region and in different landscapes, potentially connecting community-based mangrove conservation to carbon markets. CAM will also continue to

<sup>11</sup> Neelin JD, Münnich M, Su H, Meyerson JE, Holloway, CE. 2006. Tropical drying trends in global warming models and observations. Proceedings of the National Academy of Sciences, 103(16), 6110–5.

<sup>12</sup> Aguilar E, Peterson T, Ramírez Obando P, Frutos R et al. 2005. Changes in precipitation and temperature extremes in Central America and northern South America, 1961–2003. Journal of Geophysical Research, 110(D23107).

<sup>13</sup> [https://www.ipcc.ch/pdf/assessment-report/ar5/wg2/WGIIAR5-Chap27\\_FINAL.pdf](https://www.ipcc.ch/pdf/assessment-report/ar5/wg2/WGIIAR5-Chap27_FINAL.pdf)

<sup>14</sup> The Gender Advantage: Women on the front line of climate change, IFAD (March 2014)

support Central American countries in developing and implementing policies at the regional, national, and local level, such as REDD+ strategies, that reduce emissions from deforestation, forest degradation, agriculture, and land use changes.

- *Sub-IR 2.1.2: Investment in low-emissions solutions expanded.*  
Low-emissions activities will promote investment in renewable energy generation and energy efficiency standards to reduce greenhouse gas emissions in Central America. Noting that women and men play different roles in energy production, distribution, and utilization, CAM's work in this sector will be mindful of the varying ways in which support of renewable energy technologies to reduce greenhouse gas emission affects men and women.
- **IR 2.2: Resiliency of humans and the environment to climate change impacts increased.**  
USAID will contribute to climate-resilient economic growth in Central America by reducing the vulnerability of people and ecosystems to climate change. Regional institutions, national governments, private sector institutions, and small and medium-sized businesses throughout Central America are at varying stages in terms of their respective access to information, integration of climate change data into multi-sectorial strategic planning, identification of priority actions, and implementation of these actions to effectively become more resilient to climate change. CAM will provide regional institutions, governments, businesses, and individuals with the means to make decisions and implement actions that avoid, adapt to, or better manage climate change impacts.

#### **Illustrative Activities:**

- Support the development of research, technology, and innovation centers that create solutions to common regional climate change challenges.
- Facilitate information exchanges and develop tools to help predict, analyze, and prepare end-users, including women, for future climate-related impacts in the region.
- Identify and disseminate new technologies and innovations for climate-smart practices in agriculture, integrated water resources management, watershed conservation, and biodiversity conservation that reduce the impacts of climate change on economic growth and regional stability.
- *Sub-IR 2.2.1: Access to quality climate data for decision-making increased.*  
Although climate change data in Central America are currently generated and shared, information that is most needed is not properly disseminated. CAM will provide evidence-based, demand-driven climate change data, analyses, and tools to end users such as government officials, agricultural fishing cooperatives, or civil society groups. USAID/CAM will rely on technology and innovation to ensure activities provide information products that are both accessible and appropriate for the end user. With access to this user-friendly information and better capacity to apply it, Central American institutions, communities, and citizens will be able to make informed decisions in real time that reduces their vulnerability to climate change impacts. Moreover, because women have proven to be a driving force in preserving natural resources and preventing

land degradation, activities will promote women as change agents of climate change mitigation, disaster reduction and adaptation strategies.

- *Sub-IR 2.2.2: Evidence-based climate-resilient practices adopted.*

USAID will assist regional institutions, businesses, and individuals in identifying and implementing actions that help the region better manage ecosystems, create and enforce climate-smart policies, and become more resilient to economic shocks from climate change impacts. For example, CAM will support climate-smart agriculture that restores soils and is more resilient to droughts and extreme rain events. CAM will stimulate the emergence, development, and implementation of climate-smart practices in many sectors, including agriculture, integrated water resources management, and biodiversity conservation.

- **IR 2.3: Transboundary natural resource management strengthened.**

Central America's biodiversity is one of its most abundant and most valuable assets. Biodiversity hot spots, such as forests and coastal marine ecosystems, are often found in transboundary zones shared by two or more countries, and are increasingly under threat by human and natural activities. As a result, conservation and management of these resources is complex and difficult to manage solely through bilateral support. Moreover, illegal, unreported, and unregulated fishing has contributed to ecosystem decline and threatens the livelihoods of many of Central America's poorest citizens. CAM will help build regional capacity to improve sustainable management of natural resources found in these transboundary ecosystems, including improving governance and economic incentives for conservation, to increase regional biodiversity on which many Central Americans depend.

#### **Illustrative Activities:**

- Establish community-based cooperative management of protected areas or diverse biological resources through community enforcement, for example, women-only patrolling groups or resource management councils, to ensure better management through use of local practices, rights, and buy-in.
- Create alternative economic and sustainable opportunities for local communities through the diversification of products extracted from transboundary ecoregions, including non-traditional resources and environmentally sustainable aquaculture opportunities.
- Pilot the development of a seafood traceability system that utilizes technology to improve trade in seafood across the region.

- *Sub-IR 2.3.1: Regional environmental governance improved.*

In Central America, weak institutional management of natural resources can damage the environment and lead to effects on human health and the economy. CAM will support Central American countries to develop, implement, and enforce environmental laws, regulations, and policies. RDCS activities will also promote improved harmonization of policies and coordination among countries and key stakeholders for successful management of these transboundary natural resources.

- *Sub-IR 2.3.2: Environmentally sustainable livelihoods expanded.*

CAM will address threats to biodiversity and decrease illegal and unsustainable trade in natural resources by promotion of safe, legal, and environmentally-friendly alternative livelihoods that reduce poverty. CAM will work in transboundary areas within the region to expand sustainable economic alternatives to improve livelihoods through best management and development practices.

## **DO 2: The Donor Landscape**

Successful implementation of the goals highlighted in this DO relies on strong partnerships and coordination with regional institutions, donors, NGOs, civil society organizations, and the private sector. Select NGOs and private sector partners, such as the Regional System Operator and the Regional Commission for Electrical Integration, among others, will also participate in USAID's efforts to fulfill this DO. USAID will seek to leverage funding and resources of other development partners to better align priorities and achieve desired development impacts. Donor coordination will be a priority and critical to complement investments in the region. Several other bilateral and multilateral donors provide assistance for biodiversity conservation, natural resource management, climate change adaptation, clean energy, and climate change mitigation, including the German Society for International Cooperation, IDB, the United Nations Development Programme (UNDP), and the World Bank.

In the environment sector, USAID bilateral missions are programming in select regions of their respective countries, making CAM's work both welcome and complementary to their existing efforts. Although GCC and Biodiversity are programmed across the region, cross border work and regional efforts are not part of the portfolios of bilateral missions. Specifically, USAID/Guatemala focuses efforts on the Western Highlands and the Petén region of the country, with a focus on protection of biodiversity with the reduction of vulnerability to natural disasters. USAID/Honduras works in biodiversity and GCC, seeking to reduce vulnerability to climate change by helping communities in Western Honduras adapt to actual and expected changes in climate. In Mexico, USAID's work focuses on complementing the country's own work in the climate change sector, which includes initiatives to support reduction of greenhouse gas emissions.

## **DO 2: Agency Policies and Strategies**

This DO is aligned with many USG and USAID strategic goals regarding the environment, including the Presidential Initiative for Global Climate Change and focused efforts on clean energy, sustainable landscapes, adaptation, and biodiversity. The purpose of this DO addresses the overall goal of the USAID Climate Change and Development Strategy for 2012-2016: "Enable partner countries to accelerate their transition to climate resilient, low emission economic growth and development." The DO's sub-purposes are also closely related to the USAID Climate Change and Development Strategy's three Strategic Objectives: 1) Accelerate the transition to low emission development through investments in clean energy and sustainable landscapes; 2) Increase resilience of people, places, and livelihoods through investments in adaptation; and 3) Strengthen development outcomes by integrating climate change in Agency programming, learning, policy dialogues, and operations. In addition, the DO's overall purpose specifically contributes to the USAID Biodiversity Policy 2012 goals to "Conserve biodiversity in priority places," and "Integrate biodiversity as an essential component of human development."

## **DO 3: Regional human rights and citizen security improved.**

Promoting citizen security and good governance across the region are critical pillars of the CEN Strategy. This DO will complement bilateral interventions by increasing regional capacity and expertise, exchange of best practices, and the scale-up of effective models by addressing select cross-border citizen security

and governance related challenges. This includes increasing access to quality and comparative data and analysis on both citizen security and governance, identifying mechanisms for the effective dissemination and replication of best practices, formation of regional networks among key institutions, and targeted training and exposure on regional and international best practices for policy makers, key authorities, civil society and other stakeholders. Additionally, CAM will improve the region’s ability to protect human rights as an integral component of advancing security and development in the region. Work will include strengthening transnational protection of vulnerable populations, especially in border areas, building civil society’s knowledge of and capacity to advocate for labor and human rights, establishing early warning and monitoring systems of human rights violations to enable improved response, and promoting freedom of expression and independence, particularly for media and journalists.

- **IR 3.1 Regional capacity to address citizen security through more coordinated governance systems improved.**

Crime and violence do not respect borders, and transnational problems require a collaborative, regional approach to ensure consistency and prevent “weak links” that can negatively impact across borders. While myriad site and country-specific approaches and models are underway, as missions tackle these complex problems that have governance implications, a concise, region-specific approach is needed. CAM programming will help share successes across the region to ensure stakeholders have information and are aware of responsive governance practices available to address these challenges.

**Illustrative Activities:**

- Develop regional citizen security indicators that are comparable within the region and disaggregated to be tracked, disseminated and analyzed to inform both national and regional challenges.
- Develop a clearinghouse for regional information to be made available broadly, including publicly available research, publications, and key citizen security indicators.
- Assess and promote comparative best practices and approaches across key institutions, including regional exchanges with Colombia, Brazil, Chile, and Mexico, to share lessons learned and expertise in citizen security-related issues.
- Strengthen regional youth advocacy and networks for crime and violence prevention.
- Identify, test, and disseminate new and innovative approaches to citizen security strategies and adapt various crime prevention models region wide.
- Develop youth leadership initiatives, such as forums and trainings, to foster their capacity to advocate on issues most pertinent to their positive development and advancement, such as civic participation and citizen security.
  - *Sub-IR 3.1.1 Increased regional capacity for citizen security data collection and analysis.* The region still lacks comprehensive data collection in the area of citizen security and governance, including sex disaggregated data, due to limited capacity and resources, and a dearth of detail in statistical records. Activities will improve the quality, comparability, reliability, and timeliness of citizen security, governance, and transparency data in the region, followed by increased capacity to undertake comparative analysis that enables informed policy decision-making. They will also seek to strengthen both analysis and institutional capacity of select public institutions and

civil society networks at the national and regional levels to provide evidence-based analysis and policy recommendations.

Regional programming will support governments and civil society organizations, including women-led NGOs, to improve the collection, monitoring, and systematization of crime data, sex and age disaggregated, at the national and regional level to provide evidence-based analysis and policy recommendations. This programming will further enhance analysis and dialogue of cross-border issues that impact citizen security and governance in the region. Activities will also complement existing studies and conduct further in-depth research on specific citizen security issues.

- *Sub-IR 3.1.2 Dissemination of citizen security best practices through regional networks expanded.*

Regional programming will analyze and document successful practices and solutions to systemic, transnational issues affecting the region with respect to crime and violence, including femicides, and gender-based violence. Additionally, programming will disseminate evidence-based approaches, best practices, tools, and successful models throughout the region, sharing information across Central American countries. Best governance practices in crime prevention through municipal crime prevention councils, for example, will be assessed and shared among the community of civic and policy making practitioners to help identify successful interventions that may be applied throughout the region. Activities will encourage replication and scale-up of successes, emphasizing the application of technology and innovation as much as possible. Additionally, trilateral cooperation will be emphasized as a method to share successful regional experiences and knowledge.

- *Sub-IR. 3.1.3 Sustainable regional capacity for violence prevention and interruption increased.*

A critical element of USAID's regional citizen security efforts is to enhance the ability of key stakeholders (individuals, groups, organizations) to identify and meet the challenges the region faces in terms of crime, violence, and governance. Capacity is a key determinant of government and organizations performance. Regional programming will develop the region's capacity for the prevention and interruption of violence by promoting assessment of best practices, leadership models, actions planning, evaluation, and learning. In order to foster regional learning and exchange on citizen security and best practices, activities will provide training and exposure on regional and international best practices for policy makers, elected national and local authorities, civil society, private sector, and other stakeholders involved in primary, secondary, and tertiary prevention efforts across the region. Also, activities will promote youth development by providing support to improve the capacity of youth to actively participate in violence prevention initiatives, and enhance regional youth leadership and participation. A key element will be the development of a regional training academy-like network, wherein crime prevention experts and violence interrupters share and learn about international and regional comparative evidence-based practices on citizen security-related topics, providing civil society organizations, social service providers, police, journalists, youth and other stakeholders with enhanced knowledge of what is working internationally and regionally.



- **IR 3.2 Human rights standards and protection systems strengthened.**

The Northern Triangle countries of Central America have made efforts to establish elements of national human rights protection systems, such as ratifying core human rights conventions, accepting the jurisdiction of the human rights international and regional mechanisms and adopting constitutions and human rights-specific laws and policies.

**Illustrative Activities:**

- Facilitate a regional advisory network or working group of leading experts in human rights education and awareness-raising to establish goals, standards, protocols, themes, and content for education, training, and strategic communications.
- Engage with regional networks to adopt and replicate a non-discrimination campaign especially regarding groups such as LGBTI, youth, migrants, internally displaced persons, women, children and other traditionally excluded groups.
- Generate improved information systems on migrants and internally displaced persons to contribute to decisions involved in the reception, assistance, and reintegration process.
- Provide standardized protocols and best practices to assist in the introduction, and/or management of victim registries related to disappearances, trafficking, migration, and internally displaced persons.
- Provide technical assistance to establish a regional registry to track disappearances as well as genetic database to help identify persons both deceased and living.
- Design special mechanisms to track violations against vulnerable groups regionally, in particular women, LGBTI, children and indigenous groups.
  - *Sub-IR. 3.2.1 Enabling environments for prevention of human rights violations strengthened.*

USAID will work to improve enabling environments for guaranteeing human rights protections and preventing violations in a manner appropriate to national as well as regional contexts. This will be achieved by improving human rights education and awareness, and public policy research and data collection. To improve the enabling environment, USAID/CAM will work with partners to elevate human rights awareness and increase the understanding of society at large, as well as among government officials and the larger human rights community of practice.
  - *Sub-IR. 3.2.2 Responsive actions to address human rights violations expanded.*

Because efforts to prevent human rights violations can sometimes be ineffective and unsuccessful, USAID/CAM will provide assistance to improve the ability of human rights institutions and actors, both government and civil society, that make up national human rights protection systems in the region to respond to and mitigate the immediate effect and harm of these violations. Countries in the region share a number of at-risk populations and individuals whose rights have been violated. In addition to human rights defenders and journalists, the rights of migrants and internally displaced persons, of women and youth, labor organizers, of indigenous peoples and ethnic minorities, LGBTI persons, and pre-trial detainees and prisoners are imperiled. Labor and land rights are also tenuous for many throughout the region.

- *Sub-IR 3.2.3 Sustainable early warning and protection systems for key vulnerable groups developed.*

Work under this Sub-IR will support partners in the region to develop and institutionalize measures to prevent systematic, along with more individualized and localized, forms of human rights violations in the region and reduce to a minimum the harm they cause through early warning and threat assessment.

### **DO 3: The Donor Landscape**

USAID assistance in achieving the regional programming relies on strong partnerships with local governments, donor organizations, faith-based organizations, civil society organizations and the private sector. Activities will be coordinated with local government Ministry of Foreign Affairs, Ministries of Justice and Security, relevant offices addressing human rights including ombudsman offices, public defender offices, attorney general's offices, and other key ministries as appropriate to advance regional activities. Coordination with the private sector and regional networks of judges, prosecutors, youth, civil society organizations and key stakeholders that play a fundamental role in regional programming will be critical. Activities will also coordinate interventions as appropriate with SICA, and USAID/CAM will maintain communication and coordination with the SICA Secretary General's Office and the Office of Democratic Security unit.

Donor coordination will be a priority and critical to complement USAID investments and activities at the regional and national level. Several other bilateral and multilateral donors also provide assistance for citizen security and human rights issues. Organizations that work regionally include but are not limited to the following, the World Bank, German Cooperation Agency, European Union, IDB, Italian Cooperation Agency, Japan International Cooperation Agency, International Labour Organization, and United Nations organizations among others. Regional programming will make donor coordination a key part of implementation and will continue to explore effective ways to engage with regional and bilateral donors.

Civil society organizations will be engaged as critical partners in the implementation of citizen security, good governance, and human rights intervention under USAID regional programming, promoting transparency, responsiveness and accountability. USAID programs will include the active participation of civil society organizations to foster research, analysis and advocacy; monitoring government's performance; building social capital; and developing work to improve the wellbeing of citizens. As appropriate and when possible, USAID programs will promote the engagement of the private sector in the region to invest resources to improve public services.

Across the region, missions are programming in citizen security, civil society and good governance. Specifically, USAID/Honduras is focused on increasing community capacity to mitigate violence, as well as improving justice and security systems in the country. Similarly, USAID/Guatemala programs seek to create a more secure country, with interventions in areas including security and justice sectors, among other related sectors. USAID/Mexico's activities related to this DO include support for the replication of crime and violence prevention models, criminal justice reform, and greater respect for human rights. USAID/Nicaragua activities include civic engagement, and El Salvador's efforts include rule of law and citizen security improvement. Through continued consultations with bilateral counterparts, USAID/CAM programming will complement ongoing work of these missions in human rights and citizen security. Programs under this RDCS will coordinate with USAID/LAC interventions, specifically regional peer

municipalities networking and engagement on crime and violence prevention, and digital and physical security of journalists and investigative reporting.

### **DO 3: Agency Policies and Strategies**

This DO is aligned with many USG and Agency strategic goals and strategies, including CARSI, and the goals of the Central America Citizen Security Partnership. Moreover, it also addresses key elements of three DOs under USAID's Strategy on Democracy, Human Rights and Governance, including, 1) Promote participatory, representative and inclusive political processes and government institutions, 2) Foster greater accountability of institutions and leaders to citizens and to the law, and 3) Protect and promote universally recognized human rights. It is also consistent with the USAID Policy Framework 2011-2015, particularly the Core Development Objectives of, 1) Expand and sustain the ranks of stable, prosperous, and democratic states: Supporting the next generation of democratic transitions and 2) Prevent and respond to crisis, conflict and instability: Applying development approaches in fragile and conflict-affected states.

In accordance with USAID's Youth in Development Policy, DO 3 will contribute to reach the Goal: "Improve the capacities and enable the aspirations of youth so that they can contribute to and benefit from more stable, democratic, and prosperous communities and nations." With its significant emphasis on human rights and participation, the DO firmly embraces the goals of the USAID Gender-Based Violence Strategy and will adhere to the USAID Gender Equality and Female Empowerment Policy.

### **DO 4: HIV prevalence in Central America contained.**

The overall purpose of this DO is to contain HIV prevalence in Central America. To achieve this, USAID will join resources and coordinate initiatives with other USG agencies and other donors, resulting in a more robust and more effective response to the region's epidemic. Activities under this DO will be implemented in partnership with bilateral government agencies of six Central American countries as well as regional governance bodies and civil society organizations. Joining efforts in this way can effectively contain the epidemic, thus avoiding infection transmission to the general population, while simultaneously supporting those infected to live longer with a better quality of life. Activities will benefit the region and specific departments of Belize, Guatemala, El Salvador, Honduras, Nicaragua, and Panama.

At this stage of the epidemic, policies and program gaps still pose significant barriers to reducing HIV and mitigating its impact on households, health systems, and national social and economic development. Increased collaboration to maximize synergies and integrate programming efforts should provide an opportunity to overcome some of these barriers by expanding prevention services for key populations, strengthening community-based care and support, decreasing stigma and discrimination related to HIV, facilitating the identification of individuals needing testing, treatment and care, improving strategic information and intensifying efforts to implement appropriate policies that provide an environment to more effectively address HIV in the region. It is also important to coordinate strategic planning activities at national and regional levels and to promote evidence-based policies and programs related to HIV prevention, care, and treatment. USAID support can be provided as direct service delivery or technical assistance, depending on the country. Direct service delivery includes key staff, technical assistance, or commodities and at least quarterly support to improve the quality of services.

- **IR 4.1: Effectiveness of comprehensive prevention, care, and treatment services increased.**

USAID will strengthen HIV prevention practices and services directed to key populations, including men who have sex with men (MSM), sex workers, and transgender populations, and interventions in Honduras will also target the Garifuna population. The activities will promote behavior change to decrease infection rates and enhance detection, care, and treatment in some specific sub-national units. The geographical focus will allow for saturation of services in each area to have a major impact on the epidemic. The program will support host country governments to effectively and efficiently lead national and regional responses to achieve the national goals set by the countries as part of the continuum of care concept. Under the worldwide goals of 90-90-90 which lays out an ambitious treatment target that by 2020, 90 percent of all people living with HIV will know their HIV status, 90 percent of all people with diagnosed HIV infection will receive sustained antiretroviral therapy, and 90 percent of all people receiving antiretroviral therapy will have viral suppression. USAID efforts will support the countries' endeavors to accelerate control of the epidemic in the most affected areas and with the most affected populations in future years.

Activities will also support health system strengthening, building the capacity of countries to more effectively reach key populations and monitor and use information to make sustainable evidence-based decisions in close coordination with all key stakeholders in the region.

#### **Illustrative Activities:**

- Prevention programs targeted for key populations, including peer outreach, small group prevention activities and prevention activities in “hot spots”, mainly focused on promoting behavioral change.
- Service provision related to the procurement, distribution, and marketing of condoms and lubricants.
- Establishment of NGO networks to provide high quality prevention services; build the capacity of local NGOs to support the implementation of evidence-based, quality HIV prevention services for key populations in compliance with new ministry of health (MOH) funding mechanisms.
- Provision of HIV testing and counseling across the range of community and facility-based settings, including mobile units to increase key populations' ability to access the HIV test.
- Support for programs that provide timely entry into medical care and retention, after HIV positive diagnosis.
- Strengthen reference systems between community services, local clinics and HIV Comprehensive Units.
  - *Sub IR 4.1.1 HIV prevention and diagnosis services focused on key populations increased.* Activities will include diverse types of modalities to increase the coverage of people tested, such as mobile units, HIV testing days, online references and vouchers, private clinic enrollment, among others. Besides increasing the availability of service offerings, it is important to simultaneously accelerate the sensitization and training of health workers. All of these will result in an enabling environment for key populations that facilitates the diagnosis process, as well as supports an effective system for reference from the places where they are reached to the places where HIV tests are taken. New

cases will be tracked through the input of the data collected into the national and homogenous system to track new cases.

- *Sub IR 4.1.2 Positive populations' enrollment, retention, and treatment in HIV qualified health care centers and community services improved.*

USAID will help countries to improve the quality, coverage, and linkages to comprehensive HIV services, bringing HIV positive people to viral suppression. These activities will be complemented with health systems strengthening interventions, including capacity building in laboratory services, supply chain management, human resources, and quality improvement.

#### **IR 4.2: Health systems strengthened and sustained.**

Most countries in the region have supportive legal frameworks and national strategic plans are in place to respond to the HIV epidemic. However, the poor implementation of HIV laws and national policies, as well as the lack of sanctions for non-compliance, greatly reduce the efficacy of these laws. In addition, non-health sectors are not meaningfully engaged in HIV policy design or implementation, and this greatly constrains the impact of HIV laws and policies.

For example, conservative cultural norms about sexuality and a strong normative preference towards heterosexuality are reflected in the lack of political leadership to implement human rights laws to guarantee the protection and equality of key populations. Reflecting broad public intolerance for sexual diversity, policies do not adequately address gender-based violence against transgender women and MSM.

HIV policies are often not well linked to other larger national policies, such as a country's national development strategy or poverty reduction strategy, which reduces their impact, isolating them as stand-alone policies, with isolated financing. USAID will support NGOs and advocacy groups to play a critical role in holding governments accountable for their policies and financial commitments related to HIV/AIDS.

#### **Illustrative Activities:**

- Development and implementation of policy, advocacy, guidelines, and tools (including developing national adherence strategies).
- Capacity building activities that strengthen national, departmental and municipal health systems to increase quality of HIV services for key populations or patients.
- Strengthen the national HIV/AIDS monitoring and evaluation system based on the Joint United Nations Programme on HIV and AIDS (UNAIDS) 12 components model.
- Share among key actors methods, tools, best practices, and lessons learned focused on the HIV cascade to monitor the HIV epidemic.
- Technical assistance to develop and implement HIV and GBV prevention policies.
- Increase the organizational capacity within ministries of health to establish and carry out effective funding mechanisms, management and stewardship of local NGOs to provide HIV prevention services.

- *Sub IR 4.2.1: Capacity and competency of governmental and non-governmental health organizations to respond to the increased demand built.*

The strengthening of governmental and non-governmental health organizations is a critical factor for improving uptake of health services to respond to the increased demand. It is important to address the barriers that limit access for vulnerable people, and ensure provision of relevant information and skills, client-friendliness, and accessibility to services. This capacity building will include mapping the locations and capacity of all service organizations working on the HIV response, and developing their capacity through training and tools such as protocols, manuals, and norms. USAID programs will prioritize capacity building and systems strengthening interventions that build strong leadership and governance, particularly those that strengthen the social service workforce and system.
- *Sub IR 4.2.2: Non-health sector organizations involved in the HIV response increased and strengthened.*

There is a general consensus that a true multi-sector response is required to achieve more effective implementation of national and regional HIV policies. USAID will work to involve stakeholders from a wide range of sectors and at various levels of government in the policy process to ensure more effective implementation of policies and continuity, particularly during periods of political transition.
- *Sub IR 4.2.3: Sustainable national investments in HIV increased.*

Governments in Central America currently finance HIV programs at varying levels. While countries demonstrate increased ownership of specific components of the HIV response (particularly in relation to treatment, care, and support activities), prevention activities remain quite dependent on international cooperation. USAID will strengthen country capabilities and ownership to establish leadership and improve skills and performance to manage the limited resources available and, in the near future, lead the response to the epidemic.

In a joint effort, the Central American countries and USAID developed a Regional Sustainability Strategy which is being adopted by each country to progressively absorb the cost of the epidemic. USAID will continue to support the development and implementation of the national and regional strategies to ensure the appropriate national investments in combatting the epidemic.

- **IR 4.3: Knowledge management system adopted.**

USAID will continue investing in the generation, dissemination, and use of HIV strategic information for evidence-based decision making. Despite the progress made in managing knowledge, it is still a challenge to generate, disseminate, and use the right knowledge at the right time, in the right places. USAID will develop and adopt a comprehensive knowledge management framework in Central America. USAID has the opportunity to be more efficient and effective at improving the strategic information strategy focusing on streamlining processes, increasing external generation, improving knowledge transfer quality, and creating local capacity and sustainability. Overall, this IR will endeavor to strengthen the generation, dissemination and efficient use of strategic information, knowledge about the epidemic, and the registry of national response actions for decision-making.

### **Illustrative Activities:**

- Technical assistance to improve key population size estimation in coordination with UNAIDS and the Global Fund.
- Technical assistance to develop coverage assessments for HIV services among key populations and identify current service provision gaps.
- Technical assistance to develop local capacity for rigorous evaluation methods; activities may include virtual training on HIV, applied research for local partners, and virtual support to develop research products.
  - *Sub IR 4.3.1 Geographic and population focused planning strengthened.*

To improve HIV strategic planning in support of the continuum of care, USAID will strengthen the methodologies for estimating key populations size and the providers of services to key populations to identify gaps in the access of these people to critical HIV services. Priority areas for these interventions are based on the 2013 PEPFAR evaluation in Central America and include strengthening local capacities to perform and use epidemic data on key populations for decision making, and promoting the integration of HIV information systems.
  - *Sub IR 4.3.2 Innovation and research on interventions for key populations and people living with HIV/AIDS developed.*

The purpose of this sub-IR is to harmonize reporting methods, frequency, and content, as well as support the identification of barriers and major factors that are preventing the priority areas for these interventions are based on the 2013 PEPFAR evaluation in Central America. Activities under this Sub-IR will strengthen local capacities to improve data collection and use for decision making, and conduct sociological and anthropological studies among key populations and people living with HIV/AIDS.

### **DO 4: The Donor Landscape**

USAID and other donors in the region including, the Global Fund to Fight AIDS, Tuberculosis and Malaria, UNAIDS, UNICEF, Spain Cooperation and Development Agency, the Swedish government, the Norwegian government, and the Canadian International Development Agency work to coordinate efforts in this arena.

### **DO 4: Agency Policies and Strategies**

The goal of PEPFAR is to advance progress toward sustainable control of the HIV epidemic and, ultimately, achieve an AIDS-free generation. PEPFAR's five core principles, including 1) Work with partner countries, 2) Focus on women and girls to increase gender equality in HIV services, 3) End stigma and discrimination against people living with HIV and key populations, 4) Set benchmarks for outcomes and programmatic efficiencies through regularly assessed planning and reporting processes, and 5) Work strategically to achieve results, are aligned with USAID's Gender Equality and Female Empowerment Policy, and the USAID Youth in Development Policy.

## **ANALYSES, EVALUATIONS, AND EVIDENCE TO INFORM STRATEGY PROCESS**

The RDCS relied on evidence to support decision-making throughout the design process. Lessons learned from evaluations helped inform effective and evidence-based activities, as illustrated in the

RDCS. Moreover, USAID/CAM relied upon the large base of knowledge that exists throughout the region, and will continue to utilize evaluations, assessments, case studies and other such material from Central American missions and other sources to refine the work proposed in this strategy.

A complete list of the analyses, evaluations, and evidence used for strategy development is too extensive for inclusion. However, highlighted below are a few of the most influential and informative documents that helped guide the RDCS.

- A regional gender analysis was completed in September 2015.
- Gender analyses from missions in the region.
- A Tropical Forestry and Biodiversity 118, 119 analysis and regional climate change vulnerability assessment, including a review of the impacts of climate change on priority development sectors is underway and will be completed by the end of the calendar year. Recognizing the importance of this analysis, and its relevance to cross-sectoral activities under the RDCS, CAM will draw heavily on this for project design. Once the analysis is completed, USAID will take the results into consideration for programming across all DOs, as this is an integral and vital part of our work in the region.
- Democracy, Human Rights, and Governance assessments from missions in the region.
- Impact Evaluation of USAID's Community-Based Crime and Violence Prevention Approach in Central America.

## **USAID FORWARD**

USAID/CAM is committed to the tenets of USAID Forward, including delivering results on a meaningful scale, throughout the region, and promoting sustainable development through partnerships with host country governments, regional institutions, local organizations, and the private sector. Further, USAID/CAM believes the position of a regional program is especially conducive to piloting and scaling up innovative, proven solutions, and will seek opportunities to do so throughout the life of the RDCS.

### **Local Solutions**

The RDCS will work strategically with local partners through innovative mechanisms and will continue to build the capacity of local institutions by strengthening regional entities and organizations, thus ensuring ownership and sustainability of development activities.

### **Science, Technology, Innovation, and Partnerships**

USAID/CAM supports science, technology, innovation, and partnerships (STIP) across different sectors and is well-positioned to accelerate STIP development in Central America. Activities will support and build local institutions and leaders who are working to advance development in the region. This will be accomplished by raising the quality of science and technology development to an international standard and by promoting the expansion of locally-produced innovative solutions to local, national, and regional development challenges. USAID/CAM will support the development of innovative practices and tools that will promote evidence-based decision making and build capacity in the region to address major development challenges over the long term. These practices and tools will be constructed so that they



can be leveraged by multiple stakeholders, including government officials, scientists, students, institutions, and the private sector.

USAID/CAM has integrated STIP across the regional portfolio. For example, to confront the impacts of climate change, the Regional Climate Change Program is developing an online platform for distributing geospatial data, analyses, and tools that will improve regional scientific knowledge and promote evidence-based decision making. Along the coasts of Central America, in order to secure sustainable fishing practices, CAM has trained fishermen to construct and use “suripera” nets. This technology was originally developed in Mexico and was specifically designed to harvest shrimp with minimal fishing effort, minimal bycatch of non-target species, and minimal physical degradation of the ecosystems where fishing occurs.

Future activities will continue to stress the use of scientific data, analyses, and innovative tools as a foundation for generating long-term, sustainable development goals, especially in the key sectors identified in this RDCS.

Moreover, building on past success in partnerships, such as the Better Coffee Harvest Project which pairs USAID/CAM with the J.M. Smucker Company and the PIMCO Foundation to increase coffee productivity in the region, USAID/CAM will seek to identify strategic partners that share the goals and objectives identified in this strategy and leverage funds with private sector contributions. Opportunities to make advances, leveraging USAID’s resources, to achieve greater impact will be explored across all DOs.

Overall, this RDCS will seek all potential opportunities to integrate science, technology, innovation, and partnerships to maximize development results.

## **MONITORING, EVALUATION, AND LEARNING**

USAID/CAM will apply monitoring and evaluation practices to understand the way in which its interventions are impacting the region, and enable the mission to make any necessary course corrections during the course of the strategy.

Specifically, monitoring includes the definition of indicators at each level of the strategy to check progress made through projects and activities. This monitoring becomes a tracking mechanism to influence future program and project design and implementation to optimize resource use for the best expected results. Monitoring efforts will persistently seek to verify the progress of specified indicators, as well as the causal linkages to higher levels within the strategy. This involves the rigorous, consistent and timely collection of indicator data, in addition to regular consultation with stakeholders and implementing partners. Timeliness and the establishment of solid channels of communication will be essential to ensure the ability to make adjustments and course corrections before projects reach an end.

To capture all aspects of monitoring and evaluation, and ensure the RDCS evolves with new information, the Mission will apply a Collaboration, Learning and Adapting (CLA) approach consisting of three key elements:

- *Collaboration*: establishing systems and networks of reporting and communication among USAID/CAM, bilateral missions, and appropriate stakeholders.

- *Learning*: monitoring indicators, generating systems for data analysis, assessing progress through the lens of the development hypothesis.
- *Adapting*: utilizing evidence to enhance program and project management and performance to strengthen results.

Moreover, USAID/CAM’s monitoring, evaluation, and learning approach will support the CEN Learning Agenda. Through evaluations, assessments, consistent monitoring, and the multi-level coordination approach outlined in the RDCS, USAID/CAM will look to increase knowledge of effective approaches, facilitate sharing of best practices, and leverage the role of the regional program to help identify gaps and opportunities for learning.

## Monitoring

USAID/CAM will track progress towards the RDCS objectives through the following illustrative indicators:

	Indicators
<b>Goal: A more inclusive, prosperous, transparent, and safe Central American region</b>	<b>Custom Human Development Index 4-15: Growth in (real) gross domestic product (GDP) per capita</b>
<b>DO 1: Regional economic integration increased</b>	<b>4.2-10 Foreign trade (X+M) as a percentage of GDP Custom Trading across borders Rank</b>
IR 1.1: Regional trade expanded	<b>Custom Percentage change of value of exports of targeted agricultural commodities as a result of USG assistance</b>
Sub IR 1.1.1: Trade facilitation improved	<b>Custom Number of Policies/Regulations/Administrative Procedures for trade facilitation in each of the following stages of development as a result of USG assistance: Analyzed, drafted and presented for public/stakeholder consultation, presented for legislation/decreed, passed/approved, passed for which implementation has begun</b>
Sub IR 1.1.2: Transportation modernized and logistics efficiency improved	<b>Custom Transaction cost per ton in selected value chains receiving USG assistance</b>
Sub IR 1.1.3: Technical barriers to trade reduced	<b>Custom Number of special regional trade mechanisms introduced and systematically documented to allow for replication in other value chains or geographic zones Custom Average number of days to comply with business regulations for processed food</b>
IR 1.2: Expanded markets and investment in key sectors increased	<b>4.5-23 Value of incremental sales (collected at farm-level) attributed to Feed the Future implementation</b>
Sub IR 1.2.1: Agriculture value Advanced chain enhanced	<b>4.5-2-5 Number of farmers and others who have applied new technologies or management practices as a result of USG assistance</b>
Sub IR 1.2.2: Private sector productive and competitive capabilities strengthened	<b>4.5-2-11 Number of food security private enterprises (for profit), producers organizations, water users associations, women’s groups, trade and business associations, and community-based organizations (CBOs) receiving USG assistance 4.5-2-12 Number of public-private partnerships formed as a result of Feed the Future assistance</b>
<b>DO 2: Regional climate-smart economic growth enhanced</b>	<b>Custom Environmental Performance Index (EPI)</b>
IR 2.1: Low-carbon development increased	<b>4.8-7 Greenhouse gas (GHG) emissions, estimated in metric tons of CO2e, reduced, sequestered, and/or avoided as a result of USG assistance 4.8-2-14 Number of institutions with improved capacity to address climate change issues as a result of USG assistance</b>

Sub IR 2.1.1: Regional climate-smart land use practices scaled-up	<b>Custom Number of stakeholders implementing low-emission practices as a result of USG assistance</b>
Sub IR 2.1.1: Investment in low-emissions solutions expanded	<b>4.8.2-10 Amount of investment mobilized (in U.S. dollars) for climate change as supported by USG assistance</b> <b>4.3.2-6 Amount of private sector financing mobilized with DCA guarantees</b>
IR 2.2: Resiliency of humans and the environment to climate change impacts increased	<b>4.8.2-26 Number of stakeholders with increased capacity to adapt to the impacts of climate change as a result of USG assistance</b>
Sub IR 2.2.1: Access to quality climate data for decision-making increased	<b>Custom Number of stakeholders using climate change information in decision-making as a result of USG assistance</b>
Sub IR 2.2.2: Evidence-based climate-resilient practices adopted	<b>Custom Number of stakeholders implementing risk reducing practices as a result of USG assistance</b>
IR 2.3: Trans-boundary natural resource management strengthened	<b>4.8.1-26 Number of hectares of biological significance and/or natural resources under improved natural resource management as a result of USG assistance</b> <b>4.8.1-1 Number of hectares of biological significance and/or natural resources showing improved biophysical conditions as a result of USG assistance</b>
Sub IR 2.3.1: Regional environmental governance improved	<b>4.8.2-28 Number of laws, policies, strategies, plans, or regulations addressing climate change and/or biodiversity conservation officially proposed, adopted, or implemented as a result of USG assistance</b>
Sub IR 2.3.2: Environmentally sustainable livelihoods expanded	<b>4.8.1-6 Number of people with increased economic benefits derived from sustainable natural resource management and conservation as a result of USG assistance</b>
<b>DO 3: Regional human rights and citizen security improved</b>	<b>Custom Homicide rate per 100,000 inhabitants</b>
IR 3.1: Regional capacity to address citizen security through more coordinated governance systems improved	<b>Custom Number of regional networks addressing citizen security established with USG support</b> <b>Custom Number of citizen security indicators monitored by USG supported countries</b>
Sub IR 3.1.1: Increased regional capacity for citizen security data collection and analysis	<b>Custom Number of evidence-based policies developed to improve citizen security</b>
Sub IR 3.1.2: Dissemination of citizen security best practices through regional networks expanded	<b>2.4.1-9 Number of Civil society Organizations (CSOs) receiving USG assistance engaged in advocacy interventions</b>
Sub IR 3.1.3: Sustainable Regional Capacity for Violence Prevention and Interruption Increased	<b>Custom Number of innovative crime prevention models implemented</b>
IR 3.2: Human rights standards and protection systems strengthened.	<b>Custom Number of policies protecting human rights strengthened/established with USG support</b> <b>Custom Number of human rights monitoring systems established with USG support</b>
Sub IR 3.2.1: Enabling environments for preventing human rights violations improved	<b>Custom Number of institutions strengthened to educate on human rights issues</b>
Sub IR 3.2.2: Responsive actions to address human rights violations expanded	<b>Custom Number of regional networks strengthened with USG support</b>

Sub IR 3.2.3: Sustainable early warning and protections systems for key vulnerable groups in place	<b>Custom Number of resources developed to analyze human rights threats and violations</b>
<b>DO 4: HIV prevalence in Central America contained</b>	<b>Custom HIV incidence</b>
IR 4.1: Effectiveness of comprehensive prevention, care, and treatment services increased	<b>3.1.1-66: Number of the targeted population reached with individual and/or small group level HIV prevention interventions that are based on evidence and/or meet the minimum standards required</b>
Sub IR 4.1.1: HIV prevention and diagnosis services focused on key populations increased	<b>3.1.1-24: Number of individuals who received HIV testing and counseling services and received their test result.</b>
Sub IR 4.1.2: Positive populations' enrollment, retention, and treatment in HIV qualified health care centers and community services improved	<b>3.1.1-78: Percent of adults and children known to be alive and on treatment 12 months after initiation of antiretroviral therapy</b>
IR 4.2: Health systems strengthened and sustained	<b>Custom Existence of national HIV/AIDS M&amp;E systems based on the UNAIDS 12 components model</b>
Sub IR 4.2.1: Capacity and competency of governmental and non-governmental health organizations to respond to the increased demand built	<b>3.1.1-79: Number of testing facilities (laboratories) with capacity to perform clinical laboratory tests</b> <b>3.1.1-81: Number of new health care workers who graduated from a pre-service training institution within the reporting period</b>
Sub IR 4.2.2: Non-health sector organizations involved in the HIV response increased and strengthened	<b>Custom Number of non-health sector organizations participating in the HIV response</b>
Sub IR 4.2.3: Sustainable national investments in HIV increased	<b>Custom Value in US dollars of domestic and international HIV/AIDS-related investment</b>
IR 4.3: Knowledge management system adopted	<b>Custom Number of countries using KP denominators at SNU level</b>
Sub IR 4.3.1: Geographic and population focused planning strengthened	<b>Custom Number of studies developed to assess KPs size estimation methods and HIV services coverage among KPs</b>
Sub IR 4.3.2: Innovation and research on interventions for KPs and PLWHA developed	<b>Custom Number of HIV-related evaluations performed by Central American teams</b>
<b>Cross-cutting issues</b>	
Gender Equality and Female Empowerment	<b>GNDR-2: Proportion of female participants in USG-assisted programs designed to increase access to productive economic resources (assets, credit, income or employment)</b>

To comply with the USAID Gender Equality and Female Empowerment Policy, and the USAID Youth in Development Policy, all people-level indicators must be disaggregated by sex and age. One crosscutting gender sensitive indicator will be monitored: GNDR-2 "Proportion of female participants in USG-assisted

programs designed to increase access to productive economic resources (assets, credit, income or employment).” Since this indicator is built based on several people-related indicators of different activities, data will vary according to each activity, which contain different approaches with regard to the proportion of female participants.

### **Evaluation**

Evaluations will examine whether interventions under the RDCS are achieving the intended results and generate learning opportunities to inform future program designs. A full evaluation plan will be completed, as part of the Performance Management Plan (PMP) when the RDCS is approved, identifying at least one high-quality performance evaluation to be conducted of each large project and exploring opportunities for rigorous impact evaluation for each DO, to determine the results of USAID interventions and projects. From these evaluation findings, USAID/CAM is committed to adaptive management by quickly responding to implementable recommendations, incorporating lessons learned into follow-on projects and activities, and adapting to both internal and external changes during the period of implementation.

Evaluation questions will be further refined as the RDCS progresses in implementation, but high-priority illustrative evaluation questions for each DO have been identified to test its Development Hypothesis and the strength of assumptions and linkages underlying each objective below.

#### Illustrative evaluation questions for DO1

##### *Performance Evaluation Questions:*

1. To what extent institutional or behavioral changes in each country’s central government (including customs and other border control agencies) that ensure long-term sustainability of trade facilitation interventions have been achieved?
2. Which types of investments have generated the greatest opportunities for employment, particularly among vulnerable groups?
3. To what extent has USG assistance to borders in Central America met the private sector needs and priorities?

##### *Impact Evaluation Question:*

4. What changes in intra-regional trade have been achieved as a result of USAID interventions in logistics?

#### Illustrative evaluation questions for DO2

##### *Performance Evaluation Questions:*

5. How are stakeholders receiving training and technical assistance using their new knowledge to improved biodiversity conservation in Central America?
6. What are the primary contributing factors to the achievement of energy integration in the region? What are the primary hindrances?
7. To what extent were different climate change-related tools and policies developed in the regional environmental program as planned?

##### *Impact Evaluation Question:*

8. To what extent has USAID contributed to change biodiversity conditions in Central America?

### Illustrative evaluation questions for DO3

#### *Performance Evaluation Questions:*

9. To what extent have RDCS supported interventions effectively protected vulnerable populations (women, LGBTI, persons with disabilities, youth and children)?
10. To what extent did the Project build sustainable regional capacity of civil society and government institutions to address citizen security?
11. To what extent were successful tools and models replicated across the region to address crime and violence?

#### *Impact Evaluation Question:*

12. In what way has the human rights environment changed in Central America due to USG-supported awareness-raising activities on non-discrimination and other human rights issues?

### Illustrative evaluation questions for DO4

#### *Performance Evaluation Questions:*

13. Which external factors have contributed to, positively and negatively, key population's enrollment in and retention with health care centers?
14. In what ways has USAID's proposed approach contributed to a sustainable regional response?

#### *Impact Evaluation Question:*

15. To what extent innovation and research on interventions for key populations has contributed to change the prevalence of HIV in Central America?

Further, USAID/CAM will examine the extent to which closing gender gaps has improved project outcomes and whether the project has transformed gender norms and reduced gender gaps, and whether any particular sub-groups, for example, different age groups, and people with disabilities, are affected disproportionately. The following gender and social inclusion illustrative evaluation question has been identified:

16. How did the results of the interventions affect women and men differently?

Please note that this evaluation question will be adapted to the specific evaluation to be conducted under each Development Objective.

### **Learning**

This component will ensure that innovation, sectoral research, and evaluation findings are shared across the region, both with internal and external actors, and within the larger LAC context. Because USAID/CAM is trying a truly collaborative approach to regional programming, one that includes the inputs and feedback of multiple bilateral missions, this learning approach will be increasingly important throughout the life of the strategy.

USAID/CAM will look to adaptive management to better achieve sought after results and impacts through the systematic, iterative, and planned use of new knowledge and learning throughout the implementation of the strategy. This may include adaptation of existing activities and approaches to better utilize funds. Specifically, USAID/CAM will seek to:

- Provide opportunities for DO teams to review and assess assumptions and hypothesis throughout the life of the strategy, enabling time to reflect on the course and strategic vision, given any changes in the environment.
- Test the development hypothesis, both at the Goal level, and the IR and Sub-IR levels, to review its efficacy. This can be accomplished through evaluations, assessments, studies and evidence and experience summits on an on-going basis.
- Improved activity and program-level monitoring and evaluation practices that will better engage technical staff and AOR/CORs to see a whole-of-project picture and generate usable information for improved analysis and future design.

Further, through these processes, USAID/CAM will seek to systematically examine progress, and compare the current course against any alternatives. By reviewing the RDCS for suitability, desirability, feasibility, and acceptability, USAID/CAM will strive to maximize development results through the most effective use of funds and investments. Specifically, dialog will be guided by the following illustrative questions:

- Suitability - Does the RDCS goal serve the broader national and USG interest?
  - Does the RDCS impact the CEN goals?
  - Does the RDCS impact the Alliance for Prosperity goals?
  - What trade-offs are being made to pursue the current strategy?
- Desirability - Do the benefits derived from work under this strategy align with the regional governments' will and desire to achieve similar results?
- Feasibility – Does the RDCS employ and utilize the best instruments and mechanisms by which to achieve the desired results?
  - Are there other considerations that need to be made? For example, has the capacity of the host country or countries changed since the strategy was developed and is it or they still able to absorb the intended resources?
  - Has the status of any key players changed so as to alter the path of RDCS progress?
- Acceptability - Is the strategy still consistent with norms and values that informed its development?
  - Is the RDCS still in alignment with international norms and laws?

Overall, we will seek to evaluate our assumptions and hypothesis through periodic reviews and dialogue, through the processes and questions detailed above, ensuring CAM is consistently placing itself on the forefront to achieve development results in the region.

## **ANNEXES**

### **Annex 1: Development Objectives by Central American Mission**

### **Annex 2: Expanded Results Framework**

**Annex 1: Development Objectives by Central American Mission**

<i>Mission</i>	<i>DO#1</i>	<i>DO#2</i>	<i>DO#3</i>	<i>DO#4</i>
<b>El Salvador</b>	<b>Citizen security and rule of law in targeted areas improved</b>	<b>Economic growth opportunities in tradables expanded</b>		
	Justice, Transparency and Accountability in Key Institutions Improved	Business Enabling Environment Improved		
	Crime and Violence in Targeted Municipalities Reduced	Productivity of Targeted Businesses Increased		
<b>Guatemala</b>	<b>Greater security and justice for citizens</b>	<b>Improved levels of economic growth and social development in the Western Highlands</b>	<b>Improved management of Natural resources to mitigate impacts of global climate change</b>	
	Improved effectiveness and efficiency of security and justice sector institutions	Broad based economic growth and food security improved	Market-driven conservation and management strategies implemented	
	Reduced levels of violence in targeted communities at risk	Access to and use of sustainable quality health care and nutrition services expanded	Vulnerability to the effects of global climate change reduced	
		Education quality and access improved	Environmental governance strengthened	
<b>Honduras</b>	<b>Citizen security increased for vulnerable populations in urban, high crime areas</b>	<b>Extreme poverty sustainably reduced for vulnerable populations in western Honduras</b>		
	Resilience of communities and individuals to crime increased	Resilience of livelihoods increased		
	Performance of national and municipal justice and security systems improved	Incomes increased		
		Human capital improved, with a focus on children		
<b>Nicaragua</b>	<b>Citizens' ability to engage in democratic governance</b>	<b>Safety and competitiveness of at-risk children and youth on the Southern Caribbean Coast improved</b>		
	Effectiveness of local governance improved	Reading performance improved		
	Advocacy for democratic processes increased	Work force and life skills increased		
	Dissemination of independent information increased	Community engagement in creating a positive environment for at-risk children & youth increased		
<b>Mexico</b>	<b>Crime and violence prevention models replicated by local stakeholders</b>	<b>Constitutional criminal justice reforms of 2008 are operational</b>	<b>Enabling environment to protect human rights and prevent abuses improved</b>	<b>Greenhouse gas emission reduced in targeted key sectors</b>
	Multi-sectoral collaboration in target communities increased	Legislative framework strengthened.	GOM systems to protect human rights and prevent violations strengthened	Climate change regulatory framework strengthened.
	At- risk youth capacity to play a productive role in their communities increased.	Justice sector actors promote and implement the new criminal justice system	Civil society effectively advocates for the protection of human rights in target states	Sustainable financial models for climate change mitigation implemented
	GOM capacity to prevent crime and violence strengthened.		GOM accountability and transparency strengthened.	Institutional and technical capacity strengthened



## Annex 2: Expanded Results Framework

